



# SCALING NEW HEIGHTS

TWENTY YEARS OF TRANSFORMATION

ANNUAL REPORT 2024



# DIGITAL TRANSFORMATION JOURNEY



## OUR VISION



To become a dynamic and efficient Bank providing integrated solutions in order to be the first choice bank for the customers

## OUR MISSION



To provide value added services to our customers

To provide high tech innovative solutions to meet customers' requirements

To create sustainable value through growth, efficiency and diversity for all stakeholders

To provide a challenging work environment and reward dedicated team members according to their abilities and performance

To play a proactive role in contributing towards the society

## CORE VALUES



Integrity

High Performance

Excellence in Service

Innovation and Growth



# SCALING NEW HEIGHTS: TWENTY YEARS OF TRANSFORMATION

This year's Annual Report, *Scaling New Heights: 20 Years of Transformation*, draws inspiration from our recent K2 Base Camp trek—a journey that mirrors our two-decade-long commitment to sustainability, resilience and growth. Just as the K2 expedition demanded meticulous planning, teamwork and determination, our journey over the past 20 years has been defined by strategic vision, innovation and an unwavering focus on creating lasting impact.

During the expedition, our team collected 1,200 kilograms of trash, reinforcing our dedication to environmental stewardship. We also conducted awareness sessions for local communities, promoting sustainability and responsible waste disposal—reflecting our belief in empowering people and fostering long-term change.

This theme encapsulates our evolution—navigating complex challenges, adapting to an ever-changing landscape and emerging stronger, just as our K2 team did. It also serves as a reminder that true success isn't just about reaching the summit; it's about the legacy we leave behind—through sustainable practices, community engagement and transformative financial solutions.

As we celebrate 20 years of transformation, this Annual Report reflects on the milestones we've achieved, the challenges we've overcome and the future we are building. We have scaled new heights in financial innovation, customer-centric solutions and sustainable practices—all while remaining steadfast in our commitment to the communities we serve.

# ABOUT THIS REPORT

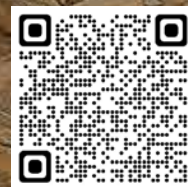
This Annual Report is prepared in accordance with the following regulations, frameworks and guidelines:

- The International Integrated Reporting <IR> Framework issued in December 2014 by the International Integrated Reporting Council.
- The Banking Companies Ordinance, 1962
- The Companies Act, 2017
- The Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan.
- International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.
- Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan.
- Directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

This report is published within three months of the date of the Statement of Financial Position and is available in two mediums to cater the need of our various readers.

- A limited number of printed reports have been produced to be dispatched to those who have requested for the same.
- Readers can view and download our report through following weblink / QR Code:

<https://www.abl.com/investor-relations/financials/financial-reports/?consumernumber=>



# PRESERVING HERITAGE AND CULTURE

الأميرك بيتش

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# ADOPTION OF INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

## Scope

Adoption of International Integrated Reporting Framework assists our readers in assessing our business by providing information about the state of affairs, connection between its financial and non-financial information, overall performance and outlook of the Bank in the form of a detailed qualitative and quantitative analysis. It fairly addresses the material matters pertaining to sustainability of the Bank and its integrated performance and describes the value creation process concisely including the business model, strategies, governance, processes, risks and opportunities. Integrated report benefits all stakeholders interested in the Bank's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers. The report provides an overview of the Bank's philosophy and value creation business model which enhances the user's understanding as to how the Bank is working to improve its performance keeping in view the stakeholders' interest.

The Bank has fully adopted the International Integrated Reporting Framework and is providing the information in annual report based on the fundamental concepts and guiding principles of the framework.

There are three fundamental concepts underpinning Integrated Reporting;

- Value creation, preservation or erosion for the Bank and for others.
- The capitals, which are identified in the Framework as financial, manufactured, intellectual, human, social and relationship and natural capital.
- Process through which value is created, preserved or eroded.

## Contents

The Bank has disclosed following key categories of information as required to be included in the Integrated Report under the Framework;

- Organizational overview and external environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Business Model
- Governance
- Performance

- Outlook
- Basis of Preparation and Presentation

In addition, the Bank has also disclosed regulatory information which includes Directors' Report, Chairman's Message, Statement of Compliance with Code of Corporate Governance, Report of Shariah Board and External auditors' reports.

The Bank has followed the guiding principles of the Integrated Reporting Framework which strengthen the preparation of an Integrated Report, information content of the report and how this information is presented. These guiding principles include;

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

## Boundaries

The Annual Report is made for the general public to assess and analyze the Bank's business and performance. The readers of this report can refer to different sections depending upon their requirements.

The Bank's Annual Report covers the period from January 01, 2024 to December 31, 2024 and is consistent with our annual reporting cycle for financial and integrated reporting. Subsequent events up to the issuance of this report have also been explained in various sections of the Annual Report.

The report also includes the financial statements of the Bank which have been prepared under the Corporate Reporting Framework comprising of International Financial Reporting Standards (IFRS), Islamic Financial Accounting Standards (IFAS), Companies Act 2017, Banking Companies Ordinance 1962, and the directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

Independent External Auditors, M/s EY Ford Rhodes Chartered Accountants have provided assurance on the Bank's financial statements and their report is included in the Annual Report.

# ABOUT ALLIED BANK

Allied Bank Limited was the first bank to be established in Pakistan. The Bank started its operations in Lahore by the name Australasia Bank before independence in 1942; upon nationalization in 1974, it was merged with 3 other banks and the name was changed to Allied Bank of Pakistan Limited. In August 2004, SBP under Scheme of Reconstruction transferred its ownership to a consortium of Ibrahim Group; consequently, the new management renamed the entity as Allied Bank Limited in 2005.

The Bank offers full suite of banking products and services through a large network of 1,510 (Conventional: 1,348; Islamic: 160; Overseas: 1; EPZ: 1) online branches in over 601 cities and towns. The Bank also have vast network of 1,604 ATMs across Pakistan.

While holding on its rich legacy, the Bank embarked on a transformation journey, with a focus on digitization to improve productivity and customer convenience.

The Bank is forging new frontiers in creating sustainable value through high standards of corporate governance, digitization and superior asset quality, consequently, maintaining robust financial position with stable profitability.

## Credit Rating

The Bank is among the league of selected few, which have been awarded highest long-term and short-term entity credit ratings of AAA (Triple A) and A1+ (A One Plus) respectively by PACRA.

## Corporate Governance Rating

VIS Credit Rating Company Limited (VIS) has reaffirmed Corporate Governance Rating of Allied Bank Limited (ABL) at "CGR-9++" out of maximum scale of 10. This Corporate Governance Rating of CGR-9++ signifies very high level of Corporate Governance and indicates strong commitment of the Bank towards Governance Framework.

## Parent Company

Ibrahim Holdings (Private) Limited is the parent company of the Bank and its registered office is in Pakistan.

## Subsidiary Companies

The Bank holds 100% shareholding of ABL Asset Management Company Limited (ABL-AMC) and ABL Exchange (Private) Limited.

Pakistan's Widest  
**Network**  
with coverage in  
**135 & 601**  
Districts Cities/Town

Province	ATMs	Branches
Azad Kashmir	44	70
Balochistan	43	51
Gilgit Baltistan	12	13
Islamabad	105	75
Khyber Pakhtunkhwa	168	202
Punjab	922	823
Sindh	310	274
Overseas*	-	2
<b>Grand Total</b>	<b>1,604</b>	<b>1,510</b>

\*including branch in Expert Processing Zone

# CORPORATE INFORMATION

## Board of Directors

Mohammad Naeem Mukhtar (Chairman)  
 Sheikh Mukhtar Ahmad  
 Muhammad Waseem Mukhtar  
 Zafar Iqbal  
 Nazrat Bashir  
 Muhammad Kamran Shehzad  
 Mian Ikram Ul Haq  
 Aizid Razzaq Gill (Chief Executive Officer)

## Shariah Board

\*Mufti Muhammad Iftikhar Baig (Chairman)  
 Mufti Mahmood Ahmad  
 Mufti Tayyab Amin

\*Mufti Muhammad Iftikhar Baig (Late) was Chairman Shariah Board as of 31st December 2024. However, he passed away on January 11, 2025.

## Chief Financial Officer

Muhammad Atif Mirza

## Company Secretary

Adeel Javaid

## Auditors

EY Ford Rhodes  
 Chartered Accountants

## Legal Advisor

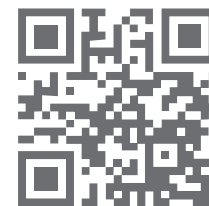
Mandviwalla & Zafar Advocates

## Share Registrar

CDC Share Registrar Services Limited  
 (CDCSRSL)

## Registered and Head Office

3 Tipu Block, New Garden Town  
 Lahore 54000  
 Pakistan

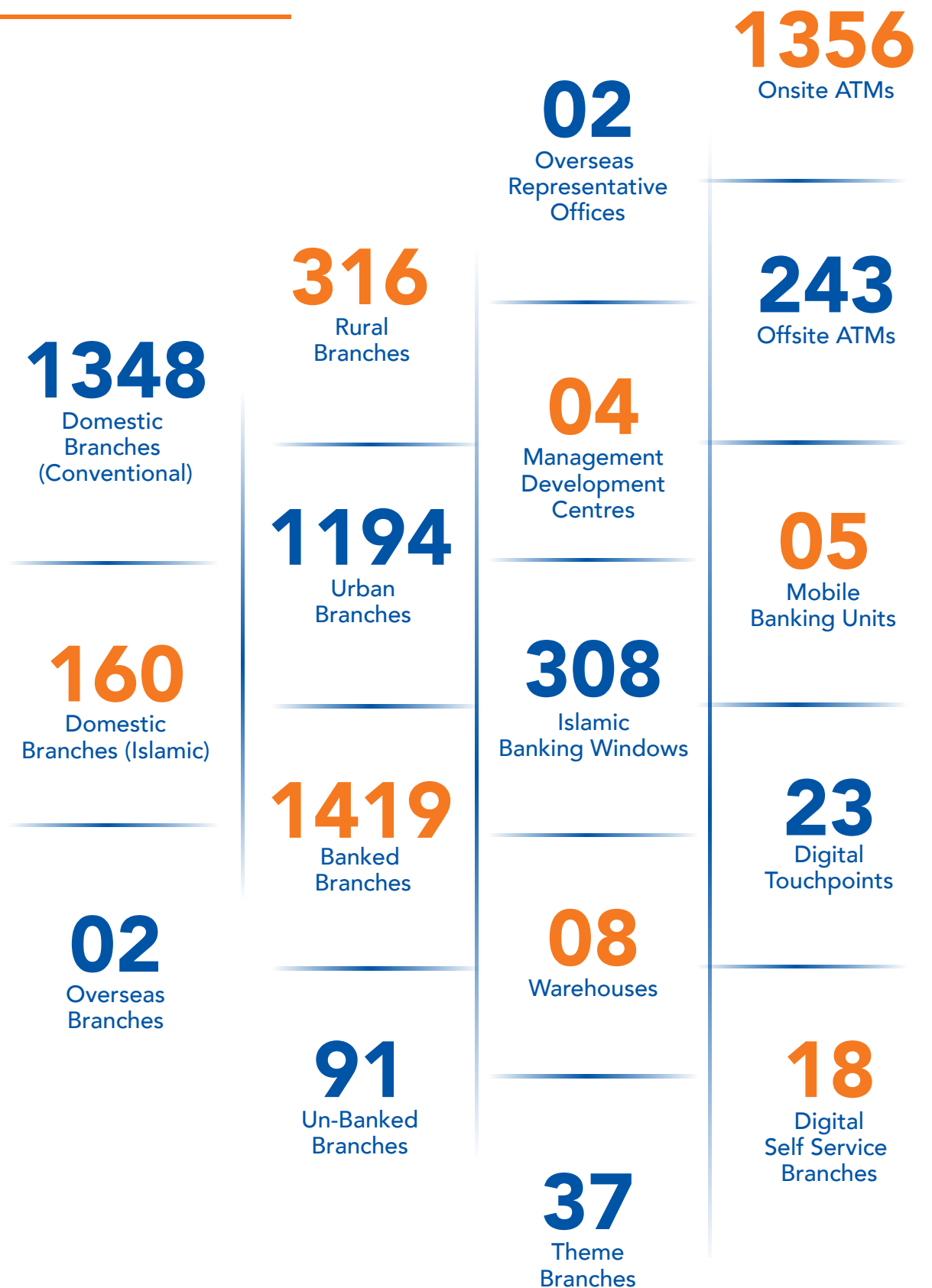


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- Allied Bank Limited
- ABLpk
- ablpk
- alliedbankltd

# NETWORK OUTREACH





# TWENTY YEARS OF TRUST, GROWTH & EXCELLENCE

2024 marks the Twenty (20) Years milestone of recapitalization of Allied Bank Limited by the Ibrahim Group. The journey from its recapitalization in 2004 to becoming one of the leading banks in Pakistan in 2024 is a story of strategic vision, robust management and consistent performance.

The year 2004 marked a turning point for Allied Bank. Facing financial distress, the State Bank of Pakistan undertook the reconstruction of the capital of the Allied Bank under the instructions of the Privatisation Commission of Pakistan whereby Ibrahim Group took over the control of the Bank. This not only stabilized the Bank's financial position but also led to a change in ownership and management. Subsequently, the Bank was renamed Allied Bank Limited in 2005, heralding a new era of growth and transformation with a Vision "To become a dynamic and efficient Bank providing integrated solutions in order to be the first-choice Bank for customers".

Under the stewardship of the new Board and Management, Allied Bank embarked on a journey of rapid expansion and technological advancement. The Bank invested heavily in modernizing its

infrastructure, introducing state-of-the-art banking technologies and expanding its branch network. The Bank's focus on digital transformation not only enhanced customer experience but also improved operational efficiency.

Building on the foundations, the Bank continued to strengthen its market position characterized by impressive financial performance. Allied Bank consistently posted strong financial results, with significant growth in deposits, advances and profitability. The Bank's prudent risk management practices, combined with a diversified product portfolio, contributed to its robust performance.

In the last few years, Allied Bank has placed a strong emphasis on sustainability and corporate social responsibility (CSR). The Bank has undertaken numerous initiatives aimed at promoting financial inclusion, supporting education and contributing to environmental sustainability.

The Bank's commitment to CSR is reflected in its various programs, including scholarships for underprivileged students, support for healthcare initiatives and efforts to reduce its carbon

footprint. Allied Bank's focus on sustainability is not only aligned with global best practices but also resonates with the Bank's vision of creating long-term value for its stakeholders.

Today, the Bank stands as a financially robust institution with deposit base of over Rs. 2 trillion, total asset base exceeding Rs. 2.8 trillion and a diverse portfolio of advances supplemented by industry's lowest NPL and highest Capital Adequacy Ratio. The branch network of the Bank has grown to over 1,500 branches across the country, offering a wide range of products and services to cater to the diverse needs of its customers.

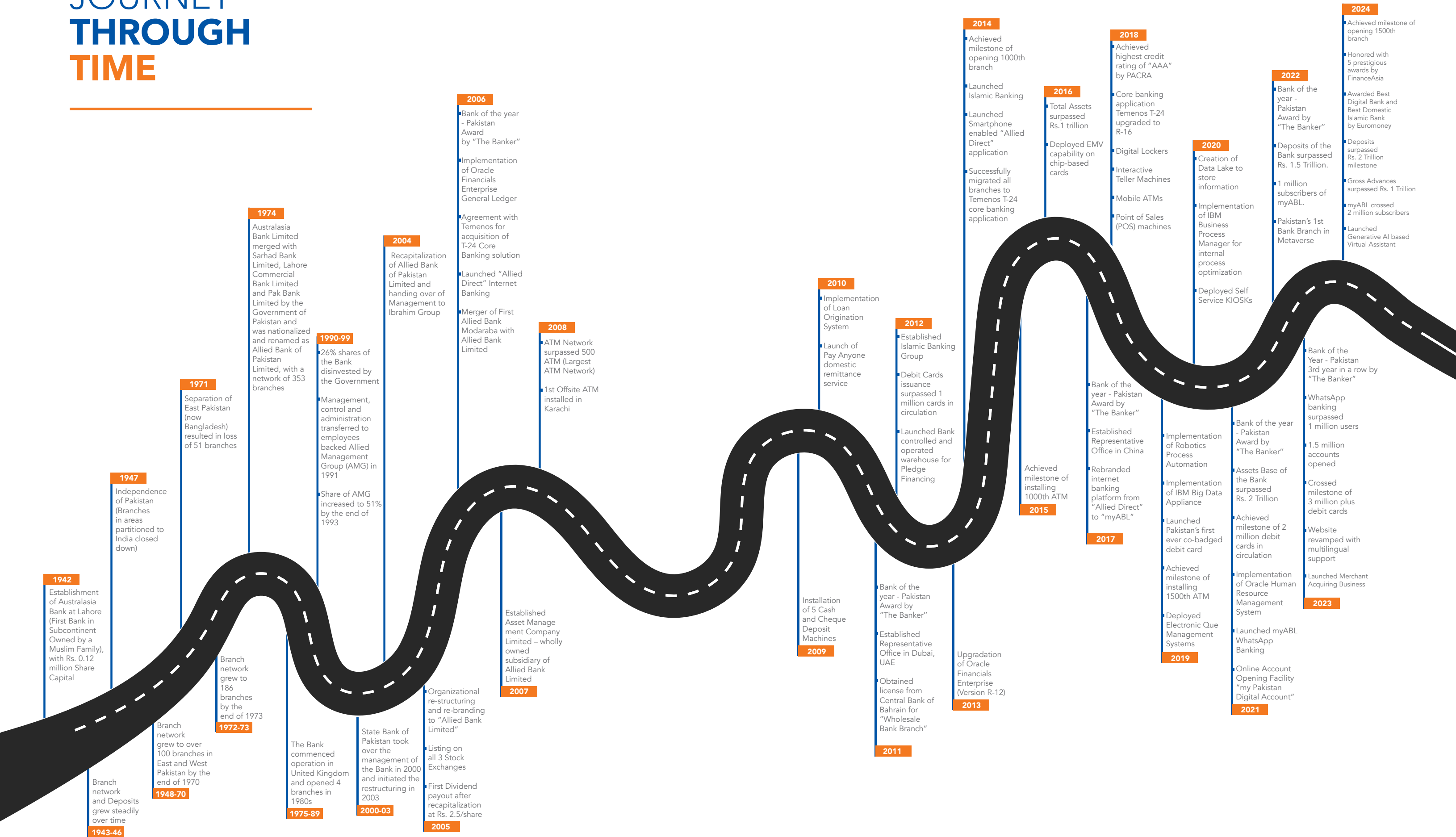
The Bank's unwavering commitment to providing digitally-led integrated solutions, supporting the growth of digital ecosystem in the financial sector and promoting environmentally friendly green banking practices as a socially responsible corporate citizen has received global recognition. The Bank has been honoured multiple times on international platforms by world-renowned organizations, including The Banker (Financial Times Group, U.K.), FinanceAsia and Euromoney – a true testament to Allied Bank's achievements.

During the year 2024, Allied Bank celebrated its rich history and transformation journey by holding events in Lahore, Karachi, Islamabad and Multan. These celebrations were a testament to the dedication and hard work of the Bank's employees, who have played a pivotal role in the Bank's success over the past two decades. The events provided an opportunity to reflect on the Bank's achievements, recognize the contributions of its employees and envision the future with renewed enthusiasm.

As Allied Bank Limited celebrates its 20-year journey since recapitalization, it stands as a testament to the power of strategic vision, effective management, and unwavering commitment to excellence. The Bank's transformation from a financially distressed entity to a market leader is a story of resilience, innovation and growth.

With a strong foundation and a clear vision for the future, Allied Bank is well-positioned to continue its legacy of excellence and contribute to the economic development of Pakistan.

# JOURNEY THROUGH TIME



# AWARDS AND RECOGNITION



**Euromoney 2024**  
Pakistan's Best Digital Bank



**Euromoney Islamic Finance Awards 2024**  
Pakistan's Best Domestic Islamic Bank



**Finance Asia Awards 2024**  
Best Domestic Bank



**Finance Asia Awards 2024**  
Most DEI Progressive Bank



The Pakistan Business Council (PBC), along with the World Bank Group's International Finance Corporation (IFC)  
Employer of Choice Award - Gender Diversity & Inclusion



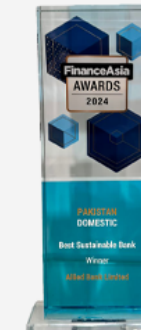
**GDEIB Awards 2025**  
Recruitment, DEI Learning and Development



**ABF Corporate & Investment Banking Awards 2024**  
Syndicated Loan of the Year



**Finance Asia Awards 2024**  
Best Bank for Financial Inclusion



**Finance Asia Awards 2024**  
Best Sustainable Bank



**Finance Asia Awards 2024**  
Most Innovative Use of Technology

# AWARDS AND RECOGNITION



## Euromoney Awards for Excellence

- Pakistan's Best Digital Bank

## Euromoney Islamic Finance Awards

- Pakistan's Best Domestic Islamic Bank

## Global Diversity & Inclusion Benchmarks (GDIB)

- 'Best Practice in Industry Bank' in RECRUITMENT category
- 'Best Practice in Industry Bank' in DEI LEARNING AND DEVELOPMENT category.

## Pakistan Digital Awards

- Best Customer Relationship Management (CRM) Technology Award
- Best Augmented & Virtual Reality – ABL Metaverse Branch 2024

## VISA Incorporation

- Excellence in Card Issuance in Pakistan

## Future Banking and Summit at Expo 2024

- Best Bank for Startup Support 2023-24

## The Asset Triple A Awards For Sustainable Finance

- Best Deals - Significant Deal(s) of the Year

## FinanceAsia

- Best Domestic Bank
- Most Diversity Equity Inclusion Progressive Bank
- Most Innovative use of Technology
- Best Bank for Financial Inclusion
- Best Sustainable Bank

## The Pakistan Business Council (PBC), along with the World Bank Group's International Finance Corporation (IFC)

- Employer of Choice Award - Gender Diversity & Inclusion

## ABF Corporate & Investment Banking Awards

- Syndicated Loan of the Year

## CFA Society Pakistan

- Runner-Up in Best ESG Bank Category

## SBP - Excellence in Financial Literacy Awards

- 2nd Runner-Up - Financial Literacy Champion Bank 2024

## National Forum for Environment and Health (NFEH)

- Corporate Governance
- Technology, Innovation and Inventions
- Women Welfare, Empowerment and Development
- Green Energy Initiatives

# BOARD OF DIRECTORS



**Sheikh Mukhtar Ahmad**



**Mohammad Naeem Mukhtar**



**Muhammad Waseem Mukhtar**



**Zafar Iqbal**



**Nazrat Bashir**



**Muhammad Kamran Shehzad**



**Mian Ikram Ul Haq**



**Aizid Razzaq Gill**



**Sheikh Mukhtar Ahmad**

Non-Executive Sponsor Director

Sheikh Mukhtar Ahmad instituted his business career immediately after migrating from the India at the time of independence of Pakistan in 1947 and has contributed to the industrial and business growth of Pakistan through his entrepreneurship skills and business acumen. He has over sixty-three years of experience in establishing and successfully managing various industrial and financial companies. He has been on the Board of Directors of Allied Bank Limited since 2005 and is a "Certified Director" from Pakistan Institute of Corporate Governance. He is Chairman on the Board of Directors of Ibrahim Fibres Limited, Ibrahim Holdings (Private) Limited, Ibrahim Agencies (Private) Limited and ABL Asset Management Company Limited. He is also on the Board of Ibrahim Welfare Foundation.



**Mohammad Naeem Mukhtar**

Chairman / Non-Executive Sponsor Director

Mr. Mohammad Naeem Mukhtar is the Chairman of Board of Directors of the Bank since 2004. He has a Master of Business Administration degree from Cardiff Business School United Kingdom, Post Graduate diploma in Textiles from United Kingdom and Chartered Textile Engineer (CText ATI) certification from The Textile Institute in Manchester, United Kingdom. He has over thirty-nine years of experience of Finance and Industrial Manufacturing. He is Chief Executive Officer of Ibrahim Fibres Limited, Ibrahim Holdings (Private) Limited and Ibrahim Welfare Foundation. In addition, he is also on the Board of Directors of Ibrahim Agencies (Private) Limited, ABL Asset Management Company Limited, Karachi Education Initiative and Pakistan German Business Forum. He is member of the Board of Governors of National Management Foundation, the parent body of Lahore University of Management Sciences (LUMS). He is also representing the Bank at Pakistan Business Council and is Industry Co-Chair Banking Sector of National University of Sciences and Technology (NUST) Corporate Advisory Council as well as Senior Fellow at Global Think Tank Network (GTTN).



**Muhammad Waseem Mukhtar**

Non-Executive Sponsor Director

Mr. Muhammad Waseem Mukhtar has served on the Board of Directors of the Bank since 2004. His academic credentials include a Master's degree in Business Administration from the University of Chicago Booth School of Business, Illinois, United States of America and a Master's degree in Total Quality Management (TQM) from the University of Glamorgan, Wales, United Kingdom. With twenty-seven years of diverse experience in finance, information technology and industry, he has played a significant role in guiding the Bank's strategic initiatives, especially in technological up-gradation. He is a "Certified Director" from the Pakistan Institute of Corporate Governance. In addition to his role at the Bank, he also serves as a board member for Ibrahim Fibres Limited, Ibrahim Holdings (Private) Limited, Ibrahim Agencies (Private) Limited, Ibrahim Welfare Foundation and ABL Asset Management Company Limited.



### Zafar Iqbal

Non-Executive Director

Mr. Zafar Iqbal is a Fellow member of Institute of Chartered Accountants in England & Wales (ICAEW) and the Institute of Chartered Accountants of Pakistan (ICAP). He has thirty-nine years of experience in senior management positions in financial and power generation sectors. He was the Managing Director and Chief Executive Officer of Pak Oman Investment Company Limited, a Development Finance Institution owned jointly by the Governments of Pakistan and Sultanate of Oman. During his eight years stay at Pak Oman Investment Company Limited, he led the company in becoming the leading Development Financial Institution in its peer group. Over the past twenty-three years, he has served as member of the Board of Directors of number of listed and non-listed companies and financial institutions. He is a "Certified Director" from Pakistan Institute of Corporate Governance. He specializes in Investment Banking, Corporate Finance, Capital Markets, Leasing, Aircraft Financing and Energy and Power Generation. He is the member of the Board of Directors of the Bank since August 2015.



### Nazrat Bashir

Independent Director

Ms. Nazrat Bashir belongs to Pakistan Administrative Service. She retired in BPS-22 from the Government service. Her academic qualifications are Master's in Economics from New York University, United States of America and Master's in Psychology from University of Peshawar. She is a "Certified Director" from the Pakistan Institute of Corporate Governance.

She has over thirty-six years of diversified civil service experience to her credit. During her career in different ministries, she served as Additional Finance Secretary, Finance Division, Government of Pakistan; Managing Director, Public Procurement Regulatory Authority and Senior Advisor, Wafaqi Mohtasib Secretariat. She also held directorship in various Government and Semi Government Organizations and has attended numerous conferences, workshops, seminars in Pakistan and abroad. Presently, she is member of Certification Panel of Pakistan Centre for Philanthropy. She is on the Board of Directors of the Bank since August 2018.



### Muhammad Kamran Shehzad

Independent Director

Mr. Muhammad Kamran Shehzad has over forty-nine years of diverse experience in banking, finance, and accounting. He possesses more than thirty-six years of experience in senior leadership roles within both commercial banks and the State Bank of Pakistan (SBP), where he notably served as a Deputy Governor and Managing Director of the SBP Banking Services Corporation. He also served as Banking Mohtasib Pakistan, where he was instrumental in resolving complex banking disputes. His academic qualifications include an MBA degree with specialization in Finance. As an Independent Director, Mr. Kamran chairs the Audit Committee of the Board.



### Mian Ikram Ul Haq

Independent Director

Mian Ikram Ul Haq career spans over five decades in banking and finance. His extensive experience includes important roles across major financial institutions in Pakistan and abroad. He has served on the Board of Ibrahim Fibres Limited and Industrial Development Bank of Pakistan. A strong academic background complements his professional expertise, with an MBA degree in International Business and Finance from the University of Hartford, United States of America, Bachelor of Laws from Punjab University and specialized training programs from prestigious institutions worldwide. He is a "Certified Director" from The Institute of Chartered Accountants of Pakistan.



### Aizid Razzaq Gill

Chief Executive Officer

Mr. Aizid Razzaq Gill is a seasoned banker with twenty-eight years of experience in Financial Management, Risk Analysis & Research and Portfolio Management in Corporate and Commercial Banking. Since joining the Bank in 2005 as Regional Corporate Head, he has held senior roles, including Head-Commercial Assets, Head of Commercial & Retail Risk, Group Head Corporate & Financial Institutions Risk and Group Head Liabilities. Before becoming CEO, he served as Chief Risk Officer of the Bank.

He holds a Bachelor's degree from the University of Engineering and Technology (UET) Lahore, an MBA from California State University, Fullerton (CSUF), USA, and a Master's in Business Economics from the University of Manchester Institute of Science and Technology (UMIST), UK as a Chevening Scholar. He has attended executive programs at Massachusetts Institute of Technology (MIT), Columbia University and London Business School.

Mr. Gill serves as a Director at ABL Asset Management Company and represents the Bank at MAP and PBC. He is a Certified Director from the Pakistan Institute of Corporate Governance.



# CHAIRMAN'S MESSAGE

## Mohammad Naeem Mukhtar

Chairman Board of Directors

### Global and National Economic Overview

The global economy demonstrated notable resilience in 2024, achieving moderate growth despite challenging conditions. Central banks' monetary policy measures successfully began to curb inflationary pressures worldwide. While we're witnessing encouraging signs of stabilization, potential risks remain due to ongoing geopolitical tensions and trade disputes. The International Monetary Fund (IMF) forecasts global GDP growth at 3.2% for 2024—a moderate figure compared to the pre-pandemic average of 3.7%. Global inflation projections have been slightly revised downward from 5.8% to 5.7%, according to the October 2024 World Economic Outlook.

Pakistan's economy showed resilience and positive momentum throughout 2024, with improving macroeconomic fundamentals. Tightened monetary policy effectively eased inflationary pressures, while disciplined fiscal management facilitated a shift toward fiscal surplus. Improved export performance and increased remittance inflows strengthened our current account position, reflecting a more stable external sector. The IMF revised Pakistan's GDP growth forecast to 2.5% for 2024—slightly higher than its earlier 2.4% estimate—marking a significant turnaround from the 0.2% contraction recorded in 2023. The State Bank of Pakistan (SBP) similarly projects 2.5% economic growth.

Against this backdrop, the domestic banking sector delivered strong performance in 2024, with increases in total assets, investments, and deposits.

### Digital Transformation in Banking

The banking industry has undergone a profound transformation with the adoption of digital technologies, driven by customer demand for convenience, speed, and personalized experiences. Competition from fintech firms and evolving regulatory requirements have further accelerated innovation. In response, the banking sector has strategically integrated technological advancements including artificial intelligence (AI),

generative AI, blockchain, and cloud computing to enhance operational efficiency, improve customer experience, strengthen information security, optimize decision-making, and promote financial inclusion.

Digital advancements are crucial for expanding access to banking services for underserved populations while strengthening business resilience during disruptions and supporting sustainability goals by reducing our carbon footprint. Several key technologies are reshaping the industry:

- **Artificial Intelligence:** AI utilizes algorithms and neural networks to process vast data amounts, enabling more informed decisions. AI-driven machine learning models continuously improve fraud detection, credit scoring, and customer segmentation. AI-powered chatbots and virtual assistants efficiently handle customer queries, reducing reliance on human agents while improving service quality.
- **Quantum Computing:** By processing data significantly faster than classical systems and analysing millions of market variables in real-time, quantum computing enables advanced solutions for complex calculations, precise investment recommendations, and enhanced portfolio management.
- **Cryptography:** Banks extensively use cryptography to secure transactions, protect customer data, and authenticate users. It forms the foundation for technologies such as blockchain and tokenization, ensuring secure and transparent financial operations.
- **Blockchain and Distributed Ledger Technology (DLT):** These enhance data transparency, immutability, and decentralization, addressing inefficiencies in traditional banking. They enable cost-effective cross-border payments and streamline global trade through smart contracts. Central Bank Digital Currencies (CBDCs) built on DLT offer secure, efficient transactions, accelerating remittances and digital payments in underserved regions.

- **Regulatory Technology (RegTech):** To mitigate compliance risks, banks leverage RegTech innovations to automate processes, reduce costs, and ensure adherence to legal standards. These technologies streamline KYC procedures using AI for identity validation and enhance anti-money laundering efforts through real-time detection of suspicious transactions.
- **Green Fintech:** This focuses on technologies promoting environmental sustainability and aligning financial practices with Environmental, Social, and Governance (ESG) goals. Platforms like Stripe Climate help assess carbon footprints of financed projects, while AI algorithms evaluate and prioritize funding for renewable energy initiatives.

### National Payment Ecosystem Advancements

The national payment ecosystem has experienced significant advancements, with continued growth in digital payments driven by increasing accessibility and adoption. Electronic Money Institutions (EMIs) and Branchless Banking (BB) providers are introducing innovative products and services that pave the way for a more digitalized economy. The introduction of QR-based payments through Raast is reducing transaction costs for merchants while contributing to broader adoption of digital payments.

The SBP has initiated several measures to accelerate economic digitization, including:

- Onboarding various private and public sector entities onto the Raast platform
- Integrating Raast-Buna for cross-border payment settlement in the Arab region
- Launching interoperable Raast P2M (Person to Merchant) services to facilitate digital payment acceptance through QR codes, Raast Alias, IBAN, and Request to Pay (RTP)

During FY'24, digital platforms experienced notable growth, with significant increases in retail sector digital payments, internet and mobile app banking users, Branchless Banking mobile app users, and e-wallet customers.

### Allied Bank's Digital Innovations

Recognizing AI's transformative potential, Allied Bank has developed a Large Language Model (LLM) using the OpenAI ChatGPT platform. By integrating Retrieval Augmented Generation (RAG), this initiative enables Generative AI solutions for various applications. We've introduced an AI-powered chatbot, ABL - معاون (ABL Assistant), which provides precise, up-to-date information by referencing the Bank's instruction circulars, HR policies, procedure manuals, and related documents—generating responses automatically without human intervention.

Understanding compliance's critical role, we've developed an AI-driven Compliance Model. This tool enables employees to access compliance-related information by leveraging training on regulatory documents, circulars, policies, procedures, and guidelines from the SBP and other regulatory bodies, strengthening our overall compliance framework.

As part of our "Data Strategy," we've initiated customer data collection and analysis from our data lake using Big Data technologies. We prioritized "Customer Segmentation" to classify customers into distinct personas based on demographics, behaviours, and psychographics, enhancing personalization and delivering more tailored banking experiences.

To enhance digital platform security, we've introduced advanced features including:

- Two-factor authentication (2FA)
- Touchless biometric authentication
- Device registration with cooling-off periods
- End-to-end encryption for all digital transactions

Our redesigned myABL Digital Banking App offers enhanced user experience with intuitive navigation, faster transactions, and seamless digital account opening. Recent advancements include:

- Instant VISA virtual debit card creation
- RAAST P2M transfers
- Dormant account activation
- Temporary transaction limit enhancements
- Simplified complaint lodging and refund request processes

The myABL Coins loyalty program incentivizes customer engagement by allowing users to earn points for transactions made through ABL Debit and Credit Cards, both locally and internationally. The launch of NFC Tap&Pay marks a significant milestone in digital payments, offering enhanced convenience and security by allowing users to complete transactions by simply tapping their smartphones on NFC-enabled terminals.

Our WhatsApp banking service currently serves over 1.6 million customers, with ongoing initiatives to expand its reach through additional value-added services. Recent additions include Account Maintenance Certificate and Cheque Status Inquiry features.

The implementation of hybrid and smart branches, along with the successful onboarding of over 2 million registered myABL users, has optimized our Digital-to-Counter Transaction Mix, maintaining an impressive ratio of 85:15 as of December 31, 2024.

### Financial Strength and Recognition

Allied Bank has maintained prudent stewardship of its strong capital position by consistently growing low and no-cost deposits while optimizing funding structure through reduction in high-cost deposits. This approach is reinforced by our commitment to maintaining a high-quality asset portfolio. Our low infection ratio, strong coverage ratio, and resilient Capital Adequacy Ratio collectively highlight our robust risk management framework.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed Allied Bank's Long-Term and Short-Term credit ratings at the highest levels of "AAA" (Triple A) and "A1+" (A One Plus), respectively. This recognition places us among an exclusive group of financial institutions consistently maintaining the highest entity credit ratings.

VIS Credit Rating Company Limited has reaffirmed our Corporate Governance Rating at 'CGR-9++', reflecting the Board and management's commitment to maintaining strong and effective governance structures.

### Corporate Social Responsibility

Allied Bank remains committed to meaningful societal contributions through comprehensive Corporate Social Responsibility (CSR) initiatives. With a focus on fostering an agile and professionally enriching work environment, we prioritize gender diversity and uphold principles of equitable opportunity.

We reinforce our commitment to environmental sustainability through eco-friendly operational practices and extensive tree plantation programs. Additionally, we engage stakeholders through customer awareness sessions, organize cleanliness campaigns in public spaces, and actively invest in academic collaborations and sponsorship ventures.

### FUTURE OUTLOOK

The IMF expects global economic growth to remain stable despite ongoing macroeconomic challenges, projecting global GDP growth at 3.3% for both 2025 and 2026.

Domestically, the IMF has revised Pakistan's GDP growth projection for 2025 to 3.0%, a slight downward adjustment from its earlier 3.2% estimate. The SBP's Monetary Policy Committee expects GDP growth for FY25 to remain between 2.5% and 3.5%. For 2026, the IMF maintains its growth forecast at 4.0%.

The future of banking relies on a platform-based operating model integrating advanced technologies with core systems. This approach seamlessly connects financing, payments,

and wealth management with core banking infrastructure to boost efficiency and innovation. Moving toward modular, API-driven frameworks and cloud technology is key for future technological transformation, necessitating scalable data products and machine learning operations (MLOps) implementation.

Allied Bank's robust risk management framework will continue to maintain risk appetite within well-defined parameters, proactively mitigate emerging cybersecurity threats, and strengthen control processes to safeguard organizational integrity.

We remain steadfast in our commitment to achieving our strategic vision and delivering sustainable value through growth, operational efficiency, and diversification. Our continued efforts to develop a digitally empowered financial ecosystem, prioritizing financial inclusion, mobilization of low-cost deposits, and high-quality credit expansion, remain central to our strategic priorities.

### Acknowledgments

On behalf of the Board of Directors, I extend profound gratitude to the regulatory authorities, including the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, and Federal Board of Revenue, for their guidance and support. Their collaborative engagement remains integral to our adherence to excellence in governance and compliance.

I convey my deepest appreciation to our valued shareholders for their enduring trust and unwavering confidence in the Bank's long-term strategic aspirations.

Finally, I acknowledge the leadership of Allied Bank's management team and the dedication of our more than 13,000 Allied Bankers. Their efforts, unwavering commitment, and invaluable contributions have been instrumental in strengthening Allied Bank's resilience and enhancing its stature as a technologically advanced financial institution.

**Mohammad Naeem Mukhtar**  
Chairman Board of Directors

February 04, 2025

## SCREENING ALLIED BANK'S CLIMATE CHANGE DOCUMENTARY - INVISIBLE AVALANCHE



# CEO'S REVIEW

## Aizid Razzaq Gill

Chief Executive Officer

### Global and National Economic Overview

The global economy is on a path of gradual recovery, experiencing moderate growth in 2024. Inflation continues to cool down as most of the world's major central banks have initiated rate-cutting cycles. However, growth remains uneven across different regions, with emerging markets and developing economies generally outpacing advanced economies. The International Monetary Fund (IMF), in its January 2025 World Economic Outlook (WEO), has maintained its global growth estimate at 3.2% for 2024.

In 2024, Pakistan's economy exhibited a modest recovery, with GDP growth estimated at 2.5%. Inflationary pressure has eased significantly after peaking at 38.0% in May 2023, due to tightened fiscal and monetary policies. CPI inflation decreased to 4.1% on a year-on-year basis in December 2024, compared to 29.7% in December 2023.

Pakistan's banking industry demonstrated strong performance, with total assets expanding 16% to Rs. 52,285 billion. This growth was augmented by a 15% increase in net investments and a 30% escalation in gross advances, reflecting enhanced credit deployment. Concurrently, deposits registered a 9% expansion, reaching Rs. 30,283 billion, underscoring liquidity resilience. These financial indicators affirm the sector's stability and sustained growth.

### Allied Bank's Financial Performance

The year 2024 marked another successful period for Allied Bank, showcasing noteworthy performance across key metrics:

- Total assets expanded by 21% to reach Rs. 2,817 billion, demonstrating prudent management and strategic asset allocation
- Gross advances surged by 34%, complemented by a reduction in infection ratio to 1.22%, reflecting a fortified credit portfolio and robust risk management framework.
- Net markup income rose to Rs. 115 billion, driven by optimized fund deployment and a disciplined investment strategy
- Non-markup income witnessed substantial growth, with capital gains up by 308% and fee

- income increased by 32%, while operating expense growth was contained at 18%
- Profit after tax expanded by 6% to Rs. 43 billion, reinforcing the Bank's strong capital positioning

### Digital Transformation and Innovation

Allied Bank continues to drive digital transformation with AI-powered innovations. The Bank's proprietary Large Language Model (LLM) powered by OpenAI's ChatGPT with Retrieval Augmented Generation (RAG) enabled the development of ABL - معاون, which enhances operational efficiency by providing instant policy-based responses. Additionally, an AI-driven Compliance Model was implemented to ensure regulatory adherence, reinforcing governance standards.

In 2024, the Bank achieved remarkable digital growth:

- myABL registrations surpassed 2 million, reflecting a 28% year-on-year increase
- Key enhancements including Virtual Debit Cards, RAAST P2M QR payments, and biometric authentication boosted security and accessibility
- WhatsApp banking services expanded by 67%, reaching 1.6 million users with enhanced functionalities
- The Bank's social media presence surged 63%, exceeding 3.6 million followers, strengthening digital engagement
- Merchant Acquiring Business grew significantly, with 3,000+ POS machines processing over 2 million transactions
- RAAST payments saw rapid adoption, crossing 23 million transactions
- Allied Phone Banking set a new benchmark, achieving a record 92% service level

A transition to Oracle Siebel Customer Relationship Management (CRM) streamlined complaint management, sales, and service requests, optimizing customer insights. Over 1,000 customer segments were created using behavioural analytics for hyper-personalized engagement. To strengthen business continuity, an annual Disaster Recovery (DR) exercise is conducted to test the Bank's alternate site, ensuring operational resilience. This initiative

strengthens service reliability in critical scenarios.

### Service Excellence

Allied Bank prioritizes service quality as a core strategic pillar, ensuring customer satisfaction, loyalty, and operational efficiency. We continuously enhance customer experience through technology-driven solutions and personalized services. Key initiatives include:

- **Highly Skilled Workforce:** Trained staff with in-depth product knowledge for swift and effective customer support.
- **Efficient & Seamless Service:** Investments in technology to enhance transaction processing and reduce wait times
- **Customer Support Officers:** Deployed in high-traffic branches to ensure consistent service excellence.
- **Queue Management & Self-Service Kiosks:** Optimized branch operations with faster and more convenient service.
- **Digital Banking Leadership:** myABL Digital Banking and WhatsApp Banking offer 24/7 accessibility.
- **Customer-Centric Enhancements:** Feedback-driven improvements through mystery shopping and satisfaction surveys.
- **Commitment to Continuous Growth:** Service Quality & Complaint Management (SQ&CM) framework ensures ongoing enhancements

### Financial Literacy and Inclusion

Throughout 2024, Allied Bank conducted nationwide awareness programs, including Farmer Financial Literacy and SME Finance Sessions, educating thousands on financial services. The Bank also provided advisory services to over 5,844 customers, generating 824 new borrowers. Additionally, capacity-building initiatives under the National Financial Literacy Program have impacted 122,201 individuals across 41 remote districts to date

### Human Resources and Workplace Excellence

Allied Bank's Human Resource function played a transformative role in fostering innovation, talent acquisition, employee well-being, and leadership development. A strong emphasis was placed on career progression, with 779 employees elevated to leadership roles. Learning & Development remained a priority, achieving 92% training coverage, including 8,000 employees trained in Islamic banking.

Digital transformation was accelerated through:

- AI-driven HR tools
- Online medical workflows
- Fintech-driven hiring

Employee welfare initiatives expanded, offering personal loan rate reductions, gym facilities, and

daycare centers. Gender diversity and inclusion efforts increased female representation to 24.59%, alongside tailored training for Persons with Different Abilities. Leadership programs, succession planning, and strategic partnerships with top universities ensured a robust talent pipeline. Employee happiness surveys, psychometric assessments, and well-being initiatives further strengthened engagement. Through these multifaceted efforts, Allied Bank reinforced its commitment to creating a progressive, inclusive, and dynamic workplace.

### Corporate Social Responsibility

Allied Bank remains committed to Corporate Social Responsibility as a cornerstone of its long-term strategic vision. Upholding principles of meritocracy and inclusivity, the Bank fosters a progressive work environment while advancing sustainable and socially responsible initiatives.

Demonstrating environmental stewardship, we integrate eco-conscious operational frameworks, drive large-scale tree plantation campaigns, and promote sustainability awareness. Under our "Green Initiatives" campaign, the Bank launched a nationwide cleanliness drive, "Mil Kay Lagaan Gay Jaan – To Hoga Saaf Pakistan." Notably, Team ABL executed a Cleanliness Drive at K2 Base Camp (5,200 meters above sea level) in collaboration with Central Karakoram National Park (CKNP).

### Risk Management

Allied Bank's Risk Management function remains committed to fortifying resilience through a dynamic risk framework, integrating robust assessment models, automated monitoring systems, and a structured governance approach. Key risk functions—including Corporate and Financial Institutions Risk, SME and Consumer Risk, Credit Administration, and Enterprise Risk—operate in unison to uphold superior asset quality and optimize capital efficiency. The Bank has developed an advanced Risk Assessment and Management System (RAMS) to streamline credit risk evaluation and ensure one of the industry's lowest infection ratios. Cybersecurity remained a priority, with significant investments in:

- Security Operations Center (SOC) upgrades
- Compliance with PCI DSS and Swift CSP
- Implementation of ISO 27001:2022 standards standards

We strengthened fraud prevention mechanisms, conducted extensive vulnerability assessments, and deployed behaviour-based threat detection tools to safeguard information assets.

### Subsidiaries' Performance

ABL Exchange (Private) Limited, a wholly owned subsidiary of Allied Bank, was incorporated in Pakistan on December 15, 2023, with a paid-up

capital of Rs. 1 billion. The Company commenced operations on May 24, 2024, engaging in foreign exchange business. As of December 31, 2024, ABL Exchange (Private) Limited has established a network of 21 booths across the country. ABL Asset Management Company Limited (ABL Funds) continues to be one of the fastest-growing Asset Management Companies in Pakistan. ABL Funds holds the distinction of the highest Asset Manager Rating of AM1, reaffirmed by PACRA. In 2024, ABL Funds achieved historic growth with total Assets Under Management reaching Rs. 367 billion as of December 31, 2024.

#### Awards and Recognition

Allied Bank's commitment to providing global standard uninterrupted services to customers with ease and convenience has been acknowledged at international and domestic forums. During the period, the Bank received several recognitions, including:

- **FinanceAsia awards in the following categories:**
  - ✓ Best Domestic Bank
  - ✓ Best Bank for Financial Inclusion
  - ✓ Best Sustainable Bank
  - ✓ Most DEI Progressive Bank
  - ✓ Most Innovative Technology
- **Pakistan's Best Digital Bank 2024** - Euromoney Awards for Excellence
- **Pakistan's Best Domestic Islamic Bank 2024** - Euromoney Islamic Finance Awards
- **Employer of Choice Award** - Gender Diversity & Inclusion by The Pakistan Business Council along with the World Bank Group's International Finance Corporation (IFC)
- **Global Diversity & Inclusion Benchmarks:**
  - ✓ 'Best Practice in Industry Bank' in RECRUITMENT category
  - ✓ 'Best Practice in Industry Bank' in DEI LEARNING AND DEVELOPMENT category

#### Credit Ratings

Allied Bank's strong and resilient financial position, adept at navigating economic cycles and mitigating unforeseen shocks, has consistently delivered stable results. This financial strength led the Pakistan Credit Rating Agency Limited (PACRA) to reaffirm the Bank's highest long-term and short-term entity credit ratings of AAA (Triple A) and A1+ (A One Plus), underscoring the organization's exceptional credit quality and financial stability. To uphold the highest governance standards, the Bank undergoes an annual independent evaluation of its corporate governance practices. VIS Credit Rating Company Limited has reaffirmed the Bank's Corporate Governance Rating at 'CGR-9++,' signifying a high

level of corporate governance. This rating reflects the Board and management's strong commitment to maintaining a robust governance framework.

Moody's Investors Service upgraded Allied Bank's deposit rating from Caa3 to Caa2 (Domestic and Foreign) in 2024, with a positive outlook in line with the sovereign rating. This reflects the Bank's stable local currency funding and liquidity and resilient earnings-generating capacity that partly mitigate macro and sovereign-driven risks.

#### FUTURE OUTLOOK

The IMF projects global economic growth to stabilize despite persistent inflation, geopolitical uncertainties, and monetary policy adjustments. Global GDP growth is forecasted at 3.3% for both 2025 and 2026. Domestically, Pakistan's GDP growth is projected at 3.0% for 2025, revised down from 3.2%, while the 2026 forecast remains at 4.0%. The SBP's Monetary Policy Committee anticipates GDP growth between 2.5% and 3.5% for FY'25, with inflation averaging between 5.5% and 7.5%.

Looking ahead, Allied Bank remains committed to driving sustainable growth, strengthening financial resilience, and enhancing digital transformation to meet evolving market dynamics. With a strategic focus on innovation, risk management, and customer-centric solutions, we aim to expand our market presence while maintaining operational excellence. By fostering strategic partnerships and embracing technological advancements, Allied Bank is well-positioned to capitalize on emerging opportunities and create lasting value for stakeholders.

#### Acknowledgments

I would like to convey my profound appreciation to the esteemed Board of Directors for their exemplary leadership and strategic foresight. I also acknowledge that the expertise, unwavering dedication, and professionalism of our team members serve as the cornerstone of our collective success in realizing our Bank's vision. My sincere gratitude extends to our highly valued customers for their continued trust and confidence in our products and services. Furthermore, I extend my deepest appreciation to the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, and other regulatory authorities for their invaluable guidance and unwavering support.

**Azid Razzaq Gill**  
Chief Executive Officer

February 04, 2025

## K2 EXPEDITION 2024

### MIL KAR LAGYEN GAY JAAN, TO HOGA SAAF PAKISTAN



# CELEBRATED PERFORMANCE



# AWARDS 2024



# DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Annual Report of Your Bank for the year ended December 31, 2024. The operating results and appropriations, as recommended by the Board of Directors are included in the appended table:

	Year ended December 31,		
	2024	2023	Growth
	Rs. In Million		%
Profit after tax for the year	43,116	40,683	6
Accumulated profits brought forward	100,767	79,653	27
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	3	1	133
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	174	69	152
Transfer of surplus on account of disposal of equity investment - net of tax	1,330	-	100
Re-measurement on defined benefit obligation - net of tax	604	488	24
<b>Profit available for appropriation</b>	<b>145,994</b>	<b>120,894</b>	<b>21</b>
Final cash dividend for the year ended December 31, 2023: Rs. 4.00 per share (2023: Year ended December 31, 2022: Rs. 2.50 per share)	(4,580)	(2,863)	60
First interim cash dividend for the year ending at December 31, 2024: Rs. 4.00 per share (2023: Year ended December 31, 2023: Rs. 2.50 per share)	(4,580)	(2,863)	60
Second interim cash dividend for the year ending at December 31, 2024: Rs. 4.00 per share (2023: Year ended December 31, 2023: Rs. 2.50 per share)	(4,580)	(2,863)	60
Third interim cash dividend for the year ended December 31, 2024: Rs. 4.00 per share (2023: Year ended December 31, 2023: Rs. 3.00 per share)	(4,580)	(3,435)	33
Transfer to Statutory Reserves	(4,312)	(4,068)	6
<b>Accumulated profits carried forward</b>	<b>123,362</b>	<b>104,802</b>	<b>18</b>
<b>Earnings Per Share (EPS) (Rs.)</b>	<b>37.65</b>	<b>35.53</b>	<b>6</b>

The Board of Directors has proposed a final cash dividend of Rs. 4.00 per share (aggregate cash dividend of Rs. 16.00 per share including interim dividends). This, together with the interim cash dividends declared during 2024, will be approved in the forthcoming Annual General Meeting.

## Macroeconomic Developments

The year 2024 began with uncertain expectations regarding economic recovery. However, the global economy showed signs of stabilization in both advanced and emerging markets as inflationary pressures, high policy rates and lingering post-pandemic effects gradually subsided. In the medium term, geopolitical tensions, such as trade disputes and ongoing geographic conflicts may continue to challenge macroeconomic stability. International Monetary Fund (IMF), in its January 2025 World Economic Outlook (WEO), has maintained global growth forecast of 3.2% for 2024, aligning with its projection from January 2024 WEO.

As a result of monetary tightening measures implemented by central banks worldwide, the global economy is emerging from one of the most significant inflation surges in recent years. Consequently, the IMF, in its January 2025 WEO, has revised its global inflation forecast, projecting a decline to 5.7% in 2024 slightly lower than its earlier projection of 5.8% in the October 2024 publication.

Pakistan's economy demonstrated positive progress in 2024, with key macroeconomic indicators showing improvement. Inflation has slowed due to monetary policy measures, effective

fiscal consolidation has led to a fiscal surplus, and rising exports and remittances have contributed to a surplus in the current account. Accordingly, the IMF has revised Pakistan's 2024 GDP growth forecast to 2.5%, up from its previous projection of 2.4% in the October 2024 WEO. State Bank of Pakistan (SBP) has estimated GDP growth of Pakistan at 2.5% for 2024, a significant improvement from -0.2% in 2023.

The agriculture sector has also shown improvements, supported by the timely availability of essential farm inputs, agricultural credit, quality seeds, fertilizers, and mechanization support. Agriculture credit disbursement increased by 8.5% reaching Rs. 925.7 billion during Jul-Nov FY'25, compared to Rs. 853.0 billion during Jul-Nov FY'24.

The Large-Scale Manufacturing (LSM) sector experienced a decline of 1.25% during Jul-Nov FY'25, compared to contraction of 1.9% during Jul-Nov FY'24. The auto industry achieved a major milestone with the commencement of electric vehicle production in Pakistan. This sector saw a 28.3% increase in production, while sales grew by 28.2%. Despite the overall slowdown, key sectors with significant weight such as textiles, food, apparel, pharmaceuticals, beverages, and automobiles demonstrated renewed strength, showcasing the industry's resilience and potential for recovery.

On the external front, despite an increase in imports, the external account position has significantly improved, primarily due to growth in exports and remittances. The current account balance has remained in surplus for the consecutive fifth month. During the first half of FY'25, the current account balance posted a surplus of US\$ 1,210 million compared to a deficit of US\$ 1,397 million in the same period last year, reflecting an improvement of 187%.

During Jul-Dec FY'25, exports reached at US\$ 20,279 million, against US\$ 18,937 million in the same period previous year, growing by 7.1%. Meanwhile, imports rose to US\$ 33,382 million during Jul-Dec FY'25, compared to US\$ 30,527 million during same period last year, showing an increase of 9.4%. Resultantly, trade deficit increased by 13.1% and stood at US\$ 13,103 during the first six months of FY'25 as compared to US\$ 11,590 million in Jul-Dec FY'24.

Workers' remittances surged by 33% to reach at US\$ 17,846 million during Jul-Dec FY'25 as compared to US\$ 13,436 million during Jul-Dec FY'24.

Total Liquid Foreign Exchange Reserves and Net Reserves with SBP stood at US\$ 16,409 million and US\$ 11,711 million respectively as on December 27, 2024 as compared to US\$ 12,673 million and US\$ 8,233 million as of December 29, 2023.

Foreign Direct Investment (FDI) of Pakistan reached US\$ 1,329.2 million during Jul-Dec FY'25, reflecting an increase of US\$ 221.3 million (20%) compared to US\$ 1,107.9 million in the same period last year. However, Foreign Private sector Portfolio Investment (FPI) decreased by 413% and had a net outflow of US\$ 221.8 million during Jul-Dec FY'25 as compared to net inflow of US\$ 70.8 million during Jul-Dec FY'24.

The Federal Board of Revenue (FBR) recorded tax collection of Rs. 4,295 billion during Jul-Nov FY'25, reflecting a 23.3% increase compared to Rs. 3,485 billion in the same period last year. Meanwhile, prudent expenditure management helped contain expenditure growth, which rose to Rs. 4,472 billion, marking a 20.6% increase from Rs. 3,707 billion in the previous year.

The Pakistan Stock Exchange (PSX) performed well during the year, maintaining bullish momentum in November 2024, when the KSE-100 Index surpassed 100,000 points benchmark. By December 31, 2024, the index closed at 115,127 points. Similarly, market capitalization of PSX rose to Rs. 14,014 billion, reflecting an increase of Rs. 8,609 billion in December 2024.

Inflation has remained a significant challenge in recent years, both globally and domestically. However, the successful implementation of disinflationary measures, stable food prices and the diminishing impact of previous gas tariff hikes have contributed to a notable decline in inflation. In December 2024, Consumer price index (CPI) stood at 4.1%, down from 4.9% in the month of November 2024 and 29.7% in the month of December 2023. In response to easing inflationary pressure, SBP has progressively reduced the policy rate by 1,000 basis points since June 2024, bringing it to 12% in January 2025.

The IMF forecasts global growth to stabilize despite ongoing economic challenges, including inflation, geopolitical risks, and monetary policy adjustments. While advanced economies are expected to expand at a slower pace, emerging markets and developing economies may drive overall growth, supported by technological innovation and structural reforms. As a result, the IMF has projected global growth at 3.3% for both 2025 and 2026, which remains below the historical average of 3.7% between 2000 to 2019. This forecast is 0.1% above than the IMF's previous estimate for 2025, while the outlook for 2026 remains unchanged.

On the domestic front, the IMF has projected Pakistan's GDP growth at 3.0% for 2025, reflecting a 0.2% downward revision from its previous estimate of 3.2% in the October 2024 WEO. Similarly, the Monetary Policy Committee (MPC) expects real GDP growth for FY'25 to remain in the upper half of the projected range, between 2.5% to 3.5%. For 2026, the IMF maintains its growth forecast at 4.0%, unchanged from the October 2024 projection.

In its January 2025 WEO, the IMF projected global headline inflation to decline to 4.2% in 2025 and 3.5% for 2026, slightly improving from its previous forecast of 4.3% for 2025 in October 2024. On domestic front, the MPC of SBP expects the headline inflation for FY'25 to average between 5.5% and 7.5%.

## Financial Performance

Growth of Pakistan's banking industry has been resilient during the year. In the year ended December 31, 2024, total assets of the banking industry have crossed Rs. 50 trillion mark and recorded at Rs. 52,285 billion as compared to Rs. 45,183 billion last year, growing by 17%. Gross advances and net advances demonstrated robust growth of 30% each to stand at Rs. 16,009 billion and Rs. 15,099 billion respectively as on December 31, 2024 as against Rs. 12,352 billion and Rs. 11,625 billion respectively as on December 31, 2023. Strong growth of 15% was witnessed in investments to record at Rs. 29,129 billion as on December 31, 2024 as compared to Rs. 25,280 billion as on December 31, 2023.

Allied Bank has made impressive progress in expanding its market presence, reflecting strong growth in both assets and profitability. With a focus on innovation and customer-centric solutions, the Bank has successfully navigated challenging market conditions strengthening its position in the industry.

The Bank's markup or interest income rose to Rs. 376,760 million for the year ending December 31, 2024, compared to Rs. 357,307 million for the year 2023, reflecting a 5% increase. This growth was fueled by an increase in average earning assets, and effective management of investment durations and spreads. On account of higher cost of deposits and interest expense on right of use of assets partially offset by lower borrowing expense, markup or interest expenses of Your Bank increased by Rs. 17,509 or 7% to reach at Rs. 261,537 million for the year ended December 31, 2024 as compared to Rs. 244,028 million for the corresponding year.

Resultantly, Net interest, markup income reached at Rs. 115,223 million during December 31, 2024 as compared to Rs. 113,279 million during December 31, 2023, increasing by Rs. 1,944 million or 2%.

Fee income stood at Rs. 14,081 million for the year ended December 31, 2024 as compared to Rs. 10,641 million for the corresponding year and has increased by Rs. 3,440 million or 32%, mainly on account of higher card related fee, commission on remittances fee, Branch banking customer fee, acquiring business and commission on trade.

Dividend income of Your Bank stood at Rs. 3,018 million for the year ended December 31, 2024 as compared to Rs. 3,543 million for the year ended December 31, 2023, lower by 15%. Capital gain of Your Bank for the year under review was Rs. 3,444 million higher by 308% mainly due to higher gain on sale of Federal government securities and Euro bonds, compared to Rs. 845 million for the year ended December 31, 2023. Foreign Exchange income of Your Bank stood at Rs. 6,679 million for the year ended December 31, 2024, against Rs. 9,167 million for last year, lower by 27%.

Non-markup or non-interest income of Your Bank stood at Rs. 27,980 million for the year ended December 31, 2024, reflecting a 15% growth from Rs. 24,427 million in the corresponding year. Additionally, the Bank's other income amounted to Rs. 758 million in 2024, compared to Rs. 231 million in 2023 marking a 228% increase.

Allied Bank's focus on expanding its branch network and enhancing technological capabilities resulted in increase in total operating expenses. However, through use of technology and process automation and improvements, Your Bank managed to restrict the increase in operating expenses to 20%. Total operating expenses reached Rs. 57,985 million for the year ended December 31, 2024, compared to Rs. 48,972 million for the year ended December 31, 2023.

For the year under review, profit before taxation for the year ended December 31, 2024 stood at Rs. 87,928 million, reflecting a 3% increase from Rs. 85,757 million in the corresponding year

ended December 31, 2023. This growth was primarily driven by higher net markup and non-markup income and credit loss reversals partially offset by higher operating expenses.

The effective income tax rate for the year ended December 31, 2024, was 50.96%, compared to 52.56% for the previous year. The tax charge for 2024 stood at Rs. 44,812 million, slightly lower than Rs. 45,074 million in 2023, reflecting a 1% decrease. Through the Income Tax (Amendment) Ordinance, 2024, the Federal Government increased the normal tax rate for banks from 39% to 44% for the year under review and removed higher tax rates on income attributable to investments in Federal Government Securities (FGS), based on banks' Advances to Deposits Ratio (ADR) for the year 2024 onwards.

The Bank's profit after tax stood at Rs. 43,116 million for the year ended December 31, 2024, up from Rs. 40,683 million in the corresponding year of 2023 registering a growth of 6%.

The Bank achieved a milestone by surpassing the Rs. 2 trillion deposits base. Total deposits at the year-end stood at Rs. 2,018,395 million, compared to Rs. 1,676,623 million as of December 31, 2023, reflecting a growth of 20.4%. Additionally, the market share of deposits increased to 6.15% as of December 31, 2024 up from 6.02% in the previous year. The Bank's continued focus on enhancing low cost or no cost deposits resulted in a 9% growth in current accounts, despite high saving rates.

Gross advances of Your Bank were recorded at Rs. 1,066,348 million as on December 31, 2024, compared to Rs. 794,138 million as on December 31, 2023, marking a robust growth of 34%. Net advances of Your Bank reached at Rs. 1,051,314 million as on December 31, 2024, compared to Rs. 781,597 million as on December 31, 2023, expanding by 35%.

Allied Bank continues to maintain a consistently low infection ratio, demonstrating the high quality and reliability of its credit portfolio. As of December 31, 2024, the Bank's infection ratio stood at 1.22%, improving from 1.64% in the previous year. The specific and overall coverage ratios were recorded at 93.85% and 115.71%, respectively, compared to 94.61% and 96.18% as of December 31, 2023.

Your Bank's total investments stood at Rs. 1,129,874 million as of December 31, 2024, compared to Rs. 1,150,318 million for the previous year, showing a slight decline of 2%.

Allied Bank's total assets stood at Rs. 2,816,969 million as of December 31, 2024, reflecting a robust growth of 21% from Rs. 2,329,317 million in the previous year. The Bank's net assets increased by 20%, reaching Rs. 233,901 million as of December 31, 2024, compared to Rs. 194,254 million in 2023.

The Return on Assets (ROA) and Return on Equity (ROE) Tier 1 of the Bank recorded at 1.7% and 26.0%, respectively, as of December 31, 2024, compared to 1.8% and 29.4% in the previous year. The Capital Adequacy Ratio (CAR) stood at 26.71% as of December 31, 2024, up from 26.21% in 2023, remaining well above the minimum regularity threshold of 11.5%.

Allied Bank's extensive nationwide branch network, which provides a strategic advantage, has been further strengthened through the addition of digital and smart branches, along with the renovation of existing locations to enhance the overall customer experience. The Bank now operates a total of 1,510 branches, including 1,332 conventional branches, 160 Islamic branches, and 18 digital branches, catering to a diverse range of customer needs.

Allied Bank is well-positioned to provide uninterrupted banking services across the country through a diverse range of channels, including its extensive branch network, ATMs, online and mobile banking platforms and other digital touchpoints, ensuring convenience and accessibility for customers at all times. The Bank's accessibility is further enhanced by a robust network of 1,604 Automated Teller Machines (ATMs) comprising 1,356 onsite ATMs, 243 off-site ATMs, and 5 Mobile Banking Units (MBUs).

As the Bank moves forward, it remains strategically focused on delivering innovative digital solutions to meet the evolving demands of its diverse customer segments, while simultaneously driving long-term value creation for its stakeholders through a combination of operational agility, financial resilience, and a strong emphasis on robust corporate governance, risk management, and sustainable business practices.

#### RISK MANAGEMENT GROUP

Risk Management Group (RMG) is continuously striving towards management of risk through an augmented framework of sound risk principles, reinforced by optimum organizational structure, robust risk assessment models and effective monitoring systems in an automated environment to safeguard the strength of the capital base of the Bank while achieving maximum value for the stakeholders.

Dedicated functions in Risk Management include:

- Corporate and Financial Institutions Risk;
- Commercial, SME and Consumer Risk;
- Credit Administration and Monitoring;
- Technical Appraisal;
- Information Security & Governance; and
- Enterprise Risk

These functions operate cohesively to continuously augment the risk monitoring and assessment architecture, ensuring superior quality of asset portfolio while keeping the aggregate risks well within the Bank's overall risk acceptance criteria.

During 2024, Risk Management continued to refine and innovate Risk Management practices using latest technology and took following key initiatives to further strengthen risk monitoring and assessment processes:

- The Bank has in place an indigenously developed state of the art Risk Assessment and Management System (RAMS) for loans processing and monitoring. The system has enabled effective management of Credit Risk, also reflected by one of the lowest infection ratios in the industry. The Bank follows a continuous process for upgradation in RAMS to enhance its effectiveness.
- In line with the Bank's distinctive initiative of engaging with the obligors to provide them latest insights on business management and strategies, three seminars have been organized during 2024 for Corporate, Commercial, and SME obligors. These insightful sessions were led by the eminent Dr. Ishrat Hussain, former Governor of the State Bank of Pakistan; who shared his expertise on critical topics including "Pakistan: The Way Forward", "Beyond Survival: A Roadmap for Business Success" and "Pakistan's Economy: Opportunities and Challenges for Businesses."
- The Bank has conducted various security assessment exercises in 2024 on Information assets of the Bank which included Vulnerability Assessment (VA) and Penetration Testing (PT) activities.
- Payment Card Industry Data Security Standard (PCI DSS) Certification has also been achieved for the consecutive 6th year in 2024 along with compliance to Swift Customer Security Program (CSP) as mandated by SWIFT International. Various Information Security Awareness campaigns including Fraud awareness have been conducted for our valued customers. A Cloud based E-Learning platform is also in place for training of team members to educate and enhance awareness about latest Cyber security threats and trends.
- Major focus of the Bank remained on the Capacity Building and Enhancement of SOC (Security Operations Center) where significant investment was made on the Technology Upgrades, Improvement of Processes and development of Skillset of Human Resources. Major highlights included a dedicated SOC Facility enabled through advanced technologies for Security Information and Event Management system, Threat Intelligence and Digital Risk Protection Platform, Security Orchestration Automation and Response System, End Point Protection & End Point Detection & Response Solution and Data Loss Prevention System. Through use of these systems, the Bank has capacity not only to analyze logs, identify the security

incidents, and automate the process of orchestration & escalation for timely countermeasures but has also enriched and timely Threat Intelligence for protection of the Bank's Information Assets and prevention of loss of sensitive data.

- The Bank implemented security tools to detect and prevent Behavior based threats and anomalies at end points in order to further strengthen security.
- The Bank has also in place Information Security Risk Management Program for aligning its Governance structure with International Standards and Industry best practices. In this regard, Information Security Strategy and development of Policies, Procedures and Frameworks were the major highlights.
- The Bank has in place a roadmap to further strengthen and improve the security posture in view of Cyber Hygiene and Data Leakage self-assessment.
- The Bank also initiated a project for Implementation of ISO 27001:2022 standard to further strengthen its Information Security Management System.

Risk Management aims to continue the pace of major initiatives in 2024 such as effective utilization of the implemented Modules of Oracle Financial Services Analytical Applications (OFSAA) and Operational Risk Management Module of Risk Nucleus, process design assessments and control testing, automation of workflows in Risk Assessment and Management System, information security awareness campaigns and augmentation of the Bank maintained warehouses for pledge financing.

Emphasis on further strengthening the Bank's Information Security Posture shall continue along with investments in technology and human resource development to maintain an effective risk management framework across the Bank.

Being cognizant of disruption through digital banking, Risk Management has planned to enhance the scope of existing digital lending platform from consumers to Small Enterprises, Medium Enterprises and commercial businesses by innovating credit scoring models and processes for credit risk assessment, disbursement and monitoring.

Collaboration with leading FinTech and Data Analytics companies is under evaluation to leverage the developments taking place with regards to Artificial Intelligence and Machine Learning techniques.

Risk Management recognizes the challenges to the economy and shall continue to take pragmatic measures to ensure effective risk management of assets of the Bank.

#### Chief Executive Officer's Review

The Board of Directors fully endorse the Chief Executive Officer's review on the Bank's operational performance for the year ended December 31, 2024.

#### Statement of Internal Control

The Board of Directors is pleased to endorse the statement made by management relating to internal controls including management's evaluation of Internal Control over Financial Reporting. The Management's Statement on Internal Control is included in the Annual Report.

#### ABL Exchange (Private) Limited

We are pleased to inform that the "ABL Exchange (Private) Limited" (a wholly owned subsidiary of the Bank) was incorporated in Pakistan on December 15, 2023, with a paid-up capital of Rs. 1,000,000,000 (Rs. One Billion). The Company has commenced its operations on May 24, 2024, and is engaged in the business of dealing in foreign exchange. As of December 31, 2024, ABL Exchange (Private) Limited has a network of 21 booths across the country.

#### Corporate Sustainability and Diversity, Equity & Inclusion (DE&I)

The Board of Directors is pleased to endorse the Corporate Sustainability initiatives by Your Bank, as disclosed in the Annual Report.

The Board Risk Management Committee (BRMC) acts as Sustainability Committee of the Bank and reviews sustainability related risks, initiatives, strategy and opportunities. The Board has approved the Sustainability Framework and Strategic Plan of the Bank. The objective of Sustainability Framework and Strategic plan is to provide guidelines for the Bank's approach towards sustainability and integration of Environmental, Social and Governance (ESG) factors in its policies, procedures, processes, products and services. It highlights Bank's commitments for sustainable development and corporate responsibility in the scope of its management practices and impacts on local communities. The goals and targets for ESG have been identified and the Bank is committed to become a sustainable bank by achieving the ESG goals and targets, including the Diversity, Equity and Inclusion (DEI) targets.

#### Entity Rating

During the year, Pakistan Credit Rating Agency (PACRA) maintained Bank's long-term and short-term credit rating at the highest level of "AAA" (Triple A) and "A1+" (A One Plus) respectively. These ratings indicate highest credit quality and an exceptionally strong capacity for payment of financial commitments.

#### Corporate Governance Rating

Your Bank's well-established Corporate Governance Framework supported by Board and Management Committees has been acknowledged by VIS Credit Rating Company Limited. Resultantly, Corporate Governance Rating (CGR) for 2024 has been maintained at CGR 9+, which signifies very high level of corporate governance.

#### Board of Directors

The profile of all members of the Board of Directors is disclosed separately in overview section of the Annual Report. Composition of the Board and Board Committees is specified in "Statement of Compliance with Code of Corporate Governance".

Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board of Directors and its committees' meetings, which is disclosed in the Financial Statements note 39.

This remuneration is not at a level that could be perceived to compromise independence and is within the prescribed threshold defined by SBP. No fee is paid to the Directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

#### Performance Evaluation Mechanism for the Board

The Board of Directors, while ensuring regulatory compliance is also vested with fiduciary responsibility on behalf of the shareholders to protect the Bank's interests, provide strategic direction and monitor the execution of strategic objectives. The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Prudential Regulations, Corporate Governance Regulatory Framework and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code) describe the role of the Board of Directors along with its responsibilities and functions.

In order to comply with the requirement of the Code, the Board of Directors, in the year 2014, put in place an effective mechanism for the Board of Directors' evaluation.

Subsequently, SBP issued detailed guidelines on performance evaluation of the Board of Directors. As per these guidelines, the Board of Directors decided to opt for in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years. Accordingly, independent assessment was conducted for the year 2024.

As per approved mechanism, performance evaluation was carried out by independent evaluator, i.e., M/s. Yousuf Adil, Chartered Accountants. They issued a formal report covering following areas:

# ڈائریکٹرز رپورٹ

- Board's structure and composition
- Board's roles and responsibilities
- Board's processes
- Board committees' organization and processes
- CEO Oversight
- Boards' compensation
- Potential Board Development needs
- Independent & Non-Executive Directors
- Sponsor Directors
- Chairman

The independent evaluation report was placed before Board of Directors for review and consideration in its 273rd meeting held on February 04, 2025. The Board of Directors noted the contents of Board of Directors Annual Evaluation for the year 2024 along with external evaluator's suggestion and expressed its satisfaction on the results.

## External Auditors

The present auditors, EY Ford Rhodes, have retired and not offered themselves for reappointment. The Board of Directors, on recommendation of the Audit Committee, has recommended KPMG Taseer Hadi & Co. Chartered Accountants, being eligible

## Aizid Razzaq Gill

Chief Executive Officer

Lahore

Date: February 04, 2025

for appointment against professional fee of Rs. 31.780 million (excluding indirect taxes), as statutory auditors for the next term. The Banks is also in the process to evaluate the services of EY Ford Rhodes, along-with other consultants for augmenting its certain financial reporting processes.

## Pattern of Shareholding

Pattern of Shareholding is annexed.

## Acknowledgment

On behalf of the Board of Directors and the Management, we would like to place on record our gratitude; to esteemed shareholders and valued customers for placing their trust in Allied Bank; the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory authorities for their consistent direction and oversight. We would also like to extend appreciation to our colleagues for their diligent work towards meeting customer expectations and their dedication towards achieving the Bank's goals and objectives.

For and on behalf of the Board of Directors.

## Mohammad Naeem Mukhtar

Chairman Board of Directors

## محترم حصص مالکان :

بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کے بینک کے 31 دسمبر 2024ء کو اختتام پذیر ہونے والے سال کی سالانہ رپورٹ پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور تخصیص مندرجہ ذیل ہیں

سال پر اختتام 31 دسمبر			
اضافہ	2023	2024	
فی صد	ملین روپے		
6	40,683	43,116	سال کا منافع بعد از ٹیکس
27	79,653	100,767	گزشتہ جمع شدہ منافع
133	1	3	غیر بینکنگ اثاثا حاجات کی قدر و پیمائش سے غیر تخصیص شدہ کو منتقلی۔ نیٹ آف ٹیکس
152	69	174	پائیدار اثاثا حاجات کی قدر و پیمائش سے منتقلی۔ نیٹ آف ٹیکس
100	-	1,330	ایکویٹی انویسٹمنٹ کی فروخت سے سرپلس کی منتقلی۔ نیٹ آف ٹیکس
24	488	604	معیّن شدہ مفید منصوبوں کی تخصیص ثانی کے اثرات۔ نیٹ آف ٹیکس
21	120,894	145,994	تخصیص کے لیے دستیاب منافع
60	(2,863)	(4,580)	حتی کیش ڈیویڈنڈ برائے سال ختم 31 دسمبر 2023 @ 4.00 روپے فی عام حصص (2023: سال ختم 31 دسمبر 2023 - 2.50 @ روپے فی عام حصص)
60	(2,863)	(4,580)	پہلا عبوری کیش ڈیویڈنڈ برائے سال ختم 31 دسمبر 2024 @ 4.00 روپے فی عام حصص (2023: سال ختم 31 دسمبر 2023 - 2.50 روپے فی عام حصص)
60	(2,863)	(4,580)	دوسرا عبوری کیش ڈیویڈنڈ برائے سال ختم 31 دسمبر 2024 @ 4.00 روپے فی عام حصص (2023: سال ختم 31 دسمبر 2023 - 2.50 روپے فی عام حصص)
33	(3,435)	(4,580)	تیسرا عبوری کیش ڈیویڈنڈ برائے سال ختم 31 دسمبر 2024 @ 4.00 روپے فی عام حصص (2023: سال ختم 31 دسمبر 2023 - 3.00 روپے فی عام حصص)
6	(4,068)	(4,312)	ضوابطی ریزرو میں منتقلی
18	104,802	123,362	آگے منتقل کیا گیا جمع شدہ منافع
6	35.53	37.65	فی حصص آمدنی (EPS) روپے

بورڈ آف ڈائریکٹرز 4.00 روپے فی شیئر کا حتی کیش ڈیویڈنڈ تجویز کی ہے۔ مجموعی کیش ڈیویڈنڈ 16.00 روپے فی شیئر بشمول عبوری ڈیویڈنڈ (اس تجویز کردہ اور سال 2024ء کے دیگر مجوزہ ڈیویڈنڈز کی منظوری آنے والی سالانہ جنرل میٹنگ عام اجلاس) میں کی جائے گی۔

کلاس معاشی پیش رفت :

معاشی بحالی کے حوالے سے سال 2024ء کا آغاز غیر یقینی کی توقعات کے ساتھ ہوا۔ تاہم، افراط زر کے دباؤ، بلند شرح کے پالیسی رٹس اور عالمگیر دباؤ کے دیرپا اثرات میں بتدریج کمی کے بعد عالمی معیشت ترقی یافتہ اور ابھرتی منڈیوں، دونوں میں، استحکام کے اشارے ظاہر کر رہی ہے۔ درمیانی مدت میں سیاسی و جغرافیائی

دنیا بھر کے مرکزی بینکوں کی جانب سے کڑے مالیاتی اقدامات کے نتیجے میں، عالمی معیشت، حالیہ سالوں میں، افراط زر کی نمایاں ترین لہر سے نبرد آزما کی کے بعد ابھر رہی ہے۔ ابھرتی نظر آ رہی ہے۔ چنانچہ، آئی ایم ایف نے جنوری 2025ء کی عالمی معاشی پیش بینی (ایف) نے اپنی جنوری 2025ء کی عالمی معاشی پیش بینی کے تخمینے کی مطابقت میں سال 2025ء میں 3.2 فیصد کی سطح پر برقرار رکھا ہے۔



ڈالرز کے آؤٹ فلو کا مشاہدہ کیا گیا۔

فیڈرل بورڈ آف ریونیو (ایف بی آر) نے مالی سال 2025ء کے جولائی تا نومبر کے عرصہ میں گزشتہ سال کے تقابلی عرصہ کے 3,485 بلین روپے کے مقابلے میں 23.3 فیصد کمی کے ساتھ 4,295 بلین روپے کی ٹیکس وصولیاں کیں۔ دریں اثناء، اخراجات کے دانشمندانہ انتظام کی بدولت اخراجات میں اضافے کو محدود رکھنے میں مدد حاصل ہوئی۔ جوکہ گزشتہ سال کے 3,707 بلین روپے سے 20.6 فیصد اضافہ ظاہر کرتے ہوئے 4,472 بلین روپے تک بڑھ گئے۔

پاکستان اسٹاک ایکسچینج نے نومبر 2024ء سے جاری تیزی کے رجحان کو برقرار رکھتے ہوئے، سال کے دوران بہترین کارکردگی کا مظاہرہ کیا۔ جس میں کے ایس ای - 100 انڈیکس 100,000 پوائنٹس کے بیچ مارک کو عبور کر گیا۔ 31 دسمبر 2024ء تک انڈیکس 115,127 پوائنٹس پر بند ہوا۔ اسی مہما میں پاکستان اسٹاک ایکسچینج کی مارکیٹ کپٹلائزیشن، دسمبر 2024ء میں 8,609 بلین روپے سے بڑھ کر 14,014 بلین روپے پر ریکارڈ ہوئی۔

حالیہ سالوں میں، افراط زر ملکی اور عالمی دونوں حوالوں سے ایک نمایاں چیلنج کے طور پر برقرار ہے۔ تاہم، مہنگائی کو روکنے کے کامیاب اقدامات، ایشیائی خورد و نوش کی مستحکم قیمتوں اور گزشتہ گیس ٹیرف میں اضافے کے کم ہوتے اثرات نے مہنگائی میں نمایاں کمی کا باعث بنا ہے۔ دسمبر 2024ء میں، صارف قیمتوں کے جدول (کنزیومر پرائس انڈیکس - سی پی آئی) نومبر 2024ء کے مہینے کی 4.9 فیصد اور دسمبر 2023ء کے مہینے کی 29.7 فیصد کی سطح سے کم ہوتا ہوا، 4.1 فیصد کی شرح پر درج ہوا۔ افراط زر کے دباؤ میں اسی آسانی کے پیش نظر، اسٹیٹ بینک آف پاکستان نے جون 2024ء سے اب تک پالیسی ریٹ میں ہزار بیس پوائنٹس بتدریج کمی کرتے ہوئے اس کی شرح کو جنوری 2025ء میں 12 فیصد پر مقرر کیا ہے۔

آئی ایم ایف نے جاری معاشی چیلنجز جن میں افراط زر، جغرافیائی و سیاسی خدشات اور مائیزری پالیسی تقادوت شامل ہیں، کے باوجود عالمی نمو کے مستحکم رہنے کی پیش گوئی کی ہے۔ اگرچہ، ترقی یافتہ معیشتوں میں نمو کی رفتار قدرے کم رہنے کی توقع ہے، تاہم ابھرتی منڈیوں اور ترقی پذیر معیشتیں ٹیکنالوجیکل جدت اور ڈھانچہ جاتی اصلاحات کی مدد سے مجموعی نمو کو بڑھا سکتی ہیں۔ جس کے نتیجے میں، آئی ایم ایف نے عالمی نمو کا تخمینہ سال 2025ء اور سال 2026ء، دونوں سالوں کے لیے، 3.3 فیصد پر اندازہ کیا ہے۔ جو کہ

بحر حال، سال 2000ء سے سال 2019ء کی 3.7 فیصد کی تاریخی اوسط شرح سے کم ہے۔ یہ پیش بینی سال 2025ء کے لیے آئی ایم ایف کے اپنے سابقہ تخمینے سے 0.1 فیصد زیادہ ہے جبکہ، سال 2026ء کے لیے اسکی پیش بینی میں کوئی تبدیلی نہیں کی گئی ہے۔

ملکی حوالے سے، آئی ایم ایف نے سال 2025ء کے لیے پاکستان کی جی ڈی پی کی نمو میں اپنے اکتوبر 2024ء میں شائع کردہ عالمی معاشی پیش بینی میں درج 3.2 فیصد کے سابقہ تخمینے میں 0.2 فیصد کی تنزیل کرتے ہوئے اسے 3.0 فیصد پر تجویز کیا ہے۔ اسی مہما میں مائیزری پالیسی کمیٹی (ایم پی سی) نے مالی سال 2025ء کی دوسری ششماہی میں جی ڈی پی کی حقیقی نمو 2.5 فیصد تا 3.5 فیصد کی متوقع حد کے درمیان رہنے کی امید کا اظہار کیا ہے۔ سال 2026ء کے لیے آئی ایم ایف نے اکتوبر 2024ء میں کی گئی اپنی پیش بینی کو برقرار رکھتے ہوئے نمو کی شرح کو 4 فیصد پر مقرر کیا ہے۔

جنوری 2025ء کی عالمی معاشی پیش بینی میں آئی ایم ایف نے سرخیلی افراط زر کی شرح کو کم کرتے ہوئے سال 2025ء کے لیے 4.2 فیصد اور سال 2026ء کے لیے 3.5 فیصد پر تخمینہ کیا ہے۔ جوکہ اکتوبر 2024ء میں سال 2025ء کے لیے اندازہ کی گئی 4.3 فیصد کی سطح سے قدرے بہتری کا اظہار ہے۔ ملکی حوالے سے، اسٹیٹ بینک آف پاکستان کی مائیزری پالیسی کمیٹی کو توقع ہے کہ مالی سال 2025ء کے لیے سرخیلی افراط زر کی شرح 5.5 فیصد تا 7.5 فیصد کی اوسط کے درمیان رہے گی۔

### مالیاتی کارکردگی:

سال کے دوران، پاکستان کی بینکاری کی صنعت کی نمو لچکدار رہی۔ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران، بینکنگ کی صنعت کے کل اثاثہ جات گزشتہ سال کے 45,183 بلین روپے کے حجم سے 17 فیصد کے اضافے کے ساتھ 50 ٹریلین روپے کی حد کو عبور کرتے ہوئے، 52,285 بلین روپے پر ریکارڈ ہوئے۔ 31 دسمبر 2024ء کو کل قرضہ جات اور خالص قرضہ جات دونوں، 30 فیصد کی مضبوط نمو کا مظاہرہ کرتے ہوئے بالترتیب 16,009 بلین روپے اور 15,099 بلین روپے پر درج ہوئے۔ جبکہ اس کے مقابلے میں 31 دسمبر 2023ء کو اکی سطح بالترتیب 12,352 بلین روپے اور 11,625 بلین روپے تھی۔ سرمایہ کاری میں 15 فیصد کی ایک توانا نمو دیکھی گئی جوکہ 31 دسمبر 2023ء کے 25,280 بلین روپے کے حجم کی نسبت 31 دسمبر 2024ء تک 29,129 بلین روپے پر ریکارڈ کی گئی۔

کے لیے اس کی شرح کو 0.5 فیصد پر تجویز کیا ہے جوکہ اس کے اکتوبر 2024ء کے شائع شدہ 8.5 فیصد کے اندازے سے معمولی سی کم ہے۔

سال 2024ء کے دوران، پاکستان کی معیشت میں مثبت رویے دیکھے گئے۔ جس کے ساتھ کلاں معاشی اشاریوں میں بھی بہتری نظر آئی۔ مالیاتی پالیسی اقدامات سے افراط زر کی رفتار میں کمی واقع ہوئی۔ موخر مالیاتی جامعیت کی بدولت مالی سرپلس حاصل ہوا، اور برآمدات و ترسیلات زر کے بڑھنے سے کرنٹ اکاؤنٹ میں بھی سرپلس دیکھا گیا۔ چنانچہ، آئی ایم ایف نے پاکستان کی جی ڈی پی کی نمو کے تخمینہ کو سال 2024ء کے لیے، نظر ثانی کرتے ہوئے 2.5 فیصد کی شرح پر مقرر کیا۔ جوکہ اکتوبر 2024ء میں شائع کردہ عالمی معاشی پیش بینی میں اندازہ کی گئی 2.4 کی شرح سے قدرے بلند ہے۔ اسٹیٹ بینک آف پاکستان نے، پاکستان کی جی ڈی پی کی نمو کو، سال 2024ء کے لیے، 2.5 فیصد پر تخمینہ کیا ہے جوکہ، سال 2023ء کی منفی 0.2 فیصد کی شرح سے نمایاں طور پر بلند سطح ہے۔

زری شعبے میں بھی تمام ضروری زری ان پٹس، زری قرضوں کی فراہمی، معیاری بیجوں، کھاد اور میکائنازیشن سپورٹ کی بروقت دستیابی کی بدولت بہتری آئی ہے۔ زری قرضہ جات کی تقسیم، مالی سال 2025ء کے جولائی تا نومبر کی مدت میں، 8.5 فیصد کے اضافے کے ساتھ 925.7 بلین روپے پر پہنچ گئی۔ جبکہ اس کے مقابل میں مالی سال 2024ء کے جولائی تا نومبر کے عرصے میں اٹکا حجم 853.0 بلین روپے تھا۔

بڑے پیمانے کی پیداواری صنعت میں مالی سال 2024ء کے جولائی تا نومبر کے عرصے میں درج شدہ 1.9 فیصد کے سکڑاؤ کے مقابلے میں مالی سال 2025ء کے جولائی تا نومبر کی مدت کے دوران 1.25 فیصد کی تنزیل دیکھی گئی۔ آٹو انڈسٹری نے پاکستان میں الیکٹریک گاڑیوں کی پیداوار کے آغاز کے ساتھ ایک اہم سنگ میل عبور کیا ہے۔ اس شعبے کی پیداوار میں 28.3 فیصد کا اضافہ اور فروخت میں 28.2 کی بڑھوتی ریکارڈ کی گئی۔ مجموعی سست روی کے رجحان کے باوجود، کئی اہم شعبوں نے نمایاں کارکردگی کا مظاہرہ کیا جن میں ٹیکسٹائل، خوراک، لمبوسات، فارماسیوٹیکل، مشروبات، آٹوموبیل شامل ہیں۔ ان شعبوں نے صنعت کی چلک اور بحالی کے مواقع سے مستفید ہونے کا مظاہرہ کرتے ہوئے اپنی صلاحیت کو اجاگر کیا۔

بیرونی محاذ پر، درآمدات میں اضافے کے باوجود بیرونی اکاؤنٹ کی صورتحال نمایاں طور پر مستحکم ہوئی۔ جس کی بنیادی وجہ میں برآمدات اور ترسیلات زر میں نمو

تھی۔ کرنٹ اکاؤنٹ کا توازن میں مسلسل پانچویں مہینے میں سرپلس پر ریکارڈ ہوا۔ مالی سال 2025ء کی پہلی ششماہی کے دوران، کرنٹ اکاؤنٹ بیلنس گزشتہ سال کی مماثلتی مدت کے درج شدہ 1,397 بلین امریکی ڈالرز کے خسارے کے تناسب میں 187 فیصد کے شاندار اضافے کے اظہار کے ساتھ 1,210 بلین امریکی ڈالرز پر درج ہوا۔

مالی سال 2025ء کے جولائی تا دسمبر کے عرصے کے دوران، برآمدات گزشتہ سال کے مماثلتی عرصہ کے 18,937 بلین امریکی ڈالرز کی نسبت 20,279 بلین امریکی ڈالرز پر پہنچ گئیں جوکہ 7.1 فیصد کی نمو کو ظاہر کرتی ہیں۔ دریں اثناء، مالی سال 2025ء کے جولائی تا دسمبر کی مدت میں درآمدات، گزشتہ سال کے مماثلتی عرصہ کے 30,527 امریکی ڈالرز کے حجم سے 9.4 فیصد کے اضافے کے اندراج کے ساتھ 33,382 بلین امریکی ڈالرز پر شمار کی گئیں۔ جس کے نتیجے میں مالی سال 2025ء کی پہلی ششماہی میں تجارتی خسارہ، مالی سال 2024ء کے جولائی تا دسمبر کے 11,590 بلین امریکی ڈالرز میں 13.1 فیصد کے اضافے کے ساتھ 13,103 بلین امریکی ڈالرز پر درج ہوا۔

افراد کی ترسیلات زر، مالی سال 2024ء کے جولائی تا دسمبر کے عرصے کی 13,436 بلین امریکی ڈالرز کی سطح سے 33 فیصد کی بڑھوتی ظاہر کرتے ہوئے، مالی سال 2025ء کے جولائی تا دسمبر کے عرصے کے دوران، 17,846 بلین امریکی ڈالرز پر ریکارڈ ہوئیں۔

غیر ملکی زرمبادلہ کے کل دستیاب ذخائر اور اسٹیٹ بینک آف پاکستان کے خالص ذخائر 27 دسمبر 2024ء تک بالترتیب 16,409 بلین امریکی ڈالرز اور 11,711 بلین امریکی ڈالرز پر پہنچ گئے۔ جبکہ اس کے مقابلے میں 29 دسمبر 2023ء تک ان ذخائر کا حجم بالترتیب 12,673 بلین امریکی ڈالرز اور 8,233 بلین امریکی ڈالرز پر ریکارڈ کیا گیا تھا۔

غیر ملکی براہ راست سرمایہ کاری مالی سال 2025ء کے جولائی تا دسمبر کے دوران، گزشتہ سال کی مماثلتی مدت کے 1,107.9 بلین امریکی ڈالرز کے حجم کی نسبت 221.3 بلین امریکی ڈالرز (20 فیصد) کے اضافے کے ساتھ 1,329 بلین امریکی ڈالرز پر جا پہنچی۔ تاہم نجی شعبہ کی سرمایہ کاری کے پورٹ فولیو میں 413 فیصد کمی دیکھی گئی جس میں مالی سال 2024ء کے جولائی تا دسمبر کے عرصے میں حاصل ہونے والے 70.8 بلین امریکی ڈالرز کے ان فلو کی نسبت مالی سال 2025ء کے جولائی تا دسمبر کی مدت میں 221.8 بلین امریکی

شرح کو 39 فیصد سے بڑھا کر 44 فیصد پر مقرر کیا ہے اور سال 2024ء سے موثر، حکومتی تسکات سے متعلقہ آمدنی پر بلند شرح ٹیکس، جس کا شمار بینکوں کے قرضہ جات سے ڈیپازٹس کے تناسب پر ہوتا تھا، کا خاتمہ کر دیا ہے۔

بینک کا منافع بعد از ٹیکس تقابلی سال 2023ء کے 40,683 ملین روپے کے حجم سے 6 فیصد کے اضافے کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال میں 43,116 ملین روپے پر جا پہنچا۔

بینک نے 2 تریلیوں روپے کے ڈیپازٹس کا سنگ میل عبور کیا ہے۔ بینک کے کل ڈیپازٹس 31 دسمبر 2023ء تک کے 1,676,623 ملین روپے کے مقابلے میں سال کے اختتام تک 2,018,395 ملین روپے رہے۔ جو کہ 20.4 فیصد کی نمو کا عکاس ہے۔ مزید برآں، 31 دسمبر 2024 تک ڈیپازٹس کا مارکیٹ شیئر پچھلے سال کی 6.02 فیصد کی شرح سے بڑھ کر 6.15 فیصد پر پہنچ گیا۔ بلند سیونگ ریٹس کے باوجود، کم لاگت یا بغیر لاگت کے ڈیپازٹس کے حصول پر مرکز بینک کی توجہ کی بدولت، کرنٹ اکاؤنٹ میں 9 فیصد کا اضافہ ہوا ہے۔

کل قرضہ جات 31 دسمبر 2023ء کو اختتام پذیر سال کے 794,138 ملین روپے کے حجم کے تناسب میں 34 فیصد کی مضبوط نمو کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 1,066,348 ملین روپے پر شمار ہوئے۔ آپ کے بینک کے خالص قرضہ جات 31 دسمبر 2023ء کو اختتام پذیر سال کے 781,597 ملین روپے کے حجم کے تناسب میں 35 فیصد کے اضافے کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 1,051,314 ملین روپے پر ریکارڈ ہوئے۔

الائیڈ بینک اپنے کریڈٹ پورٹ فولیو کے اعلیٰ معیار اور اعتماد کے اظہار کے ساتھ انٹیکشن کے کم تناسب کو مسلسل برقرار رکھے ہوئے ہے۔ 31 دسمبر 2024ء تک بینک کی انٹیکشن کی شرح، پچھلے سال کی 1.64 فیصد کی سطح سے بہتر ہو کر 1.22 فیصد پر درج ہوئی۔ مخصوص اور مجموعی کوریج کی شرحیں 31 دسمبر 2023ء کی 94.61 فیصد اور 96.18 فیصد کے مقابلے میں 93.85 فیصد اور 115.71 فیصد کی بالترتیب سطحوں پر ریکارڈ ہوئیں۔

سرمایہ کاری پچھلے سال کے 1,150,318 ملین روپے کے حجم کے تناسب میں 2 فیصد کی معمولی کمی کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 1,129,874 ملین روپے پر شمار ہوئی۔

الائیڈ بینک کے کل اثاثہ جات پچھلے سال کے 2,329,317 ملین روپے کے حجم کے مقابلے میں 21 فیصد کے مضبوط اضافے کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 2,816,969 ملین روپے پر جا پہنچے۔ بینک کے خالص اثاثہ جات سال 2023ء کے 194,254 ملین روپے کے حجم کی نسبت 20 فیصد کی بڑھتی کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 233,901 ملین روپے پر درج ہوئے۔

آپ کے بینک کے اثاثہ جات پر آمدنی اور ایکویٹی کی آمدنی کی شرح (ٹیئر-1-1) پچھلے سال کی 1.8 فیصد اور 29.4 فیصد کی سطحوں کے مقابلے میں 31 دسمبر 2024ء تک بالترتیب 1.7 فیصد اور 26.0 فیصد پر رپورٹ ہوئیں۔ سرمائے کی معقولیت کی شرح سال 2023ء کی درج شدہ 26.21 فیصد کی سطح کے نسبت میں 31 دسمبر 2024ء تک بہتر ہوتے ہوئے 26.71 فیصد پر جا پہنچی جو کہ 11.5 فیصد کی کم از کم ضوابطی حد سے خاصی بلند ہے۔

الائیڈ بینک کے ملک گیر وسیع براؤنج نیٹ ورک کو، جو کہ ادارے کو ایک مخصوص فوقیت فراہم کرتا ہے، نئی ڈیجیٹل اور اسمارٹ برانچوں کی شمولیت سے مزید توانا بنایا گیا ہے اور اس کے ساتھ موجودہ برانچوں کی تزئین و آرائش کی گئی ہے تاکہ مجموعی صارفین کو تجربات مزید بہتر اور خوبصورت ماحول فراہم کیا جاسکے۔ بینک اب 1,510 برانچوں کے ساتھ اپنی خدمات فراہم کر رہا ہے جن میں 1,332 روایتی برانچیں، 160 اسلامک برانچیں اور 18 ڈیجیٹل برانچیں شامل ہیں تاکہ صارفین کی متنوع ضروریات کو پورا کیا جاسکے۔

الائیڈ بینک اپنی بینکنگ کی خدمات کو مختلف ذرائع، جن میں وسیع براؤنج نیٹ ورک، ایسٹ ایجز، آن لائن اور موبائل بینکنگ پلیٹ فارمز اور دیگر ٹچ پوائنٹس شامل ہیں، کے ذریعے ملک بھر میں، بلا تعلق فراہمی کے لیے پرعزم اور کوشاں ہے۔ بینک کی اس رسائی کو، 1,604 ایسٹ ایجز کے ایک مضبوط نیٹ ورک کا تعاون حاصل ہے۔ جو کہ 1,356 آن لائن سائٹس، ایسٹ ایجز، 243 آف سائٹ ایسٹ ایجز اور 5 موبائل بینکنگ پوائنٹس (ایم بی یوز) پر مشتمل ہے۔

مستقبل میں بھی بینک اپنے متنوع شعبوں سے تعلق رکھنے والے صارفین کی ارتقاء پذیر ضروریات اور امیدوں کو پورا اترنے کے لیے جدید ڈیجیٹل سہولیات کی فراہمی پر اپنی توجہ مرکوز رکھنے کی حکمت عملی برقرار رکھنے کا اعادہ رکھتا ہے۔ ساتھ ہی تیز رفتار کارکردگی، مالیاتی لچک مضبوط کارپوریٹ گورننس، رسک مینجمنٹ اور پائیدار کاروباری طریقہ کار کے امتزاج کے ساتھ اپنے تمام اسٹیک ہولڈرز

الائیڈ بینک نے مارکیٹ میں اپنی وسعت میں اضافے میں متاثر کن پیش رفت کی ہے۔ جس کا اظہار اثاثہ جات اور منافع دونوں میں قابل ذکر مضبوط نمو سے ہوتا ہے۔ جدت طرازی اور صارفین کے محور پر آسانیوں اور سہولت کی فراہمی پر مکمل توجہ رکھنے کے ساتھ ساتھ، بینک نے مارکیٹ کی چیلنجیں صورت حال سے مضبوطی کے ساتھ نبرد آزما ہوتے ہوئے، صنعت میں اپنی پوزیشن کو مستحکم کیا ہے۔

بینک کی مارک اپ یا انٹرسٹ آمدنی سال 2023ء کے 357,307 ملین روپے کی نسبت 5 فیصد کے اضافے کے ساتھ 31 دسمبر 2024ء تک 376,760 ملین روپے پر پہنچ گئی۔ یہ نمو اوسط پیداواری اثاثہ جات میں اضافے اور سرمایہ کاری کے مدتی انتظام اور سپریڈز کے بہتر اور موثر انتظام میں معاون ثابت ہوئی۔ ڈیپازٹس کی بلند لاگت اور اثاثہ جات کے استعمال سے متعلقہ حق سے جڑے انٹرسٹ اخراجات، حاصل شدہ قرض کی کم لاگت سے جزوی طور پر زائل ہو گئے۔ آپ کے بینک کے مارک اپ یا انٹرسٹ اخراجات میں 7 فیصد یا 17,509 ملین روپے کا اضافہ ہوا جو کہ گزشتہ تقابلی سال کے 244,028 ملین روپے کے حجم کی نسبت 31 دسمبر 2024ء تک 261,537 ملین روپے پر شمار ہوئے۔

جس کے نتیجے میں، خالص انٹرسٹ، مارک اپ آمدنی 31 دسمبر 2023ء کے 113,279 ملین روپے کے حجم سے 1,944 ملین روپے یا 2 فیصد کی ترقی کے ساتھ 31 دسمبر 2024ء تک 115,223 ملین روپے پر ریکارڈ کی گئی۔

فیس آمدنی پچھلے تقابلی سال کی 10,641 ملین روپے کی سطح سے 3,440 ملین روپے یا 32 فیصد کے اضافے کے ساتھ 31 دسمبر 2024ء تک 14,081 ملین روپے پر درج ہوئی۔ اس میں کارڈ سے متعلقہ بلند فیس، ترسیلات پر کمیشن کی فیس، براؤنج بینکنگ کے صارفین کی فیس، کاروبار کے حصول اور تجارت پر کمیشن کا بنیادی کردار تھا۔

آپ کے بینک کی ڈیویڈنڈ آمدنی 31 دسمبر 2023ء کو اختتام پذیر سال کے 3,543 ملین روپے کے حجم سے 15 فیصد کی کمی کے اندراج کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 3,018 ملین روپے پر درج ہوئی۔ اس زیر تجزیہ سال کے دوران، آپ کے بینک کا کیپٹل گین 31 دسمبر 2023ء کو اختتام پذیر سال کی 845 ملین روپے کی سطح کی نسبت 308 فیصد کے اضافے کے ساتھ 3,444 ملین روپے پر رپورٹ ہوا۔ اس

اضافے میں حکومتی تسکات اور یورپائی فنڈز کی فروخت کا بنیادی کردار رہا۔ آپ کے بینک کی فارن ایکسیج آمدنی گزشتہ سال کی 9,167 ملین روپے کی سطح سے 27 فیصد کی کمی کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال تک 6,679 ملین روپے پر ریکارڈ ہوئی۔

آپ کے بینک کی غیر مارک اپ یا نان انٹرسٹ آمدنی پچھلے تقابلی سال کی 24,427 ملین روپے کی درج شدہ سطح سے 15 فیصد کی نمو کے اظہار کے ساتھ 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 27,980 ملین روپے پر شمار ہوئی۔ مزید برآں، بینک کی دیگر آمدنی سال 2023ء کی حاصل شدہ 31: ملین روپے کی آمدنی سے 228 فیصد کی نمو ظاہر کرتے ہوئے سال 2024ء میں 758 ملین روپے پر درج کی گئی۔

الائیڈ بینک اپنے براؤنج نیٹ ورک کو وسیع کرنے اور اپنی ٹیکنالوجی کی صلاحیت میں اضافے پر توجہ مرکوز کینے ہوئے ہے۔ جس کے باعث، کل کاروباری اخراجات میں اضافہ ہوا ہے۔ تاہم، ٹیکنالوجی کے استعمال اور طریقہ کار کی آٹومیشن اور بہتری کے ذریعے بینک نے اپنے کاروباری اخراجات کے اضافے کو 20 فیصد کی شرح تک محدود رکھا۔ کل کاروباری اخراجات 31 دسمبر 2023ء کو اختتام پذیر سال کے 48,972 ملین روپے کے حجم کے مقابلے میں 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 57,985 ملین روپے پر رپورٹ ہوئے۔

اس زیر تجزیہ سال کے دوران، منافع قبل از ٹیکس 31 دسمبر 2023ء کو اختتام پذیر تقابلی سال کے 85,757 ملین روپے کے تناسب میں 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران 87,928 ملین روپے پر شمار ہوا۔ اور یوں 3 فیصد کی نمو کا اندراج کیا۔ اس اضافے میں زیادہ کردار بروہتی خالص مارک اپ یا انٹرسٹ آمدنی، نان مارک اپ اکم اور کریڈٹ لاس (Credit Loss) کی کٹوتی کا تھا جو کہ بلند کاروباری اخراجات سے جزوی طور پر زائل بھی ہوا۔

31 دسمبر 2024ء کو اختتام پذیر سال کے لیے موثر ٹیکس ریٹ پچھلے سال کی 52.56 فیصد کی شرح کے مقابلے میں 50.96 فیصد رہا۔ سال 2024ء کے لیے ٹیکس اخراجات، سال 2023ء کے 45,074 ملین روپے کی نسبت معمولی کمی کے ساتھ 44,812 ملین روپے رہے جو کہ 1 فیصد کی کمی کو ظاہر کرتے ہیں۔ وفاقی حکومت نے اگم ٹیکس (تریمی) آرڈیننس 2024ء کے ذریعے بینکوں کے عام ٹیکس ریٹس میں، اس زیر تجزیہ سال کے لیے، اضافہ کرتے ہوئے اس کی

(System) اور اینڈ پوائنٹ پروٹیکشن اور اینڈ پوائنٹ ڈیٹا لاس پریونشن اینڈ رسپانس سسٹم (End Point Protection & End Point Deduction & Response System)، سولوشن اینڈ ڈیٹا لاس پریونشن سسٹم (Solutions & Data Loss Prevention System) شامل ہیں۔ ان سسٹمز کے ذریعے بینک کو ناصرف اپنی لاگ (LOGS) کے جائزے، سکیورٹی سے متعلقہ واقعات کی نشاندہی اور آرکائیویشن کے عمل کی خودکاریت اور بروقت تدارک کے لیے اس میں اضافہ کرنے کی صلاحیت پیدا ہوگی بلکہ خطرات کی بروقت اور بھرپور نشاندہی کے ذریعے بینک کے معلوماتی اثاثہ جات کو تحفظ فراہم کیا جاسکے گا اور حساس ڈیٹا کو ضائع ہونے سے بچایا جاسکے۔

- رویوں پر مشتمل خطرات اور بے قاعدگیوں کی نشاندہی اور تدارک کے لیے بینک نے سکیورٹی اقدامات کا نفاذ کیا ہے۔

- بینک میں اپنی گورننس کے ڈھانچے کو انٹرنیشنل اسٹینڈرڈز اور صنعت کی بہترین پریکٹس سے ہم آہنگ کرنے کے لیے انفارمیشن سکیورٹی رسک مینجمنٹ پروگرام کے ایک پروجیکٹ کام کر رہا ہے۔ انفارمیشن سکیورٹی کی حکمت عملی اور پالیسیوں، طریقہ کار اور فریم ورکس کی تشکیل اس پروجیکٹ کے نمایاں عنصر ہیں۔

- سائبر ہائجین اینڈ ڈیٹا لیکیج (Cyber Hygiene & Data Leakage) کے تناظر میں، بینک نے اپنی سکیورٹی کی صورتحال کو مزید محفوظ اور بہتر بنانے کے لیے ایک باقاعدہ لائحہ عمل بھی دستیاب ہے۔

- بینک نے اپنے انفارمیشن سکیورٹی مینجمنٹ سسٹم کو مضبوط کرنے کے لیے آئی ایس او (ISO) 27001:2022 اسٹینڈرڈ کے نفاذ کے پراجیکٹ کا آغاز بھی کیا۔

رسک مینجمنٹ اپنے اہم اقدامات جیسا کہ اوریکل فنانشل سروسز اینالٹیکل اینالٹیکیشن (Oracle Financial Services Analytical - OFSAA) کے نافذ شدہ موڈلز کے موزوں ترین استعمال اور شیٹ میٹرکس پراسس ڈیزائن (Bench Matrix Process Design) کی جانچ اور کنٹرول ٹیسٹنگ، خدشات کی تشخیص اور مینجمنٹ سسٹم کے ورک فلوز (کام کے طریقہ کار) کی خودکاریت، انفارمیشن سکیورٹی کی آگاہی سے متعلقہ مہم، بینک کے زیر انتظام رہن اور گروہی قرضہ جات کے لیے گوداموں کو مضبوط بنانے کے اقدامات وغیرہ کو سال 2024ء میں بھی جاری رکھنے کا ارادہ رکھتا ہے۔

- بینک اپنی معلوماتی محافظت (انفارمیشن سکیورٹی) کے نظام کو مزید مضبوط بنانے اور اس کے ساتھ ٹیکنالوجی اور افرادی وسائل کے فروغ میں سرمایہ کار کی خصوصی توجہ مرکوز کیے ہوئے ہے تاکہ پورے بینک میں خدشات کے انتظام کا ایک موثر نظام قائم کیا جاسکے۔

- ڈیجیٹل بینکنگ کے ذریعے پیدا ہونے والی رکاوٹوں کا ادراک رکھتے ہوئے، رسک مینجمنٹ نے قرضوں کے مروجہ ڈیجیٹل پلیٹ فارم کے دائرہ کار کو جدید کریڈٹ سکورنگ ماڈلز اور کریڈٹ رسک کی تشخیص کے طریقہ کار، انکی تقسیم اور نگرانی کے عمل کے ذریعے صارفین سے چھوٹے اور درمیانی کاروباروں اور کمرشل کاروباروں تک وسعت دینے کی منصوبہ بندی کی ہے۔

- معروف فن ٹیک اور ڈیٹا کا تجزیہ کرنے والے اداروں کے تعاون سے مصنوعی ذہانت (آرٹیفیٹل انٹیلیجنس - Artificial Intelligence) اور مشین لرننگ (Machine Learning) میں ہونے والی جدید اور تازہ ترین تکنیکی عوامل کا جائزہ لیا جا رہا ہے۔

- رسک مینجمنٹ معیشت کو درپیش چیلنجز سے مکمل طور پر آگاہ ہے اور بینک کے اثاثہ جات کے خدشات کے موثر انتظام کو یقینی بنانے کے لیے تمام عملی اور ضروری اقدامات جاری رکھے گا۔

#### چیف ایگزیکٹو آفیسر کا تجزیہ :

بورڈ آف ڈائریکٹرز، چیف ایگزیکٹو آفیسر کے 31 دسمبر 2024ء کو اختتام پذیر سال میں بینک کی کاروباری کارکردگی کے بارے میں تجزیہ کی مکمل تصدیق کرتے ہیں۔

#### اندرونی انضباط کا بیانیہ :

بورڈ انتظامیہ کے اندرونی انضباط کے بارے میں بیانیہ بشمول انتظامیہ کی ICFR کی قدر و پیمائی کی بخوشی تصدیق کرتا ہے۔ اندرونی انضباط کے بارے میں انتظامیہ کا بیانیہ سالانہ رپورٹ میں شامل ہے۔

#### اے بی ایل ایچ (پرائیویٹ) لمیٹڈ :

ہم انتہائی مسرت سے اعلان کرتے ہیں کہ اے بی ایل ایچ (پرائیویٹ) لمیٹڈ (بینک کا ایک مکمل ملکیتی ذیلی ادارہ) کو 1,000,000,000 روپے (1 بلین

کے لیے طویل مدتی قدر اور افادیت کے فروغ پر بھی توجہ مرکوز کیے ہوئے ہے۔

#### رسک مینجمنٹ گروپ :

رسک مینجمنٹ گروپ (آر ایم جی)، مضبوط اصولوں پر مبنی ایک وسیع فریم ورک، موزوں ادارتی ڈھانچے کی مدد، خدشات کے تعین کے مضبوط نمونوں اور ایک خودکار ماحول میں نظام کی موثر نگرانی کے ذریعے خدشات کے تدارک کے لیے کوشاں ہے تاکہ تمام متعلقہ لوگوں کے لیے حتی الامکان قدر کے حصول کے ساتھ بینک کے سرمائے کی قوت کا تحفظ کیا جاسکے۔

رسک مینجمنٹ کے مختص افعال میں مندرجہ ذیل شامل ہیں:

- کارپوریٹ اور مالیاتی اداروں کے خدشات
- کمرشل، ایس ایم ای (SME) اور صارفین کے خدشات
- قرضوں کے انتظام اور نگرانی
- تکنیکی تشخیص
- انفارمیشن سکیورٹی اور گورننس؛ اور
- انٹر پرائز خدشات

یہ افعال، اثاثہ جات کے بلند معیار کو یقینی بناتے اور کل خدشات کو بینک کی مجموعی قابل قبول سطح میں رکھتے ہوئے نگرانی اور جانچ کے نظام میں مسلسل وسعت کے لیے ہم آہنگی کے ساتھ کام کرتے ہیں۔

سال 2024ء میں رسک مینجمنٹ جدید ٹیکنالوجی کے استعمال اور خدشات کی نگرانی اور تعین کے نظام کو مزید تقویت دینے کے لیے مندرجہ ذیل اہم اقدامات کے ذریعے، اپنے خدشات کے تدارک کے عمل کو مضبوط اور جدید بنانے کے لیے کوشاں ہے:

- بینک نے مقامی طور پر تیار کردہ ایک جدید ترین رسک ایسمنٹ سسٹم (آر اے ایف - RAMS) قائم کیا ہے تاکہ قرضہ جات کی پروسیجر اور نگرانی کی جاسکے۔ اس نظام نے کریڈٹ خدشات کے موثر انتظام کو یقینی بنایا ہے جس کا اظہار صنعت میں سب سے کم انکیشن کی شرح سے بھی ہوتا ہے۔ بینک اس نظام کی افادیت میں مزید اضافے کے لیے اس کی مسلسل اپ گریڈیشن کے عمل کو جاری رکھے ہوئے ہے۔

- ذمہ دار اور فیصلہ ساز لوگوں کو کاروباری انتظام اور حکمت عملیوں کے بارے میں تازہ ترین معلومات فراہم کرنے کے بینک کے منفرد اقدام کی

مطابقت میں سال 2024ء کے دوران، کارپوریٹ، کمرشل اور ایس ایم ای ذمہ داران کے لیے 3 سیمیناروں کا انعقاد کیا گیا۔ ان بصیرت افروز اور معلوماتی سیشنز (دورانیوں) کی قیادت اسٹیٹ بینک آف پاکستان کے سابق گورنر محترم ڈاکٹر عشرت حسین نے کی، جنہوں نے "پاکستان دی وے فارورڈ (مستقبل کا راستہ)" "Pakistan The Way Forward" ، پیونڈ سٹریٹجی - اے روڈ میپ فار بزنس سکیس (کاروبار میں کامیابی کا روڈ میپ) - Beyond Survival (A Roadmap for Business Success اور پاکستان کی معیشت - Challenges for Business) اور چیلنجز (Pakistan Economic Opportunity & Challenges for Business) جیسے اہم موضوعات پر اپنی قیمتی رائے اور تجربے سے تمام سامعین کو روشناس کیا۔

- آپکے بینک نے سال 2024ء کے دوران بینک کے معلوماتی اثاثوں کے تحفظ کے لیے بہت سی حفاظتی جانچ کی تدابیر اختیار کی ہیں اس میں وٹنرا ہیبلٹی ایسمنٹ (VA) اینڈ وینیریشن ٹیسٹنگ (PT) (Vulnerability and Penetration Testing) کی سرگرمیاں شامل ہیں۔

- پیمنٹ کارڈ انڈسٹری ڈیٹا سکیورٹی اسٹینڈرڈز (Payment Card Industry Data Security Standard - PCI-DSS) سرٹیفیکیشن جس کو سال 2024ء میں مسلسل چھٹی مرتبہ حاصل کیا ہے، اور اس کے ساتھ سوئفٹ (SWIFT) انٹرنیشنل سے تفویض شدہ سوئفٹ کسٹمر سکیورٹی پروگرام (CSP) کی تعمیل بھی کی گئی۔ اپنے معزز صارفین کی معلومات کے لیے انفارمیشن سکیورٹی بشمول فراڈ سے آگہی کی مختلف تحریک کا انعقاد کیا ہے۔ اپنے ٹیم ممبران کو سائبر سکیورٹی سے متعلقہ تازہ ترین خطرات اور رجحانات سے آگاہ اور انکی تربیت کرنے کے لیے کلاؤڈ (cloud) پر مبنی ایک ای-لرننگ پلیٹ فارم (e-learning platform) بھی دستیاب ہے

- بینک کی زیادہ تر توجہ اپنی صلاحیت کی تعمیر اور سکیورٹی آپریشن سینٹرز کی وسعت پر رہی اور ٹیکنالوجی کے درجات، طریقہ کار میں بہتری اور افرادی وسائل کی صلاحیتوں کی ترقی میں نمایاں سرمایہ کاری کی گئی۔ ان اقدامات کی اہم جھلکیوں میں سکیورٹی انفارمیشن اور ایویٹ مینجمنٹ سسٹم کے لیے جدید ٹیکنالوجی سے مزین اور ایک مخصوص ایس او ای (SOC) کی سہولت، تھریٹ انٹیلیجنس اینڈ ڈیجیٹل رسک پلیٹ فارم (Threat Intelligence and Digital Risk Platform) کا قیام، سکیورٹی آرکیٹیکچریشن آڈیشن اینڈ رسپانس سسٹم (Security Orchestration Automation and Response System)

لیے رہنمائی کے تفصیلی اصول وضع کیے ہیں۔ جس کی روشنی میں بورڈ نے مقدراری تکنیک کے ساتھ بینک کے اندرونی نقطہ نظر اور ہر تین سال بعد ایک آزاد ترمیمہ ساز سے اس کی جانچ کو اختیار کرنے کا فیصلہ کیا ہے۔ چنانچہ، سال 2024ء کے لیے ایک آزادانہ تفتیش کی گئی۔

ایک منظور شدہ نظام پر کاربند رہتے ہوئے ایک آزاد تفتیش کار، M/S یوسف عادل، چارٹرڈ اکاؤنٹینٹ نے کارکردگی کا تجزیہ کیا۔ انہوں نے اس میں ایک باقاعدہ رپورٹ جاری کی جس میں مندرجہ ذیل اقسام کی کارکردگی کو جانچا گیا:

- 1- بورڈ کے ڈھانچے اور تشکیل
- 2- بورڈ کے کردار اور ذمہ داریاں
- 3- بورڈ کے طریقہ کار
- 4- بورڈ کی کمیٹیوں کی تنظیم اور طریقہ کار
- 5- سی ای او کی فروگزاشت
- 6- بورڈ کے معاوضے
- 7- بورڈ کی ممکنہ پیش رفت کی ضروریات
- 8- آزاد اور نان ایگزیکٹو (غیر انتظامی) ڈائریکٹرز
- 9- اسپانسر ڈائریکٹرز
- 10- چیرمین

مخائب و برائے بورڈ آف ڈائریکٹرز

ایزد رزاق گل

چیف ایگزیکٹو آفیسر

محمد نعیم مختار

چیرمین بورڈ آف ڈائریکٹرز

لاہور

04 فروری 2025ء

#### بیرونی آڈیٹرز:

موجودہ آڈیٹرز M/S ایم وائے (EY) فورڈ رھوڈز، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو چکے ہیں اور دوبارہ تعیناتی میں دلچسپی نہیں رکھتے ہیں۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی سفارش پر M/S کے پی ایم جی تاخیر بادی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو 31,780 ملین روپے (علاوہ بلواسطہ ٹیکسز) کی پیشہ ورانہ فیس کے عوض، اگلی مدت کے لیے، بینک کا قانونی آڈیٹرز مقرر کرنے کی تجویز دیتے ہیں۔ بینک، اپنی فنانشل رپورٹنگ کے چند طریقہ کار کو مضبوط بنانے کے لیے M/S ایم وائے (EY) فورڈ رھوڈز، چارٹرڈ اکاؤنٹینٹس اور اسکے ساتھ دیگر کونسلٹنٹس

(consultants) کی خدمات کا بھی جائزہ لے رہا ہے۔

#### حصص کی ملکیت کا نمونہ :

حصص کی ملکیت کا نمونہ ساتھ منسلک ہے۔

#### تسلیم و تحسین:

ہم، بورڈ اور مینجمنٹ کی جانب سے، اپنے قابل قدر صارفین اور معزز شیئر ہولڈرز کے الائیڈ بینک پرانے اعتماد، اسٹیٹ بینک آف پاکستان، سیکورٹی اینڈ اینڈ ایچنگ کمیشن آف پاکستان اور دیگر انتظامی اداروں کا ان کی مسلسل رہنمائی اور تعاون پر مشکور ہیں۔ ہم صارفین کی توقعات پر پورا اترنے کے لیے اپنے سٹاف ممبرز کی انتھک محنت اور بینک کے اغراض و مقاصد کے حصول کے لیے انکی لگن پر بھی نہایت شکر گزار ہیں۔

روپے) کے پیڈ اپ کیپٹل (Paid up Capital) کے ساتھ 15 دسمبر 2023ء کو پاکستان میں، قائم کر دیا گیا ہے۔ کمپنی نے اپنے کاروبار کا آغاز 24 مئی 2024ء کو کیا تھا اور یہ غیر ملکی کرنسی کے تبادلہ ولین دین کے کاروبار سے منسلک ہے۔ 31 دسمبر 2024ء تک اسے بی ایل ایچ پی (پرائیویٹ) لمیٹڈ کا ملک بھر میں 21 بوتھس (Booths) کا نیٹ ورک ہے۔

#### کارپوریٹ پائیداری اور تنوع، ایکویٹی اور شمولیت :

بورڈ آف ڈائریکٹرز آپ کے بینک کے کارپوریٹ پائیداری کے اقدامات کی بخوشی توثیق کرتے ہیں۔ جیسا کہ سالانہ رپورٹ میں واضح کیا گیا ہے۔

بورڈ کی رسک مینجمنٹ کمیٹی (بی آر ایم سی) بینک کی کارپوریٹ سسٹین ایبلٹی (Corporate Sustainability) کمیٹی کے طور پر کام کرتی ہے اور مختلف امور کی پائیداری کا جائزہ لیتی ہے جن میں خدشات، اقدامات، اسٹریٹیجی اور مواقع شامل ہیں۔ بورڈ نے بینک کے سسٹین ایبلٹی فریم ورک اور اسٹریٹجیک پلان کی منظوری دی ہے۔ سسٹین ایبلٹی فریم ورک اور اسٹریٹجیک پلان کا مقصد اپنی پالیسیوں، طریقہ کار، عمل اور مصنوعات و خدمات میں ماحولیاتی، سماجی اور گورننس کے عوامل کی پائیداری اور انضمام کے لیے بینک کے نقطہ نظر کے رہنما اصول متعین کرنا ہے۔ یہ انتظامیہ کی کارکردگی اور لوگوں پر اس کے اثرات کے حوالے سے پائیدار پیش رفت اور ادارہ جاتی ذمہ داریوں کی ادائیگی کے لیے بینک کے عزم کو اجاگر کرتا ہے۔ ماحولیاتی، سماجی اور گورننس کے مقاصد اور اہداف کا تعین کیا جا چکا ہے اور بینک ایک ایسا ادارہ بننے کے لیے ردعمل ہے جو ماحولیاتی، سماجی اور گورننس کے اہداف کو پورا کر سکے جس میں تنوع، ایکویٹی اور شمولیت کے اہداف بھی شامل ہوں۔

#### ایٹیلی ریٹنگ :

دی پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے اس سال کا دوران الائیڈ بینک کی طویل المدتی ریٹنگ کو "AAA" ٹرپل اے پر برقرار رکھا ہے۔ جبکہ قلیل المدتی ریٹنگ کی "A1+" (اے ون پلس) کی اعلیٰ سطح برقرار رہی۔ یہ درجہ بندیاں بینک کی مضبوط حصصی سرمایہ کی بنیاد اور سیال پذیری کے اعلیٰ معیار کو ظاہر کرتی ہیں۔

#### کارپوریٹ گورننس ریٹنگ :

آپ کے بینک کے بہترین تشکیل کردہ کارپوریٹ گورننس فریم ورک کا بورڈ اور مینجمنٹ کمیٹیوں کی جانب سے موثر استعمال کا اعتراف مضبوط مالیاتی شفافیت

وی آئی ایس (VIS) کریڈٹ ریٹنگ کمیٹی لمیٹڈ نے کیا ہے۔ جس کے نتیجے میں سال 2024ء کے لیے کارپوریٹ گورننس کی ریٹنگ کو سی جی آر۔ ++9+ CGR-9++ کی سطح پر برقرار رکھا ہے۔ جو کہ کارپوریٹ گورننس کے اعلیٰ ترین معیار کی عکاس ہے۔

#### بورڈ آف ڈائریکٹرز :

بورڈ آف ڈائریکٹرز کے تمام ممبران کے پروفائل کو سالانہ رپورٹ کے کارپوریٹ پروفائل کے سیکشن میں علیحدہ طور پر درج کیا گیا ہے۔ بورڈ کی تشکیل کو کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیانیہ میں درج کیا گیا ہے۔ جبکہ بورڈ کی کمیٹیوں کی بناوٹ کو بھی سالانہ رپورٹ میں الگ طور پر واضح کیا گیا ہے۔

غیر انتظامی ڈائریکٹرز کو بورڈ یا اور انکی کمیٹی کے اجلاس میں شریک ہونے کے لیے ایک مناسب اور موزوں معاوضہ دیا جاتا ہے۔ جس کا ذکر مالیاتی گوشواروں کے نوٹ نمبر 39 میں کیا گیا ہے۔

معاوضے کا معیار ایسا نہیں ہے کہ جس سے یہ تاثر بھی ملے کہ کسی آزاد حیثیت پر کوئی سمجھوتا ممکن ہے۔ مزید برآں یہ SBP کی معین کردہ حدود کے اندر ہے۔ جو ڈائریکٹر اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی سفارشات جن پراسرکولیشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

#### بورڈ کی کارکردگی کا جائزہ لینے کا طریقہ کار :

بورڈ آف ڈائریکٹرز انضامی تشکیل کو یقینی بناتے ہوئے حصص یافتگان کی جانب سے بینک کے مفادات کا تحفظ، حکمت عملی کی سمت کا تعین اور اہداف کے حصول کے عمل کو چلانے کی ذمہ داری کے بھی امین ہیں۔ کمپنیز ایکٹ 2017، بینکنگ کمپنیز آرڈیننس 1962 اور اسٹیٹ بینک کے پروڈیٹشل ریگولیشنز، کارپوریٹ گورننس ریگولیشنز فریم ورک اینڈ اسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019، (دی کوڈ) میں بورڈ آف ڈائریکٹرز کے کردار اور اس کے ساتھ ساتھ انکی ذمہ داریوں اور کارگزاری کو واضح اور احسن طریقہ سے بیان کیا گیا ہے۔

اسی کوڈ کے تحت بورڈ نے سال 2014 میں اپنی کارکردگی کو موثر انداز میں جانچنے کے لیے ایک نظام رائج کیا ہے۔

بعد میں اسٹیٹ بینک نے بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے

# FAIZ FESTIVAL - AN ODE TO THE POET'S ENDURING LEGACY



# PRODUCTS AND SERVICES

## COMMERCIAL AND RETAIL BANKING

Commercial and Retail Banking is providing enriched and comprehensive product suite, supported by digital platforms and an extensive network of customer touch points.

### Deposit Products

A comprehensive range of deposit products is offered to our customers with various services ranging from structured saving products to term deposits, foreign currency products and basic current accounts giving customers the choice which best suits their banking requirements.

Current Deposit Products	Saving Deposit Products	Term Deposit Products
<ul style="list-style-type: none"> <li>Allied Khanum Current Account (Regular &amp; Asaan)</li> <li>Allied Easy Current Account</li> <li>Basic Banking Account</li> <li>Current Account</li> <li>Allied Asaan Current Account</li> <li>Allied Youth Current Account (Regular &amp; Asaan)</li> <li>Allied Express Account</li> <li>Allied Business Account</li> <li>Allied Roshan Digital Current Account (RDA)</li> <li>Allied Asaan Digital Current Account</li> <li>Asaan Digital Remittance Current Account (ADRA)</li> <li>Freelancer Digital Current Account</li> <li>Allied Freelancer Current Account</li> <li>Allied Senior Citizen Current Account (Regular &amp; Asaan)</li> <li>Allied Asaan Remittance Current Account</li> <li>Allied Salary Management Current Account (Regular &amp; Asaan)</li> <li>Low Income Roshan Digital Account</li> <li>Allied Pensioner Current Account</li> </ul>	<ul style="list-style-type: none"> <li>Allied Khanum Saving Account (Regular &amp; Asaan)</li> <li>Platinum Rewarding Profit Account</li> <li>PLS Saving Account</li> <li>Allied Asaan Saving Account</li> <li>Allied Rising Star Account</li> <li>Allied Pensioner Saving Account</li> <li>Allied Roshan Digital Saving Account (RDA)</li> <li>Allied Asaan Digital Saving Account</li> <li>Asaan Digital Remittance Saving Account (ADRA)</li> <li>Freelancer Digital Saving Account</li> <li>Allied Freelancer Saving Account</li> <li>Allied Senior Citizen Saving Account (Regular &amp; Asaan)</li> <li>Allied Asaan Remittance Saving Account</li> <li>Allied Salary Management Saving Account (Regular &amp; Asaan)</li> </ul>	<ul style="list-style-type: none"> <li>Allied Term Plus Deposits</li> <li>Allied Express Plus 1 Term Deposit</li> <li>Behtar Munafa Term Deposit</li> <li>Allied Advance Profit Plus Payment</li> <li>Foreign Currency Term Deposits</li> </ul>

### Asset Products

Consumer banking offers a full range of consumer lending products which enhance the overall experience of our customers and provide them with state-of-the-art value-added services to ensure that the Bank operates in the best interest of its customers.

Consumer Banking Products	Agri based Products	SME based Products
<ul style="list-style-type: none"> <li>Allied VISA Credit Card</li> <li>Allied Personal Finance</li> <li>Allied Car Finance</li> <li>Allied Home Finance</li> <li>Allied Solar System Finance</li> <li>Allied Roshan Apna Ghar</li> <li>Allied Roshan Apni Car</li> <li>Allied Electric Bike Finance</li> <li>Allied Scooty Finance</li> </ul>	<ul style="list-style-type: none"> <li>Hari Bhari Agriculture Revolving Credit Scheme</li> <li>Agriculture Financing for Dairy Farming</li> <li>Agriculture Financing for Poultry Farming and Allied Activities</li> <li>Allied Kashtkar (Tractor Financing)</li> <li>Allied Aabayari (Irrigation Solution)</li> <li>Allied Farm Mechanization</li> <li>Electronic Warehouse Receipt Financing</li> </ul>	<ul style="list-style-type: none"> <li>Allied Business Finance.</li> <li>Allied Easy Finance</li> <li>ABL Fast Finance</li> <li>Refinance and Credit Guarantee Scheme for Women Entrepreneurs</li> <li>ABL Warehouse Financing</li> <li>Prime Minister Youth Business &amp; Agri Loan Scheme</li> <li>SME Asaan Finance Scheme (SAAF)</li> <li>Refinance Scheme for Working Capital Financing of SEs &amp; Low-End MEs</li> <li>SBP Financing Scheme for Renewable Energy</li> <li>Refinance Facility for Modernization of SMEs</li> <li>Financing Facility for Storage of Agricultural Produce</li> <li>Other Working Capital Financing Facilities including Trade Based Financing.</li> <li>Other Long Term Financing Facility</li> </ul>

## Other Allied Products and Services

Branch Banking Services	Bancassurance Products
<ul style="list-style-type: none"> <li>Safe Deposit Lockers</li> <li>Allied Pay Anyone</li> <li>Allied Banker Cheque / Call Deposit Receipt</li> <li>Real Time Gross Settlement / SBP and NBP cheques</li> <li>Inter Branch Online Transactions</li> <li>Inland Letter of Credit including Bills Discounting</li> <li>Guarantees</li> <li>Allied Bank Call Center</li> </ul>	<ul style="list-style-type: none"> <li>ALSURANCE (EFU General)</li> <li>EFU Savings and Retirement Plan</li> <li>EFU Accelerated Savings Plan</li> <li>EFU ILM &amp; Anmol Rishtey</li> <li>JLI Asaan Zindagi Plan</li> <li>JLI Virasat Plan</li> <li>IGI Invest Max Plan with Vitality</li> <li>IGI Smart Future Plan with Vitality</li> <li>IGI Suhana Mustaqbil Plan</li> </ul>

## DIGITAL BANKING

Digital Banking is supporting the strategic focus on broad based digitization to augment its service and products suite by offering personalized and innovative solutions catering to the evolving needs of different customer segments.

Debit Cards	Apps and Internet Banking	Digital Touchpoints
<ul style="list-style-type: none"> <li>Allied UPI PayPak co-badged Debit Cards</li> <li>Basic Debit Card</li> <li>Classic Debit Card</li> <li>Classic Plus Debit Card</li> <li>Gold Debit Card</li> <li>Allied Rising Star- Minor Debit Card</li> <li>Allied Visa Debit Cards</li> <li>Classic</li> <li>Platinum Debit Card &amp; Visa Sapphire 200</li> <li>Premium Debit Card</li> <li>Virtual Debit Card</li> <li>Visa Debit Card Foreign Currency</li> <li>Visa Classic Card</li> <li>Visa Platinum Card</li> <li>Visa Premium Card</li> </ul>	<ul style="list-style-type: none"> <li>myABL Personal Internet Banking</li> <li>myABL Business Internet Banking</li> <li>myABL WhatsApp Banking</li> <li>Voice-Assisted Banking</li> <li>myABL Wallet</li> <li>myABL Asaan Mobile Account (AMA) Wallet</li> <li>myPakistan Digital Account (myPDA)</li> <li>Roshan Digital Account (RDA)</li> <li>E-Commerce transactions on VISA Debit Card</li> <li>QR Codes on myABL</li> <li>Allied Payday Finance</li> <li>Allied Pay</li> <li>Voice Assisted Banking</li> <li>ABL's WhatsApp channel</li> <li>myABL Coins</li> </ul>	<ul style="list-style-type: none"> <li>Self Service Branch</li> <li>Hybrid Digital Branch</li> <li>Digital Locker</li> <li>Cash Recycler ATM</li> <li>ATMs and CCDMs (Cash and Cheque Deposit Machines)</li> <li>Mobile Banking Unit</li> <li>Digital Lounges</li> <li>Allied Bank Metaverse Branch</li> <li>Point of Sale (POS) Acquiring Business</li> </ul>

# PRODUCTS AND SERVICES

## ISLAMIC BANKING

Islamic Banking endeavors to attract and retain the faith driven customers by offering a complete range of Shariah' compliant products and services. Thereby, ensuring operational efficiency and superior customer service through promoting the Islamic banking and contributing toward achieving the financial inclusion.

### Deposit Products

Current Deposit Products	Savings Deposit Products	Term Deposit Products	Digital Products
<ul style="list-style-type: none"> <li>Allied Islamic Current Account</li> <li>Allied Islamic Basic Banking Account</li> <li>Allied Islamic Asaan Current Account</li> <li>Allied Islamic Special Foreign Currency (STZ) Account</li> <li>Allied Aitebar Foreign Currency Value Account (FCVA)</li> <li>Allied Aitebar Freelancer Account</li> </ul>	<ul style="list-style-type: none"> <li>Allied Islamic Saving Account</li> <li>Allied Aitebar Khanum Account (Regular &amp; Asaan)</li> <li>Allied Aitebar Salary Management Account (Regular &amp; Asaan)</li> <li>Allied Aitebar Senior Citizen Account (Regular &amp; Asaan)</li> <li>Allied Islamic Youth Account (Regular &amp; Asaan)</li> <li>Allied Aitebar Institutions Account</li> <li>Allied Aitebar Premium Account</li> <li>Allied Islamic Anmol Plus Account</li> <li>Allied Islamic Khalis Munafa Account</li> <li>Allied Aitebar Express Account</li> <li>Allied Islamic Business Plus Account</li> <li>Allied Islamic Sahulat Account</li> <li>Allied Islamic Asaan Saving Account</li> <li>Allied Aitebar Waseela e Hajj &amp; Umrah Account</li> <li>Allied Islamic Special Foreign Currency (STZ) Account</li> <li>Allied Aitebar Foreign Currency Value Account (FCVA)</li> <li>Allied Aitebar Asan Remittance Account</li> <li>Allied Aitebar Rising Star Account</li> </ul>	<ul style="list-style-type: none"> <li>Allied Islamic Investment Certificates</li> <li>Allied Aitebar Notice Period Certificate</li> <li>Allied Islamic Express Plus1 AllC</li> <li>Allied Aitebar Behtar Munafa Certificate</li> </ul>	<ul style="list-style-type: none"> <li>Allied Aitebar Roshan Digital Account</li> <li>Simplified Low income Islamic RDA</li> <li>Allied Islamic Asaan Digital Account</li> <li>Allied Aitebar Asaan Digital Remittance Account</li> <li>Allied Aitebar Freelancer Digital Account-PKR</li> </ul>

### Asset Products

Corporate / Commercial / SME	Consumer Finance	Agriculture Finance	Trade / Treasury
<ul style="list-style-type: none"> <li>Murabaha Finance</li> <li>Musawamah Finance</li> <li>Salam Finance</li> <li>Istisna Finance</li> <li>Ijarah Finance</li> <li>Diminishing Musharakah Finance</li> <li>Business Musharakah Finance</li> <li>Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF)</li> <li>Islamic Long Term Financing Facility (ILTFF)</li> <li>Islamic Refinance Facility for Modernization of SMEs (IRFMS)</li> <li>Islamic Financing Facility for Renewable Energy (IFRE)</li> <li>Islamic SME Asaan Finance (I-SAAF)</li> <li>Allied Aetbar Prime Minister's Youth Business &amp; Agriculture Finance Scheme</li> <li>Allied Aitebar Business Finance</li> </ul>	<ul style="list-style-type: none"> <li>Allied Aitebar Car Ijarah</li> <li>Allied Aitebar Home Musharakah/MPMG</li> <li>Allied Aitebar Solar System Finance</li> <li>Roshan Apna Ghar/ MPMG</li> <li>Roshan Apni Car</li> <li>Islamic Financing Facility for Low-Cost Housing for Special Segments</li> </ul>	<ul style="list-style-type: none"> <li>Allied Aitebar Tractor Financing</li> <li>Allied Aitebar Hari Bhari Agriculture Financing</li> <li>Allied Aitebar Agriculture Finance for Dairy Farming</li> <li>Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)</li> <li>Allied Aitebar Aabayari</li> </ul>	<ul style="list-style-type: none"> <li>Forward Cover</li> <li>Bai-Muajjal</li> <li>Letter of Guarantee</li> <li>Letter of Credit</li> <li>Islamic Export Refinance Scheme (IERS)</li> </ul>

## CORPORATE AND INVESTMENT BANKING

Corporate Banking aims to foster long-term customers relationships with the primary objective of meeting all business requirements of corporate and institutional obligors while offering tailored and cost-effective banking solutions with highly personalized services. Corporate Banking array of services are augmented with investment banking solutions catering complex business needs, global institutional banking relationships to support trade, treasury, home remittance and foreign exchange payments, and fully customizable and highly scalable Cash Management services offered through online branch network.

### Investment Banking

Investment banking strives to meet complex financial needs of its clientele by providing a full suite of financing solutions to corporate clients including debt syndications, capital markets, project financing and advisory services.

### Corporate Banking

Corporate Banking (CB) remains dedicated

to building and nurturing strong relationships with top-tier corporate and institutional clients. It provides a comprehensive suite of wholesale banking services, addressing the diverse financing needs of corporate customers. These services include tailored lending solutions such as working capital finance, term loans, and trade finance facilities.

### Emerging Corporates

Emerging corporates caters to all business requirements of our top tier commercial obligors with wide range of products including Working Capital Facilities, Term Loans, Trade Financing, Letters of Guarantee, Letters of Credit and Export Financing.

### Home Remittances

Home remittances provide seamless inflow of foreign remittance credited in the beneficiary accounts and over the counter payments.

### Financial Institutions

Financial Institutions & International Division aims to strengthen ABL's global

institutional banking relationship base with reputed financial institutions spread across USA, Europe, Asia and Africa to support Bank's trade, treasury and foreign exchange payments. With over 500 international correspondents in 75 countries, ABL ensures broad global coverage and widespread acceptability.

### Cash Management

Cash management is a state-of-the-art real-time service providing customers with efficient liquidity management solutions across the robust ABL network.

### Allied Share Financing

ASF is specifically designed for business entities and individuals for immediate availability of medium-term financing to bridge liquidity needs, with maximum loan ticket size of up to Rs. 100 million and tenor up to 3 years.



STRATEGY AND  
**RESOURCE**  
**ALLOCATION**



# STRATEGIC OBJECTIVES

<b>Short Term</b>	<ul style="list-style-type: none"> <li>Strengthen the competitive advantage by leveraging digital initiatives based on Artificial Intelligence and process automation to enhance efficiency and reduce cost to income ratio.</li> <li>Builds a robust portfolio of quality assets while steadily reducing the NPLs.</li> <li>Deposit mobilization by enhanced focus on low or no cost deposits.</li> <li>Augment diversified revenue streams to reduce the impact of volatile interest rate environment.</li> <li>Optimize the operating expenses.</li> <li>Deliver customer centric solutions and develop innovative products to cater wide array of customer segments.</li> </ul>
<b>Medium Term</b>	<ul style="list-style-type: none"> <li>Maintain a strong and consistent profitability trend.</li> <li>Continuously enhance operational efficiencies.</li> <li>Foster a sustainable culture of integrity, transparency and ethics.</li> <li>Sustain a resilient capital and asset base.</li> </ul>
<b>Long Term</b>	<ul style="list-style-type: none"> <li>Enhance a brand image and create a shareholders' value</li> <li>Augmenting financial inclusion</li> <li>Top value generator for stakeholders while remaining a socio environmentally conscious citizen.</li> <li>Aspire to be the preferred employer for top professionals by becoming the "Employer of Choice".</li> </ul>

## EFFECT OF OPERATING ENVIRONMENT ON THE BANK'S STRATEGY

Allied Bank places significant emphasis on the transformative capabilities of digital technologies, considering it a top priority to provide digitally led innovative financial solutions. The Bank continuously improves its operating processes and systems to enhance the customers' experience. Use of Artificial Intelligence (AI), Robotic Process Automation, Generative AI, Workflow Automation, introducing self-service smart branches and digital lobbies are contributing factors in providing the cost-effective seamless services to the customers.

The Bank recognizes the importance of professional development aligned with the latest technological advancements to enhance the digital proficiency of its employees. The Bank strives to build and retain an agile and dynamic workforce by onboarding tech savvy talent, providing appropriate trainings, upgrading remuneration structure, awarding performance led incentives and assigning the career

path and development through its Leadership Talent Pipeline programs.

The Bank continued to invest in energy conservation initiatives and environment friendly projects during the year under review and invested significant amounts toward energy-efficient solutions.

Through continuous focus on automation of processes, the Bank has been able to reduce paper-based processes; reducing the paper consumption and lowering the carbon footprint as well as enhancing the efficiency in customer services. In order to promote Green Banking, the Bank advocated the Green Business Practices, participated in green campaigns and collaborated in tree plantation drives. The Bank is further committed to enhance tree plantation efforts, in line with national target for "Clean and Green Pakistan".

## STRATEGIES TO ACHIEVE STRATEGIC OBJECTIVES, KPIs AND THEIR FUTURE RELEVANCE

Strategic Objective	Key Operational Milestones	Key Performance Indicators	Future Relevance
Augmenting Financial Inclusion	<ul style="list-style-type: none"> <li>Enhanced Pakistan's first myABL WhatsApp Banking service, serving to around 1.6 million users, by adding new features including:                             <ul style="list-style-type: none"> <li>Account maintenance certificate.</li> <li>Cheque status inquiry.</li> </ul> </li> <li>Deployed 3,119 POS machines; having more than 2 million+ successful transactions volume in 2024.</li> <li>RAAST P2M QR Payments on myABL implemented to make payment to merchants via QR scanning.</li> <li>Mobile Tap &amp; Pay contactless payments functionality for UPI &amp; PayPak Debit Cards rolled out.</li> <li>RAAST Bulk Transfer (B2P) on myABL Business implemented.</li> <li>Launched ABL's WhatsApp Channel to the keep customers and stakeholder updated on this platform</li> </ul>	<ul style="list-style-type: none"> <li>Innovative digital products and services to increase in outreach</li> <li>Simplified customer onboarding process</li> <li>Customer acquisition</li> <li>Enhance customer experience</li> <li>Increased market share</li> </ul>	Shall remain relevant in future

Strategic Objective	Key Operational Milestones	Key Performance Indicators	Future Relevance
	<ul style="list-style-type: none"> <li>Payday loan feature (Advance Salary) has been extended to over 132 companies, during the year ended December 2024.</li> <li>Opened 27 Branches and 146 Islamic Banking Windows (Total Branches 1,510 and Islamic Banking Windows 308).</li> <li>38 new Automated Teller Machines (ATMs) added (Total: 1604).</li> <li>Total Mobile Banking Units are 05.</li> <li>Opened 1,485,000+ new accounts during the period to reach the total at 9,261,000+ as on December 31, 2024 including mobile wallets.</li> </ul>		
Enhancing Brand Image & Shareholders' Value	<ul style="list-style-type: none"> <li>Total deposits surpassed Rs. 2 trillion.</li> <li>Stable dividend stream and increasing equity.</li> <li>One of the lowest infection ratio.</li> <li>One of the highest capital adequacy ratio.</li> <li>FinanceAsia awards the Bank:                             <ul style="list-style-type: none"> <li>Best Domestic Bank</li> <li>Most Diversity Equity Inclusion Progressive Bank</li> <li>Most Innovative use of Technology</li> <li>Best Bank for Financial Inclusion</li> <li>Best Sustainable Bank</li> </ul> </li> <li>Pakistan's Best Digital Bank awarded by Euromoney Awards for Excellence</li> <li>The Bank won Pakistan's Best Domestic Islamic Bank by Euromoney Islamic Finance Awards</li> <li>Employer of Choice Award - Gender Diversity &amp; Inclusion by The Pakistan Business Council along with the World Bank Group's International Finance Corporation</li> <li>Global Diversity &amp; Inclusion Benchmarks (GDIB) recognized the Bank in following categories:                             <ul style="list-style-type: none"> <li>Best Practice in Industry Bank' in RECRUITMENT category</li> <li>Best Practice in Industry Bank' in DEI LEARNING AND DEVELOPMENT category.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Profitability</li> <li>Stakeholders' trust</li> <li>Sustainability</li> </ul>	Shall remain relevant in future
Employer of Choice for top Professionals	<ul style="list-style-type: none"> <li>ABL demonstrated its steadfast commitment to excellence and innovation, achieving an impressive 92% overall training coverage and positively impacting more than 12,000 employees and over 8,000 employees have also been successfully completed specialized training in Islamic banking.</li> <li>To fulfill the human resource requirements of different functions of the Bank, 4,272 offers for appointment issued to eligible candidates during the year 2024 against both permanent and contractual positions.</li> <li>In line with approved Manpower Plan 2024, batches of Management Trainee Officers were inducted, consisting of 377 candidates. Moreover, three (03) batches of Tellers, consisting of total 709 candidates inducted during the year 2024. Besides, a Khanum Teller Batch of 190 candidates, with special emphasis on female inclusion, was also acquired during the year.</li> <li>Through effective career progression at junior management levels, 284 cadre change elevations were made during the year 2024 to provide adequate growth opportunities within the organization.</li> <li>Diversity, Equity, and Inclusion (DEI) remained at the heart of training &amp; development, with over 9,500 employees receiving targeted training in these crucial areas.</li> <li>Customer service excellence continued to be a cornerstone of our training efforts, covering more than 2,900 participants through a series of highly specialized programs. Highlights included a three-day exclusive program on developing and leading a Customer-Centric</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced employee satisfaction</li> <li>High employee retention ratio</li> <li>Reduced employee turnover</li> <li>Operational efficiency.</li> </ul>	Shall remain relevant in future

# STRATEGIC OBJECTIVES

Strategic Objective	Key Operational Milestones	Key Performance Indicators	Future Relevance
	<p>Culture, conducted in partnership with the Lahore University of Management Sciences (LUMS).</p> <ul style="list-style-type: none"> <li>• Additionally, middle management benefited from the globally acclaimed Legendary Service Program by Blanchard. To sustain this impact, six resources were trained as Training of Trainers (TOT) and have successfully conducted 61 sessions across the country in 2024. Frontline employees underwent a focused customer service boot camp tailored to enhance essential skills such as greeting, effective communication and customer handling.</li> <li>• Training &amp; Development also focused on leadership development and digital transformation to prepare the Bank's leaders for the future. Notable initiatives included the Leadership in the Age of AI program, delivered by a distinguished professor from Cambridge University to Group Heads and an exclusive session on Generative AI for senior executives, including the CEO and Chiefs, which highlighted the Bank's readiness to embrace emerging technologies and drive innovation.</li> <li>• Additionally, through a strategic partnership with Coursera, over 450 employees accessed courses in Data Science, Computer Science, Leadership and Management, offered by globally renowned institutions and organizations such as Yale, Meta, IBM and Google.</li> <li>• Employee well-being continued to be a key priority, with over 595 participants taking part in programs dedicated to health and lifestyle. Bank engaged foreign trainers to lead impactful sessions, including the Health 360 program and an exclusive employee well-being masterclass.</li> <li>• In compliance with the State Bank of Pakistan's directives, we prioritized capacity-building initiatives in underprivileged regions, making a significant contribution to the National Financial Literacy Program (NFLP). Through these efforts, ABL conducted more than 3,996 sessions across 41 remote districts, positively impacting the lives of over 122,201 local citizens.</li> <li>• A core priority has been cultivating digital fluency and agility to meet the demands of the rapidly evolving digital landscape. Numerous upskilling and reskilling sessions were conducted at Management Development Centers, enhancing employees' digital proficiency across the organization.</li> <li>• Collaborations with leading national and international academic institutions significantly strengthened training capabilities, with employees being nominated for world-class training programs, underscoring the Bank's commitment to continuous professional development.</li> <li>• To support these endeavors, advanced training infrastructure was expanded with the establishment of new Management Development Centers in Lahore and Multan.</li> </ul>		

Strategic Objective	Key Operational Milestones	Key Performance Indicators	Future Relevance
	<ul style="list-style-type: none"> <li>• To remain competitive and solidify its position as a market leader, HRG has increased the Salaries and Allowances for all existing and future hires in the roles of Tellers, Business Development Officers, Sales Executives, Collection Officers, and Customer Support Officers.</li> <li>• Special Allowance to offset higher taxation impacts. This allowance was intended to ease the income tax burden on affected employees, ensuring financial stability.</li> </ul>		
Operating Effectiveness	<ul style="list-style-type: none"> <li>• Completed installation of additional "10" Digital Signage Machines (Total DSMs: 1,462).</li> <li>• One of the highest ATM transactions as acquirer; ATM uptime 96%.</li> <li>• Implemented RPA to reduce the TAT and improve processes efficiency in following areas: <ul style="list-style-type: none"> <li>✓ Handling of daily remittance payment</li> <li>✓ Auto Marking of IDs as Inactive after resignation / termination of employee</li> </ul> </li> <li>• Implementation of System Generated Account Maintenance Certificate instead of manual issuance to customers from branch end</li> <li>• Enhancement in ABL's WhatsApp menu to facilitate the customers</li> <li>• Risk Assessment Management System (RAMS) Integration With myABL Business to have the complete view of customers.</li> <li>• Dormant Account Activation via myABL</li> <li>• Advanced security features have been introduced in myABL including the following: <ul style="list-style-type: none"> <li>✓ Contactless in-app biometric verification</li> <li>✓ Device binding</li> <li>✓ Auto-fetch OTP</li> </ul> </li> <li>• UI UX of myABL app is being redesigned to enhance customer experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Operational efficiency</li> <li>• Profitability</li> <li>• Reduced cost to income ratio</li> </ul>	Shall remain relevant in future
Enhanced Focus on Digitization	<ul style="list-style-type: none"> <li>• Established 18 Digital Branches.</li> <li>• Biometrically enabled ATM network of 1604 ATMs.</li> <li>• Mobile Tap &amp; Pay contactless payments functionality for UPI &amp; PayPak Debit Cards has been rolled out.</li> <li>• Enhancement in transaction limits of myABL and debit cards to cater customer needs:</li> <li>• New Services on WhatsApp Banking introduced.</li> <li>• Deployed 3,119 POS machines having more than 2 million+ successful transactions volume.</li> <li>• Implementation of Oracle CRM Solution to provide the customers best possible financial solutions.</li> <li>• Virtual debit card issuance for myABL customers for eCommerce transactions.</li> <li>• Hackathon for engagement of FinTech's, startups conducted with 1,244 individuals represented by 366 groups participated in hackathon.</li> <li>• Storage area network is upgraded with more advanced storage called "EMC Power-Store 5200T which has more advanced features for efficient storage management.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Onboarding</li> <li>• Increase in fee income market share</li> <li>• Operational efficiency</li> <li>• Increase in Digital Vs. Counter Transaction Mix</li> </ul>	Shall remain relevant in future

## LINKAGE OF STRATEGIC OBJECTIVES WITH BANK'S MISSION, VISION AND OBJECTIVES

The Bank's strategic objectives are closely aligned with its mission, vision, and goals. Through various Board and Management committees, the Bank systematically evaluates the

outcomes of its strategic initiatives. This enables robust oversight and ensures the effective monitoring of long-term initiatives and performance against desired outcomes.

## RESOURCE ALLOCATION PLAN

Nature of Capital	Resource Allocation Plan
Manufactured capital	Enhance branch and ATM network by smart branch strategy, featuring improved layouts and enhanced technological infrastructure.
Natural capital	Commitment towards financing renewable energy projects to promote green banking. Expand paperless environment and augment the number of branches and offices using energy efficient solutions
Financial Capital	Elevated investment on infrastructure including buildings and equipment. Capitalize on process automation and IT network improvements. Expand in high quality asset base with sustainable yield.
Human capital	Human capital development and capability building by focusing on targeted trainings, talent management and right talent acquisition & retention. Recruit and retain tech savvy employees
Intellectual Capital	Continuous improvement in governance culture by utilizing strong institutionalized knowledge. Formulate new products focusing diverse range of customer base.
Social and Relationship Capital	Enhance brand image through public awareness campaigns and ongoing dialogue with customers.

## STRATEGIC DECISIONS FORMULATION

The Bank consistently and systematically assesses its operational and macroeconomic conditions to prudently design strategic initiatives. In pursuit of its strategic objectives, the Bank adheres to the following methodologies:

- Formulate a 10-Year Rolling Strategic Plan incorporating both short and long-term strategies, reviewed annually to adapt to changes in the operating environment.
- Conduct a SWOT analysis to evaluate the Bank's competitive positioning in short to medium term and assists in capitalizing on emerging opportunities while mitigating potential risks.
- Peer Bank analysis to understand the Bank's position in the industry landscape.
- Implement and update the Business Continuity Plan (BCP) for effective disaster management.
- Oversight and monitoring of overall objectives, strategic goals, business plans, risk acceptance criteria, control frameworks and culture of the Bank through Board of Directors, Board Committees and Management Committees.

## KEY RESOURCES AND CAPABILITIES

The Bank is committed to surpass the expectations of its valued customers while maintaining the credit quality within the defined risk appetite. To accomplish the strategic objectives, the Bank has following key resources and capabilities.

Key resources and capabilities	Descriptions
Brand Recognition	<ul style="list-style-type: none"> <li>The Bank strong brand image; serving the customers for 8 decades.</li> <li>Strongest possible long-term and short-term entity credit ratings of "AAA" and "A1+" respectively by Pakistan Credit Rating Agency.</li> <li>Ranks among top banks in term of total assets footing.</li> </ul>
Technological Infrastructure	<ul style="list-style-type: none"> <li>State of the art technological platform – Temenos T24 core banking software, Oracle based ERP and Analytical Applications.</li> <li>Use of AI tools, Data Lake, Business Intelligence Dashboards and Robotic Process Automation</li> </ul>
Robust Risk Management Framework	<ul style="list-style-type: none"> <li>Robust risk management and capital positioning.</li> <li>Strong capital adequacy ratio.</li> <li>Low infection ratio and high coverage ratio.</li> </ul>
Country-wide out reach	<ul style="list-style-type: none"> <li>Vast branch network.</li> <li>1,600+ ATMs with continuous enrichment via digitization.</li> <li>One of the leading ATM &amp; Branch uptime in the industry.</li> </ul>
Low-cost deposit base	<ul style="list-style-type: none"> <li>Total deposit base surpassed Rs. 2 trillion.</li> <li>Current deposit to stand at Rs. 773 billion.</li> <li>CASA mix stood at 86%.</li> </ul>

## VALUE CREATION

The Bank optimally allocates and enhance its resources to deliver maximize value to its stakeholders. This value is achieved through strategic initiatives and their persistent applications by implementing policies, procedures and business models. By utilizing key resources to transform inputs into business activities,

the Bank generates value for its various stakeholders. As a result, the Bank maintains a stable payout ratio, significant contributor to the national exchequer and maximizes the shareholders' return.

## BANK'S SUSTAINABILITY STRATEGY WITH MEASURABLES TARGETS

ABL has embedded its sustainability strategy into the core objectives of the Bank. This strategic approach has enabled the Bank to effectively manage the Bank's impact on environmental, economic and social systems. These initiatives are fundamental to the Bank's success and have a potential to drive profitability, enable the expansion and enhance stakeholder satisfaction.

initiatives such as promoting financial inclusion, continued guidance to obligors for better practices, green financing, undertaking tree plantations campaigns, sponsorships and donations, solar financing including the installation of solar panels at the Bank's premises and own impact reduction with respect to use of energy and consumables.

The Bank has established a set of targets to assess its progress towards achieving its sustainable goals. These targets include

## STRATEGY ON MARKET DEVELOPMENT, PRODUCT AND SERVICE DEVELOPMENT

The Bank focus on expanding its market reach through digital banking and fintech collaborations to tap into new customer segments. Innovation in products and services, including Shariah-compliant and AI-driven solutions to cater the evolving needs of

the consumer. Enhancing customer experience through seamless omnichannel banking with an emphasis on speed, security and personalization is essential.

## SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES

The Bank's objectives and strategies are closely aligned with its vision. These strategies are executed through well-defined policies, procedures and processes to ensure achievement of the

objectives. No significant change occurred during the year that would impact the Bank's objectives

## STRATEGY TO OVERCOME LIQUIDITY PROBLEM

Asset-liability management (ALM) plays a critical role in managing crucial components of liquidity and the balance sheet while ensuring viability of the financial institution. The Bank maintains strong liquidity position. Asset Liability Committee

(ALCO) is responsible for monitoring and maintaining liquidity of the Bank. The liquidity ratios together with high Coverage Ratio and lowest Non-Performing Loan ratio indicate strong liquidity position of the Bank.

## SIGNIFICANT PLANS AND DECISIONS

The Bank's objectives and strategies are well calibrated with its vision and are implemented through policies, procedures and

processes. No significant change occurred during the year to affect the objectives and business strategies.

# PESTEL ANALYSIS

# PESTEL

Political Economic Social Technological Environmental Legal

Emerging challenges and risks are effectively managed through strategic business planning, systematic framework of procedures and prudent decision making. Diligent monitoring of developments across Political (P),

Economic (E), Social (S), Technological (T), Environmental (E) and Legal (L) domains, which influences the Bank's strategy. These factors are described in detail, as follow.

## Political

Uncertain political environment continued to be major factor affecting the economic activities of the country. A range of fiscal and monetary policy measures were implemented to address the macroeconomic imbalances and mitigate external account risks.

Impact	Response
Negative impact of repricing lag on Net Interest Margin (NIM).	Effective repricing and duration management.
Low credit demand and its impact on bottom-line.	Diversify fee-based income.

## Economic

- Pakistan's economy demonstrated positive progress in 2024, with key macroeconomic indicators showing improvement. Inflation has slowed due to monetary policy measures, effective fiscal consolidation has led to a fiscal surplus and rising exports and remittances have contributed to a surplus in the current account.
- The IMF has revised Pakistan's 2024 GDP growth forecast to 2.5%, up from its previous projection of 2.4% in the October 2024's World Economic Outlook. State Bank of Pakistan (SBP) has estimated GDP growth of Pakistan at 2.5% for 2024 which is a significant improvement from 0.2% contraction in 2023.

**Outlook:** On the domestic front, the IMF has projected Pakistan's GDP growth at 3.0% for 2025. Similarly, the Monetary Policy Committee (MPC) expects real GDP growth for FY'25 to remain in the upper half of the projected range, between 2.5% to 3.5%. For 2026, the IMF maintains its growth forecast at 4.0%, unchanged from the October 2024 projection.

Impact	Response
Volatility of exchange rate.	Effective hedging of assets and liabilities denominated in foreign currency.
Potential escalated impairments caused by economic uncertainty.	Prudent risk management framework in place.

## Social

- Securing and retaining the right talent equipped with proficient knowledge of emerging technologies and automated systems at present is a considerable challenge.
- Effectively onboarding digital adept customers emerge as a critical factor, given that younger customers engage with the convenience of enhanced technological and e-banking services.

Impact	Response
Bank's strong reputation for good employer practices.	Agile and dynamic work place environment
Anticipated rise in capital and recurrent spending on training and development in short-and medium term.	Sustaining employees to propel the Bank's growth and digital ambitions through appropriate training interventions.

## Technological

- Technology is transforming the entire banking landscape; driving towards the digitally led solutions providing seamless banking and enhanced customer experience.
- Implementation of cutting edge technologies like application of Artificial Intelligence (AI), Generative AI and Robotic Process Automation (RPA) have been pivotal; contributing towards a sustainable decline in cost-to-income ratios.

Impact	Response
Enhanced risk of breach in cyber security; leading to reputational risk.	The Bank has in place robust Info-Sec setup with emerging controls and continuous updates in line with best industry practices.
Leveraging advanced digital solutions to strategically cater to the needs of a digitally proficient customer base, enhancing service delivery and operational efficiency	The Bank has in-house innovation lab to ensure delivery of digitized solutions to the diverse customer base. The Bank has launched Self-service branches which have revamped the dynamics of conventional brick and mortar branch network.

## Environmental

- Environmental risks remain among the most critical challenges, with factors such as extreme weather events, global warming, scarce resources and ozone layer depletion, continuing to impact the environment in most hazardous ways.
- Banks, by adopting responsible lending practices and sustainable policies can conserve the environment for future generations. Moreover, banks have more powerful means of influencing customers towards more environment friendly solutions.

Impact	Response
Implications on climate change and sustainable environment.	<ul style="list-style-type: none"> <li>Bank has in place green policy ensuring green financing, green business facilitation and its own impact reduction.</li> <li>Green banking financing has been embedded in the Bank's lending criteria.</li> <li>Processes automation to reduce use of paper.</li> <li>Tree plantation campaigns.</li> </ul>

## Legal

Potential adverse impacts on earnings and reputational integrity arising from non-compliance are proactively mitigated through robust adherence to all applicable legal and regulations frameworks.

Impact	Response
Increased penalties, fines and litigations.	<ul style="list-style-type: none"> <li>The Bank has established comprehensive procedures, policies and guidelines to adapt to ever-changing regulatory requirements.</li> <li>The Bank maintains zero tolerance policy towards non-compliance with legal and regulatory requirements.</li> </ul>

## THE EFFECT OF SEASONALITY ON BANK'S BUSINESS

Seasonality affects banking operations by influencing credit demand, deposit flows and financial products. Sectors like agriculture and tourism exhibit seasonal cash flow variations, necessitating proactive liquidity management by banks.

Consumer spending surges during festive periods, driving increased credit card utilization and short-term financing needs. ABL employs strategic financial planning to navigate these fluctuations, ensuring optimal liquidity and sustained profitability.

# ROLE OF BANK IN VALUE CHAIN

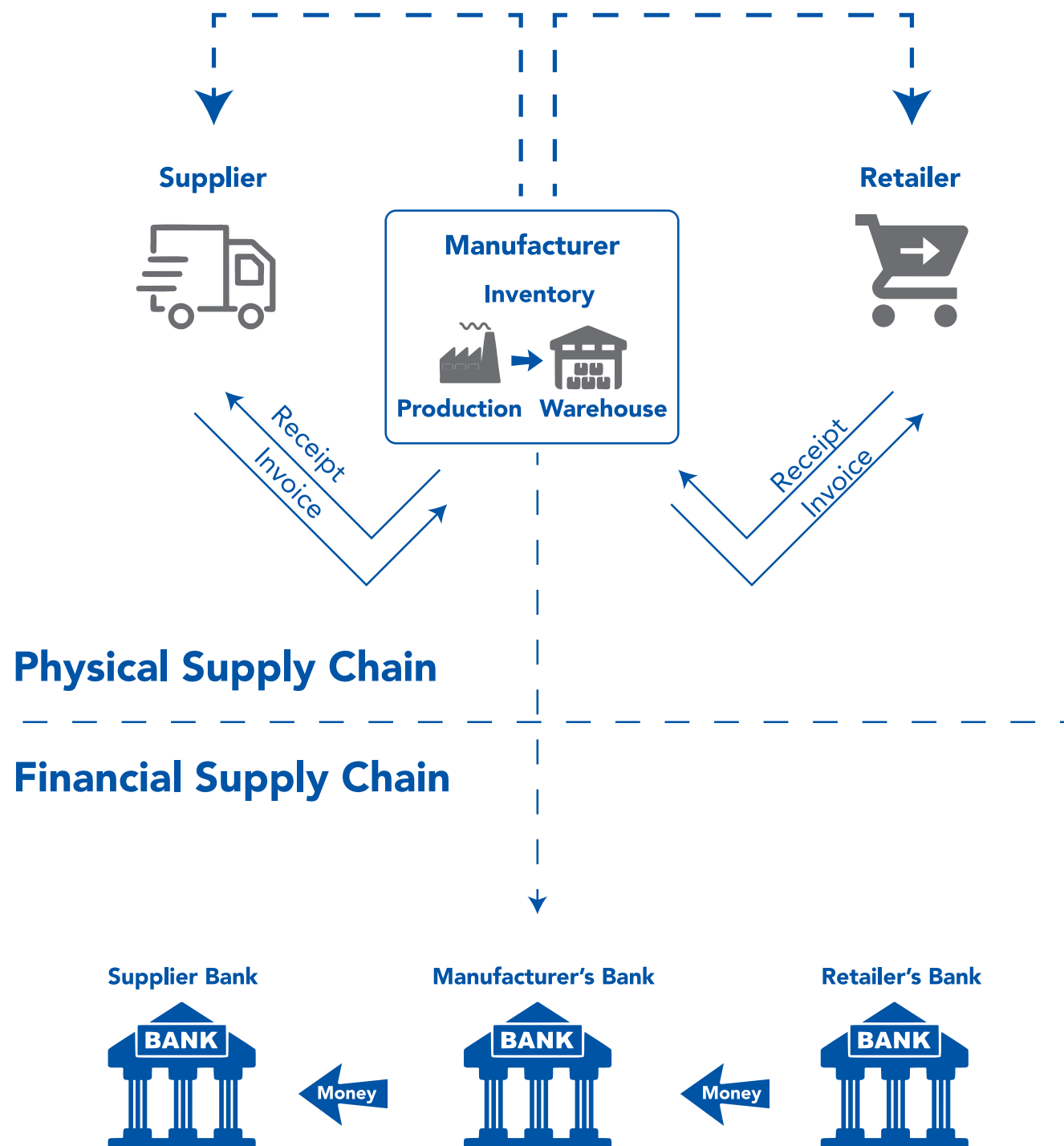
## Financial Supply Chain

Allied Bank Limited being a financial institution manages money flows in partnering supply chain organizations, by developing innovative methods for streamlining their financial distribution networks. The role of the Bank in value chain is to improve inter-organization money flows. The Banks provides a set of financial and technological tools to help companies improve working capital management and free up cash trapped in supply chain processes and transactions. Furthermore, the Bank's role as an intermediary between suppliers and buyers facilitates in

strengthening their ties.

- Supplier prefers to get money for delivered products or services sooner whereas,
- Buyers want to extend payment terms.

Banks offer services to improve the financial health of the supply chain by reducing both buyer and seller working capital.



# GEOPOLITICAL ENVIRONMENT AFFECTING THE BANKING INDUSTRY

Pakistan is located at a region which has great political, economic and strategic importance. Pakistan has the potential to develop transit economy due to its strategic location by offering direct and shorter trade routes to China, Central Asian Countries and Afghanistan with Middle East, Africa and Europe. However, the economic potential is still largely untapped mainly due to conditions in Afghanistan, trade restrictions on Iran and due to long standing political tensions between Pakistan and its eastern neighbor India. Improvement in the security conditions in Afghanistan, lifting or easing of trade restrictions on Iran and progress in relations with India have the potential to increase trade volumes and to bring mutual economic benefits resulting into establishing formal banking channels, digital payment systems and offering related banking services contributing to economic growth of the region.

2018. This resulted in widespread reforms in the financial sector including implementation of Anti Money Laundering, Combating the Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF) guidelines by updating the policies and procedures of the banks in line with the regulations issued by the State Bank of Pakistan. The removal of Pakistan from the grey list of FATF in 2022 has brought financial ease to some extent and has helped in securing much needed economic support from the global financial institutions.

The Bank continuously realigns its strategies by adapting to evolving regulations, embracing digital transformation and keeping in view all economic, legal and geopolitical factors with an objective of maximizing long-term shareholder value.

The economic problems of Pakistan were further aggravated due to its inclusion in grey list of Financial Action Task Force (FATF) in

# LEGISLATIVE AND REGULATORY ENVIRONMENT OF THE BANK

The Banking industry is highly regulated by governments across the globe, as banks play a vital role in implementing the governments' monetary policy. The banks operate as the engine of the economic growth due to their core function involving large amounts of money flows. The main rationale of regulating Banking industry is to ensure safety of customers' deposits, stability of the financial system and to prevent financial crimes. Allied Bank Limited being a scheduled bank engaged in commercial banking and related services, and also listed on the Pakistan Stock Exchange is primarily regulated by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

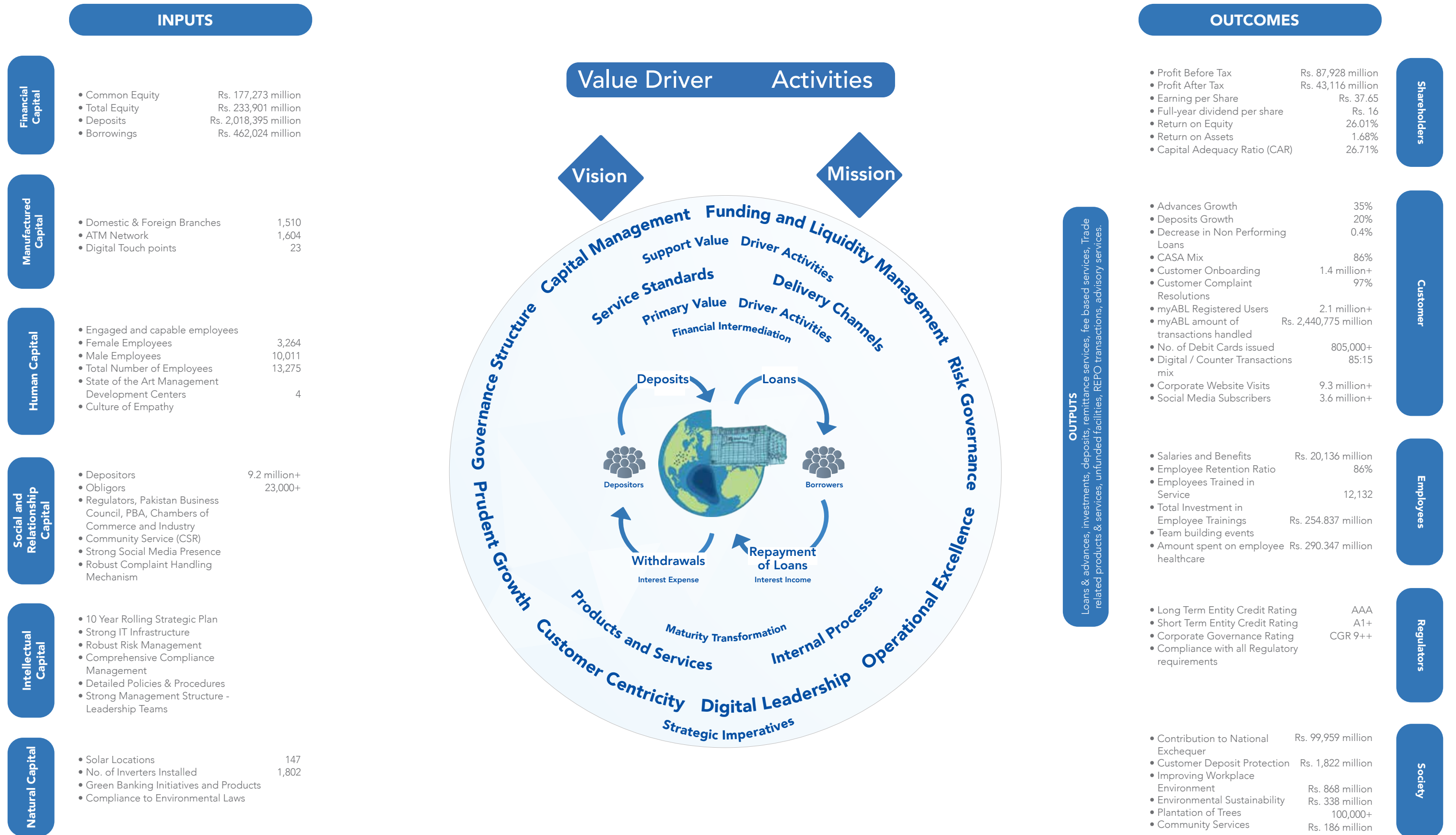
interests of various stakeholders and inculcating principles of corporate governance.

The regulatory framework of State Bank of Pakistan comprises of a set of policies, guidelines, prudential standards and allied processes & procedures covering the following key areas:

- Licensing Regime
- Prudential Regulations
- Corporate Governance Regime
- Capital Adequacy Regime
- Anti-money laundering and Counter Financing of Terrorism (AML/CFT) Regime
- Policy Environment and Market Discipline
- Consumer Protection Framework
- Foreign Exchange Management
- Islamic Banking Regulations
- Payments and Settlement Systems

Under the regulatory framework, the State Bank of Pakistan has been entrusted with powers and mandate mainly under the State Bank of Pakistan Act, 1956, the Banking Companies Ordinance, 1962, and the Foreign Exchange Regulation Act, 1947 to regulate and supervise the Banking industry. Moreover, the Securities and Exchange Commission of Pakistan regulates primarily through Companies Act, 2017 for protecting the

# OUR VALUE CREATION BUSINESS MODEL



## INPUTS

## Value Driver Activities

## OUTCOMES

Financial Capital	<ul style="list-style-type: none"> <li>Common Equity Rs. 177,273 million</li> <li>Total Equity Rs. 233,901 million</li> <li>Deposits Rs. 2,018,395 million</li> <li>Borrowings Rs. 462,024 million</li> </ul>
Manufactured Capital	<ul style="list-style-type: none"> <li>Domestic &amp; Foreign Branches 1,510</li> <li>ATM Network 1,604</li> <li>Digital Touch points 23</li> </ul>
Human Capital	<ul style="list-style-type: none"> <li>Engaged and capable employees</li> <li>Female Employees 3,264</li> <li>Male Employees 10,011</li> <li>Total Number of Employees 13,275</li> <li>State of the Art Management Development Centers 4</li> <li>Culture of Empathy</li> </ul>
Social and Relationship Capital	<ul style="list-style-type: none"> <li>Depositors 9.2 million+</li> <li>Obligors 23,000+</li> <li>Regulators, Pakistan Business Council, PBA, Chambers of Commerce and Industry</li> <li>Community Service (CSR)</li> <li>Strong Social Media Presence</li> <li>Robust Complaint Handling Mechanism</li> </ul>
Intellectual Capital	<ul style="list-style-type: none"> <li>10 Year Rolling Strategic Plan</li> <li>Strong IT Infrastructure</li> <li>Robust Risk Management</li> <li>Comprehensive Compliance Management</li> <li>Detailed Policies &amp; Procedures</li> <li>Strong Management Structure - Leadership Teams</li> </ul>
Natural Capital	<ul style="list-style-type: none"> <li>Solar Locations 147</li> <li>No. of Inverters Installed 1,802</li> <li>Green Banking Initiatives and Products</li> <li>Compliance to Environmental Laws</li> </ul>

Shareholders	<ul style="list-style-type: none"> <li>Profit Before Tax Rs. 87,928 million</li> <li>Profit After Tax Rs. 43,116 million</li> <li>Earning per Share Rs. 37.65</li> <li>Full-year dividend per share Rs. 16</li> <li>Return on Equity 26.01%</li> <li>Return on Assets 1.68%</li> <li>Capital Adequacy Ratio (CAR) 26.71%</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Advances Growth 35%</li> <li>Deposits Growth 20%</li> <li>Decrease in Non Performing Loans 0.4%</li> <li>CASA Mix 86%</li> <li>Customer Onboarding 1.4 million+</li> <li>Customer Complaint Resolutions 97%</li> <li>myABL Registered Users 2.1 million+</li> <li>myABL amount of transactions handled Rs. 2,440,775 million</li> <li>No. of Debit Cards issued 805,000+</li> <li>Digital / Counter Transactions mix 85:15</li> <li>Corporate Website Visits 9.3 million+</li> <li>Social Media Subscribers 3.6 million+</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Salaries and Benefits Rs. 20,136 million</li> <li>Employee Retention Ratio 86%</li> <li>Employees Trained in Service 12,132</li> <li>Total Investment in Employee Trainings Rs. 254.837 million</li> <li>Team building events</li> <li>Amount spent on employee healthcare Rs. 290.347 million</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Long Term Entity Credit Rating AAA</li> <li>Short Term Entity Credit Rating A1+</li> <li>Corporate Governance Rating CGR 9++</li> <li>Compliance with all Regulatory requirements</li> </ul>
Society	<ul style="list-style-type: none"> <li>Contribution to National Exchequer Rs. 99,959 million</li> <li>Customer Deposit Protection Rs. 1,822 million</li> <li>Improving Workplace Environment Rs. 868 million</li> <li>Environmental Sustainability Rs. 338 million</li> <li>Plantation of Trees 100,000+</li> <li>Community Services Rs. 186 million</li> </ul>

**OUTPUTS**  
Loans & advances, investments, deposits, remittance services, fee based services, Trade related products & services, unfunded facilities, REPO transactions, advisory services.

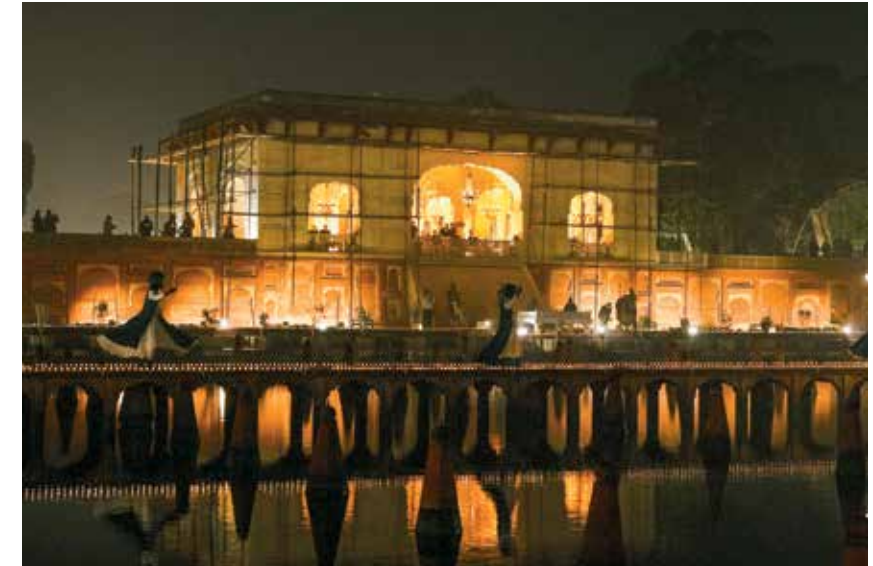
# LAHORE LITERARY FESTIVAL A CELEBRATION OF WISDOM



SCAN TO WATCH



## ANNUAL PERFORMANCE CELEBRATIONS ROOTED IN CULTURE & TRADITION





STAKEHOLDERS  
**ENGAGEMENT**



# IDENTIFICATION OF STAKEHOLDERS

The Bank is dedicated to safeguard the interests of its stakeholders and remains focused on delivering sustainable growth and performance that surpasses industry norms and stakeholders' expectations. The stakeholders' inputs are deeply embedded within the Bank's core strategy, including processes and procedures designed to create long-term value.

Stakeholder Group	Description	Identification of Stakeholders
Customers	The Bank strives to cultivate and sustain a strong brand image by fostering long-term relationships with customers through customer-centric and sustainable financial solutions	<ul style="list-style-type: none"> <li>Individuals</li> <li>Institutions</li> <li>Corporates</li> <li>Entrepreneurs</li> </ul>
Shareholders / Institutional Investors	The Bank upholds transparent relations with its investors by delivering consistent and sustainable investment returns and providing accessible information on financial and non-financial performance.	<ul style="list-style-type: none"> <li>Sponsors</li> <li>Minority Shareholders</li> <li>Individual Investors</li> <li>Institutional Investors</li> </ul>
Regulators	The Bank complies with all legal and regulatory requirements with aim to maintain transparent relationships with regulators and other supervisory bodies on an ongoing basis.	<ul style="list-style-type: none"> <li>State Bank of Pakistan</li> <li>Federal Board of Revenue</li> <li>Provincial Revenue Authorities</li> <li>Securities &amp; Exchange Commission of Pakistan</li> <li>Pakistan Stock Exchange</li> <li>Credit Rating Agencies</li> <li>Other public offices and regulatory bodies</li> </ul>
Employees	The Bank is committed towards investing in personal and professional development of its employees. The Bank provides an environment where employees are cared, diversity and differences are valued and growth opportunities are provided without any discrimination.	<ul style="list-style-type: none"> <li>Permanent Employees</li> <li>Contractual Employees</li> <li>Outsourced Personnel</li> <li>Employees' Union</li> </ul>
Society and Environment	The Bank plays a vital role in addressing the environmental and social issues in the communities by being a responsible corporate citizen	<ul style="list-style-type: none"> <li>Non-Profit Organizations</li> <li>Non-Government Organizations</li> <li>Media</li> <li>Society at large</li> </ul>

## SUMMARY OF THE ANALYST BRIEFINGS

Analyst briefings provide an interactive forum for engaging with the Bank's stakeholders to apprise them about:

- major economic indicators and their probable impact on the Bank's financial position;
- competitive environment in which the Bank operates;
- the business performances and achievements of the Bank; and
- business outlook.

Analyst briefings and investors conference calls were conducted, following the announcements of annual, quarterly and half yearly financial results in February, May, August and November 2024 respectively. These were attended by various research organizations, local and foreign investor services, bankers, asset management companies and brokerage houses. Detailed

investor presentations were uploaded at the Bank's website before briefings and were also discussed in detail during the conference calls. After the presentation, participants' queries were duly discussed and explained in connection to the Bank's performance.

Investor presentations are available at Bank's website <https://www.abl.com/investor-relations/financials/financial-presentations/>.

Corporate Briefing Session is conducted once a year to enlighten the shareholders and analysts with the Bank's strategic, operational and financial developments. This session was conducted in December 2024 and was attended by over 40 participants including shareholders, investors and brokers.

## REDRESSAL OF INVESTORS' COMPLAINTS

Investors can approach at [investor.relations@abl.com](mailto:investor.relations@abl.com) for the redressal of their grievances and complaints. The Bank ensures

resolution of any grievances within statutory timelines.

## INVESTORS' RELATIONS SECTION ON THE CORPORATE WEBSITE

The Bank regularly updates all information on its corporate website regarding financial performance, important information, elections of directors and upcoming events etc. The investor

relation section is being maintained on corporate website which can be accessed through the link; <https://www.abl.com/investor-relations>

## MAPPING OF BEST CORPORATE REPORT CRITERIA

This Annual Report is prepared under the guidelines of International Integrated Reporting Framework as outlined in Best Corporate Report criteria developed by joint evaluation committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of

Pakistan (ICMAP). The mapping of the Best Corporate Report criteria cross referred with page numbers of this Annual Report are available on the Investor Relations section of the corporate website of the Bank

## STEPS TO ENCOURAGE MINORITY SHAREHOLDERS PARTICIPATION IN GENERAL MEETINGS

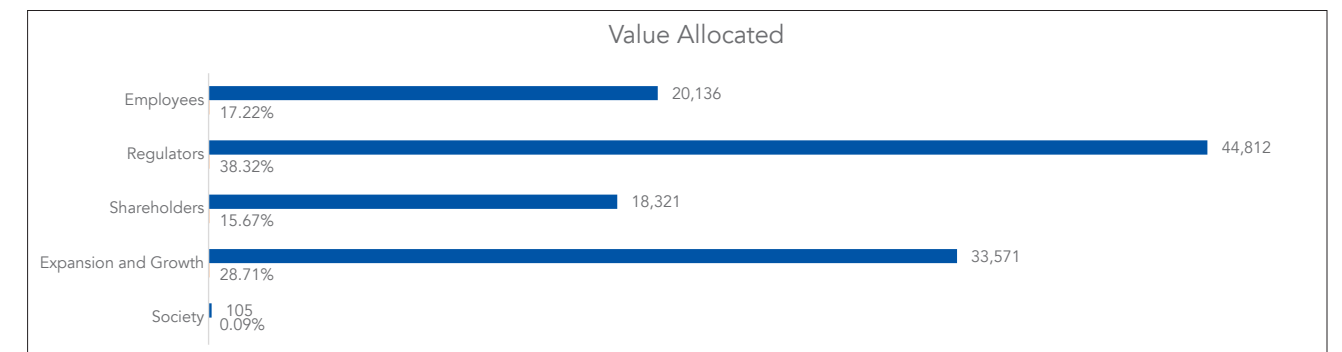
- The Bank ensures equitable treatment of all shareholders including minority shareholders to attend, contribute and vote at the General Meetings. The Bank takes following measures to ensure maximum participation of minority shareholders in Annual General Meeting and in election of Board of Directors;
- Notice of General Meetings is sent to every member of the Bank at least 21 days before the meeting. The notice is also published in newspapers (both English & Urdu) having nationwide circulation.
  - The Bank timely updates its website with respect to all notices of general meetings.
  - Annual Report is sent to each member of the Bank 21

- days before Annual General Meeting (AGM) through QR-enabled Code and Weblink.
- For enhancing participation of minority shareholders, Members are entitled to appoint proxy to attend, speak and vote at the meeting on their behalf.
  - Members are entitled with right to vote through electronic voting facility and voting by post on all businesses classified as special business.
  - Members are facilitated to participate in the AGM /EOGM through video-link.
  - The shareholders are encouraged to raise queries and give suggestions relating to the Bank's operations.

## STATEMENT OF VALUE ADDED


VALUE ADDED	Rs. In Million
Net interest income	115,223
Non interest Income	27,980
Operating cost excluding staff costs, depreciation and amortization	(28,750)
Provision charge against non-performing assets	2,710
<b>Total Value Added</b>	<b>117,163</b>

## VALUE ALLOCATED





# STAKEHOLDERS ENGAGEMENT



Your Bank believes in connecting with its various stakeholder groups to create a better understanding of stakeholder perspectives on key issues and consequently realize business value through informed decision making. Your Bank maintains formal mechanisms to engage with each group of stakeholders and the responsibility for such engagement is shared across the organization at every stakeholder touch point. The key stakeholder groups and their related engagements as a means of creating value are noted below:

	Stakeholder Group	Methods of Engagement	Frequency of Engagement				Needs & Expectations	Why do they Matter	How We Create Value for Stakeholders	Activities
			Occasionally	Regularly	Periodically	Continuously				
 Customers	Individuals Institutions Corporates Entrepreneurs	<ul style="list-style-type: none"> <li>Video Mystery Shopping</li> <li>Customer Access Points</li> <li>Corporate Website</li> <li>SMS &amp; Email Alerts</li> <li>CSR Activities</li> <li>Customer Awareness Seminars</li> <li>Road Shows</li> <li>Promotional Campaigns</li> <li>Print and Electronic Media</li> <li>Social Media</li> <li>WhatsApp</li> </ul>	●			●	Excellent customer service, convenient access across the country, less complexity and improved flexibility, innovative financial services & solutions, value for money banking, responsible banking services, confidentiality, integrity and accountability, security for customers investments and ambience in touch points.	Customers are at the center of our business strategy and customer focused products and services provide the basis to win and maintain customers and achieve a sustainable business model.	Understanding evolving customer needs to roll out more efficient channels thereby delivering competitive, convenient, technology driven, artificial intelligence based and innovative banking solutions.	<ul style="list-style-type: none"> <li>Video mystery shopping and Customer Satisfaction Surveys are regularly conducted to assess service delivery standards and to gain insights into the customers' experiences and level of satisfaction when using banking services and service channels.</li> <li>Launched various innovative solutions to make banking more convenient and to meet the clients' need.</li> <li>Expansion in Bank's footprint; branch network added 27 new branches during the year to reach at 1,510; ATM network reached to 1,604 (including On-site and Off-site ATMs), while providing Internet banking.</li> <li>Deposits increased significantly by Rs. 341,772 million.</li> <li>ABL actively contributed towards various initiatives launched by Government of Pakistan including Prime Minister Youth Business Loan &amp; Agriculture Loan Scheme and Allied Youth Entrepreneurship Scheme and has duly achieved its targets .</li> <li>The Bank executed various campaigns throughout the year on social media on products and services, e.g. WhatsApp Banking &amp; WhatsApp Channel, myPakistan Digital Account, Premium &amp; Platinum Debit Cards, POS Acquiring Business, RAAST through myABL, Enhanced limit for myABL and Debit Cards, Self-service banking services on Kiosks as well as on different dining &amp; lifestyle discounts posts to raise maximum awareness &amp; promote products which ensure customer convenience.</li> </ul>
								Safeguarding deposits and investments while growing returns.	<ul style="list-style-type: none"> <li>Your Bank paid Rs. 192,996 million, interest / profit to its depositors.</li> <li>Continued investment in technological infrastructure to improve data security and maintain customer privacy.</li> <li>Conducted Vulnerability Assessment, Penetration Testing and Comprehensive Security Risk Assessments to ensure controlled environment for customer related information.</li> <li>Implemented CISCO SD WAN to upgrade existing traditional branch network technology to latest software defined network industrial adopted technology. This technology offers fully intelligent &amp; integrated security services to optimize the performance, controlling, monitoring and reporting capabilities across the entire network.</li> <li>SMS Alerts of all digital banking transactions to customers.</li> </ul>	
								Timely communication of relevant information on products and services.	<ul style="list-style-type: none"> <li>Undertook marketing communications through various advertising activities and social media channels to extend outreach to customers and public at large.</li> <li>Your Bank arranged awareness seminars and road shows to engage customers and disseminate information regarding Banks' services portfolio.</li> <li>Your Bank is committed to establish a robust presence in Metaverse through the creation of a virtual branch for customers which is the next evolution of internet experience and enables to move beyond browsing the web. Built on technologies such as augmented reality (AR), virtual reality (VR) and the blockchain, the metaverse is a place where people can meet , interact and have a truly immersive experience.</li> <li>Your Bank has become the pioneering bank in Pakistan to adopt Sprinklr for all its digital communication channels, including Facebook, Instagram, Twitter, YouTube, LinkedIn, and App Stores. This integration establishes a cohesive approach to customer interaction, engagement, and feedback, especially with Sprinklr's Modern Research, Modern Care, and Modern Engagement modules being implemented company-wide.</li> <li>In addition, UI UX of myABL app redesigned to enhance customer experience particularly on cognitive load, eyeball tracking and thumb movement . In addition, myABL was continuously updated with key features such as Credit Cards Management, RAAST expansion, Merchant Payments Functionality through QR Scanning and Functionality to lodge Complaints and submit Refund requests in hassle free manner.</li> </ul>	
								Upholding highest standards of service quality across the Bank.	<ul style="list-style-type: none"> <li>Efficiently and effectively achieved 97% resolution of customers' complaints.</li> <li>High ATM uptime at 96%.</li> </ul>	

# STAKEHOLDERS ENGAGEMENT

	Stakeholder Group	Methods of Engagement	Frequency of Engagement				Needs & Expectations	Why do they Matter	How We Create Value for Stakeholders	Activities
			Occasionally	Regularly	Periodically	Continuously				
 Shareholders / Institutional Investors	Sponsors Minority Shareholders Individual Investors Institutional Investors Analysts	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Interim Financial statements</li> <li>Corporate website</li> <li>Annual General Meeting</li> <li>Extra Ordinary General Meetings</li> <li>Analyst Briefings</li> <li>Corporate Briefing Sessions</li> <li>Press releases / Media Announcements</li> </ul>			●	●	Sustainable performance, dividend payout, return on equity, return on assets, earning per share, future growth strategy, corporate governance, risk management and compliance with laws and regulations.	To ensure long term shareholder value and uphold the rights of shareholders to ensure their wealth maximization.	Generating sustainable financial returns, enabled by growing revenues and dividends. Managing and reducing risks while optimizing our cost base.	<ul style="list-style-type: none"> <li>Generated a sustainable ROE, ROA and Dividend Yield ratio of 26.01%, 1.68% and 11.61% respectively.</li> </ul>
			●						Maintaining a strong balance sheet and safeguarding asset quality which contribute towards sustainable performance.	<ul style="list-style-type: none"> <li>Financial position improved by 21% to Rs. 2,816,969 million; Your Bank's Equity base stood at the robust level of Rs. 233,901 million;</li> <li>Infection ratio of 1.2% which is significantly lower than industry ratio of 8.2%.</li> </ul>
				●					Delivering existing and potential shareholders relevant and timely information.	<ul style="list-style-type: none"> <li>Annual Audited Financial statements together with the Auditors' and Directors' report were circulated to all shareholders along with the Notice of AGM.</li> <li>Abridged Annual Audited Financial Statements along with Auditors' and Directors' Report were published in the newspaper.</li> <li>Analyst briefings and investors conference calls were conducted, following the announcements of quarterly, half yearly and annual financial results.</li> <li>Corporate Briefing Session is conducted once a year to enlighten the shareholders and analysts with the Bank's strategic, operational and financial developments. This session in 2024 was attended by 40 shareholders, investors and brokers.</li> <li>Quarterly, Half Yearly and Annual Financial Statements, Investors' Presentations and Major financial information are disclosed under a separate section of "Investors Relations" on Corporate Website of the Bank.</li> </ul>
					●				Ensuring equitable treatment of all shareholders including minority shareholders to attend, contribute and vote at the General Meetings.	<ul style="list-style-type: none"> <li>All required support is being provided to minority shareholders for participation in election of Directors.</li> </ul>
 Regulators	State Bank of Pakistan (SBP) Federal Board of Revenue (FBR) Securities and Exchange Commission of Pakistan Pakistan Stock (SECP) Exchange (PSX) Credit Rating Agencies Other Public Offices and Regulatory Bodies	<ul style="list-style-type: none"> <li>Directives and Circulars</li> <li>Financial Statements</li> <li>Statutory Examination</li> <li>Regulatory Reporting</li> <li>Filing of Income Tax Federal Excise and Sales Tax Returns</li> <li>Filing of Corporate Return</li> <li>Interviews and Meetings with Representatives of Regulators, Pakistan Banking Association, Business Council</li> </ul>		●	●		Compliance with all legal and regulatory requirements, remain responsible tax payer, corporate governance practices, adherence to reporting requirements, risk management, sustainable business practices, timely withholding taxes and deposit, income tax, FED & sales tax payment including advance tax.	To ensure meticulous compliance with legal and regulatory directives.	Embracing prudent banking practices and regulatory compliance that enables a safe and stable banking system.	<ul style="list-style-type: none"> <li>Maintained highest credit ratings from Pakistan Credit Rating Agency Limited:               <ul style="list-style-type: none"> <li>Long-term rating "AAA"</li> <li>Short-term rating "A1+"</li> </ul> </li> </ul>
				●	●				Ensuring regulator confidence in the Bank and reducing potential for reputational risk.	<ul style="list-style-type: none"> <li>Maintained Corporate Governance rating of CGR-9++. This rating indicates a high level of corporate governance; thus, depicting a very high level commitment towards corporate governance.</li> </ul>
					●	●			Providing timely and detailed regulatory updates and reporting disclosures.	<ul style="list-style-type: none"> <li>On-time submission of statutory returns and statutory payments.</li> <li>Adherence to PSX requirements for disclosure of key information.</li> </ul>
					●				Record Management	<ul style="list-style-type: none"> <li>The Bank has a record management program that ensures maintenance, protection, retention and disposal of records in accordance with applicable regulations, operations, fiscal and legal requirements.</li> </ul>

# STAKEHOLDERS ENGAGEMENT

	Stakeholder Group	Methods of Engagement	Frequency of Engagement				Needs & Expectations	Why do they Matter	How We Create Value for Stakeholders	Activities
			Occasionally	Regularly	Periodically	Continuously				
 Employees	Permanent employees Contractual employees Outsourced personnel Employee union	<ul style="list-style-type: none"> <li>Formal Meetings</li> <li>Informal &amp; Ad Hoc Meetings</li> <li>Performance Appraisals</li> <li>Internal Newsletter</li> <li>Informational and Instructional Circulars</li> <li>Training Programs</li> <li>Employee Satisfaction Surveys</li> <li>Intranet / Employee Self Service Portal</li> <li>Team Building Events</li> <li>Annual Family Festival</li> <li>Welfare Events and Activities</li> <li>Disaster Recovery and Emergency Response Drills</li> <li>Medical Benefits</li> <li>Retirement Benefits</li> </ul>		●			Competitive remuneration, career development and advancement, effective performance management, equal opportunity along with safe, positive and inspiring work environment, work life balance, recognition and reward, grievance handling mechanism, culture of empathy, continuous training opportunities to grow as a person and professional, job security and succession planning.	Skills, experience, and activities that our employees carry out during day to day operations of the bank resulting in achievement of strategic goals and objectives. How our staff think and feel about work are directly connected with customer satisfaction levels.	Retaining "Employer of Choice" status by providing a safe, inspiring and challenging work environment.	<ul style="list-style-type: none"> <li>Total permanent and contractual workforce of 13,275 employees with female representation increased to 24.6%.</li> </ul>
				●	●				Inducting and retaining quality human resource in all functions of the Bank.	<ul style="list-style-type: none"> <li>2,838 recruitments for permanent and contractual positions.</li> </ul>
				●	●	●			Offering competitive remuneration and rewarding performance. Motivating and inspiring our work force.	<ul style="list-style-type: none"> <li>Rs. 20,136 million in terms of salaries, allowance and other benefits to employees. Rewarded performance through 1,306 grade promotions.</li> </ul>
					●	●			Skills training and development initiatives to align workforce with strategic objectives of the Bank.	<ul style="list-style-type: none"> <li>Invested Rs. 255 million on staff training and development programs.</li> <li>Training coverage of 12,000+ employees during the year achieving an impressive 92% overall coverage.</li> <li>Average training and development hours per employee are 47.60 hours during the year.</li> </ul>
									●	Understanding and responding to the needs and concerns of Bank's staff along with equal opportunity and culture of empathy.
 Society and Environment	Non-Profit Organization Non-Government Organization Media Society at large	<ul style="list-style-type: none"> <li>Service Channels</li> <li>Corporate Website</li> <li>Donations and Sponsorships</li> <li>Press Releases, Conferences and Media Campaigns</li> <li>Public Relation Activities</li> </ul>		●		●	Social responsibility activities, employment opportunities, financial resilience, community development and ethical business practices.	Working in tandem with global and local mandates which safeguard the environment and promote community empowerment.	Community capacity building and empowerment. Social welfare of community.	<ul style="list-style-type: none"> <li>Your Bank plays a proactive role in contributing towards the society. Detailed CSR report is included in the Annual Report.</li> </ul>

# BUSINESS AT LAST ANNUAL GENERAL MEETING

## 78th Annual General Meeting

The 78th Annual General Meeting of the shareholders of Allied Bank Limited was held on Thursday, March 28, 2024 at 11:00 A.M at Palace Hall, Pearl Continental Hotel, Lahore, physically as well as virtually through Zoom facility.

Mr. Mohammad Naeem Mukhtar, Chairman Board of Directors of the Bank, chaired the Meeting via Zoom, other directors also attended the Meeting virtually from remote locations except Mr. Mubashir A. Akhtar who was present at the venue. Leave of absence was granted to Mr. Sheikh Mukhtar Ahmad and Mr. Abdul Aziz Khan who could not attend the Meeting due to indisposition.

Chief Executive Officer, Chief Human Resource, Company Secretary and Chief Financial Officer were present in person at the venue of the Meeting.

Engagement Partner of the statutory Auditors M/s. EY Ford Rhodes Chartered Accountants attended the meeting via Zoom, whereas, representatives of Bank's Shares Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL) were present in person at the venue of the Meeting. Representatives of Balloter (CDCSRSL) were also present physically for Balloting of Special Business.

Following agenda items were approved by the Shareholders:

1. Confirmation of the minutes of 77th Annual General Meeting of Allied Bank Limited held on March 28, 2023.
2. Receive, consider and adopt Annual Audited Financial Statements of the Bank (consolidated and unconsolidated) for the year ended December 31, 2023 together with the Auditors' Report, Directors' Report and Chairman's Review Report thereon.
3. Approval of Final Cash Dividend @ 40% (i.e., Rs. 4.00 per share) as recommended by the Board of Directors. This Final Cash Dividend was in addition to 80% Interim Cash Dividends (i.e., Rs. 8.00 per share) already paid to the shareholders for the year ended December 31, 2023.
4. Re-appointment of M/s. EY Ford Rhodes Chartered Accountants as Statutory Auditors of the Bank for the year ending December 31, 2024 and fixation of their remuneration.
5. Approval of Circulation of Annual Audited Financial Statements of the Bank to its shareholders through QR-enabled Code and Weblink, instead of transmitting the same through CD/DVD/USB.

# EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of the shareholders of Allied Bank Limited was held on Tuesday, August 27, 2024 at 11:00 A.M at Palace Hall, Pearl Continental Hotel, Lahore, physically as well as virtually to consider and approve following agenda items by the Shareholders:

1. Confirmation of the minutes of 78th Annual General Meeting of Allied Bank Limited held on March 28, 2024.
2. Election of Directors of the Bank for a period of next three years commencing from August 27, 2024.

# FINANCIAL CALENDAR 2024

• 1 <sup>st</sup> Quarter results issued on	April 24, 2024
• 2 <sup>nd</sup> Quarter results issued on	August 21, 2024
• 3 <sup>rd</sup> Quarter results issued on	October 30, 2024
• Recommendation of Annual Results by the Board of Directors	February 04, 2025
• 79th Annual General Meeting scheduled for approval of Annual Results	March 24, 2025

# ALLIED BANK DIGITAL LOUNGE ENABLING INNOVATION, INSPIRING EASE





RISK  
MANAGEMENT

# RISK MANAGEMENT FRAMEWORK

Risk Management Framework is the collection of fundamental elements like Risk Governance, Risk Architecture and Risk Organization that are implemented in the Bank to identify and manage material risks.

The Board of Directors is responsible for the overall effective risk management of the Bank. The Bank has in place a comprehensive risk management and governance framework.

Risk Governance includes risk strategy, risk culture, risk structures, risk acceptance criteria, risk policies & procedures, and roles and responsibilities of different stakeholders.

The Board of Directors is responsible for approval of risk strategy, risk management policies, providing guidance for sound and informed decision-making and effective allocation of resources. The Board of Directors also oversees appointment of senior management personnel capable of managing the risk activities conducted by the Bank.

The Board Risk Management Committee (BRMC) is responsible for ensuring that the overall risk strategy and risk acceptance criteria of the Bank is appropriately defined in the Strategic Plan and recommends the same to the Board of Directors for approval. The BRMC monitors the quality of asset portfolio and suggest measures to keep the infected portfolio at minimum level. The Committee also approves risk limits.

Risk architecture of the Bank includes risk processes, systems, tools and methodologies for identifying, assessing and

monitoring risks. The risk policies and procedures developed are consistent with the Bank's Risk Management Strategy and Risk Acceptance Criteria and are reviewed on a periodic basis to reflect changes in internal and external environment.

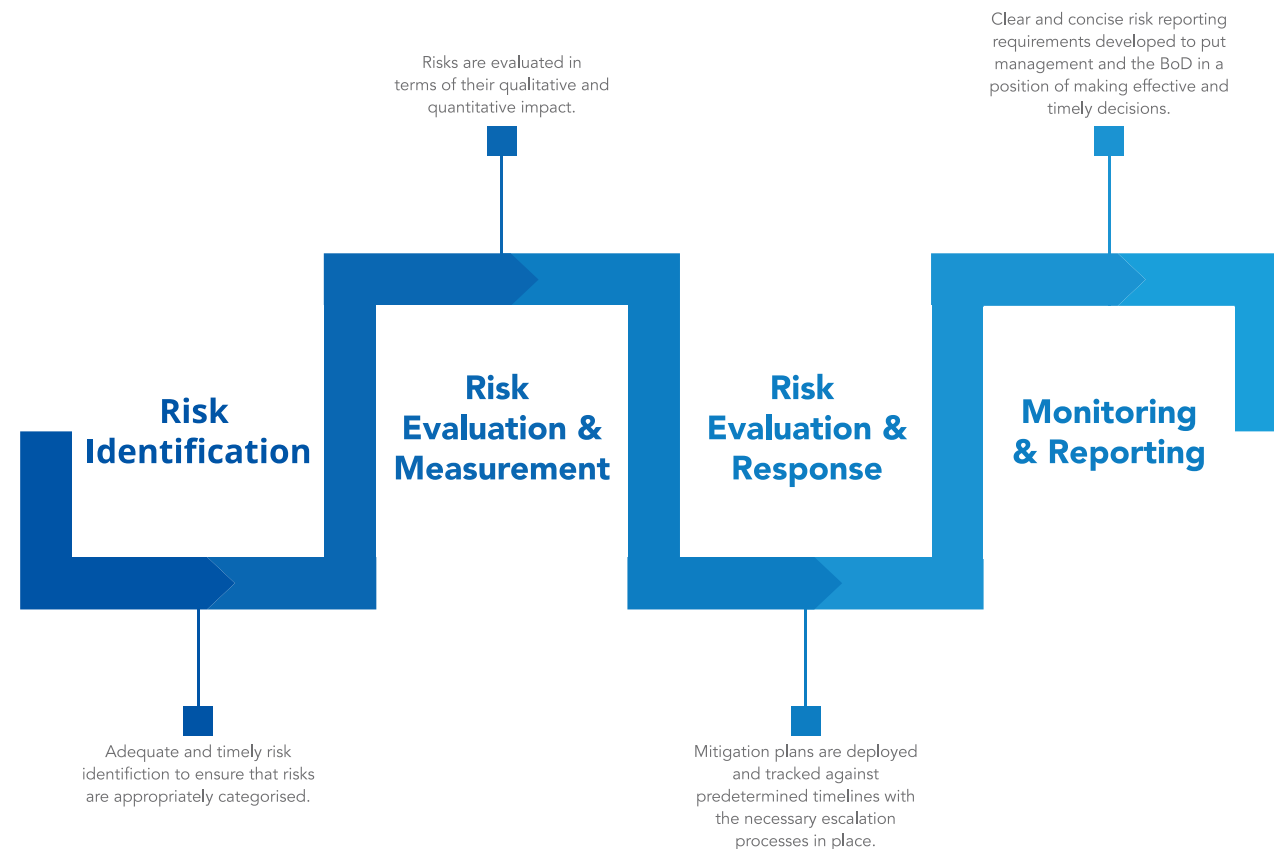
Risk organization includes the set-up for an independent, resourceful and effective risk management group. Risk Management Functions at the Bank include Corporate & Financial Institution Risk, Commercial, Small & Medium Enterprises & Consumer Risk, Enterprise Risk, Credit Administration, Information Security & Governance and Technical Appraisal.

The Chief Executive Officer and Group Chiefs are responsible for collective risk management through their membership of various Management Committees i.e., Management Committee (MANCO), Asset and Liability Committee (ALCO), Compliance Committee (CC) and Risk Management Committee (RMC). Independent supervision of risk management activities is provided by the Audit Committee of the Board and Audit & Risk Review Group.

## Risk Management Policies

The Board of Directors have put in place an effective and robust risk management system to identify, evaluate and mitigate all risks undertaken in the achievement of long-term strategic objectives of the Bank. Risk Management and Governance Framework of the Bank is calibrated on below parameters.

# RISK MANAGEMENT PROCESS



The Board of Directors monitors the implementation of risk strategy and approves the risk policies and risk acceptance criteria to ensure that risks are managed within tolerance level.

The Bank's comprehensive and integrated risk management framework is focused on monitoring and governance over various categories of risk. The Bank has in place Risk Policies for all material risks faced by the Bank, which includes:

- Credit Policy,
- Market & Liquidity Risk Policy,
- Operational Risk Management Policy,
- Strategic Risk Management Policy,
- Information Security Policy,
- Green Banking Policy,
- Country Risk Management Framework and
- Reputational Risk Management Framework.

The Risk Acceptance Criteria Statement (RACS) is part of the Risk Management Strategy and is used to quantify the aggregate risk the Bank is prepared to carry across the key risk types i.e., Credit

Risk, Market & Liquidity Risk, Operational Risk, Strategic Risk, Regulatory Risk, Legal Risk, Reputational Risk, etc.

## Assessment of the Principal Risks facing the Bank

Innovation, new business models, political and economic changes and rapidly evolving technologies are transforming the competitive industry landscape. These trends are continuously monitored and assessed by the Board of Directors vis-à-vis their impact on the long-term strategic plans of the Bank for sustainable value creation.

Bank's strategy, risk management policies and procedures are updated on a proactive basis in sync with the evolving business environment. Further, Board of Directors ensure that necessary steps are taken to foster a bank-wide risk management culture including appropriate risk awareness and mitigation at all levels of the organization.

The principal risks being faced by the Bank are categorized below.

# ALLIED BANK'S RISK UNIVERSE



The Board of Directors ensure that in-depth assessment of principal risks faced by the Bank is undertaken through effective operation of following processes.

Risk Acceptance Criteria	Implementation of risk acceptance criteria framework and monitoring of Bank's exposure on a continuous basis for optimized returns. Clearly defined risk acceptance criteria of the Bank with appropriate and quantified thresholds.
Risk Identification, Assessment and Monitoring	Identification of the principal risks, their probability of occurrence and their potential impact to formulate appropriate risk mitigation strategy.
Residual risk	Understanding the nature and quantum of residual risk which remains after efforts to identify and mitigate all key risk types. Ongoing monitoring and management of net residual risk to bring it within the Bank's risk tolerance threshold.
Stress Testing and its Integration into Business Planning	Continuous assessment of the Bank's resilience to severe but plausible stress scenarios. Results of stress testing exercises are analyzed to make necessary changes in Risk Strategy and Business Planning. Integrated Risk Management along with strategic planning decision making processes to respond to existing as well as emerging risks.

# RISK EVALUATION AND MANAGEMENT STRATEGIES

Risk and opportunities and the related mitigating factors are summarized below;

Risk	Source	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Credit Risk	External	Low	Sovereign credit risk on exposure to Public sector Enterprises (PSE)	<ul style="list-style-type: none"> <li>- Oversight is kept through Board of Directors and its sub-committee "Board Risk Management Committee" as well as through management committee – "Risk Management Committee (RMC)".</li> <li>- Public sector advances are generally secured by sovereign guarantee or the equivalent from the Government of Pakistan (GoP).</li> <li>- Certain PSEs have a well-defined cash flow stream and appropriate business model, based on which the lending may be secured through collaterals other than GoP guarantee.</li> </ul>	Financial Capital
	External	High	Counterparty credit risk on exposure to Private sector advances and Interbank limits	<ul style="list-style-type: none"> <li>- Board of Directors approved Credit Risk Policy and Credit Procedural Manual provide guidelines in line with internal policy, State Bank of Pakistan's Prudential Regulations and industry best practices.</li> <li>- Bank's Risk Assessment and Management System (RAMS) uses risk rating models, based on qualitative and quantitative factors, to assign credit risk ratings to various categories of borrowers.</li> <li>- Credit worthiness of borrowers is analyzed on work-flow based RAMS, with focus towards balanced assessment of credit risk and identification of related proper mitigates.</li> <li>- In respect of interbank borrowers, Your Bank maintains eligibility criteria that links exposure limits to counterparty credit ratings (minimum credit rating of 'A').</li> <li>- Concentration risk is monitored with respect to obligor, group and sector exposure limits and risk profile benchmarks.</li> <li>- Automated 'Watch-List' categorization system facilitates to identify deterioration in quality of loans.</li> <li>- Country risk exposure limits are in place that broadly capture direct exposure on sovereigns and foreign domiciled counter parties; limits linked to the sovereign ratings.</li> <li>- Specialized team comprising of engineers and industry experts' conducts technology assessments of obligors' plant and machinery and reviews the technical feasibility of projects and valuation reports.</li> </ul>	Financial Capital

Risk	Source	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Market Risk	External	Low	Risk associated with fluctuations in interest rates, foreign currency rates, credit spreads, equity prices and commodity prices.	<ul style="list-style-type: none"> <li>- Oversight is kept through Board and its sub-committee "Board Risk Management Committee" as well as through management committee – "Asset &amp; Liability Committee (ALCO)".</li> <li>- Comprehensive structure is in place aimed at ensuring that Your Bank does not exceed its qualitative and quantitative tolerance for market risk.</li> <li>- Balanced approach towards risk taking in the market risk area while keeping exposures within the defined risk acceptance criteria.</li> <li>- Tools like Value at Risk methodologies, sensitivity measures, intraday exposure limits, notional limits and loss triggers are monitored at a detailed portfolio level.</li> <li>- Periodic repricing gap analysis to re-profile the earning asset mix in accordance with interest rate expectations.</li> <li>- Extensive stress testing is performed to capture and report the multi-dimensional aspects of market risk using automated solutions.</li> </ul>	Financial Capital
Operational Risk	Internal and External	Low to Medium	Risk of inadequate or failed internal processes and losses caused by external events.	<ul style="list-style-type: none"> <li>- Oversight kept through Board and its sub-committee "Board Risk Management Committee" as well as through management committee – "Risk Management Committee (RMC)"</li> <li>- Board of Directors approved Operational Risk Management (ORM) Policy.</li> <li>- Detailed Operational Risk Management (ORM) Procedures approved by Risk Management Committee.</li> <li>- Adequate system of internal controls designed to keep operational risk at appropriate levels.</li> <li>- Risk assessment of each operational risk incident.</li> <li>- Monitoring of risk through Key Risk Indicators (KRIs)..</li> <li>- Assessment of risk through Risk and Control Self-Assessment (RCSA) for material processes of the Bank</li> <li>- Business Continuity Policy and Plan driven towards ensuring provision of un-interrupted banking services in case of any unforeseen emergency and/or natural calamities.</li> <li>- Disaster recovery and evacuation plans testing.</li> <li>- IT disaster recovery plans testing on ongoing basis.</li> <li>- Insurance coverages are in place for theft and damage to physical assets</li> </ul>	Financial Capital



# RISK EVALUATION AND MANAGEMENT STRATEGIES

Risk	Source	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
	Internal and External	Low	Risk arising due to the unauthorized or inappropriate employee activity and failure to adhere to staff policies	<ul style="list-style-type: none"> <li>- Board of Directors' oversight along with its sub-committees "Human Resource and Remuneration Committee" as well as through management committees of "Human Resource Committee" and "Central Administrative Action Committee".</li> <li>- Recruitment, pre-employment screening, employer feedback and exit interviews.</li> <li>- Proactive staff engagement.</li> <li>- Strong staff development programs in place combining e-learning, in-house and external trainings programs.</li> <li>- Insurance coverages are held for fraud and fidelity incidents.</li> <li>- Whistle blowing mechanism is in place.</li> </ul>	Human and Intellectual Capital
	Internal and External	Medium	Risk arising from non-compliance with statutory or regulatory provisions applicable to the Bank.	<ul style="list-style-type: none"> <li>- Independent Compliance Group to ensure compliance with specific regulatory, statutory and internal requirements.</li> <li>- Compliance Policies and procedures are in place.</li> </ul>	Financial Capital
Liquidity Risk	Internal and External	Medium	Risks emanating from nature of the Banking business, from the macro factors exogenous to the Bank as well as from internal financing and operational policies.	<ul style="list-style-type: none"> <li>- Oversight kept through Board and its sub-committee "Board Risk Management Committee" as well as through management committee – "Asset &amp; Liability Committee (ALCO)".</li> <li>- ALCO oversees the activities of treasury, which operates in terms of an approved ALM policy.</li> <li>- Exposures are monitored by ALCO against well-defined ALM triggers and limits.</li> <li>- Detailed Recovery Plan is in place which highlights the strategy and critical tools for effective monitoring, escalation, planning, and execution of recovery actions in the event of a financial crisis situation.</li> <li>- Your Bank regularly performs liquidity stress tests as part of its liquidity monitoring activities.</li> <li>- Periodic maturity gap analysis is performed to keep asset and liability mismatch within acceptable limits.</li> <li>- Maintenance of appropriate marketable securities portfolio that can be realized in the event of a liquidity stress.</li> </ul>	Financial Capital
Capital Adequacy Risk	Internal and External	Medium to High	Undertaking higher risks in view of more volatile and competitive financial markets.	<ul style="list-style-type: none"> <li>- Oversight kept through Board and its sub-committee "Board Risk Management Committee" (BRMC) as well as through management committees – "Risk Management Committee" (RMC) and "Asset &amp; Liability Committee (ALCO)".</li> <li>- Bank assesses capital adequacy on a quarterly basis, including historical and future capital positioning review.</li> </ul>	

Risk	Source	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
				<ul style="list-style-type: none"> <li>- Stress tests on capital adequacy in line with SBP requirements are performed on a regular basis and resulted are reported to BRMC / BoD.</li> <li>- The Internal Capital Adequacy Assessment Process (ICAAP) Framework is updated and reviewed annually.</li> <li>- Focus on sufficient profit retention.</li> </ul>	
Strategic Risk	Internal and External	Medium	Improper implementation of decisions, or lack of responsiveness to evolving industry, economic or technological changes.	<ul style="list-style-type: none"> <li>- Oversight kept through Board and its sub-committee "Strategic Planning &amp; Monitoring Committee" as well as through Management Committees – "Management Committee" (MANCO), "Risk Management Committee" (RMC), "Compliance Committee" (CC) and "Asset &amp; Liability Committee" (ALCO).</li> <li>- 10-year's Rolling strategic plan is reviewed on annual basis along with operational plan to account for the evolving economic and business dynamics; duly in consideration of the peer banks.</li> <li>- The impact of events on the future direction of the business and forecasted results are constantly monitored and quantified.</li> </ul>	Financial Capital
Technological Risk	Internal and External	High	Risk arising from non-availability of IT systems, and disruptions due to Cyber threats.	<ul style="list-style-type: none"> <li>- Oversight kept through Board and its sub-committees "E-Vision Committee" and "IT Steering Committee" (ITSC).</li> <li>- IT and Information Security planning is conducted as part of Bank's strategic and operational planning process.</li> <li>- Systems audits, IT Security &amp; Risk Assessments are performed for systems before and after the deployment into production environment.</li> <li>- Significant ongoing investments in Technology and Processes to protect customer data as part of the information security posture.</li> <li>- Security Operation Center (SOC) utilizes a combination of People, Process and Technology to proactively monitor and respond to cyber threats.</li> <li>- Countermeasures against cyber threats included regular Penetration Testing and Vulnerability Assessment exercises.</li> <li>- Continuous awareness programs for Customers and Staff about cyber threats.</li> </ul>	Financial Capital
Reputational Risk	Internal and External	Low	Risk arising from any action or inaction perceived by any stakeholders to be inappropriate, unethical or inconsistent with the Bank's values and beliefs.	<ul style="list-style-type: none"> <li>- Oversight kept through Board and its sub-committee "Board Risk Management Committee" as well as through management committee – "Risk Management Committee" (RMC).</li> <li>- Formal customer grievance redressal policy, including policy and procedures on receiving customer complaints and resolution mechanism.</li> <li>- Timely and efficient communications among all stakeholders.</li> <li>- Policies and procedures in place for securing digital payments including protection of customers' data.</li> </ul>	

# RISK EVALUATION AND MANAGEMENT STRATEGIES

Risk	Source	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Shariah Non-Compliance Risk	Internal	Low	Risk arising from the failure to comply with Shariah rules and principles determined by Shariah Board of the Bank and the Regulator.	<ul style="list-style-type: none"> <li>Oversight kept through Board and its sub-committee "Board Risk Management Committee" as well as through management committees – "Management Committee" (MANCO) and "Risk Management Committee" (RMC).</li> <li>Policies and procedures in place duly reviewed by Shariah Board.</li> <li>Review of transactions by Shariah Compliance.</li> <li>Periodic External Shariah Audit.</li> </ul>	Financial Capital

## OPPORTUNITIES

Source	Opportunity	Strategies in Place
Internal	New to Bank customer onboarding transformation and cross sell to existing customers in the digital era.	Addition of digital touchpoints including Interactive Teller Machines, Kiosks, Cash Deposit Machines, Self Service Branches and Branchless Banking.
External	Technological advancements including Big Data, Artificial Intelligence, Machine Learning, Integrated Ledgers, Virtual Currencies and Blockchains.	Continuous investment in Information Technology Infrastructure of the Bank for adopting new technologies and upgrading existing technological base.
External	Augment remittance business from untapped markets.	Working on Government of Pakistan initiatives to provide non-residents with ease of doing Banking with lower requirements.
External	Government of Pakistan and State Bank of Pakistan initiatives for economic revival.	Product Development and working closely with Business teams to attract and retain new customers.
External	Over 80% unbanked population in the country; opportunity to enhance financial inclusion.	Branch expansion plan, Road shows and Seminars and Digital Products for untapped segments, increasing outreach through Social Media.
Internal	Developing a new stream of deposit products to strengthen the product portfolio and targeting branchless and digital banking opportunities.	Introduce new products considering the requirements of various segments of the society and also increase focus on automation and digitalization solutions.
External	Increasing the digital footprint by expanding the e-commerce facilities to provide state of the art digital financial services to the customers.	Continuous improvement in services provided through myABL platform including card activation / deactivation, enabling e-commerce and International use of debit card to facilitate customers in availing these services hassle free.
External	Augment Financial Inclusion through Digital Lending Platform.	Introduce new products for digital lending considering the requirements of various segments like Consumers, Small and Medium Enterprises using Artificial Intelligence and Machine Learning Techniques

## INADEQUACY IN THE CAPITAL STRUCTURE

The Bank has in place adequate capital which is well above the regulatory limits set under the Basel Capital Adequacy Framework. Bank's Capital Adequacy Ratio stood at 26.71% against regulatory requirement of 12.5% (currently reduced by SBP under COVID-19 relief measures to 11.5% including capital

conservation buffer of 1.5%). Common Equity Tier 1 Capital Adequacy Ratio is 19.93% against regulatory requirement of 6%. Leverage ratio of the Bank is 5.65% as compared to regulatory limit of 3%.

## INITIATIVES TAKEN BY THE BANK IN PROMOTING AND ENABLING INNOVATION

The Bank is taking significant steps in enhancing digital banking and prioritizing customer convenience through several innovative initiatives. A key offering is the Virtual Debit Card, which allows customers to instantly create a secure Visa card for online shopping, minimizing the risk of physical card theft and reducing cost of card plastic. This service is available at no cost and can be easily managed via the myABL app.

merchant POS. These points can be redeemed for a variety of rewards, encouraging ongoing engagement with digital banking services.

myABL WhatsApp Banking platform has also been revamped, featuring an improved user interface and new functionalities like Bill Payment and Fund Transfers, making it easier for customers to manage their finances directly through WhatsApp. These initiatives reflect the Bank's commitment to digital transformation, enhancing security, convenience and overall customer experience.

Additionally, the Bank has introduced myABL Coins, a rewards program that allows customers to earn points by using their ABL Debit and Credit Cards for transactions, whether online or at

## COMPETITIVE LANDSCAPE AND MARKET POSITIONING

The Bank operates in a highly competitive and rapidly evolving landscape, driven by shifting customer expectations, technological advancements, regulatory reforms and ever changing economic conditions. The Bank anticipates that rising competition within the financial services sector will continue to influence its business performance, operational outcomes, financial positions and future growth prospects.

banking products and services. This shift may facilitate the entry of new competitors, including FinTech previously constrained by banking regulations, thereby, reducing the intermediation role of traditional banks. Concurrently, evolving customer preferences for personalized and round-the-clock services are driving demand for more innovative and digitalized banking experience.

Technological advancements and the emergence of e-commerce have enabled non-bank entities to offer services traditionally provided by banks, such as payment processing. Additionally, the shift towards digital banking channels has heightened risks of data breaches and intensified privacy concerns, prompting more stringent regulatory and compliance requirements.

The Bank, with its well-balanced blend of a brick-and-mortar branch network and a robust digital infrastructure, is strategically positioned to meet the diverse needs of the existing and potential customers. Furthermore, the Bank with strong assets and capital footing including human resource expertise is fully equipped with appropriate skills, competence and infrastructure to address the challenges posed by above mentioned factors.

Emergence of Digital Banks could significantly reshape the banking landscape, potentially disrupting the current delivery of

# SWOT ANALYSIS

The Bank systematically performs SWOT analysis to navigate through the complexities of an evolving operational landscape. The Bank employs a comprehensive strategy to capitalize its inherent strengths including robust risk management to cultivate a competitive advantage. This approach is essential for seizing emerging opportunities and effectively addressing potential threats.

## Identifying existing strengths (where we are now)

The Bank has developed a diverse range of skills, which serves as a key strength in achieving its strategic objectives. Major strengths of the Bank include:

- Strong brand image – Serving customers for more than 8 decades.
- Total assets exceeding Rs. 2.8 trillion; large number of branches with country-wide outreach.
- Strongest possible long-term and short-term entity credit ratings of "AAA" and "A1+" respectively by Pakistan Credit Rating Agency.
- Strong capital positioning – among the highest Capital Adequacy Ratio in the industry.
- Lowest infection ratio and high coverage ratio.
- Extensive network of Branches, Automated Teller Machines (ATMs) with continuous enrichment by digitalization.
- One of the leading ATM / Branch Up-time in the industry.
- One of the highest ATM transactions as acquirer.
- State of the art technological platform – Temenos T24 supported by Oracle Financials, Oracle Human Resource Management System, Oracle Financial Services Analytical Applications, use of Data Lake, Business Intelligence Dashboards, and AI tools.
- Robust Risk Management framework in place, industry innovation leaders in terms of obligor assessment and technical understanding along with Environmental and Social Risk Assessment, resulting in solid asset quality.
- Growing digital banking platform catering from Corporate Business Internet Banking to Personal banking needs (myABL).
- Human capital geared towards e-banking era.
- Maintained top level of Corporate Governance rating of CGR-9++; depicting a strong commitment towards governance framework by the Board and management of the Bank.

## Realizing potential opportunities (where we want to be)

The SWOT analysis provides a tool to the Bank to highlight the potential opportunities where Bank can thrive and achieve sustainable growth. Major opportunities include:

- Large number of unbanked population; opportunity to

## SENSITIVITY ANALYSIS

The Pak Rupee remained relatively stable during the year and, on year-on-year basis, it appreciated by around 1.19% against US Dollar in the Inter Bank Exchange Market.

Foreign Exchange Risk exposes the Bank to changes in the value of exposure denominated in foreign currencies due to the exchange rate fluctuations and volatility. The types of the instruments exposed to this risk are mainly investments in foreign branches, advances and deposits denominated in foreign currency, cash flows in foreign currencies arising from foreign exchange transactions, etc.

The Bank monitors different limits like Foreign Exchange

- enhance financial inclusion.
- Build and enhance market share in retail banking, remittance and trade business.
- Exploit opportunities to increase private sector credit; diversify interest income mix
- Penetrate in Islamic Banking – niche market segment especially for low-cost funding.
- Use of Artificial Intelligence (AI) and Generative AI to augment operational efficiency and enhance decision making process.
- Cross sell opportunities with the Bank's existing customers – deepening of relationships.
- Augment remittance business from untapped markets.
- Expansion in digital financial solution and collaboration with emerging FinTech.
- Explore new avenues to increase fee-based income including acquiring business and innovative financial products.
- Enhance green banking practices.

## Assessing possible threats

The Bank conducts a thorough analysis of its internal and external operating environment to pinpoint the areas that may impact the Bank's ability to achieve its strategic objectives. Notable threats having potential impact are as under:

- Data governance, standardization and information security challenges and threats – Cyber risks.
- Rising compliance related cost amidst anti money laundering and combating financing of terrorism requirements.
- Economic challenges leading to possible adverse impact on credit off take and loan repayments
- US\$-PKR parity – prospects of devaluation and higher tax regime for the banks.
- Emerging digital banks, fintech and rapidly evolving technology might disrupt traditional brick and mortar banking system in near future as these are more convenient for millennials.

## Addressing areas of improvement

The SWOT analysis also functions as a strategic planning framework, enabling the Bank to identify key areas of improvements, including cost optimization, efficient utilization of earning assets and enhancing market share. This enables the Bank to become more competitive and resilient in advancing towards its strategic objectives. These areas are incorporated and monitored at various levels in the Bank and form an integral part of the Bank's Rolling Strategic Plan.

Exposure Limit (FEEL), Currency-Wise Limits, NOSTRO Limits and intra-day Net Open Position for effective risk management. The Bank also conducts stress testing of the foreign exchange, equity and fixed income portfolio which is reviewed by the Bank's senior management and Board Risk Management Committee (BRMC).

The Bank's Foreign Exchange Risk is largely mitigated by following a matched funding policy, whereas, for any mismatched exposures, the Bank utilizes appropriate derivative instruments such as Forwards and Swaps. The Bank maintains adequate regulatory capital to cover against foreign exchange risk.

## Long Term Credit Rating

# AAA

## Short Term Credit Rating

# A1+

(By Pakistan Credit Rating Agency)

## Corporate Governance Rating

# CGR 9++

(By VIS Credit Rating Company)



CORPORATE  
**GOVERNANCE**

# MANAGEMENT TEAM



**Aizid Razzaq Gill**  
Chief Executive Officer



**Owais Shahid**  
Chief Corporate & Investment Banking



**Ahmad Faheem Khan**  
Chief Treasury



**Abid Anwar**  
Chief Commercial & Retail  
Banking North



**Jamil Khan**  
Chief Commercial & Retail Banking South



**Mujahid Ali**  
Chief Technology & Digital Transformation



**Shahid Amir**  
Chief Islamic Banking



**Saira Shahid Hussain**  
Chief Human Resource



**Zubair Sharif**  
Chief Banking Services



**Mohsin Mithani**  
Chief Digital Banking



**Nauman-ul-Haq Qureshi**  
Chief Information Technology



**Moin Khalid**  
Chief Risk Management



**Muhammad Atif Mirza**  
Chief Financial Officer



**Asif Bashir**  
Chief Special Assets Management



**Tariq Mehmood Shahid**  
Chief Compliance



**Imran Maqsood**  
Chief General Services & Real Estate



**Adeel Javaid**  
Chief Corporate  
Affairs / Company Secretary



**Shaffa Hussain**  
Chief Audit & Risk Review

# MANAGEMENT TEAM

## Owais Shahid

### Chief Corporate & Investment Banking

He is a seasoned banker and joined ABL in 2005 and also served on various Boards as nominee Director. His portfolio includes Financial Institutions & International Banking, Corporate & Investment Banking, Capital Markets, Emerging Corporates and Home Remittances. His qualifications include BBA (Hons) & MBA from IBA, Karachi and Chartered Financial Analyst from CFA Institute, USA.

## Abid Anwar

### Chief Commercial & Retail Banking (North)

A seasoned professional with over 32 years experience in Commercial and Corporate Banking with diversified portfolio of Deposits, SME/Corporate Finance and Trade. He started his career in 1992 and served Bank of Punjab, MCB and Faysal Bank before joining Allied Bank in 2007. He has an MBA degree with major in Finance. He has also attended International and domestic professional trainings/certifications including Leadership Development Program at National University of Singapore.

## Mujahid Ali

### Chief Technology and Digital Transformation

A seasoned professional with over three decades of diverse experience in Business Process Reengineering, IT Planning and Development, Project Management, and Systems Implementation. Joining Allied Bank in 2008 as Chief Information Technology, he brought a deep understanding of banking processes and exceptional problem-solving skills.

Under his leadership, the Bank successfully transitioned from traditional banking systems to robust, cutting-edge IT solutions. Currently spearheading the Bank's digital transformation journey, he is leveraging Big Data, Artificial Intelligence, and Blockchain technologies to redefine customer experiences and drive the organization into the digital era.

## Saira Shahid Hussain

### Chief Human Resources

She is a proven HR leader with 25+ years of expertise in strategic HR planning, talent management and organizational transformation, known for her impactful contributions to social development through advocacy for gender diversity, youth employment, and inclusive workplace environment. She stands out as Global Gender Ambassador, Certified Master Trainer, and architect behind ABL's success as 'Employer of Choice'.

## Ahmad Faheem Khan

### Chief Treasury

He has been with ABL since January 2008 and has over 21 years of experience in the banking sector. He holds a Master's Degree in Commerce, qualified from CIMA (U.K.) and is member of Institute of Cost & Management Accountants of Pakistan. His pragmatic approach coupled with a strong commitment to prudent risk management has transformed ABL treasury into an active and effective team in the banking industry.

## Jamil Khan

### Chief Commercial & Retail Banking (South)

A seasoned banker with banking experience of more than 25 Years. Mr. Jamil after completion of his MBA – Finance from Peshawar University started his career in 1995 and served in MCB bank and Habib Bank before joining Allied Bank in 2008. During his professional career at the Bank, he has attended various international and domestic trainings.

## Shahid Amir

### Chief Islamic Banking

He is a seasoned banker with over 35 years of experience in Business and Banking Operations. He holds an MBA, along with diplomas in Islamic Banking and Total Quality Management, and has completed various professional training programs from prestigious domestic and international institutions. He began his career in 1989 with BCCI and spent 16 years at Askari Bank, focusing on branch banking business and operational management. Since joining Allied Bank in 2008, he has taken on key responsibilities, contributing to various areas of banking and operations.

## Zubair Sharif

### Chief Banking Services

A seasoned banker with banking experience of more than 29 Years. After completion of his M.Sc. Statistics from University of the Punjab, he started his career in 1996. He joined Allied Bank in 2006 and has multi-dimensional banking experience in areas like corporate banking, Consumer Banking, trade finance, branch banking / operations, policy/procedures, digital transformation, Customer experience & customer journey mapping during his stay at various banks.

## Mohsin Mithani

### Chief Digital Banking

He is an accomplished digital banking expert with a rich experience of over 24 years. He possesses expertise in digital transformation, payment ecosystems, data monetization, big data insights, and artificial intelligence, all contributing to enhanced customer experience. He holds Bachelor degree in Computer Science from FAST - Karachi, MBA in Finance & Marketing and distinguished certifications from the University of Virginia, USA and Amazon.

## Nauman-ul-Haq Qureshi

### Chief Information Technology

With over 24 years of extensive experience in software development, IT implementation, and digital transformation, the Chief Information Officer of Allied Bank has been a driving force behind the bank's technological evolution. Since joining the bank in 2006, he has played a pivotal role in transitioning from legacy systems to a modern, centralized Core Banking System, ensuring scalability, security, and operational efficiency. He holds an MS in Computer Science and an MS in Software Project Management from renowned institutions, reflecting his strong technical acumen and strategic leadership in the IT domain.

## Muhammad Atif Mirza

### Chief Financial Officer

He is a seasoned professional and carries diverse experience of more than 25 years at leadership positions in industry, profession and banking. His areas of expertise include financial and strategic planning, fiscal reporting, taxation, budget monitoring, audit, and structural transformation. He is fellow member of the Institute of Chartered Accountants of Pakistan and has attended various domestic and international conferences and leadership trainings.

## Tariq Mehmood Shahid

### Chief Compliance

He carries more than 25 years of diversified Commercial Banking and Central Bank experience. He has been associated with Allied Bank for more than 19 years and his professional journey encompasses key roles in Audit, Investigations, Compliance, Anti-Money Laundering and Counter Financing of Terrorism. He is a member of Institute of Cost & Management Accountants Pakistan and also certifications from Oracle and Microsoft.

## Adeel Javaid

### Chief Corporate Affairs / Company Secretary

He is a Fellow member of Institute of Chartered Accountants of Pakistan (ICAP) with more than 18 years of diverse experience in the fields of Financial and Industrial Management. He started his professional career from industrial manufacturing sector in 2007 before joining Allied Bank in 2016. He represents Bank at the Management Association of Pakistan and also serves as a Director on the Board of ABL Exchange (Private) Limited.

## Moin Khalid

### Chief Risk Management

He has over 25 years of multifaceted experience in the field of risk, credit analysis, finance, strategic planning, consultancy and assurance services. Prior to joining Allied Bank in 2009, he has worked at a senior position at The Pakistan Credit Rating Agency – PACRA. He is a fellow member of the Institute of Chartered Accountant of Pakistan. He has played an integral role in implementation and enhancement of various automated systems for oversight of the Bank's spectrum of risk-taking and control activities.

## Asif Bashir

### Chief Special Asset Management

He is a seasoned banker with over 34 years of diverse experience in the industry. Holding MBA in Finance, he has attended various banking and management courses at local and international institutions. His expertise spans Public Sector Lending, Corporate Banking, Trade Finance, Special Assets Management, International Remittance, and Retail & Commercial Banking. He began his career with HBL in 1990, serving as Head of Public Sector, CIBG before joining ABL in 2005.

## Imran Maqsood

### Chief General Services & Real Estate

He has a diverse experience of more than 32 years within banking sector. He has done his MBA and is also an Associate Member of the Institute of Bankers of Pakistan (IBP). He also holds international certifications from Institute of Internal Auditors and Information Systems Audit & Control Association USA. He possesses expertise in the areas of banking operations, regulatory oversight, audit, compliance and general banking services. He started his professional career in 1993 from State Bank of Pakistan and is associated with Allied Bank since 2005.

## Shaffa Hussain

### Chief Audit & Risk Review

He is an experienced professional having more than 25 years of banking experience. He has worked with State Bank of Pakistan, Habib Bank Limited and Bank Al-Habib. He is associated with Allied Bank Limited since 2008. He holds a Master's degree in Banking & Finance from Monash University, Australia and MBA from University of Peshawar. His professional qualifications include Certified Internal Auditor from Institute of Internal Auditors, USA and DAIBP from Institute of Bankers, Pakistan.

# GROUP STRUCTURE

## Ibrahim Holdings (Private) Limited

Ibrahim Holdings owns **90% shares** of Allied Bank Limited

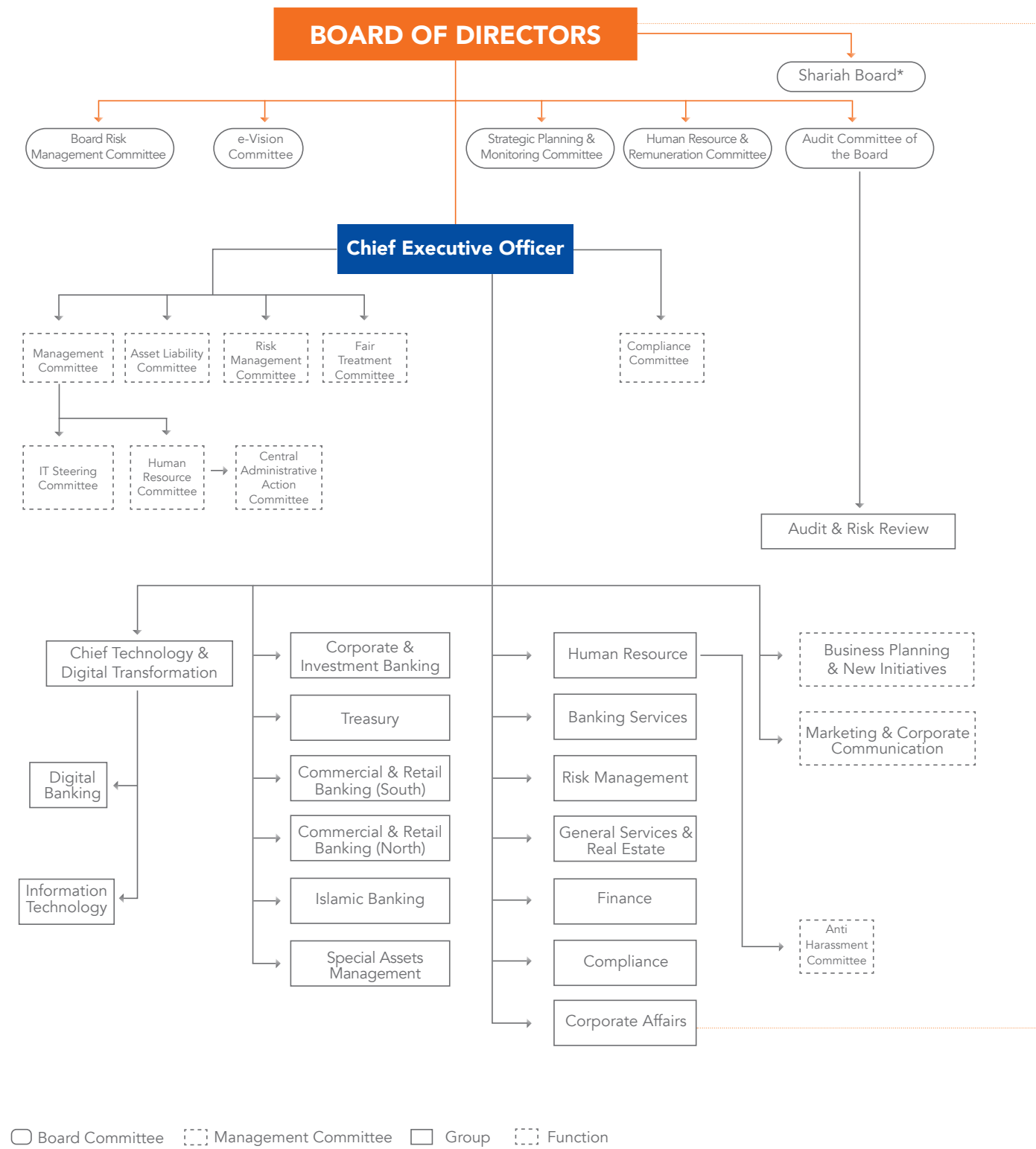
## Allied Bank Limited (ABL)

ABL Holds **100% beneficial** ownership of ABL Asset Management Company Limited (ABL-AMC) and ABL Exchange (Private) Limited

## ABL Asset Management Company Limited (ABL-AMC)

## ABL Exchange (Private) Limited

# CORPORATE STRUCTURE



\* Independent Shariah Board oversees Islamic banking operations

# BOARD COMMITTEES

## Audit Committee of the Board

Constitution:  
Muhammad Kamran Shehzad - Chairman - Nazrat Bashir - Member - Mian Ikram Ul Haq - Member

### Terms of Reference

Primary responsibilities of Audit Committee of the Board are to determine appropriateness of measures taken by the Management to safeguard the Bank's assets, review financial statements focusing on major judgmental areas, significant adjustments, going concern assumption, any change in accounting policies, compliance with applicable statutory and regulatory requirements and related party transactions. The Committee recommends appointment of the external auditors and also coordinates with them to fulfill statutory and Code of Corporate Governance requirements. The Committee is inter-alia responsible to ascertain the effectiveness of the Internal Control System including financial and operational controls, ensuring adequate and effective accounting and reporting structure and monitoring compliance with the best practices of

the corporate governance. The Committee is also responsible to facilitate Board of the Directors in establishing an unambiguous and observable 'tone at the top' for strong and effective system of internal controls based on and supported by strong ethical practices, culture, comprehensive policies, procedures, processes and technological systems; keeping an oversight and quarterly review of the Internal Controls over Financial Reporting and review of all findings of State Bank of Pakistan (SBP) Inspection Report, Management Letter by external auditors and weaknesses identified in internal controls by Audit and Risk Review along with review of Bank's Statement of Internal Controls prior to endorsement by the Board of Directors. The other function of the Committee includes assurance that an independent and effective internal audit function is in place.

## Board Risk Management Committee

Constitution:  
Sheikh Mukhtar Ahmad - Chairman - Zafar Iqbal - Member - Nazrat Bashir - Member - Aizid Razzaq Gill - Member

### Terms of Reference

The primary functions of Board Risk Management Committee include monitoring of Management's adherence to prudent and sound risk policies/ frameworks/ assets product program, assessing the everchanging risk profile and determining Risk Acceptance Criteria (RAC) of the Bank. The Committee ensures development of risk management principles to build stakeholders confidence, safeguard and enhance reputation. The Committee also monitors quality of asset portfolio and suggest measures to keep the infected portfolio at the minimum level. The Committee approves risk limits for credit, market and operational risks, credit approving matrix and proposals regarding write-offs above certain limits. The Committee approves acquisition of properties against settlement of Non-Performing Loans (NPLs) and their resale. It also reviews and approve acquisition, development and upgrade Risk Management Systems except InfoSec Systems. Overseeing of Asset Liability Committee, Risk Management Committee, Compliance Committee, Risk Management, Special Asset Management and Compliance functions is also undertaken by

the Committee. The Committee also monitors the risk profile of the Bank and reviews various risk reports including loss event reports, Interest Rate Risk Report, Stress test Results, NPLs and provisions. In addition, it reviews compliance status of Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing requirements, especially the major threats and vulnerabilities emanating from the assessment of Money Laundering, Terrorism Financing and Countering Proliferation Financing threats based on the risk criteria and the findings of National Risk Assessment. The Committee is also assigned with the responsibility to act as Sustainability Committee of the Bank for governance and oversight of sustainability related risks/ initiatives/ strategy and opportunities of the Bank. Moreover, BRMC also review and recommend to the Board of Directors annual report on embedding sustainability principles into the Bank's strategy and operations to increase corporate value. It is also vested with the responsibility to review and recommend Internal Capital Adequacy Assessment Report, Financial Stability Recovery Plan of the Bank and, Activity Report of Business Continuity Planning to the Board of Directors on annual basis

## e-Vision Committee

Constitution:  
Mohammad Naeem Mukhtar - Chairman - Muhammad Waseem Mukhtar - Member - Muhammad Kamran Shehzad - Member - Aizid Razzaq Gill - Member

### Terms of Reference

Major functions of e-Vision Committee are to review and recommend Information Technology, Information Security and Digital Banking related policies/ frameworks/ product programs to the Board of Directors for approval and to provide strategic direction for digital banking and adoption of evolving technologies for providing new products and better services to its customers and to improve internal control environment. In addition to it, Committee also reviews and recommends strategic plans of the Bank for Information Technology, Information Security & Digital Banking to the Board of Directors. Automation of processes and systems including alternate digital channels are within the scope of the responsibilities of the e-Vision Committee. The Committee provides assistance to the Board of Directors with insights regarding international developments in the field of digital banking adoption; keeping in view the Bank's requirements. It also oversees performance

of IT Steering Committee, Information Technology and Digital Banking Groups. The Committee also periodically reviews information security governance initiatives, risk and security assessments to ensure that Risk Management strategies are designed and implemented to achieve resilience, respond to wide-scale disruptions, including cyber-attacks, attacks on multiple critical infrastructure, recoverability of data / information and information assets. The Committee also decides in principle on matters related to acquiring, replacing / upgrading of technology, software and hardware relating to banking solutions.

Committee reviews and approves outsourcing arrangements related to IT, Information Security, Digital Banking & cloud-based outsourcing. Besides, it also monitors the status of technology activities, digital initiatives and recommends to the Board of Directors for consideration. The Committee is also assigned with the responsibility to review Information Security Solutions Products Procurement, Service Level Agreements (SLAs) with

vendors/third party service providers and get updates on Bank wide Information Security Awareness program and Cyber

Security Action Plan in accordance with Information Security Policy.

## Strategic Planning & Monitoring Committee

Constitution:  
Muhammad Waseem Mukhtar - Chairman - Zafar Iqbal - Member - Nazrat Bashir - Member - Aizid Razzaq Gill - Member

### Terms of Reference

Strategic Planning and Monitoring Committee is responsible to review medium to long-term rolling strategic plans, operational plan and budget of the Bank before Board of Director's consideration and approval. The Committee monitors progress against above referred plans and budget. The Committee is also responsible to approve capital expenditure over Rs. 30 million and donations of over Rs. 1 million up to Rs. 5 million. It approves disposal and write-off of fixed assets as per amount and limits prescribed in Expenditure Policy of the Bank; and write-off pertaining to other assets (other than Loans & Fixed

Assets) exceeding Rs. 1.5 million and up to Rs. 5 million. The Committee is also responsible to assist the Board of Directors on corporate development activities and new initiatives including, but not limited to acquisitions, mergers, alliances, joint ventures and divestitures. The Committee not only reviews Customer Services Standards, Service Quality but also oversees performance of Management Committee, Fair Treatment of Customers Committee, and all groups of the Bank. In addition, SPMC reviews and recommends to the Board of Directors Policies/ Product Programs/ Frameworks which does not fall in the TOR of any other Board Committee.

## Human Resource & Remuneration Committee

Constitution:  
Mian Ikram Ul Haq - Chairman - Muhammad Waseem Mukhtar - Member - Zafar Iqbal - Member - Aizid Razzaq Gill - Permanent Invitee

### Terms of Reference

Human Resource and Remuneration Committee defines the organizational structure and functional responsibilities of all areas of the Bank. It approves staff strength, key appointments, salary revisions, bonuses and special allowances and recommends to the Board of Directors regarding appointment, remuneration, bonuses and performance awards, terms and conditions of employment and other benefits of the Chief Financial Officer and Company Secretary. The Committee also monitors the utilization of training and development budget and implementation of approved training and development

policy. The Committee nominates the Bank's Directors and management personnel on the Board of Directors of other companies and subsidiaries. The Committee also recommends Remuneration Policy formulated for Employees, Directors and other Human Resource related policies to the Board of Directors, besides monitoring performance of Human Resource Committee and Human Resource function. In addition to the above, the Committee also ensures that a fair, transparent and competitive remuneration mechanism is developed and put in place to encourage the culture of 'pay for performance'. Furthermore, the Committee recommends appointment and contract renewal of Shariah Board Members to the Board of Directors.

## BOARD OF DIRECTORS' AND BOARD COMMITTEES' ATTENDANCE FOR THE YEAR 2024

Name	Board of Directors	Audit Committee of the Board	Board Risk Management Committee	Strategic Planning & Monitoring Committee	e-Vision Committee	Human Resource & Remuneration Committee
Mohammad Naeem Mukhtar	7/7	x	x	x	5/5	x
Sheikh Mukhtar Ahmad	7/7	x	3/4	x	x	x
Muhammad Waseem Mukhtar	7/7	x	x	12/12	5/5	4/4
Zafar Iqbal*	7/7	3/3	1/1	4/4	3/3	2/2
Nazrat Bashir	7/7	5/5	4/4	12/12	x	x
Muhammad Kamran Shehzad**	2/2	2/2	x	x	1/1	x
Mian Ikram Ul Haq***	2/2	2/2	x	x	x	1/1
Abdul Aziz Khan****	4/4	x	3/3	8/8	x	2/2
Mubashir A. Akhtar****	4/4	3/3	x	x	x	2/2
Aizid Razzaq Gill (CEO)	7/7	x	4/4	11/12	5/5	x
<b>Total number of Meetings held as on December 31, 2024</b>	<b>7</b>	<b>5</b>	<b>4</b>	<b>12</b>	<b>5</b>	<b>4</b>

\*Mr. Zafar Iqbal was inducted as a member in Strategic Planning & Monitoring Committee, Board Risk Management Committee & Human Resource & Remuneration Committee w.e.f. 09.09.2024.

\*\* Mr. Muhammad Kamran Shehzad elected as an Independent Director on ABL's Board of Directors w.e.f. 27.08.2024. He was inducted as a Chairman in Audit Committee of the Board and as member of e-Vision Committee w.e.f. 09.09.2024.

\*\*\* Mr. Mian Ikram Ul Haq elected as an Independent Director on ABL's Board of Directors w.e.f. 27.08.2024. He was inducted as a Chairman in Human Resource & Remuneration Committee and a member of Audit Committee of the Board w.e.f. 09.09.2024.

\*\*\*\*Term of Mr. Abdul Aziz Khan and Mr. Mubashir A. Akhtar stands completed w.e.f. 27.08.2024.

## BOARD MEETINGS HELD OUTSIDE PAKISTAN

None of the Board meeting was held outside Pakistan during the year.



# OUR GOVERNANCE PHILOSOPHY

## BOARD COMPOSITION

The Board of the Directors of the Bank comprises of 7 Non-Executive Directors including 3 Independent Directors and 1 Executive Director. The composition of the Board of Directors is as follows:

Category	Names
Non-Executive Directors	Mohammad Naeem Mukhtar
	Sheikh Mukhtar Ahmad
	Muhammad Waseem Mukhtar
	Zafar Iqbal
Independent Directors	Nazrat Bashir
	Muhammad Kamran Shehzad
	Mian Ikram Ul Haq
Female Director	Nazrat Bashir
Executive Director	Aizid Razaq Gill (Chief Executive Officer)

The profile of each Director including engagement in other entities is given in the Board of Directors area under Overview section.

The Board of Directors has formed five Committees of the Board to assist the Board in discharging its fiduciary responsibilities. The detail of Committees of the Board including the Members and Terms of References are disclosed in Board Committees section.

### Independent Directors and their Independence

The Board has three (03) Independent Directors who meet the criteria of Independence under the Companies Act, 2017 and directives issued by the State Bank of Pakistan (SBP).

### Modus Operandi of the Board of Directors

The Board of Directors of the Bank carry out its fiduciary duties in compliance with the regulatory requirements and Articles of Association of the Bank, with a sense of objective judgment and independence in the best interests of the Bank and its stakeholders. The Board takes decisions for good governance, financial performance and sustainability of the Bank.

The Board approves policies and ensure their implementation as required under laws and regulations. The Board also approves and monitors the objectives, strategies and overall business plans on long term and yearly basis and oversees that the affairs of the Bank are carried out prudently within the framework of laws, regulations and business ethics.

The Board focuses in achieving the Bank's vision and targets through holistic, integrated, consultative and coordinated approach. For this and to strengthen governance mechanism and oversight, the Board has formed following specialized Committees with well-defined objectives, responsibilities and tenure. These Committees support the Board in various important areas with a focus on strategic planning, risk & compliance management, technology, human resource, audit and internal control:

- Strategic Planning and Monitoring Committee
- Board Risk Management Committee
- e-Vision Committee
- Human Resource and Remuneration Committee
- Audit Committee of the Board

As part of the overall stewardship responsibility, the Board and

its Committees do not take part in the Bank's day-to-day affairs which is mandate of the Management.

Chief Executive Officer performs a key role in managing the day-to-day affairs of the Bank and ensures that the policies approved by the Board of Directors are effectively implemented and monitored.

Chief Executive Officer is responsible for all matters affecting the operations, performance and strategy of the Bank not otherwise expressly reserved to the Board of Directors. He is also responsible for the leadership of the business and for managing overall affairs within the responsibilities delegated by the Board of Directors.

### Review report by the Chairman on overall performance of the Board

Primary objectives of the Board of Directors, apart from carrying out its fiduciary duties as required under relevant regulations, includes providing strategic direction, oversight and supervision of the affairs and business of the Bank and to ensure compliance with applicable laws & regulations and ethical conduct.

The Bank has formalized an in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years for reviewing the Board of Directors' overall performance including performance of Chairman of the Board of Directors, individual Directors including Chief Executive Officer and Board Committees as per the requirements set out in the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulation, 2019, SBP Corporate Governance Regulatory Framework and SBP guidelines on performance evaluation of Board of Directors.

Board of Directors is committed to enhance shareholders' value while continuing to transform the Bank to cater the evolving needs of the Bank's valued customers. The Bank's Board of Directors are also committed in carrying out its duties diligently and professionally while maintaining focus on sustainable growth of the Bank.

### Annual Evaluation of Board, Committees and Individual Directors' Performance

Board composition is a significant contributing factor to the performance of Board of Directors. An appropriate experience, skill-mix and competencies are crucial for the effective functioning of the Bank. The Board of Directors of Allied Bank

Limited comprises of 7 Non-Executive Directors (including 3 Independent Directors) and CEO being the Executive Director, bringing vast experience in diverse fields, appropriate skillset, independence and diversity. The Board of Directors is assisted by five Board Committees. The rationale of Board Committees is to enhance the efficiency and share the workload of the Board.

Performance evaluation of Board of Directors, Committees, Individual Members and CEO is imperative to determine their strengths and weaknesses in order to increase their overall effectiveness and to ensure the compliance with the responsibilities under The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Prudential Regulations, Corporate Governance Regulatory Framework, Listed Companies (Code of Corporate Governance) Regulations, 2019 and other laws and regulations.

In order to comply with the requirement of the Code of

### Criteria for Annual Evaluation of Performance

The Bank uses SBP criteria for in house annual performance evaluation of Overall Board of Directors, Chairman, Members of the Board, Board Committees and CEO. Following are the main attributes of the performance evaluation criteria:

Category	Particulars
Overall Board of Directors	<ul style="list-style-type: none"> <li>Responsibilities</li> <li>Composition</li> <li>Structure and Committees</li> <li>Working Procedures</li> <li>Duties and Liabilities</li> </ul>
Chairman	<ul style="list-style-type: none"> <li>Effective Leadership</li> <li>Relationship with other Members, Management and shareholders</li> <li>Conflict Resolution</li> <li>Promoting constructive debate and effective participation in decision making</li> <li>Shareholders' confidence in Board</li> </ul>
Members of the Board	<ul style="list-style-type: none"> <li>Attendance at the Meetings</li> <li>Contribution at Board / Committee Meetings</li> <li>Commitment to the Bank</li> <li>Relationship with other Members and Management</li> <li>Integrity and Confidentiality</li> </ul>
Board Committees	<ul style="list-style-type: none"> <li>Size, Structure and Skillset of Committees</li> <li>Performance against Terms of Reference</li> <li>Frequency of Committee Meetings</li> <li>Open communication and meaningful participation of Members</li> </ul>
CEO	<ul style="list-style-type: none"> <li>Performance against Financial / Business Targets set by the Board</li> <li>Leadership Qualities</li> <li>Communication with Stakeholders</li> </ul>

The responses and feedback from the directors on each of the above-mentioned categories (except Chairman) is compiled and submitted to the Chairman enabling him to discuss the results and findings with each individual member of the Board of Directors, if needed.

The authorized independent director communicates the feedback in respect of the Chairman Board of Directors to the Company Secretary for incorporation in the consolidated performance report.

### Board of Directors' Performance Evaluation Carried Out by External Consultant

As per SBP Corporate Governance Regulatory Framework (G-13) and guidelines on performance evaluation of the Board of Directors, the Bank carries out an external independent evaluation once in every three years. In 2024, M/s. Yousaf Adil, Chartered Accountants was engaged as an independent evaluator to issue a formal report covering following areas:

- Board's structure and composition
- Board's role and responsibilities
- Board's processes
- Board's committees' organization and process
- CEO Oversight
- Board's compensation
- Potential Board Development needs
- Role of Independent Directors & Non-Executive Directors

Corporate Governance Regulations, the Board of Directors, in the year 2014, put in place an effective mechanism for the evaluation of Board of Directors. Subsequently, SBP, issued detailed Guidelines on Performance Evaluation of Board of Directors.

As per these Guidelines, Board decided to opt for in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years.

As per approved mechanism, performance evaluation of following categories is conducted:

- Overall Board of Directors
- Chairman of Board of Directors
- Sponsor Directors
- Independent Directors
- Other Non-Executive Directors
- Board Committees
- Chief Executive Officer

- Sponsor Directors
- Chairman

The independent evaluation report was placed before Board of Directors for review and consideration in its 273rd meeting held on February 04, 2025. The Board of Directors noted the contents of Board of Directors Annual Evaluation for the year 2024 along with external evaluator's recommendations and expressed its satisfaction on the results.

### Directors' Training Program

All the Members of the Board of Directors are required to attend Directors Training Program as provided in Securities and Exchange Commission of Pakistan's Listed Companies (Code of Corporate Governance) Regulations, 2019, and Corporate Governance Regulatory Framework 2021 issued by the State Bank of Pakistan.

# OUR GOVERNANCE PHILOSOPHY

The Board of Directors is fully adhered to the Directors training arrangements under the regulations.

The following Directors have attended Directors Training Program from Securities and Exchange Commission of Pakistan's approved institutions:

1. Mr. Sheikh Mukhtar Ahmad
2. Mr. Muhammad Waseem Mukhtar
3. Mr. Zafar Iqbal
4. Ms. Nazrat Bashir
5. Mr. Mian Ikram Ul Haq
6. Mr. Aizid Razzaq Gill

Mr. Mohammad Naeem Mukhtar is exempted from Directors' training Certification requirement due to his educational qualification and experience, while Mr. Muhammad Kamran Shehzad, newly elected director, shall complete Directors Training Program within one year of his election.

During the year 2024, Mr. Muhammad Waseem Mukhtar and Ms. Nazrat Bashir attended training on 'High Performance Boards Program' from International Institute for Management Development, Switzerland.

## Directors' Orientation Program

The Bank has put in place a formal procedure to make appropriate arrangements to carry out orientation of the Directors to acquaint them with the Code of Corporate Governance Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the Bank. Members of the Board of Directors were regularly updated on changes in law and regulations and important news relating to financial sector and economic environment of the Country.

## Board's Remuneration Policy

The Bank's Board Remuneration Policy, formulated in accordance with SBP's guidelines, was approved by Bank's Shareholders. The scale of remuneration to be paid to Chairman of the Board of Directors and Non-Executive Directors including Independent Directors (excluding CEO) for attending the Board and its Committees meetings is determined keeping in view the responsibilities, governance structure and expertise, in accordance with the approved policy.

Full scope review of policy was presented and approved in 77th AGM of the Bank held on March 28, 2023.

The salient features of the Board's Remuneration Policy are, as under:

- No Director is involved in deciding his/her own remuneration.
- No fee is paid if any of the Directors does not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.
- The administrative expenses pertaining to the office and staff allocated to the Chairman of the Board of Directors are determined rationally.
- Directors may be provided with certain facilities incidental to the performance of their role as Members of the Board of Directors depending on the need and as approved by the Board of Directors.

## Policy for Nomination on the Board of Directors of other Companies

Board's Human Resource and Remuneration Committee approves nomination of the Bank's Executives and Directors on the Board of other Companies on behalf of the Bank. Nominee

Directors are advised to surrender the fee paid by the said companies for attending the Board and Board Committee meetings to the Bank.

## Security Clearance of Foreign Directors

Foreign Directors, if any, elected on the Board of Directors requires security clearance from the Ministry of Interior Affairs through Securities and Exchange Commission of Pakistan. Currently, there is no foreign Director elected on the Board of the Bank.

## Executive Directors and their Directorship

Mr. Aizid Razzaq Gill, being CEO, is the only Executive Director on the Board (Deemed Director). He is serving as a Non-Executive Director on the Board of ABL Asset Management Company Limited. He is also the Bank's Representative on the following:

1. Management Association of Pakistan (MAP) – Representative
2. Pakistan Business Council (PBC) – Alternate Representative

## Roles and Responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer

The respective roles and responsibilities of the Chairman of the Board of Directors and Chief Executive Officer are defined by the Board of the Directors in accordance with the guidelines of the Companies Act, 2017, Code of Corporate Governance and laws and regulations presently in vogue. The Bank being rated with very high Corporate Governance Rating 9++ has ensured that respective roles and responsibilities are clearly defined, communicated and practiced. However, for the purpose of information to the stakeholders these are summarized hereunder:

## Roles and Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible for leadership of the Board and ensures that the Board plays an effective role in fulfilling its responsibilities. The Chairman plays a leading role in defining the "Vision" and "Mission" statements of the Bank and ensuring the implementation of the same by developing strategies through the Board of the Directors. The roles and responsibilities of the Chairman of the Board of Directors encompasses:

### Strategic Direction of the Bank

Ensuring that the Board of Directors plays its role in setting the Bank's strategies and policies and monitoring that these strategies and policies are implemented by the Chief Executive Officer and the Management team.

### Responsibility towards members of the Board of Directors

The Chairman of the Board of Directors shall, at the beginning of term of the Board, issues letter to each director setting out their role, obligations and responsibilities in accordance with the Companies Act, 2017 and the Bank's Articles of Association including their remuneration and entitlement.

### Meeting of the Board of Directors and General Meeting

Convening and setting the agenda of the meetings of the Board of Directors and ensuring that all the significant issues are placed before the Board of Directors in a timely and accurate manner, presiding over the Board of Directors and General meetings and ensuring that adequate time is given to the agenda items and proper minutes of the meetings are kept in record in accordance with the requirements of the Companies Act, 2017.

## Meeting the Regulatory and Legal Requirements

Promoting the best corporate governance practices particularly at Board of Directors level and ensuring that the Board of Directors is functioning effectively in accordance with the applicable laws, regulations and rules.

## Roles and Responsibilities of the Chief Executive Officer

Chief Executive Officer plays a pivotal role in implementing the Board of Directors vision, strategic and business plans. Chief Executive Officer leads the management in day-to-day operations of the Bank in accordance with the roles and responsibilities vested by the Board of Directors. The roles and responsibilities of Chief Executive Officer encompasses:

- Implement the strategies and policies approved by the Board of Directors in pursuit of the Bank's vision.
- Place all significant issues in a timely and accurate manner before the Board of Directors for information, consideration and decision.
- Conduct day-to-day affairs of the Bank in accordance with the business norms and approved procedures, promote highest standards of corporate governance and compliance with applicable laws, regulations and rules.
- Maintain effective communication with all the stakeholders including Board of Directors, Shareholders, Employees, Customers and Regulatory bodies.
- Develop performance standards both quantitative and qualitative for the management and monitoring performance there against.

## Board's commitment to establish high level of ethics and compliance:

In line with the Bank's commitment to strong corporate governance and a robust compliance culture, it is ensured that all applicable laws, regulations, and banking industry standards are strictly adhered to, with a focus on regulatory compliance, risk management, and ethical business practices.

The Bank is fully devoted to nurturing a culture of integrity, transparency and accountability. All policies that constantly strengthen internal controls and compliance mechanisms/ systems are in place to ensure that Bank's operations meet the highest ethical standards and risks are managed effectively. The Board regularly review the policies and procedures to align with evolving regulatory requirements and best governance practices.

A comprehensive Code of Conduct has been established to serve as the cornerstone of Bank's ethics and compliance framework. This Code defines ethical expectations for directors, senior management, and employees. It promotes Environmental Social & Governance - ESG practices, ethical decision-making, and compliance with integrity and respect.

The Board aims to create an environment where ethical decision-making and compliance are deeply ingrained in its culture, ensuring sustainable long-term trust and stability for its stakeholders and employees.

## Board of Directors Statement on Review of Adequacy of System of Internal Control

The Board of Directors fully endorses the adequacy of system of internal controls as detailed in Statement of Internal Control duly signed by Chief Executive Officer.

## Chairman's Significant Commitments

The significant commitments of the Chairman are mentioned in Directors' Profile section of the annual report and there are no changes as compared to last year.

## External Oversight of Functions

Banks need to have robust governance arrangements to ensure sound and effective decision making and functioning. Oversight is a critical governance function and is being performed by the Board of Directors, Committees and also through External Specialists.

Oversight refers to the action taken to review and monitor

public interest companies and their policies, plans, functions and procedures to ensure that they:

- are achieving expected results
- represent good value for money
- are in compliance with applicable policies, laws, regulations and ethical standards

## External Oversight at the Bank

The Bank regularly undertakes external oversight assignments of its systems and various functions through external specialists as per regulatory requirements and otherwise, to assess the efficacy of their operations and security of the IT assets. Notable oversight assignments carried out during recent years are as under;

- Development of Information Security Risk Management Program aligned with SBP regulations & guidelines and global best practices
- Review and Validation of ECL Model under IFRS 9
- External Assessment of the Bank's Internal Audit Function to review compliance with the requirements of SBP guidelines and International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA)
- Validation and Back Testing Process of Obligors' Risk Rating Models
- Assessment of e-CIB Data Reporting Mechanism
- External Penetration Testing exercise
- PCI DSS (Payment Card Industry Data Security Standard) compliance assessment

The results of these oversight assignments are shared with management for calibrations of existing processes and systems to address any associated operational, technological or reputational risk.

## Authorization of Financial Statements

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the financial statements were duly endorsed by the Chief Financial Officer and Chief Executive Officer before circulating these for consideration and approval of the Board of the Directors.

These annual financial statements were authorized for issue on February 04, 2025 by the Board of Directors of the Bank.

## Presence of the Chairman of Audit Committee of the Board at Annual General Meeting

Chairman of Audit Committee of the Board attended 78th Annual General Meeting held on March 28, 2024 to answer questions on the activities and matters within the scope of Audit Committee of the Board's responsibilities.

## Appointment of Non-Executive Directors through an External Search Consultancy

The selection of independent directors as members of the Bank's Board of Directors is carried out from a list maintained by the Pakistan Institute of Corporate Governance (PICG) under the Companies (Manner and Selection of Independent Directors) Regulations, 2018. Non-Executive Directors are elected through election of Directors at the General Meeting. The last election took place in the year 2024. No external search consultancy services were obtained for appointment of the Non- Executive Directors, at the time of election.

## Key Governance Practices

- The Board of Directors comprises of an appropriate mix of Directors in terms of experience, competence and financial acumen.
- Six members of the Board of Directors are certified directors, whereas, one director is exempted from the requirement based on his qualification and experience, while one newly elected director shall complete the Directors Training Program within one year of his election.

# OUR GOVERNANCE PHILOSOPHY

- Three members of the Board of Directors are independent directors.
- Board of Directors has constituted five Board committees to assist in the governance of the Bank i.e., Audit Committee, e-Vision Committee, Board Risk Management Committee, Strategic Planning & Monitoring Committee and Human Resource & Remuneration Committee.
- Corporate Governance rating of the Bank also depicts a strong commitment towards governance framework by the Board of Directors and management of the Bank.

## Governance Practices exceeding Legal Requirements

The Bank is fully committed in inculcating the best Corporate Governance practices throughout the organization and accordingly has been awarded with Corporate Governance Rating of 9++ (out of maximum scale of 10) by the VIS Credit Rating Company Limited. This rating signifies a very high level of Corporate Governance.

## Shares held by Sponsors, Directors and Executives

Shares held by Sponsors, Directors and Executives and respective percentage Shareholding as on December 31, 2024 is disclosed in detail under Pattern of Shareholding section of the Annual Report.

## Impact of Government's Policies on Banking Sector

The impact of Government's policies on the performance of the Banking industry is discussed in detail under the Macroeconomic Development and Financial Performance section of the Directors' Report.

## Dividend

The Bank aims to optimize shareholders' returns by maintaining adequate dividend payouts that are reflective of its financial performance and future outlook.

# ALLIED BANK CELEBRATING PINKTOBER; BREAST CANCER AWARENESS MONTH



# ALLIED BANK CELEBRATED FAITH HARMONY & UNITY



# STATEMENT ON INTERNAL CONTROL

The Bank's management is responsible for establishing the Internal Control System with the main objectives of ensuring effectiveness and efficiency of operations, reliability of financial reporting, safeguarding of assets and compliance with applicable laws and regulations.

The Bank's Compliance policy and procedures further strengthened by a comprehensive Control Review and Testing Framework (CRTF), approved by the Board of Directors, outline the Bank's overall control objectives and approach towards implementation and testing of the Bank's Internal Control System.

Under the aforementioned CRTF, the Bank's Internal Control System is being evolved, reviewed and improved on an ongoing basis to minimize risks which are inherent in banking business and operations; with continuous monitoring by the Compliance Group and independent review by Audit and Risk Review Group (A&RRG).

A&RRG works under direct supervision of Audit Committee of the Board of Directors (hereafter referred as the Committee). The Committee is chaired by an Independent Director and comprises entirely of Independent Directors.

A&RRG assists the Committee and the Board of Directors in discharge of their responsibility in respect of Internal Control System. A&RRG reviews, assesses adequacy and monitors the effectiveness of control systems on an ongoing basis.

All significant and material findings are reported to the Committee; which actively monitors that the identified risks and observations are properly mitigated to safeguard the interests of the Bank. The Board of Directors, acting through the Committee, provides supervision and overall guidance in improving the effectiveness of the Internal Control System.

The Compliance Group is entrusted with the responsibility to minimize compliance risk with reference to regulatory framework; internal, external & regulatory audit compliance; control selfassessment, compliance review of material/high risk processes, monitoring completeness and maintaining up to date inventory of the Bank's policies, procedures and controls. The Bank has implemented an effective document life cycle management mechanism necessitating timely review and updation of documentation to incorporate material regulatory requirements and enhance control environment. In order to prevent and detect control lapses, concerted efforts are made, in coordination with all functions of the Bank to improve the control environment through continuous review and streamlining of policy and procedures. In order to further strengthen the control environment, the Bank has automated the related compliance processes through state of the art & internationally recognized Transaction Monitoring System and Name Screening utility to mitigate the risks associated with Anti Money Laundering and Combatting the Financing of Terrorism and to ensure compliance with the local and international regulations. The management has also established Compliance Committee to strengthen oversight role on the compliance environment.

Risk Management Group is entrusted with implementation of effective operational risk management framework. Risk Control Self-Assessment (RCSA) is carried out to identify Operational Risk against material processes and assess design of controls and to evaluate the operational effectiveness of controls. Incidents of loss data are gathered for analysis, reporting and suggesting improvements in existing control structure. Further, Key Risk Indicators on bank-wide basis are defined in coordination with the stakeholders for effective monitoring of potential risks and taking proactive measures for mitigating these risks.

Furthermore, compliance status of all irregularities identified during various audits and inspections is reported to the

Committee, while other significant compliance risk related matters are reported to the Board Risk Management Committee as per approved Terms of Reference.

The Bank's Internal Control System is designed to provide reasonable assurance to the Bank's Management and Board of the Directors about the aforementioned objectives.

While the Internal Control System is effectively implemented and monitored, there are inherent limitations in the effectiveness of any system, including the possibility of human error or system failure and circumvention or overriding of controls.

Control activities are an ongoing process that includes continuous identification, evaluation and management of significant risks faced by the Bank.

As part of CRTF relating to financial reporting, the Bank has documented and mapped As-Is processes and controls, identified gaps and requisite recommendations, developed remediation initiatives and management testing plans.

The Bank has completed all the stages of Internal Control over Financial Reporting as specified by the SBP which has granted exemption from the requirement of preparation of Long Form Report by the External Auditors. As a result, A&RRG is preparing "Annual Assessment Report on Efficacy of Bank's Internal Controls over Financial Reporting (ICFR)" under ICFR framework which is approved by the Committee.

The Bank's management considers that the existing Internal Control System is adequate and has been effectively implemented and monitored, based upon the results derived through ongoing testing of financial reporting controls and internal audits carried out during the year. However, the management, adopting a prudent approach, would be continuously evaluating procedures and processes to further augment the Internal Control System.

Based on the above, the Board of Directors has duly endorsed the Management's evaluation of internal controls including ICFR in the attached Director's report.

**Aizid Razzaq Gill**

Chief Executive Officer  
Lahore.

Dated: February 04, 2025

# REPORT OF AUDIT COMMITTEE

## Composition of Audit Committee

The Audit Committee of the Board of Directors (hereinafter referred to as the Committee) comprises of three non-executive independent directors. The members of the Committee bring years of diversified rich experience at senior management/ administrative positions and strategic roles in banking, finance, civil service, and other sectors. Detailed profile of the respective members is included in the Annual Report.

## Role of Audit Committee

During the year under review, the Committee diligently performed its duties and responsibilities in accordance with its Charter approved by the Board of Directors while remaining compliant with the requirements of the Listed Companies (Code of Corporate Governance), Regulations issued by SECP and other relevant regulatory instructions issued by the State Bank of Pakistan (SBP).

The Chief Audit and Risk Review Group (A&RRG) reports directly to the Committee. A&RRG assists the Committee and the Board of Directors in discharging their responsibility in respect of Internal Control System.

The Committee oversees the functions of A&RRG and ensures independence of A&RRG in the organizational structure, independence and objectivity of internal auditors, optimal utilization of audit resources, effectiveness of A&RRG in the Bank's overall governance and internal control framework and constructive engagement of A&RRG with the senior management and auditee units.

The Committee ensures that A&RRG has adequate financial, technological and operational resources along with appropriate human resources having required skill-sets, expertise and trainings necessary to perform A&RRG's responsibilities independently, effectively and objectively.

The Committee reviews and recommends to Board of Directors the Internal Audit policy and Whistle Blowing policy for approval, periodically or as and when any amendment is required.

The Committee reviews the annual and interim financial statements of the Bank and recommends for the approval of the Board of Directors.

The Committee recommends to the Board of Directors appointment and retention of the external auditors of the Bank (including overseas operations), their removal, audit fees, the provision of any service permissible to be rendered to the Bank by the external auditors in addition to audit of its financial statements taking into account the applicable regulatory requirements, measures for redressal and rectification of non-compliances with the regulations.

## Audit Committee Meetings

The meetings of the Committee are designed to facilitate and encourage communication between the Committee,

A&RRG, the Bank's senior management and the external auditors. During the year 2024, five meetings of the Committee were held and among others following agenda items were deliberated in the meetings:

- Review of the Bank's annual and interim financial statements prior to their approval by the Board of Directors. That included detailed discussions with the Banks' senior management, external auditors and A&RRG by focusing on major judgmental areas, significant adjustments and issues resulting from audit, going concern assumption, any changes in accounting policies and practices, compliance with applicable accounting standards, listing regulations and other statutory and regulatory requirements and related party transactions.
- Review of quarterly Consolidated Reports on Testing of Financial Reporting Controls.
- Review of significant issues highlighted by A&RRG during audits and reviews of branches and other functions of the Bank, external auditors and SBP's inspection teams and status of compliance including regular updates on the rectification actions taken by the management.
- Review of A&RRG's assessment on overall internal controls of the Bank for the year 2023.
- Approval of Annual Assessment Report on Efficacy of Internal Controls over Financial Reporting (ICFR) 2023.
- Monitoring of compliance status of observations highlighted in SBP's inspection reports.
- Review of Annual report on Periodic Self-Assessments conducted by A&RRG under Quality Assurance & Improvement Program.
- Review and approval of Strategic Plan of A&RRG (2025-2034) for inclusion in the overall Strategic Plan of the Bank.
- Review and approval of Internal Audit Procedures Manual.
- Review and approval of revised Charter of Audit & Risk Review Group.
- Review of the A&RRG's compliance with revised Global Internal Auditing Standards
- Review of analysis related to frauds, forgeries and dacoities incidents in the Bank; with specific focus on nature and reasons along with management action(s) thereof.
- Review and approval of risk based annual audit plan 2025, related enablers and budget along with resource requirements of A&RRG.
- Review of status of complaints lodged under the Bank's Whistle Blowing Policy.
- Review of periodic activity review reports of A&RRG.
- In addition to above, the Committee also reviewed and recommended the following to the Board of Directors:
  1. Statement of Internal Controls, prior to endorsement by the Board of Directors;
  2. Activity review report of the Committee for the year 2023;
  3. Appointment of Statutory Auditors of the Bank, Bahrain Branch and China Office for the year ending December 31, 2024 along with fixation of their remuneration;

4. Annual Compliance Review for the year 2023 of ABL wholesale Banking Branch, Bahrain;
5. Management Letter by external auditors along with the Action Plan submitted by the Management;
6. Revised Internal Audit Policy;
7. Islamic Banking Group (IBG) & External Shari'ah Audit Report and compliance status
8. Accounting, Disclosure and Related Party Transaction policy of the Bank, accounting policies for Islamic Banking and Bahrain Branch.

The Committee in accordance with the requirements of Code of Corporate Governance met with the external auditors with and without presence of management to discuss the results of auditors' examination and evaluation of internal controls and the overall quality of the Bank's financial reporting. Furthermore, the Committee ensured efficient supervision of the internal control system by steering separate meetings with Chief A&RRG and internal audit staff.

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

services by external auditors to ensure independence and objectivity of external auditors.

The Committee recommended to the Board of Directors appointment of M/s KPMG Chartered Accountants, as statutory auditors of the Bank for the year ending December 31, 2025, subject to approval of the Bank's shareholders in the forthcoming Annual General Meeting.

## Performance Evaluation of the Committee

The Committee evaluates its own performance on annual basis thereby assessing the targets achieved, performance initiatives and whistle blowing actions (if any) taken and submits the report to the Board of Directors.

## Internal Controls Framework and Role of A&RRG

The Bank's internal control structure comprises of the Board of Directors, the Committee, Management including Compliance Group, Risk Management Group and Audit & Risk Review Group. Roles of all the functionaries have been defined in the Management's Statement of Internal Controls, as part of the Annual Report which is duly endorsed by the Board of Directors.

Muhammad Kamran Shehzad  
Chairman Audit Committee of the Board  
Lahore  
Date: February 03, 2025

# STATEMENT OF COMPLIANCE

## With Listed Companies (Code of Corporate Governance) Regulations, 2019 Allied Bank Limited for the year ended December 31, 2024

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

- The total number of directors are (08) including the Chief Executive Officer (Deemed Director) as per the following;
  - Male: Seven (07)
  - Female: One (01)
- The Composition of the Board of Directors is as follows:

Category	Names
Non-Executive Directors	Mohammad Naeem Mukhtar*
	Sheikh Mukhtar Ahmad*
	Muhammad Waseem Mukhtar*
	Zafar Iqbal*
Independent Directors	Nazrat Bashir*
	Muhammad Kamran Shehzad**
	Mian Ikram Ul Haq**
Executive Director	Azid Razzaq Gill (Chief Executive Officer)
Female Director	Nazrat Bashir*

\* Mr. Mohammad Naeem Mukhtar, Mr. Sheikh Mukhtar Ahmad, Mr. Muhammad Waseem Mukhtar, Mr. Zafar Iqbal and Ms. Nazrat Bashir have been re-elected by the shareholders as Directors in election held on August 27, 2024, for a term of three (03) years.

Mr. Mubashir A Akhtar (as Independent Director) and Mr. Abdul Aziz Khan (as Non-Executive Director) have retired on August 27, 2024, after completion of their term.

\*\* Mr. Muhammad Kamran Shehzad and Mr. Mian Ikram Ul Haq have been elected by the shareholders as Independent Directors in election held on August 27, 2024, for a term of three years. Further, previously, Mr. Zafar Iqbal served as Independent Director till August 27, 2024.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies including Allied Bank Limited.
- The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
- The Board of Directors has developed a vision and mission statement, overall corporate strategy and significant policies of the Bank. The Board of Directors has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank.

- All the responsibilities of the Board of Directors have been duly exercised and decisions on relevant matters have been taken by the Board of Directors or shareholders as empowered by the relevant provisions of the Companies Act 2017 and these Regulations.
- The meetings of the Board of Directors were presided over by the Chairman of the Board of Directors and, in his absence, by a Director elected by the Board of Directors for this purpose. The Board of Directors has complied with the requirements of Companies Act 2017, and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board of Directors.
- The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act 2017, State Bank of Pakistan's Corporate Governance Regulatory Framework and these Regulations.
- Appropriate arrangements were made for orientation of Directors on their election with a view to acquaint them with their duties and responsibilities. Six members of the Board of Directors (including the Chief Executive Officer) are Certified Directors from SECP approved institutions. One Director is exempted from this requirement on account of his experience and qualification, whereas, one newly elected director shall complete the Directors Training Program within one year of his election.
- The Board has approved appointment of the Chief Financial Officer and Company Secretary including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.

The Audit Committee of the Board has approved appointment of Head Internal Audit, including his remuneration and terms and conditions of employment and complied with the relevant SBP Regulations.

- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board of Directors.
- The Board of Directors has formed five Committees. The names and composition of the Committees along with the details of its Members, as at December 31, 2024 are as follows:

#### A) Audit Committee of the Board

- Muhammad Kamran Shehzad, Chairman
- Nazrat Bashir, Member
- Mian Ikram Ul Haq, Member

#### B) Board Risk Management Committee

- Sheikh Mukhtar Ahmad, Chairman
- Zafar Iqbal, Member
- Nazrat Bashir, Member
- Azid Razzaq Gill, Member

#### C) e-Vision Committee

- Mohammad Naeem Mukhtar, Chairman
- Muhammad Waseem Mukhtar, Member

- Muhammad Kamran Shehzad, Member
- Azid Razzaq Gill, Member

#### D) Strategic Planning & Monitoring Committee

- Muhammad Waseem Mukhtar, Chairman
- Zafar Iqbal, Member
- Nazrat Bashir, Member
- Azid Razzaq Gill, Member

#### E) Human Resource & Remuneration Committee

- Mian Ikram Ul Haq, Chairman
- Muhammad Waseem Mukhtar, Member
- Zafar Iqbal, Member
- Azid Razzaq Gill, Permanent Invitee

- The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

- The frequency of meetings of each Committee is given below:

Name of the Committee	No. of Meetings held during 2024
Audit Committee of the Board	Five
Board Risk Management Committee	Four
e-Vision Committee	Five
Strategic Planning & Monitoring Committee	Twelve
Human Resource & Remuneration Committee	Four

- The Board of Directors has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Bank.
- 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 are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants 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 Directors of the Bank.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed International Federation of Accountants guidelines in this regard.
- We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

**Mohammad Naeem Mukhtar**  
Chairman

Lahore  
February 04, 2024

# INDEPENDENT AUDITOR'S REVIEW REPORT

## To the members of Allied 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 Allied Bank Limited (the Bank) for the year ended 31 December 2024 in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

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

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

EY Ford Rhodes  
Chartered Accountants

Place: Lahore  
Date: 3 March 2025

UDIN: CR2024101206q9YHykvj

# SHARIAH BOARD

## Terms of Reference

The primary function of Shariah Board is to supervise and advise the management of the Bank on all Shariah related matters, develop comprehensive Shariah compliance framework and is responsible for all Shariah related decision. The Shariah Board approves all Islamic Banking related policies, procedures, services and related agreements and contracts in conformity with the rules and principles of Shariah. The Shariah Board is responsible to review Internal Shariah Audit review report, external Shariah Audit, State Bank of Pakistan Shariah Inspection and Shariah compliance reviews and prescribes appropriate remedial measures. Shariah Board meetings are held at least quarterly and it also meets with Board of Directors at least on half yearly basis.

## Process of Appointment and Nomination

The appointment of members of the Shariah Board is approved by the Board of Directors, of the Bank, upon recommendation of the Human Resource and Remuneration Committee. The appointment is subject to prior clearance of State Bank of Pakistan and pursuant to Fit and Proper Criteria (FAPC) and regulation of State Bank of Pakistan.

## Profile of Shariah Board

### \*Mufti Muhammad Iftikhar Baig

#### Chairman Shariah Board

Mufti Muhammad Iftikhar Baig is serving Allied Bank Limited as Chairman Shariah Board. He is a qualified Mufti from the Jamia Darul-Uloom Karachi, which is one of the most reputed and prestigious religious institutions in the country. He is also a Law graduate from the University of Karachi (KU).

He has been serving for more than 18 years at different local and international banks/Mudarabah Companies/Insurance Companies (WTO) as a Shariah Advisor/ Shariah Board Member. Moreover, he regularly delivers lectures on Islamic Economics and Finance at different forums and educational institutions. He is also a visiting faculty member of renowned Islamic university – Jamia Al Ashrafia Lahore.

### Mufti Mahmood Ahmad

#### Member Shariah Board

Dr. Mufti Mahmood Ahmad currently serves as a Member of the Shariah Board at Allied Bank Ltd. (Islamic Banking). He holds Shahada-tul-Almiah (Masters in Arabic and Islamic Studies) from Wifaq-ul-Madaris Al-Arabia, and Master's degree in Arabic from the University of the Punjab, Lahore, and a Takhassus fi al-Ifta (specialization in Islamic Fiqh and Fatwa) from Jamia Dar-ul-Uloom, Karachi.

Additionally, Dr. Ahmad has completed an M.Phil. and Ph.D. in Islamic Banking and Finance. With over nine years of experience as a Member of the Shariah Board at Allied Bank Limited, he also holds more than ten years of experience as a Shariah consultant for Islamic Microfinance and other organizations. He is a Mufti and Ustaz-ul-Hadith at the renowned Islamic university, Al-Jamia Al-Ashrafia, Lahore, and serves as a visiting faculty member at the College of Accountancy and Finance, University of Lahore.

### Mufti Tayyab Amin

#### Resident Shariah Board Member

Mufti Tayyab Amin is serving as Resident Shariah Board Member (RSBM) of Allied Bank Limited. He has done his Al-Aalamiyyah (a degree recognized by the HEC Pakistan as a Master in Arabic & Islamic Studies) and specialization in Islamic Jurisprudence from Jamia Darul-Uloom Karachi, which is the most reputed and prestigious religious institution. He has also done his Masters from the University of the Punjab Lahore and completed his M. Phil in Islamic studies from the University of Sargodha. He has also completed the Certified Shariah Advisor and Auditor course (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI) Bahrain. He has served First Elite Capital Mudarabah as Shariah Advisor for six years and First Punjab Mudarabah for three years. He also has experience in Alfalah Insurance (Window Takaful Operation) as a Shariah Compliance Officer for three years. He is also conducting Islamic banking and finance sessions for banking staff, the Chamber of Commerce & Industries, and Ulma e Kiram.

He has overall experience of more than thirteen years as a Shariah consultant for various business sectors including Islamic Micro-Finance.

None of the members of Shariah Board of the Bank are member of Shariah Board of any other financial institution.  
**Number of meetings attended:** Four Shariah Board meetings were held last year and all Members attended all the meetings.

\*Mufti Muhammad Iftikhar Baig (Late) was Chairman Shariah Board as of 31st December 2024. However, he passed away on January 11, 2025.

## Remuneration Framework for Shariah Board Members

Fixed remuneration is paid to Chairman Shariah Board as well as Non-resident Shariah Board Member in line with employment contracts including monthly salary, medical benefit and fuel reimbursement. No variable remuneration (performance bonus) is paid to Chairman Shariah Board and Non-resident Shariah Board Member. Resident Shariah Board Members are paid fixed remuneration which includes monthly salary and allowances as per terms of contract and post-employment benefits. Variable remuneration (performance bonus) is paid on the basis of performance assessment carried out annually through performance appraisal process of contract and post-employment benefits. Variable remuneration (performance bonus) is paid on the basis of performance assessment carried out annually through performance appraisal process.

# REPORT OF SHARIAH BOARD

For the year ended December 31, 2024

## In the name of Allah, the Beneficent, the Merciful

By the grace of Almighty Allah, the year under review was the 13<sup>th</sup> year of Islamic Banking Operations of Allied Bank Limited (ABL-Aitebar Islamic Banking). This year, the Shariah Board has approved the Bank's conversion plan wherein the complete conventional banking operations of the Bank will be gradually converted into Islamic banking during next three years. The scope of this report is to cover the affairs of ABL-Aitebar Islamic Banking, from a Shariah perspective as stipulated under para 3 (b) of the revised Shariah Governance Framework issued by the State Bank of Pakistan vide its IBD Circular No. 01 of 7<sup>th</sup> June, 2018.

Shariah Board is pleased to submit its report on the overall Shariah compliance environment of ABL-Aitebar Islamic Banking.

The Board of Directors and Executive Management are solely responsible for ensuring that the operations of ABL-Aitebar Islamic Banking are conducted in compliance with Shariah principles at all times. Shariah Board asserts that it has performed its duties independently with the courteous relationship among the Sharia Board members and management of the Bank.

To form the basis of our opinion as expressed in this report, Internal Shariah Audit reports, on a test check basis, of each class of transactions, the relevant documentation, and process flows on a sample basis were carried out. Besides, we have also reviewed the reports of the Shariah compliance review and external Shariah Audit of ABL-Aitebar Islamic Banking operations conducted during the year.

### Based on the above, we are of the view that:

The business affairs of ABL-Aitebar Islamic Banking, especially about transactions, relevant documentation, and procedures, performed during the year 2024 conform with the principles and guidelines of Shariah issued by Shariah Board and State Bank of Pakistan.

The Bank primarily used Business Musharakah and Diminishing Musharakah for its financing activities during the year.

ABL-Aitebar Islamic Banking has put a mechanism in place in the form of Internal Shariah Audit and Shariah Compliance reviews to ensure Shariah compliance in its overall operations that will keep its focus on continuous improvement for catering to the large branches/windows network over the coming years. The system within the Bank is sound enough to ensure that amounts realized from prohibited sources, if any, are not made a part of the income. During the Shariah Review and audit of the financing portfolio, no Shariah non-compliant transaction was observed. The Bank received an amount of Rs. 3.037 million from the customers and obligors in respect of charity on delays in payments in various financial transactions and credited these payments to the Charity Account.

Since the charity funds are kept under the Mudharbah base account, the accrued Mudarabah profit of Rs. 0.58 million was also credited to the charity account. An amount of Rs. 3.2 million was granted to approved charitable institutions.

The Internal Shariah Audit Function (ISAF) plays a vital role in achieving the objective of ensuring Shariah compliance by evaluating the adherence to Shariah guidelines prescribed by SB, Resident Shariah Board Member (RSBM), and Shariah guidelines of Islamic Finance Policy Department of SBP, in every activity undertaken by the ABL-Aitebar Islamic Banking, on a sample basis. ISAF submits periodical reports to RSBM /Shariah

Board for information, review, and determination of appropriate corrective actions.

The Shariah Compliance Department of the Bank is working under the guidance of Shariah Board. The main objective of this department is to facilitate and ensure Shariah compliance in all the new research, conducting Islamic banking training & Shariah-compliance review of each class of transactions, relevant documentation and process flows.

Shariah Compliance Department has conducted the review of branches on a sample basis to evaluate the Shariah knowledge of staff and also conducted the review of other units/ departments.

### Review and Development:

ABL-Aitebar Islamic Banking has completed yet another successful year. Upon achieving a branch network of 159 dedicated Islamic branches and 308 Islamic Banking windows. Significant growth in assets, Investments and deposits have been registered.

**Asset Review:** During the year, the financing portfolio has reached to Rs. 32,124 million.

The investment portfolio has risen by 174% to Rs. 105,162 million as compared to Rs. 38,360 million last year, which mainly constituting Government Ijarah Sukuk, Corporate Sukuks, and Islamic Naya Pakistan Certificates.

**Deposit Review:** The total deposits of ABL-Aitebar Islamic Banking have increased by 15% during the year reaching Rs. 109,842 million by December 31, 2024 as compared to Rs. 95,334 million as of last year.

**Other Key Activities:** SB also reviewed and approved different products programs, policies and procedure manuals during the year.

**Profit Distribution Policy:** Shariah Compliance Department also conducted a review of the process of profit distribution on a monthly basis and ensured that the distribution is in line with the instructions of SB and SBP. Moreover, an internal Shariah audit of pool management has been conducted on a quarterly basis, which has further improved the process of pool management, profit, and loss distribution and strengthened compliance with Shariah guidelines.

**Shariah Board Meetings:** During the year 2024, four Shariah Board meetings were held wherein multiple issues were discussed and resolved. Shariah Compliance Department remained in close coordination with the Shariah Board and management to implement Shariah Board decisions. The ongoing involvement of SB ensured that it constantly remained on board with all the Shariah affairs of the Bank and also approve different matters by way of circulation.

### Capacity Building

To enhance Islamic banking knowledge and expertise, training on Islamic Banking concepts as well as on Islamic banking products was imparted to the staff of the Islamic Banking Group. Management Development Centers of ABL with the assistance of Shariah Compliance Department, arranged various mandatory and refresher training sessions and 7,476 employees attended these sessions. It also includes employees who have attended training sessions conducted by NIBAF and other reputed Islamic banking training institutes.

### BOD, Executive Management, and Shariah Board Training/ Orientation

To enhance Islamic banking knowledge and acumen, an orientation session for BOD was conducted by the Shariah Board. Further, an orientation was arranged for executive management. Moreover, different trainings were attended by the members of the Shariah Board.

### Awareness Session

To create awareness of Islamic banking among the general public, the Bank conducted different seminars for the general public.

### Recommendations:

Following are some areas, which require continuous focus:

1. The Bank's proactive efforts to raise awareness about Islamic banking through seminars and programs are highly commendable. However, it is recommended that such programs should also be continued in the future at the mass level.

2. The Bank's policy of recruiting new staff for Islamic banking branches who demonstrate a strong commitment to the principles of Islamic banking should be maintained. Additionally, this approach should extend to the strategic placement of existing trained staff to ensure continued alignment with the Bank's objectives.
3. It is recommended that the Bank should establish a dedicated team of specialized Islamic banking trainers to meet the increasing demand for capacity building of staff and ensure consistent expertise across the organization.
4. Conventional insurance is not permissible from a Shariah perspective. Therefore, it is recommended to convert IBG's assets to Takaful as soon as possible.

We pray to almighty Allah to provide us guidance to adhere to the Shariah principles in day-to-day operations, to absolve our mistakes, and for the success of Islamic banking in Pakistan.

### Mufti Tayyab Amin

Resident Shariah Board Member

### Mufti Mahmood Ahmad

Member Shariah Board

Date of Report: February 04, 2025



# شریہ بورڈ کی رپورٹ برائے اختتام سال 31 دسمبر 2024

شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

مندرجہ بالا امور کی بنیاد پر ہماری رائے یہ ہے کہ:

اے بی ایل - اعتبار اسلامک بینکنگ، کے سال 2024ء کے دوران کاروباری معاملات، خصوصاً لین دین اور اس سے متعلقہ دستاویزات اور طریقہ کار، شریہ بورڈ اور اسٹیٹ بینک لمیٹڈ کے فراہم کردہ شرعی اصولوں اور ضوابط سے مکمل مطابقت رکھتے ہیں۔

بینک نے اس سال کے دوران زیادہ تر کاروباری مشارکہ اور شرکت متناقصہ کے طریقہ کار کو تمویلی سرگرمیوں کے لیے استعمال کیا۔

اے بی ایل - اعتبار اسلامک بینکنگ نے اپنے مجموعی کاروبار کی شریہ کمپلائنس کو یقینی بنانے کے لیے انٹرنل شریہ آڈٹ اور شریہ کمپلائنس کے تجربے کی شکل میں ایک نظام تشکیل دیا ہے۔ اور آنے والے سالوں میں ایک وسیع رینج / ونڈوزنیٹ ورک کی ضروریات کو پورا کرنے کے لیے اس نظام میں مسلسل بہتری کے عمل پر اپنی توجہ مرکوز رکھے گا۔ بینک کے موجودہ نظام میں اس بات کو یقینی بنانے کی صلاحیت ہے کہ کسی بھی ممنوع ذرائع سے حاصل ہونے والی رقم (بالفرض، اگر ہوں) کو آمدنی کا حصہ بننے سے روک سکے۔ تمویلات کے پورٹ فولیو کے شرعی جائزے اور آڈٹ میں کوئی غیر شرعی لین دین نہیں پایا گیا۔ بینک نے مختلف مالی لین دین کی تاخیری ادائیگیوں کی وجہ سے چیرٹی (حیراتی) کی مد میں 3.037 ملین روپے وصول کیے اور اس رقم کو چیرٹی کے اکاؤنٹ میں جمع کروایا۔

چونکہ، چیرٹی کی رقم مضاربہ اکاؤنٹ کے تحت رکھی جاتی ہے، لہذا، 0.58 ملین روپے کا جمع شدہ مضاربہ منافع بھی چیرٹی کے اکاؤنٹ میں کریڈٹ کیا گیا۔ منظور شدہ فلاحی اداروں کو 3.20 ملین روپے کی گرانٹ دی گئی۔

انٹرنل شریہ آڈٹ (آئی ایس اے ایف) (Internal Shariah Audit Function - ISAF)، اے بی ایل - اعتبار اسلامک بینکنگ کی جانب سے اختیار کی گئی ہر سرگرمی میں سے منتخب شدہ مثالوں کی بنیاد پر شریہ بورڈ، ریویژنٹ شریہ بورڈ ممبر (RSBM) اور

اللہ سبحانہ و تعالیٰ کے فضل و کرم سے، الائیڈ بینک لمیٹڈ کے اسلامی بینکاری کے کاروبار (اے بی ایل - اعتبار اسلامک بینکنگ) نے اس زیر تجزیہ مدت کے ساتھ اپنے 13 سال مکمل کر لیے ہیں۔ اس سال میں شریہ بورڈ نے بینک کے اپنے کاروبار کی منتقلی کے منصوبے کی منظوری دی ہے جس کے تحت، روایتی بینکاری کے مکمل آپریشنز کو آئندہ تین سالوں کے دوران، اسلامی بینکنگ میں بتدریج منتقل کیا جائے گا۔ اس رپورٹ کا مقصد اے بی ایل - اعتبار اسلامک بینکنگ میں، اسٹیٹ بینک آف پاکستان کی طرف سے جاری کردہ مرکز نمبر 01 تاریخ 07 جون 2018، میں نظر ثانی شدہ شریہ گورننس فریم ورک کے پیراگراف (b) کے تحت، اسلامی بینکاری کے معاملات کا شرعی نقطہ نظر سے جائزہ لینا ہے۔

شریہ بورڈ کے لیے یہ امر باعث مسرت ہے کہ وہ اے بی ایل - اعتبار اسلامک بینکنگ کے کاروبار کی شریہ کمپلائنس کے حوالے سے وضع کردہ مجموعی نظام پر اپنی رپورٹ پیش کر رہا ہے۔

بورڈ آف ڈائریکٹرز اور ایگزیکٹو مینجمنٹ پر یہ ذمہ داری عائد ہوتی ہے کہ اے بی ایل - اعتبار اسلامک بینکنگ کا کاروبار ہمہ وقت شرعی اصولوں کے تابع رہے۔ شریہ بورڈ اس امر کا اعادہ کرتا ہے کہ اس نے اپنی تمام تر ذمہ داریاں، شریہ بورڈ کے ممبران اور بینک کی انتظامیہ کے ماتین مکمل ہم آہنگی اور تعاون کے ساتھ، آزادانہ طور پر ادا کی ہیں۔

ہم نے اپنی مذکورہ رائے کو قائم کرنے کے لیے، جیسا کہ اس رپورٹ میں اظہار کیا گیا ہے، ہر قسم کے لین دین اور اس سے متعلقہ دستاویزات اور انکی انجام دہی کے طریقہ کار کا نمونوں کی بنیاد پر تجزیہ کیا ہے۔ علاوہ ازیں، ہم نے انٹرنل شریہ آڈٹ اور اس سال کے دوران ہونے والے اے بی ایل - اعتبار اسلامک بینکنگ کے کاروبار کی شریہ کمپلائنس رپورٹ اور ایکسٹرنل آڈٹ رپورٹوں کا بھی جائزہ لیا ہے۔

95,334 ملین روپے کی سطح کی نسبت 15 فیصد کے اضافے کے ساتھ 31 دسمبر 2024ء تک 109,842 ملین روپے تک جانچنے۔

## دیگر کلیدی سرگرمیاں :

سال کے دوران، بینک کے شریہ بورڈ نے مختلف پالیسیوں اور مینوئلز (Manuals) کے جائزے اور منظوری کے عمل کو جاری رکھا۔

## منافع کی تقسیم کی پالیسی :

شریہ کمپلائنس کے شعبے نے منافع کی ماہانہ بنیاد پر تقسیم کے عمل کا بھی جائزہ لیا اور اس امر کو یقینی بنایا کہ یہ تقسیم شریہ بورڈ اور اسٹیٹ بینک آف پاکستان کی ہدایات کے عین مطابق ہو۔ مزید یہ کہ، پول مینجمنٹ کا سہ ماہی بنیاد پر انٹرنل شریہ آڈٹ کیا گیا جس سے پول مینجمنٹ، نفع و نقصان کی تقسیم کے طریقہ کار میں بہتری اور شرعی نگرانی کا نظام مزید مضبوط ہوا ہے۔

## شریہ بورڈ کے اجلاس (مینٹنگ) :

سال کے دوران، شریہ بورڈ کے چار اجلاس منعقد ہوئے جن میں مختلف معاملات پر بحث اور انکی منظوری دی گئی۔ شریہ کمپلائنس کا ڈیپارٹمنٹ، شریہ بورڈ اور انتظامیہ کے ساتھ مسلسل رابطے میں رہتا ہے تاکہ شریہ بورڈ کے فیصلوں پر عمل درآمد کروایا جاسکے۔ شریہ بورڈ کی مسلسل شمولیت اس امر کو یقینی بناتی ہے کہ یہ بینک کے تمام شرعی معاملات سے آگاہ رہے اور دیگر معاملات میں بھی، سرکولیشن کے ذریعے، انکی شرکت اور فیصلہ سازی میں مدد ملتی رہے۔

## عمل کی استعداد کار (ٹریٹنگ) :

اسلامک بینکنگ کی معلومات اور مہارت میں اضافہ کے پیش نظر، اسلامک بینکنگ گروپ کے سٹاف کی اسلامک بینکنگ کے نظریات اور اس کی پراڈکٹس کے بارے اسلامک بینکنگ کے تمام عملے کو تربیت فراہم کی گئی۔ اے بی ایل کے مینجمنٹ ڈیپارٹمنٹ سینئرز نے شریہ کمپلائنس ڈیپارٹمنٹ کے تعاون سے ٹریٹنگ کی متعدد لازمی اور تجدیدی نشستوں کا انعقاد کیا جس میں 7,476 ملازمین نے شرکت کی۔ اس میں وہ ملازمین بھی شامل ہیں

اسٹیٹ بینک آف پاکستان کے اسلامک فنانس پالیسی ڈیپارٹمنٹ کی طرف سے جاری کردہ شرعی ضوابط و ہدایات کی مکمل پاسداری کے ساتھ شریہ کمپلائنس کو یقینی بنانے کا اہم کردار ادا کرتا ہے۔ آئی ایس اے ایف (ISAF)، آر ایس بی ایم (RSBM) / شریہ بورڈ کو اسکی معلومات، تجزیے اور اصلاحات کے تعین کے لیے وقتاً فوقتاً رپورٹس فراہم کرتا ہے۔

بینک کا شریہ کمپلائنس کا شعبہ شریہ بورڈ کی زیر نگرانی کام کرتا ہے۔ اس شعبے کا بنیادی مقصد جدید تحقیقات میں معاونت اور شریہ کمپلائنس کو یقینی بنانا، اسلامی بینکاری کی تربیت (Trainings) کا انعقاد، ہر طرح کے لین دین، دستاویزات اور انکی انجام دہی کے طریقہ کار میں شریہ کمپلائنس کا جائزہ لینا شامل ہے۔ شریہ کمپلائنس کے شعبے نے سٹاف کی شرعی معلومات کا جائزہ لینے کے لیے منتخب شدہ براؤزر کا دورہ بھی کیا ہے اور دیگر پوزٹس اور ڈیپارٹمنٹس کا جائزہ بھی لیا ہے۔

## ریویو اینڈ ڈیولپمنٹ :

159 مستقل بنیادوں پر کام کرنے والی براؤنچوں کے نیٹ ورک اور 308 اسلامک بینکنگ ونڈوز کے حصول کے بعد اے بی ایل - اعتبار اسلامک بینکنگ نے ایک اور کامیاب سال مکمل کر لیا ہے۔ اسی ممانگت میں اثاثہ جات، سرمایہ کاری اور ڈیپازٹس میں بھی نمایاں بہتری حاصل کی گئی ہے۔

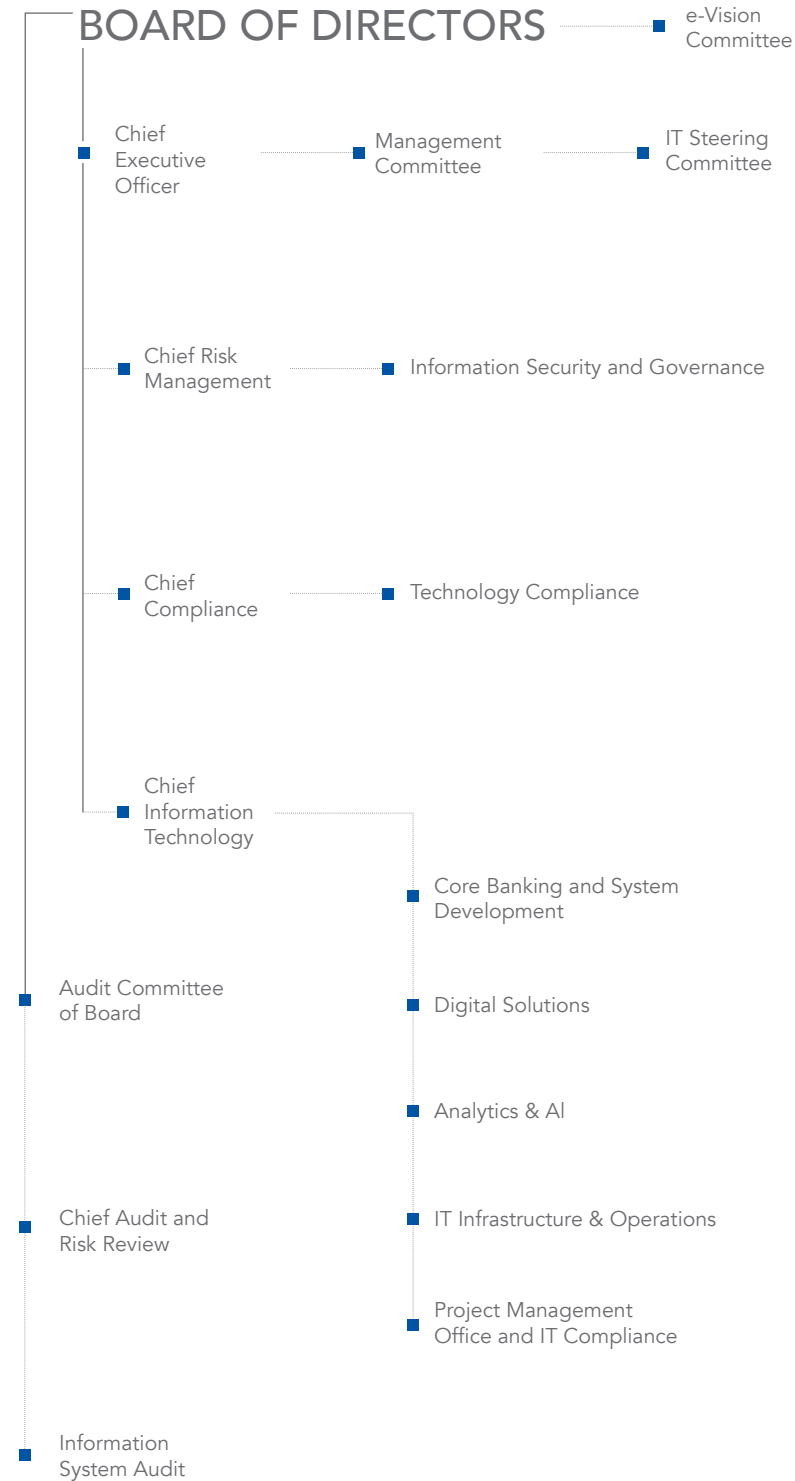
## اثاثہ جات کا تجزیہ :

اس سال کے دوران تمویل کا مجموعی حجم 66,768 ملین روپے کی سطح پر جا پہنچا۔ علاوہ ازیں، سرمایہ کاری کا مجموعی حجم حکومتی اجارہ صکوک، کارپوریٹ صکوک اور اسلامک نیا پاکستان سرٹیفکیٹ کی وجہ سے، گزشتہ سال کے 38,360 ملین روپے کی سطح سے 174 فیصد کے اضافے کے ساتھ 105,162 ملین روپے تک بڑھ گیا۔

## ڈیپازٹ کا تجزیہ :

اے بی ایل - اعتبار اسلامک بینکنگ کے مجموعی ڈیپازٹس گزشتہ سال کی

# INFORMATION TECHNOLOGY (IT) GOVERNANCE



IT Governance framework, policies and procedures ensure that the Bank's significant investment in IT infrastructure is duly aligned with the long-term strategies and objectives of the Bank; while ensuring conformity with industry's best practices.

IT Governance of the Bank is regulated by the IT Governance Policy approved by the Board of Directors, which focuses on following principles:

- To maintain clear understanding of ITG roles and responsibilities.
- Plan ITG to best support the Bank ensuring that IT Strategic plan fit the current and ongoing needs.
- All ITG acquisitions will follow the necessary approvals as per GS&RE procurement policy ensuring that there is an appropriate balance between costs, risks, long-term and short-term benefits.
- Ensure that ITG performs (meet the Business Requirements where technology permits) well, whenever services are required.
- Ensure ITG conforms to statutory and regulatory requirements and also complies with all the Bank's policies and procedures.
- Ensure ITG will design, specify and maintain systems by keeping users in mind and will ensure that IT is a service to the Bank and to its staff.
- Identify resources gap related to IT (people, process & technology) and take appropriate steps to fill the gaps.

IT Governance of the Bank comprises monitoring by:

**e-Vision Committee of board** supervises the IT Governance in the Bank and provides strategic direction for adoption/upgrading of evolving technologies in order to provide new customer centric products and services and to improve internal control environment. The Committee reviews the strategic plan of the Bank to improve IT infrastructure and automation of processes and systems including alternate delivery channels. The Committee extends assistance to the Board with insights regarding evolving technologies in the field of e-banking and digital platforms. It also oversees performance of Information Technology Group of the Bank.

**IT Steering Committee (ITSC)** assists MANCO in implementing IT and Digital strategies approved by the Board of Directors and also plays an advisory role to MANCO in all technology-related matters. ITSC is entrusted to review and recommend technology initiatives and prioritize projects for their implementation along with recommendation for required infrastructure to MANCO. The Committee ensures an efficient IT operating environment that supports the institution's goals, objectives and also reviews the results of vulnerability and IT risk.

4- جنہوں نے NIBAF اور دیگر معتبر اسلامک بینکنگ کی تربیت کے اداروں کی فراہم کردہ تربیتی نشستوں میں حصہ لیا۔

شرعی نقطہ نظر سے روایتی انشورنس جائز نہیں ہے لہذا آئی بی جی (IBG) کے اثاثوں کو جلد از جلد تکافل (Takaful) پر منتقل کرنے کی سفارش کی جاتی ہے۔

بورڈ آف ڈائریکٹرز، ایگزیکٹو مینجمنٹ اور شریعہ بورڈ کی ٹریڈنگ/تعارفی پروگرام:

شریعی بورڈ نے بورڈ آف ڈائریکٹرز کی اسلامک بینکاری کی فہم اور معلومات میں اضافہ کے لیے ایک تربیتی نشست کا اہتمام کیا گیا۔ علاوہ ازیں، ایگزیکٹو مینجمنٹ کے لیے ایک تعارفی پروگرام منعقد ہوا۔ مزید برآں، شریعہ بورڈ کے ممبران نے مختلف تربیتی نشستوں میں شرکت کی۔

عام لوگوں میں اسلامک بینکنگ کی واقفیت کو بڑھانے کے لیے بینک نے متعدد سیمینارز کا بھی انعقاد کیا۔

مفتی طیب امین  
ریزیڈنٹ شریعہ بورڈ ممبر

تجاویز اسفارشات:

مندرجہ ذیل چند عوامل مسلسل توجہ طلب ہیں۔

مفتی محمود احمد

1- اسلامک بینکنگ سے واقفیت پیدا کرنے کے لیے سیمیناروں، پروگراموں اور آگاہی کی نشستوں کے انعقاد پر بینک کی بڑھتی توجہ قابل ستائش ہے۔ مستقبل میں، ایسے پروگراموں کو بڑے پیمانے پر جاری رکھنے کی تجویز دی جاتی ہے۔

رپورٹ کی تاریخ:  
4 فروری 2025ء

2- اسلامی بینکنگ کی برانچوں میں نئے عملے کی بھرتی، جو کہ اسلامی بینکنگ کے اصولوں سے ہم آہنگ ہوں، بینک کی اس پالیسی کو برقرار رکھنے کی ضرورت ہے۔ مزید برآں اس نقطہ نظر کو بینک کے موجودہ تربیت یافتہ عملے کی اسٹریٹجک تعیناتی کے لیے بھی ملحوظ خاطر رکھنا چاہیے تاکہ بینک کے مقاصد سے مسلسل مطابقت کو یقینی بنایا جاسکے۔

3- اس امر کی سفارش کی جاتی ہے کہ بینک اپنے عملے کی صلاحیت کی بڑھتی طلب اور اپنے ادارے میں مہارت و استعداد کار میں مسلسل بہتری کے لیے اسلامک بینکنگ ٹرینرز (ماہرین) کی ایک ٹیم کو مختص کرے۔

# INFORMATION TECHNOLOGY (IT) GOVERNANCE

assessment exercises and ascertains measures taken to mitigate identified risks.

**Information Technology Group (ITG)** is headed by Chief ITG, reporting to CEO through Chief Technology and Digital Transformation of the Bank. ITG is responsible for development and delivery of technology driven services in line with the Board of Directors and its committees under the strategic guidance of ITSC. Chief ITG is responsible to:

- Formulate an annual Strategic and Operational technology plan on the basis of business needs in consultation with the Bank's other stakeholders.
- Implement the formulated plan, including as appropriate any special tasks or projects assigned by the CEO and the various Management & Board level committees.
- Keep the Management & Board level committees informed about emerging trends and developments in Information Technologies and give recommendations for necessary revisions in the Bank's Information Technology roadmap.
- Ensure that the Group complies with sound Information Technology principles, industry best practices and regulatory guidelines.
- To keep ITG abreast with the emerging Information Security Technologies.

ITG of the Bank is strengthened by the following functions which are headed by committed professionals, providing innovative and efficient solutions to achieve organizational objectives.

- Core Banking and System Development
- Digital Solutions
- Analytics & AI
- IT Infrastructure & Operations
- Project Management Office & IT Compliance

**Information Security and Governance** functioning under the umbrella of Risk Management Group, is primarily responsible to develop and implement information security guidelines through a set of policies, procedures and frameworks and conduct Security Risk Assessment as per policy guidelines. The function is also mandated to develop information security policies in line with regulatory requirements and based on best industry practices. This function also manages the information security awareness campaigns across the Bank.

**Technology Compliance** under Compliance Group performs technology compliance review of Information Security Policies and Procedures to ensure that they are compliant with the State Bank of Pakistan (SBP) guidelines and regulations. Furthermore, it also ensures compliance against the recommendations of SBP inspection report, external auditors' management letter and internal audit reports of Audit and Risk Review (A&RR).

**Information System Audit** function under A&RR is entrusted to perform systems audit across the Bank; testing desired functionality and integrity while providing recommendations where necessary.

Core Banking & System Development

Digital Solutions

Analytics & AI

IT Infrastructure & Operations

Project Management Office & IT Compliance

# WHISTLE BLOWING POLICY (WBP)

## Preamble

The purpose of WBP is to create an environment at Allied Bank Limited (the Bank) whereby the employees / vendors / service providers / concerned are encouraged to reveal and report, without any fear of retaliation, subsequent discrimination and of being disadvantaged in any way, about any fraudulent, immoral, unethical or any malicious activity or conduct, which in their opinion may cause financial or reputational loss to the Bank. Bank's WBP provides assurance to the Whistleblowers about secrecy and protection of their legitimate personal interests besides offering incentives for the Whistleblowers on reporting of suspicious activities.

## Objectives

The intended objectives of this policy are:

- To strengthen culture of transparency and trust in the Bank by encouraging all employees, vendors, service providers and concerned persons to blow whistle where they may genuinely know or suspect any immoral, unethical, fraudulent act of any current or former employees, vendors, contractors, service providers and customers which may have potential to cause financial or reputational risk or loss to the Bank;
- To create awareness amongst employees and stakeholders regarding the Whistle Blowing Function;
- To enable Management to be informed at an early stage about fraudulent, immoral, unethical or malicious activities or misconduct and take appropriate actions; and
- Provide a swift and confidential process for rectifying malfeasance wherever and whenever it occurs in the Bank.

## Scope

The scope of this policy includes, without limitation all types of unlawful acts / orders, fraud, corruption/bribery, misconduct, collusive practices, falsification of books of accounts/related documents, endangerment of health or safety, or any other activity which undermines the Bank's operations, reputation and mission.

## Independence of Whistle Blowing Function

An operationally independent Whistle Blowing function has been established under supervision of Audit Committee of the Board (ACOB), for handling and monitoring allegations, complaints and concerns raised by the complainant /whistleblower under the WBP.

## Protection of Whistleblowers

All matters are dealt with confidentiality and the identification of the Whistleblower is not disclosed except for inevitable situations, where disclosure of identity of the Whistleblower is essential.

The Bank stands committed to protect Whistleblowers for Whistle Blowing and any subsequent harassment or victimization of the Whistleblower is not tolerated. Indemnity from disciplinary action is provided to the Whistleblower employee, against actions/ involvement in the activity against which whistle is blown, based on the merits of each case.

## Incentives for Whistle Blowing

On the recommendation of the ACOB, the Whistleblower may be suitably awarded according to the significance of the information he / she had provided and impact of losses averted as a result.

## Process of Whistle Blowing

The Bank has established the following communication channels for whistle blowing complaints:

- A dedicated e-mail address for whistle blowing (whistle.blowing@abl.com) accessible by the Chairman ACOB.
- Whistle blowing form available on the Bank's corporate website.
- Post / courier addressed to Chairman ACOB, Allied Bank Limited, Head Office, 3 Tipu Block, New Garden Town, Lahore.

## Number of instances reported to ACOB

Number of Whistle Blowing incidences reported to ACOB in year 2024: Ten (10).

## INVESTOR GRIEVANCE

Your Bank has put in place comprehensive guidelines for Investors / Shareholders to address their grievances. The guidelines conform to the Bank's internal policy to address the Investor grievances as well as statutory requirements stipulated under SECP's SRO # 1196(I)/2019 dated 03.10.2019.

- For all shares related issues, shareholders are advised to contact Share Registrar of the Bank with contact details available on Bank's corporate website.
- In order to facilitate the shareholders who intend to register a complaint, the contact details of the focal person of ABL Shares Department are given on the Bank's corporate website for this purpose.
- In addition, if Shareholder's grievances are not resolved by the Share Registrar of the Bank, as well as Bank's Shares Department, they may escalate their complaints to the Company Secretary of the Bank.
- If any complainant still remains unsatisfied, the same can be forwarded to Securities and Exchange Commission of Pakistan (SECP), using the link of SECP website which is available in "Investor Complaints and Grievances" section of Bank's corporate website.
- Furthermore, queries with respect to financial results of the Bank can be directed to 'Investor Relations' department, which is headed by Chief Financial Officer, at the email address investor.relations@abl.com (which is available on corporate website as well).

# MANAGING CONFLICT OF INTEREST

## Overview

A Director owes certain fiduciary duties, including the duties of loyalty, diligence, and confidentiality to the Bank, which require that a director must act in good faith and exercise his or her powers for shareholders' interests and not for his / her own or others' interest. The Board of Directors and the Management of the Bank are committed towards transparent disclosure, management and constant monitoring of potential conflicts of interest to ensure that no undue benefit is passed on. The Board of Director recognizes the responsibility to adhere to the defined policies and procedures and avoid perceived conflicts of interest that may arise during the course of business. Directors of the Board shall immediately report to the Chairman of the Board about any conflict of interest or potential conflict of interest that may arise and shall provide all relevant information in this regard.

## Disclosure of Interest by Director:

- Every Director (including parents, spouse and minor children) of the Bank who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall disclose the nature of his concern or interest at a meeting of the Directors.
- For the purpose of consideration and decision by the Board of Directors on any agenda item, or in respect of any other matter, if any Director has an existing or perceived conflict of interest or concern, he/she shall disclose the nature of his concern or potential interest at a meeting of the Board and the Board would take appropriate steps in accordance with the regulatory requirements in this regard and the details should be recorded in the minutes.
- Where any Director or his or her spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares of the Bank, he or she shall immediately notify to the Company Secretary in writing. Further, no Director shall, directly or indirectly, deal in the shares of the Bank, in any manner, during the closed period as determined by the Board of Directors.

## Abidance of Laws and Rules:

- Conform to and abide by all the legal and standing requirements while performing their duties and obey all lawful orders and directives. All Board of Directors members shall comply with and observe all applicable laws, rules, regulations, related statutory requirements, regulatory directives and the Bank's policies.
- Shall not bring or attempt to bring political or other pressure or influence directly or indirectly on the Bank.
- Bring to the notice of the Board, any non-compliance or violation of law or policy.
- Comply with applicable guidelines / principles mentioned in SBP Corporate Governance Regulatory Framework, SECP Code of Corporate Governance Regulations and SECP Code of Conduct for the Board of Directors.

## Integrity:

- Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with all stakeholders and not engage in acts discreditable to the Bank, their profession and the nation. If they become aware of any irregularity that might affect the interests of the Bank, they shall inform the Board of Directors immediately.

- Maximum utilization of their abilities, experience and expertise for achieving set goals, maintain high standards of professional conduct, protect the Bank's assets and respect interest of all the stakeholders. Practice transparency in all acts and deeds related to the business of the Bank.
- Reject corruption in all forms - direct, indirect, public or private and do not directly or indirectly engage in bribery, kick-backs, payoffs, or any other corrupt practices.
- Remain loyal to the Bank, keeping its interest above own personal interests at all times.

## Confidentiality:

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

## Professionalism:

- Discharge their obligations honestly and faithfully and shall strictly serve Bank's affairs keeping interest of the Bank above all. They shall promote the interest and goodwill of the Bank and shall show courtesy and attention in all transactions/ correspondence with officers of Government, State Bank of Pakistan, other Banks, Financial Institutions, other establishments dealing with the Bank, its constituents and the public.
- Treat everyone with equality and exhibit high standards of personal conduct.
- Exercise due diligence, objectivity, sound and independent judgement while performing the duties.

## Business/Work Ethics:

- As a Board Member respect views of fellow Board Members and endeavor to arrive at unanimous decisions on matters considered in their fiduciary capacity. They shall at all times be courteous and not let any personal differences to affect their work. However, in case they feel that they have opinion not commensurate with the majority of the board members they should get recorded their note of dissent.
- Shall not use Bank assets for their personal benefits except where permitted by the Bank and they will not involve in any un-ethical practices. They shall not do any act prohibited under the law and rules and regulations and policies of the Bank.
- Not give any interview in the print/electronic media or have their photograph displayed or act in television / stage plays or in cinema as Director or on behalf of the Bank without having permission from the Chairman Board.

## Conflict of Interest:

All appointments in the Board as well as President/CEO and Key Executives in the Bank shall not create any conflict-of-interest situation.

- Directors, President/CEO and Sponsor Shareholders shall avoid conflict of interest in their activities with the Bank, and commitments to other organizations.
- All Directors shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Bank.
- The Directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates and if any Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Bank.
- Any Director shall not assign his office and any assignment so made shall be void.
- Directors shall avoid all such circumstances in which there is personal interest conflict, or may appear to be in conflict with any of the stakeholder as prescribed by the statutes and in probable case their interest conflicts with any of the stakeholder, they would immediately declare such interest before the Board of Directors.
- No Director shall exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Bank and the Board allow him to avail such opportunity.
- Interested Directors shall not participate in the discussion or vote in the Board's proceedings or participate in any other manner in the conduct or supervision of such dealings.
- Directors shall avoid any dealing with a Contractors or Suppliers of the bank that compromises the ability to transact business on professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members / Bank.
- No Director shall hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Bank
- Directors shall not make any statement which has the effect of adverse criticism of any policy or action of the Bank or which is capable of embarrassing the relations between the Bank and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his/her official capacity or in due performance of the duties assigned to him.
- Directors shall refrain from accepting gifts, personal favors or preferential treatment, that could, in any way, influence or appear to influence, business decisions in favor of any person or organization with whom or with which the Bank has or is likely to have business dealings.
- No person can become a Director/CEO of the Bank if he/she is:
  1. A Director of any other Bank / DFI;

2. Holding substantial interest or is working as Chairman, Director, CEO, CFO, Chief Internal Auditor, Financial Advisor, Research Analyst, Trader or member (by whatever name/designation called) of a:
  - a. Exchange Company.
  - b. Stock Exchange.
  - c. Corporate Brokerage Firm/ Entity.
  - d. Credit Information Bureau
  - e. Any company/entity owned and controlled by the person mentioned at (a) to (d) above.

However, an independent Director of Pakistan Stock Exchange (PSX) can become Board Member of the Bank if he /she does not have any association with other categories mentioned above.

3. Acting, either in personal capacity and/or through firm/ company where he has substantial interest, as consultant / advisor to Bank.
4. Member of Senate, National/ Provincial Assembly or Local bodies.
5. Office bearer of any political party.

- No sponsor shareholder shall be appointed in the Bank in any capacity except as Director, CEO and/or Executive Director of the Bank, subject to compliance with FPT Criteria and other regulatory requirements.
- For the purpose of consideration and decision by the Board of Directors on any agenda item, or in respect of any other matter, if any Director has an existing or perceived conflict of interest or concern, he/she shall disclose the nature of his concern or potential interest at a meeting of the Board and the Board would take appropriate steps in accordance with the regulatory requirements in this regard and the details should be recorded in the minutes.

## Insider Trading:

- No director shall trade, directly or indirectly in shares/ securities of the Bank considering the 'price sensitive information' which they may have direct access / influence and exposure by virtue of their fiduciary position or office of profit.
- Ensure compliance with all relevant laws, regulations and Bank's policies/ framework, on prohibition of insider trading.

## Role towards Shareholders and Other Stakeholders

- Treat all shareholders/members and other stakeholders of the Bank in a fair and respectable way.
- Act in the best interests of the Bank and fulfill their fiduciary responsibilities.
- Consider the interests of all stakeholders in the success of Bank.

# OTHER POLICIES AND GUIDELINES

## Related Party Transactions Policy

The Board of Directors of the Bank has approved Related Party Transaction Policy which aims to set-up a framework, in line with the applicable laws and regulations, that not only addresses approval requirements, limitations, potential risks and pricing policy but also ensures proper and timely identification, monitoring, record maintenance, reporting and disclosure of transactions by the Bank with those persons deemed "Related Party" under the policy. The governance framework for Related Party Transaction Policy is derived from;

- The Companies Act, 2017;
- The Banking Companies Ordinance, 1962;
- Related Party Transactions and Maintenance of Related Records (RPT) Regulations – 2018;
- Listed Companies (Code of Corporate Governance) Regulations – 2019;
- State Bank of Pakistan (SBP) Prudential Regulations for Corporate and Commercial Banking;
- SBP Corporate Governance Regulatory Framework for Banks / DFIs
- SBP Prudential Returns Regarding Details of Related Parties Exposures and Transactions;
- International Financial Reporting Standards (IFRS); International Accounting Standard (IAS) 24 'Related Party Disclosures'; and
- Any other applicable law and regulations issued by SBP, Securities and Exchange Commission of Pakistan (SECP) or other authorities from time to time.

## Disclosure of Interest by Directors

Every Director who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall disclose the nature of his/her concern or interest at a meeting of the Board of Directors: Provided that a Director shall also be deemed to be interested or concerned if any of his spouse, children and parents, are so interested or concerned.

## List of Related Parties

List of related parties and the nature of their relationships with the Bank as identified under the Related Party Transactions Policy are as under;

- All Directors of the Bank.
- Group Companies including Parent, Subsidiary and Associate Companies as disclosed under Group Structure.
- Key Executives of the Bank as disclosed under the Management Team section.
- Close family members including spouse, children, dependents, siblings and lineal ascendants and descendants of Directors and Key Executives of the Bank.
- All funds managed by the ABL Asset Management Company Limited as disclosed under the Status and Nature disclosure of the consolidated financial statements and employee funds maintained by the Bank.
- Organizations controlled or jointly controlled or under significant influence of the Directors or Key Executives of the Bank or their close family members including those mentioned under the Directors' Profile section of the

## Related Party Transactions

The details of the related party transactions of the Bank are disclosed under relevant sections of the Financial Statements. The reference to these transactions is as under;

- Note 30.3 of the Financial Statements presenting the Donations made during the year 2024 to the related parties.
- Note - 42 of the Financial Statements presenting the related party transactions during the year 2024.
- Annexure III of the Financial Statements presenting the details of the fixed assets disposed of during the year 2024 to the related parties.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### OUR PHILOSOPHY

CSR vision of Your Bank "To be a socially responsible corporate citizen" delineated in its CSR policy outlines Corporate Social Responsibility objectives of Your Bank. The Policy stipulates that CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

### POLICY OBJECTIVES

Objective of the policy is to provide guidelines to align business objectives and entity's roles as responsible corporate citizen. Your Bank recognizes its obligations as responsible corporate citizen and aims to achieve following broader objectives:

- Establish a "WORKPLACE" environment to maintain balanced work life with healthcare facilities along with high ethical standards, equal employment opportunities, aided social interaction among employees and encouraged employment of persons with different abilities.
- Our working style should have positive impact on "ENVIRONMENT" promoting green banking, use of renewable energy sources, reducing carbon omissions, promoting tree plantation and change of working style, on best effort basis, from paper based to computer based and promoting green culture.
- Make our "COMMUNITY" feel our presence not only by our business interactions but also by sharing and caring, especially during the times of adversities and natural calamities and pandemics as well as expansion of the Bank's branch network to rural areas, which will help in rural development and ensuring financial inclusion.
- Strengthen "CUSTOMER RELATIONS" by ensuring satisfaction and privacy.
- Protecting Human rights, ensuring transparency, taking anti-corruption measures & curtailing money laundering, terrorist financing and proliferation financing, adopting best business practices and improving stakeholder relations through "GOVERNANCE".
- Our "BRAND" and slogans such as, "Aap kai dil main hamara account" should be known as community caring organization and not just for the profit.

The Bank's contributions towards these areas are mentioned in Corporate Sustainability Report

## Records Management and Safety Policy

The Bank has a comprehensive records management program that ensures maintenance, protection, retention and disposal of records in accordance with applicable regulations, operational needs and fiscal/legal requirements.

Record management is an organizational function to control the maintenance and disposition of organization's record. Record management ensures the valuable record evidence of an organization's activities that have legal, financial, administrative or historical value are protected and accessible while expired record is systematically destroyed. Record archiving is integral to Business Continuity Plan (BCP), including its role in data preservation, compliance and recovery.

The Bank's records are maintained in soft form as well as hard copies. The Data Backup and Recovery policy is in place for all applications and databases processing transactions and maintaining records to ensure the availability and integrity of data at all times.

Physical records are maintained both in house and at specialized external warehousing facilities as well.

## HUMAN RESOURCE MANAGEMENT POLICIES

### SUCCESSION PLANNING

Allied Leadership Talent Pipeline (ALTP) was introduced to ensure effective succession at the senior-level management. Under this program, based on individual leadership potential, young leaders were categorized in three echelons: High potential successor, Intrinsic potential successor and Extrinsic potential successor. A comprehensive training cycle based on identified individual needs in each echelon was delivered to

enhance employee leadership skills and build their capacity for senior level assignments, in coming years. Focused learning interventions were executed under ALTP through engaging in-house mentors, and external industry experts. The scope of this program was further enhanced with the introduction of Allied Leadership Recognition and Investment in Sustaining Employees (ABL RISE Program). Under ABL-RISE program, employees from Middle Management grades were assessed to identify and develop pool of future leaders. ABL-RISE program is envisioned to expand the sphere of growth of these employees and their personal development as potential leaders. Customized learning and development opportunities are provided to the selected employees under this program, to enhance their professional skills to bring excellence to their work.

## HUMAN RESOURCE DIVERSITY

Allied Bank recognises its responsibility towards sustainable economic and social development and role of a diverse human resource in achieving these goals which is also reflected in the Mission statement of the Bank.

### Gender Equality

Gender Equality has always been the corner stone of Allied Bank from the time of the Banks inception it was the torch bearer on being an equal opportunity employer to help women achieve their goals. Allied Bank has always been at the fore front to promote the female employee inclusion and supporting new initiatives that support them in general areas of life as well. Human Resource function of the Bank has taken multiple initiatives, to narrow down the gender gap and establish a conducive, harmonized gender sensitive work environment. The commitment towards bringing diversity is further augmented by the following statistics.



### Differently Aabled Person

Allied Bank as an equal opportunity employer and has always made sure that there is no room for discrimination against any Gender, Race or Person with Different abilities in line with its approved policy. A specially designed internship program leading towards permanent employment was initiated by the Human Resource function in coordination with the relevant stakeholders to improve employment experience for any person with different abilities. Furthermore, Human Resource function has conducted a comprehensive training for all employees to interact with Persons with Different Abilities (PWD). The curriculum is designed such as to explain the meaning and reasons of PWD, general guidelines to serve PWD, priority services to PWD, sign language communication with deaf persons and guidelines to deal with visually impaired/blind persons.

### Merit-Based Recruitment

At Allied Bank, we are committed to fostering a diverse and inclusive workplace by recruiting and selecting candidates based on their skills, qualifications, experience, and potential.

Our recruitment process is designed to ensure that all candidates are given an equal opportunity to succeed, irrespective of gender, ethnicity, religion, or any other personal characteristic. The key principles that guide our merit-based recruitment policy are:

1. **Transparency and Fairness:** We adopt a transparent recruitment process where all applicants are treated with fairness, integrity, and respect. Every step of the recruitment process, from job posting to selection, is conducted without bias or favouritism.
2. **Job-Related Criteria:** The selection of candidates is strictly based on the skills, qualifications, and competencies required for the specific role. We assess candidates based on their ability to contribute to the success of the organization and achieve its business objectives.
3. **Equal Opportunity:** Allied Bank ensures that all candidates have an equal opportunity to apply for open positions. We actively encourage applications from diverse groups and make reasonable accommodations to ensure accessibility for all applicants.
4. **Competency-Based Evaluation:** We use a variety of

assessment methods, including interviews, skills tests, and other relevant evaluations, to assess the competency and potential of each candidate. Our goal is to ensure that the best-suited candidate is selected for the job.

5. **Continuous Improvement:** Our recruitment process is continuously reviewed and improved to ensure that it remains aligned with the latest industry standards, legal requirements, and best practices.
6. **Commitment to Diversity and Inclusion:** Allied Bank recognizes that diversity brings value to our workplace. We are committed to ensuring that our recruitment process attracts individuals from all backgrounds and provides an environment where everyone can thrive.

By adhering to these principles, we aim to hire top talent that not only meets the requirements of the role but also enhances the collective success and growth of Allied Bank.

#### Performance-Based Appraisal System

ABL HR is fostering a high-performance culture where our employees are motivated, recognized, and rewarded for their contributions. Our Performance-Based Appraisal System is designed to provide a clear and structured process for assessing employee performance, aligning individual goals with organizational objectives, and supporting continuous development and growth.

#### Learning and Development

Allied Bank is dedicated to creating a learning environment where every employee is given the opportunity to thrive, grow, and achieve their professional goals. By investing in the continuous development of our people, we ensure that our bank remains competitive, innovative, and able to meet the challenges of a dynamic financial landscape.

Through our Learning and Development Policy, we aim to create a workforce that is not only highly skilled but also motivated, engaged, and aligned with the bank's vision for the future. We believe that the continuous growth and development of our employees are integral to the success of our organization. As a dynamic and forward-thinking institution, we are committed to providing an environment where our employees are empowered to learn, grow, and reach their full potential. Our Learning and Development Policy is designed to support this vision by offering opportunities for skill enhancement, leadership development, and career progression.

#### Employee Engagement & Feedback

We encourage open, transparent, and two-way communication between employees and management. Employees are encouraged to voice their opinions, share ideas, and provide feedback in a constructive and respectful manner. This open dialogue is essential for building trust, addressing concerns, and fostering a collaborative work environment.

ABL, we believe that feedback is a powerful tool for personal and professional growth. We have established regular feedback mechanisms, including:

- **One-on-One Meetings:** Regular interactions between employees and their managers to discuss performance, set goals, and provide feedback.
- **Employee Surveys:** Periodic surveys to gauge employee satisfaction, engagement levels, and gather suggestions for improvement.
- **360-Degree Feedback:** A comprehensive feedback process that involves input from peers, subordinates, and supervisors to provide a well-rounded assessment of

employee performance and development.

- **Pulse Surveys:** Short and frequent surveys to monitor employee sentiment and engagement on an ongoing basis.

We believe in recognizing and celebrating the hard work, achievements, and contributions of our employees. Our engagement strategy includes both formal and informal recognition programs that help employees feel valued. Whether through employee of the month awards, annual recognition events, or day-to-day acknowledgments, we ensure that all employees receive the recognition they deserve. Feedback is a critical tool for continuous improvement. At ABL, we not only collect feedback but also take actionable steps to address concerns and implement suggestions. After gathering feedback through surveys or one-on-one sessions, we communicate the changes being made and ensure employees see the impact of their input. This transparency strengthens employee trust and demonstrates our commitment to making improvements.

We value the input of our employees and involve them in decision-making processes where possible. Employee involvement leads to higher engagement and a sense of ownership in the organization's success. We encourage employees to participate in focus groups, brainstorming sessions, and other initiatives that shape the bank's policies, processes, and culture.

#### Gender Pay Gap Statement Under Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2024.

- I. Mean Gender Pay Gap: -3%
- II. Median Gender Pay Gap: -2%

(Signed by CEO on behalf of Board of Directors of the Bank)

# REMUNERATION REPORT

## Compensation Governance

Employee compensation plays an integral role in the successful delivery of the Bank's strategic objectives. Attracting and retaining the capable employees is key to the Bank's compensation strategy. The cornerstone is the concept of pay for performance within a sound risk management and governance framework and with due consideration of market factors and social values. The Bank regularly reviews and aligns human resource policies encompassing all aspects of the remuneration to the ever evolving internal and external dynamics.

The Human Resource and Remuneration Committee of the Board of Directors is entrusted with the overall governance of all areas of the Human Resource including remuneration

## Total Remuneration Structure

As part of the compensation strategy, the Bank employs a total compensation philosophy, which comprises fixed pay, variable compensation and benefits.

Element	Purpose
Fixed Pay	<ul style="list-style-type: none"> <li>• Attract and retain employees by paying market competitive pay for the role, skills and experience required.</li> <li>• This include base pay and allowances as part of monthly salary as per terms of employment.</li> </ul>
Variable Compensation	<ul style="list-style-type: none"> <li>• Drive and reward performance based on annual financial and non-financial measures consistent with the medium to long-term strategy, stakeholder interests and adherence to the Bank's values.</li> <li>• Awards vary with performance achievement and the Bank has the discretion to assess the extent to which performance has been achieved.</li> <li>• Awards are in monetary terms. A portion of the annual incentive award may be deferred and vests over a period of three years. All deferred awards are subject to malus.</li> <li>• This include annual performance award, cash award on passing Institute of Bankers Pakistan diploma and any other reward for target achievement or extraordinary performance.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• Ensure market competitiveness and provide benefits in accordance with market practice.</li> <li>• This include but not limited to medical benefits, education assistance and post-employment benefits.</li> </ul>

Bank employees are graded into 12 salary grades, from MG1 to MG12, with MG1 being the senior most and MG 12, being the junior most. The management of the Bank is further classified in the following four levels according to salary grades:

Management level	Salary Grades
Executive Management	MG1 to MG3
Senior Management	MG4 to MG6
Middle Management	MG7 to MG9
Junior Management	MG10 to MG12

The above categories may include, from time to time, Material Risk Takers (MRTs) and Material Risk Controllers (MRCs). The remuneration of employees categorized as such is based on risk-based pay structure which is referred to as 'risk-based employee's remuneration pool'. The remuneration of employees other than such categories have pay structure which is referred to as 'general employee's remuneration pool'

## Classification of Material Risk Takers (MRT) and Material Risk Controllers (MRC)

Material Risk Takers (MRTs) and Material Risk Controllers (MRCs) of the Bank are identified as functions and designations having appropriate level of authority and control within the Bank either working as regular or contractual employees. No third-party employee is designated as either MRT or MRC. Identification of MRTs or MRCs is based on designations or functions involved in critical business decision making, i.e. Chief Executive Officer, direct reportees of Chief Executive Officer, members of critical Management committees involved in business decision making and risk management. Further, relevant Group Heads and other senior level positions managing critical areas, and meeting the risk materiality and threshold criteria as approved by the Board of Directors are also designated as MRTs or MRCs respectively.

## Remuneration of Material Risk Takers (MRT) and Material Risk Controllers (MRC)

Fixed pay of MRTs and MRCs is decided based on fixed pay determination criteria for overall bank's employees and includes same components.

Variable remuneration (performance bonus) is based upon performance score calculated against defined key performance indicators and rating scores achieved by each individual. Furthermore, rating assigned to MRTs or MRCs through annual performance appraisal process against their managerial capabilities and personal traits is then clubbed together against predefined weightages to reach consolidated performance score which is used as basis for deciding variable remuneration which is adjusted against underlying risks specifically for MRTs.

MRCs are identified as functions and designations having appropriate level of authority and control duly governed by approved organograms having clearly defined independent reporting lines from the function they oversee. Organizational hierarchy of the Bank ensures segregation of roles and independence among Business, Operational support as well as Risk management.

### Basis of deferral of payment

Quantum of associated risk is considered while deciding deferred portion of variable remuneration of MRTs. Percentage as per following grid is withheld and deferred from variable remuneration of MRTs for a period of 3 years:

	High Risk	Medium Risk	Low Risk
CEO, Chiefs & Executive Management	25 %	20 %	15 %
Senior Management	20 %	15 %	12.5 %
Middle Management	15 %	12.5 %	10 %

### Assessment of Risk Factors

Risk Matrices encompassing Key Risk Indicators (KRIs) are used for assessment of major types of risks undertaken by identified MRTs. Percentage of variable remuneration of identified MRTs which has been deferred is based on quantum of respective current and future risks undertaken, assessed using Risk Matrices based on data for the current year.

# ERP ENVIRONMENT OF THE BANK

Allied Bank Limited has always been at the forefront in innovations and deploying digital technologies to increase organizational efficiency and enhancing the customers' experience. In 2006, the Bank signed an agreement with Temenos for implementation of core banking software solution to provide integrated banking solutions to the valued customers. The implementation and phased wise rollover of T24 core banking software was initiated in 2009 and completed in 2014 after successful migration of all branches. With branch network over 1,500 branches and over 9.2 million accounts across Pakistan, T24 implementation has enabled the Bank to improve the transaction time with efficiency & transparency while maintaining the security and confidentiality requirements intact. The Bank started implementation of Oracle Enterprise Business Suite in 2006 which is an integrated set of business applications for automating Customer Relationship Management (CRM), Enterprise Resource Planning (ERP) and Supply Chain Management (SCM) processes within the Bank.

Oracle E-Business Suite is being utilized to optimize internal processes by providing streamlined and effective workflows for various procurement & payment processes, fixed assets and inventory management, and the general ledger function to generate the financial statements of the Bank. Oracle Human Resource Management System is managing Human Resource activities along with access control in T24 core banking application through integration based on employee's assignment.

Regulatory controls are observed through application like Oracle Financial Crime and Compliance Management and C-link and Customer relationships are being managed through Oracle Customer Relationship Management. Oracle Financials and Oracle Business Intelligence implemented over Data Lake and Central Database assist in integrated reporting and decision making.

### Continuous Updation of ERP Applications

Regularly updating the ERP systems in rapidly changing

technologies is an important tool in ensuring that the software is adding value to the business and the objectives of bringing efficiency in the business processes are being achieved. Cognizant to this fact, the Bank has always adopted a robust approach to keep all applications upgraded to latest versions.

IT Steering Committee (ITSC) of the management is entrusted to review and recommend technology upgradation initiatives and prioritize projects for their implementation along with the required infrastructure. The capital expenditure outlay is incorporated in the annual capital expenditure budget of the Bank. Major upgradation of the ERP applications includes upgrade of Temenos T-24 core banking software to Release 16 and Oracle E-Business Suite Applications to Release 12.

### User Trainings of ERP Applications

Training and Development of employees is of utmost importance to realize the maximum benefits of investments in ERP applications. Management Development Centers (MDC) equipped with latest technologies and qualified & experienced trainers have been established to facilitate continuous training and development of the team members.

In order to facilitate the new employees in getting familiar with the Bank's technological environment including major ERP applications, tailor-made "on-boarding" programs have been designed to ensure the development of required skillset. After placement at respective positions, the Bank provides various learning opportunities to new and existing team members through the following channels.

- Internal trainings at MDCs
- External trainings by local or foreign training providers
- E-Learning resources through Bank's Portal and Mobile App.

### Management of Risk factors on ERP Projects

Enterprise Resource Planning (ERP) projects are strategic and capital intensive, so failure can be costly and may result in the waste of valuable resources including time. Because ERP is interdisciplinary (involving change management, project management and information technology management), it warrants a customized approach to enable managing the risks throughout the life cycle of implementation and operation. In order to mitigate these risks, the Bank has established a dedicated Project Management Office (PMO) division under Information Technology Group, responsible for overseeing the implementation of approved project management methodology during delivery of major technology related projects. Project Management Office works in liaison with all functions/groups initiating the request for any major technology project and assists in evaluation, approval and completion of the project ensuring the compliance with timelines.

The project management methodology is implemented by the Bank which specifies processes to be adopted for acquisition and implementation of IT Systems covering the processes required for successful delivery of major technology-related projects throughout its lifecycle. This methodology covers the detailed guidelines for following broad phases of project management;

- Project Initiation
- Project Planning
- Project Execution
- Project Monitoring & Control
- Project Closure

Project Steering Committee (PSC) is also formed for larger projects comprising of Senior Officials of the concerned Groups to monitor Project Progress and Deliverables Status at periodic intervals.

Control over ERP projects is further exercised through periodic monitoring of all major technology related projects by the IT

Steering Committee of the management which is responsible to ensure an efficient IT operating environment that supports the institution's goals and objectives.

### Assessment of System Security

The Bank has developed and implemented detailed policies and procedure guidelines for Information Assets Security Risk Management with an objective to provide an effective and efficient process for conducting Information Asset Risk Assessments and mitigating risks identified for Information Assets of the Bank as per Information Security Policy.

The Information Security Policy approved by the Board of Directors and Information Asset Risk Management Procedure Manual approved by the Risk Management Committee of the management clearly outline the scope of Information Technology resources covered and roles and responsibilities of each of the function of the Bank. The Information Security Policy of the Bank provides detailed guidance on Secure use of Information Assets, Passwords, High Privilege User IDs, Access Control, Data Backup and Retention, Network and System Security, Log Review and other related matters on Information Security Management.

In order to ensure that related controls as outlined by the approved policies and procedure manuals, are working effectively as per design, continuous monitoring and periodical assignments are carried out by internal functions and external consultants. List of major activities include;

- Continuous monitoring of Application Logs and reporting of Information Security Incident through dedicated Security Operations Center (SOC).
- Periodically performing Vulnerability Scanning and Penetration Testing both internally and externally.
- Conducting Comprehensive Security Risk Assessment exercise and maintaining Risk Register of all information assets held by the Bank.
- Information Systems Audit by Internal Audit Function.

A group of hikers is seen from behind, walking along a rocky, sandy trail in a high-altitude mountain range. They are wearing large backpacks, some in green and others in blue, and using trekking poles. The terrain is rugged and rocky, with large boulders scattered across the path. In the background, majestic, snow-capped mountain peaks rise against a bright blue sky with scattered white clouds. The overall scene conveys a sense of adventure and exploration in a challenging environment.

# IT GOVERNANCE AND CYBERSECURITY



# IT GOVERNANCE AND CYBERSECURITY

## Board of Directors' Policy Statement on IT Governance and Information Security

The responsibility for the IT Governance and Information Security at the Bank rests with the Board of Directors. The E-Vision Committee of the Board assists the Board of Directors to discharge its responsibilities related to addressing Cybersecurity Risks and overall Information Technology Governance. The Board of Directors sets the tone and direction for the Bank's use of technology. Board of Directors are responsible for the following;

Review and approve an IT governance framework to ensure that the Bank's IT supports and enables the achievement of the corporate strategies and objectives.

- Review and approve "IT Strategy", "Cyber Security Strategy" and "Digital Strategy" in line with the business strategy of the Bank and monitor & update the same on regular basis keeping in view potential opportunities and

- threats.
- Establish an efficient and effective IT organization structure in line with the IT governance framework.
- Ensure that technology risks are integrated with the enterprise risk management function to achieve security, reliability, resiliency, interoperability and recoverability of data/information and information assets.
- Approve all technology-related policies and review the same periodically in light of major technological/regulatory developments at least after every three (03) years.
- Ensure maintenance of an independent and effective technology audit function commensurate with the complexity of the Bank's technology risk profile.
- Ensure that resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled.
- Ensure that the skills required for technology governance, service delivery, information security and risk management are sufficient and up-to-date.

## Cybersecurity Best Practices



- Approve and receive periodic updates on major technology-related projects that may have significant impact on the Bank's operations, earnings or capital. Further, the Board of Directors also defines the criteria for major projects.

## IT Governance and Cybersecurity Programs and Policies

Information Technology governance is an integral part of the Bank's Corporate Governance Framework consisting of the leadership and organizational structures to ensure the alignment of IT strategy with business strategy, optimization of resources, value delivery and performance measurement to achieve business objectives. The purpose of the IT Governance is to ensure the safety of the Bank's information assets and technological infrastructure from internal and external threats including the cybersecurity risks. The technology framework of the Bank is governed by the SBP guidelines contained in the Enterprise Technology Governance & Risk Management Framework for Financial Institutions issued vide BPRD Circular No. 05 dated May 30, 2017. The Bank has formulated Information Technology Governance Policy and Information Security Policy which are reviewed and updated at-least after every three (03) years and Business Continuity Plan which is reviewed and updated at-least annually. These policies and plans cover the following areas:

- Information / Cybersecurity
- Services delivery & operations management
- Project management, acquisition, development & implementation of technology solutions/systems
- Business Continuity and Disaster Recovery

The Bank's Information Security Policy has laid down detailed guidelines on use of various technology mediums and covers the following;

- Information/cyber security awareness and training
- Audit and accountability
- System configuration management
- Identification, authentication, access management
- Information security incident management / incident response
- System maintenance
- Information and data protection
- Risk management
- Security assessment
- Information systems and communications security
- Cryptographic controls
- Information integrity
- IT asset management
- System acquisition development & maintenance
- Information security policy for outsourcing
- Business continuity and disaster recovery

## Risk Oversight Function on Cybersecurity

Cybersecurity and cyber risks have become a corporate governance issue as financial institutions have come under scrutiny of regulators on the backdrop of increased threat to data, processes and systems. Apart from the financial cost of cybercrime, a cyber incident can damage corporate reputation, brands and market value. Therefore, cybersecurity is an integral component of the Bank's broader enterprise-wide risk management structure. The Board of Directors is charged with overseeing the Bank's cybersecurity risk.

The Board of Directors plays an active oversight role to understand emerging and constantly changing legal and regulatory environments. The Board of Directors has put in place an appropriate Management Information System (MIS) to oversee the management's effort for implementation of IT strategy and business plan, exception from board-approved IT

policies and progress on major IT projects. The Management's IT Steering Committee has been tasked to periodically report to the Board of Directors on the latest developments on cyber security action plan, its implementation status, a summary report on major threats, attacks faced by the Bank and their estimated impact on its operations. IT Steering Committee also reports Information / Cybersecurity related matter to the E-Vision Committee of the Board for their review. Information Security Function of Risk Management Group is responsible to record and document all security breach incidents and report these to the Management and the Board of Directors.

## Administration of IT Governance and Cybersecurity matters

E-Vision Committee of the Board assists the Board of Directors to discharge their responsibilities related to oversight of IT Governance and Cyber Security matters. The committee's terms of reference include;

- To ensure that Risk Management strategies are designed and implemented to achieve resilience, respond to wide-scale disruptions, including cyber-attacks and attacks on multiple critical infrastructure.
- To periodically review the information security governance initiatives and risk assessments.

The role of Board of Directors in IT Governance not only involves providing leadership direction for IT in the Bank but also ensuring that given directions are being followed in true spirit. In order to ensure good IT Governance, the Board performs the following:

- Review and approve "IT Strategy", "Cyber Security Strategy" and "Digital Strategy" in line with the business strategy of the bank and monitor and update the same on regular basis keeping in view potential opportunities and threats.
- Ensure that technology risks are integrated with the enterprise risk management function to achieve security, reliability, resilience, interoperability and recoverability of data/information and information assets.
- Approve all technology-related policies and review the same periodically in light of major technological/regulatory developments at least after every three (03) years.
- Ensure maintenance of an independent and effective technology audit function commensurate with the complexity of Bank's technology risk profile.
- Ensure that resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled.
- Ensure that skills required for technology governance, service delivery, information security and risk management are sufficient and up-to-date.
- Define criteria for major projects and approve and receive periodic updates on major technology-related projects that may have significant impact on the Bank's operations, earnings or capital.

## Management of Cybersecurity Risks and Incidents

As the potential for cyber-attacks against the banking sector grows, the importance of an Early Warning System, as part of overall Information Security Control environment, that enables to prevent cyber issues such as security breaches before they happen, has grown manifold over recent years. The early warning system of Allied Bank comprises of;

- Development of cyber security action plan to proactively address the likely cyber-attacks in order to anticipate, withstand, detect, and respond to cyber-attacks in line with international standards and best practices.
- Implementation of automated solutions to monitor and

# IT GOVERNANCE AND CYBERSECURITY

- proactively track cyber-attacks.
- Log reviews comprising reviews of actions of privileged users, invalid logical access attempts and changes to identification and authentication mechanisms.
- Penetration testing periodically and upon any significant change in infrastructure.
- Vulnerability assessments periodically and upon any significant change in infrastructure.
- Change detection mechanism for Cardholder Data Environment and other critical systems to alert personnel to unauthorized modification of critical system files, configuration files.
- Collaboration with industry for the purpose of collecting and exchanging timely information that may facilitate in detection, response, resumption and recovery of systems.
- Establishment of Security Operations Center which works round the clock to monitor and detect any threats or breaches on the Information Assets of the Bank.

Employees are made responsible to report Security Incidents to their line management, Information Technology function, and Information Security function as soon as they know about the incident. Security breach incidents are monitored, documented and reported to the Board of Directors, senior management and to the regulator as per regulatory requirement on prescribed reporting template.

## Independent Comprehensive Security Assessment

The Bank undertakes independent third-party cybersecurity risk assessment to protect its information and information systems from cyber threats. The purpose of an independent cybersecurity risk assessment is to identify, assess, and prioritize risks to information and information systems by engaging external consultants having sufficient experience in Information Security Assessment and Penetration Testing. The Bank's policy on independent security assessments are;

- For Cardholder data environment, quarterly external network vulnerability scans shall be performed by an Approved Scanning Vendor (ASV) qualified by Payment Card Industry (PCI) Data Security Standard (DSS).
- Bank shall arrange 3rd party penetration testing once in a year or upon any significant change in infrastructure.

## Contingency and Disaster Recovery Plan

Businesses across the globe cannot deny the importance of having an effective well tested business continuity and disaster recovery plan in order to recover from severe disruptions either manmade or natural, and ensure the recovery of critical business processes to safeguard its infrastructure and its customers

interests. Cognizant to this fact, the Bank has prepared a Business Continuity and Disaster Recovery Plan for its business-critical systems including;

- Core Banking Systems
- Digital Banking Channels
- Hardware Security Module, Communications and other necessary infrastructure including system and storages.

The Business Continuity and Disaster Recovery Plan outlines specific preparation prior to the disaster and response procedures immediately after the disaster. The Bank has formed a Disaster Recovery Authority responsible for allocating resources for recovery planning, supervising the recovery initiative and recovery procedure after the activation of Disaster Recovery Plan. The Disaster Recovery Authority is organized in a manner to coordinate the recovery efforts with clearly defined roles and responsibilities.

The Bank has also established its Disaster Recovery / Alternate site for providing Information Technology related services. To review the efficacy of its disaster recovery procedure, the Bank annually conducts one-week long DR exercise to assess the strength, availability and monitor the robustness of Disaster Recovery site. During this tenure all operations are served from alternate site which acts as a primary site.

## Augmentation of Technological Advances

The Bank has continued to make significant advancement in fulfilling the requirements of its stakeholders using state of the art technology and by enhancing its digital footprint so that stakeholders are provided with all "digital and networked banking services" in transparent and secure way.

In order to support data driven business decisions for customers, the Bank by using Big Data technologies has created Data Lake comprising of structured and unstructured data. The Bank is also working with multiple Data Science companies to capitalize on

the investment of Big Data for implementing multiple use cases through machine learning models, and in turn, improve and personalize customer experiences.

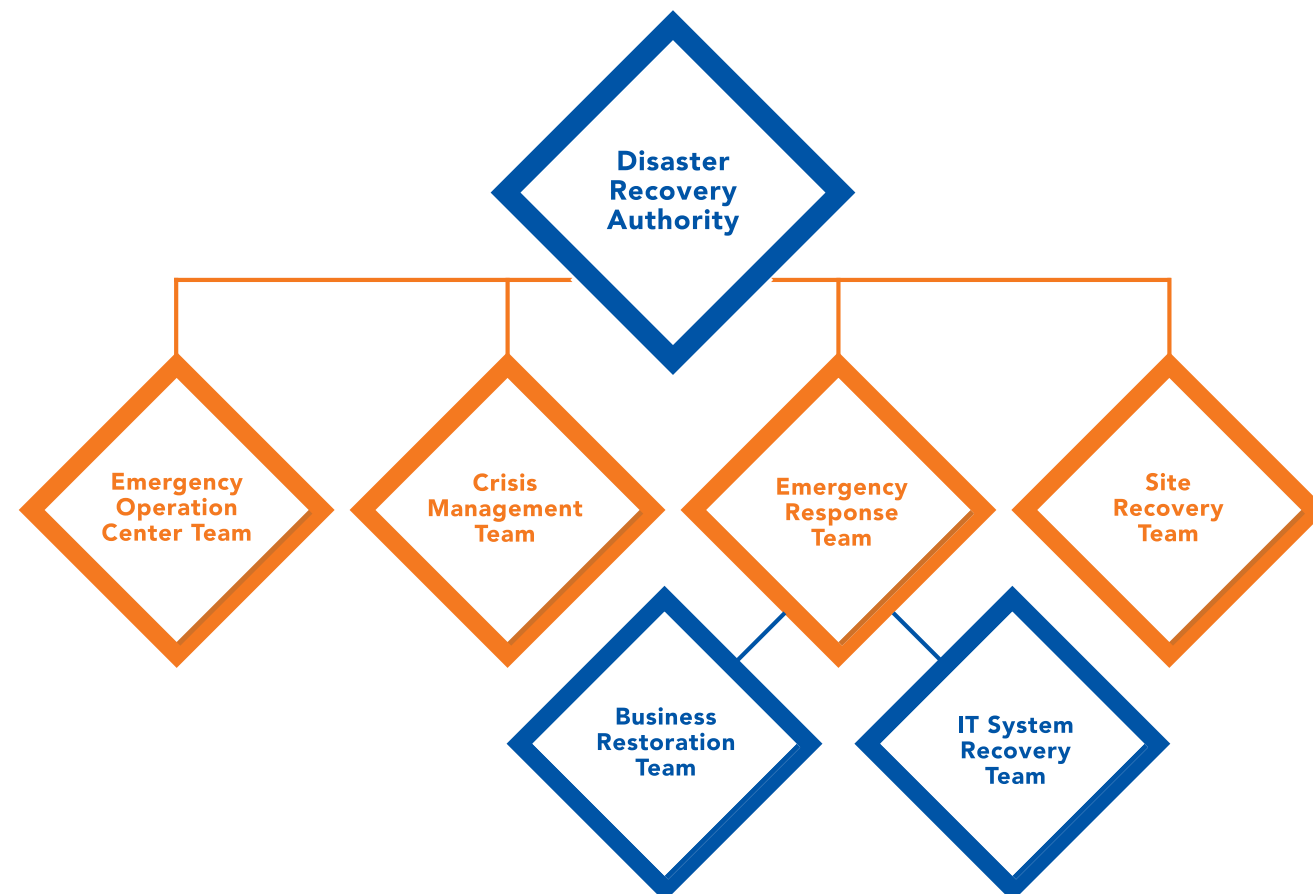
The Bank has already implemented multiple use cases on "Robotic Process Automation Solution" and is exploring further use cases for automation to for improve operational efficiency, control and cost saving.

Allied Bank is among the first 3 banks who have volunteered for Pakistan Banking Association initiative in implementing blockchain based e-KYC, which is customer information sharing platform among the member banks. In the first phase, shared information will be transparently viewed and updated by the banks to perform customer KYC.

## Education and Training on Cybersecurity Risks

Cybersecurity risks are continuously evolving as the constant focus on digitalization of the financial sector has resulted in shift of financial transaction from conventional means to digital channels. These ever-evolving cyber risks requires continuous education and training of relevant stakeholders specially employees and customers to address these risks. The Management's IT Steering Committee reviews and determines the adequacy of the Bank's training plan including information / cyber security training for the employees. Major initiatives taken during the year for training of employees, customers and general public, are;

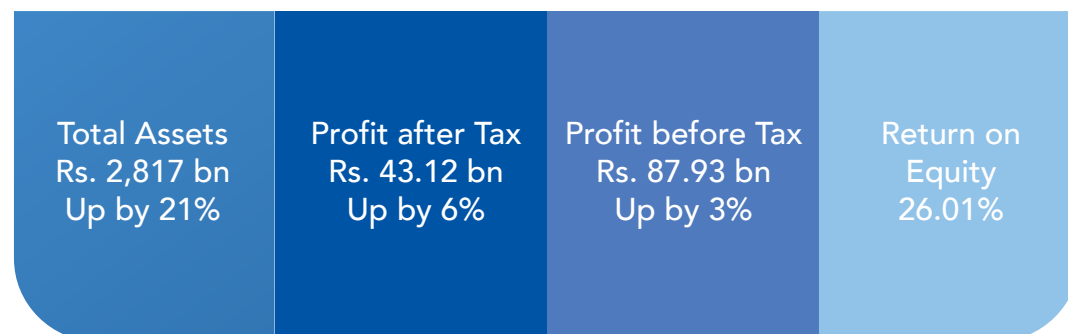
- Issuance of monthly "Security News Bulletin" for education of employees
- Training programs for employees on Information Security Awareness
- SMS Alerts to customers on security of Confidential Information
- Social Media campaigns for general public on Security Awareness



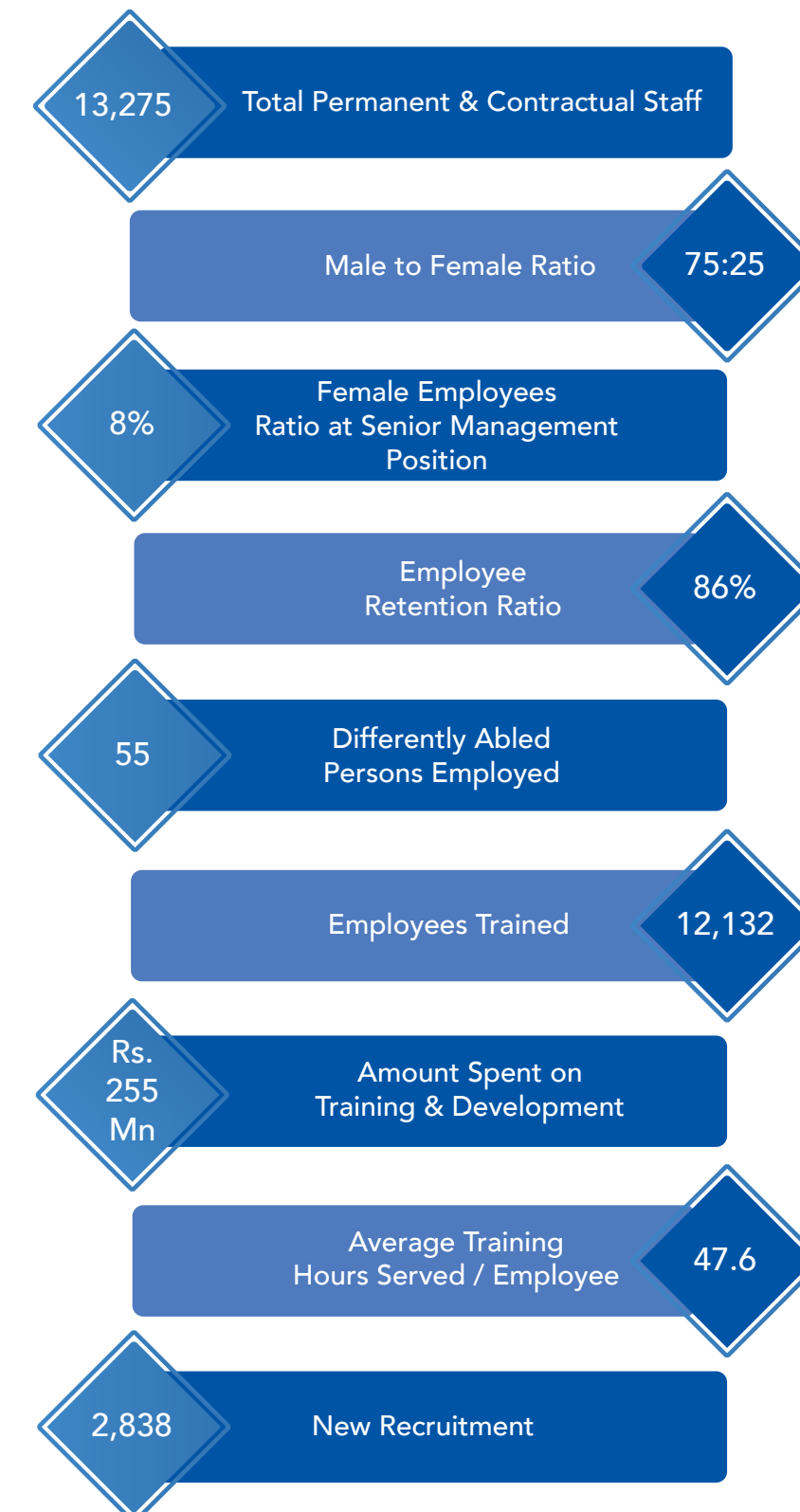


PERFORMANCE  
AND POSITION

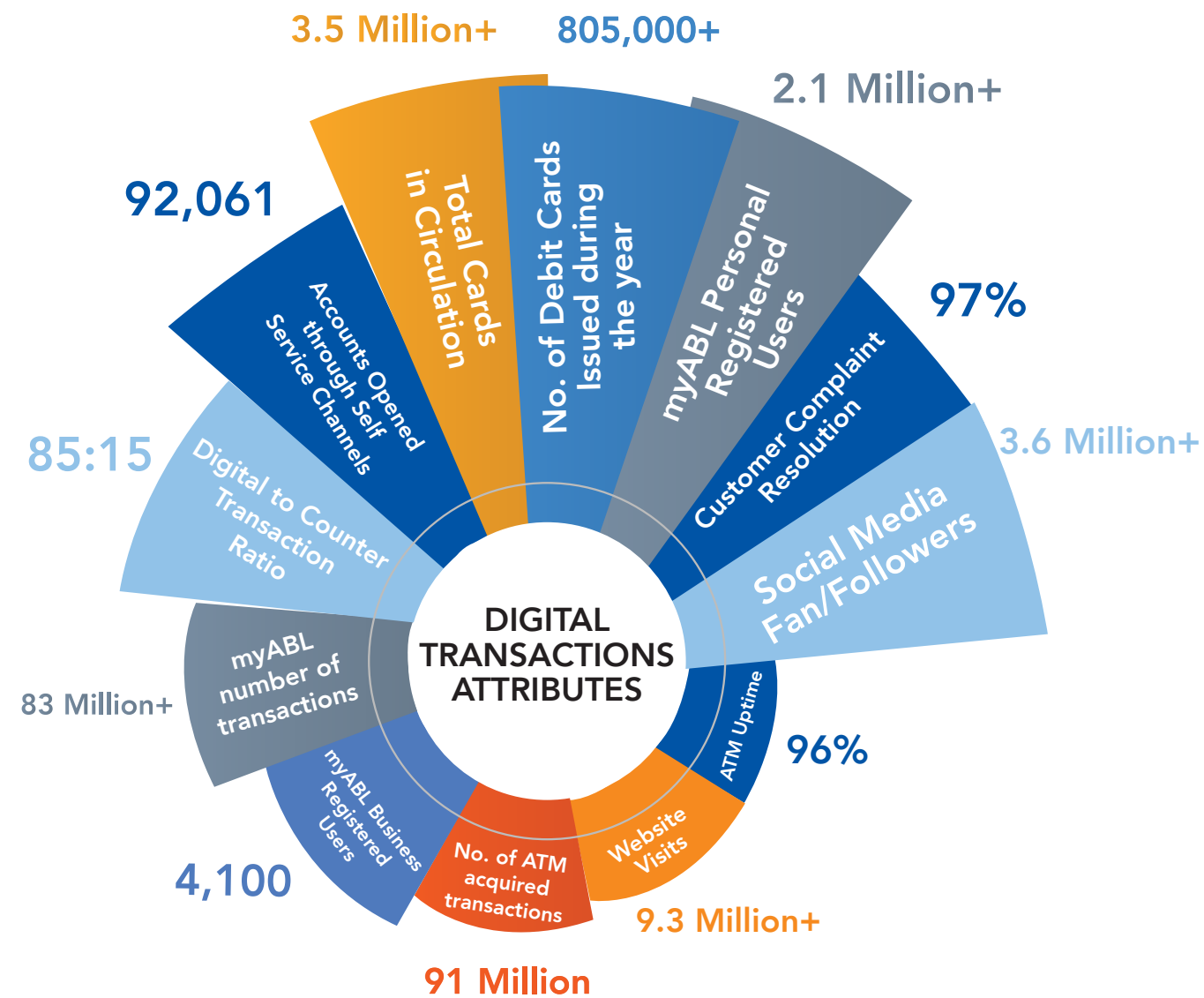
# HIGHLIGHTS OF 2024



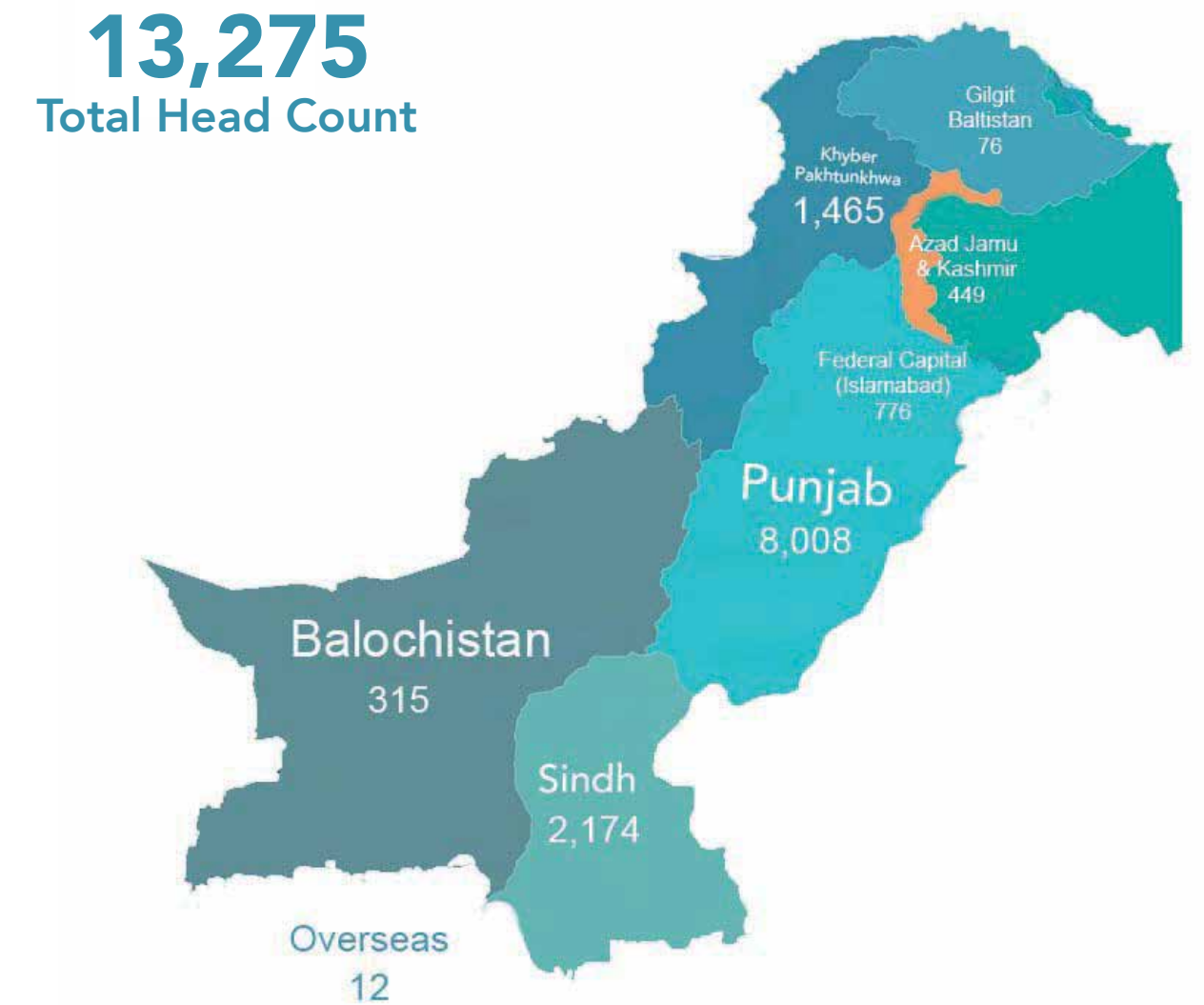
# NON-FINANCIAL INFORMATION HUMAN RESOURCE ATTRIBUTES



# NON-FINANCIAL INFORMATION DIGITAL TRANSACTION ATTRIBUTES



# NON-FINANCIAL INFORMATION GEOGRAPHICAL POSITIONING OF HUMAN RESOURCE CAPITAL



# ANALYSIS OF NON-FINANCIAL PERFORMANCE

## Human Capital

Human resource capital remains the key asset to our success. Human resource management continues to be the top priority for the Bank and is designed in such a way to motivate our employees to pursue goals that will enable the Bank to achieve its strategic goals. Key statistics of our human resource as compared to last year are as under:

	2024	2023
Staff Strength	13,275	12,528
New Recruitment	2,838	2,346
Number of Employees Trained	12,132	11,006
Investment in Training & Development	Rs. 254.84 million	Rs. 230.59 million
Promotions	1,306	1,153
Number of Female Staff	3,264	2,734
Female Staff to Total Staff Ratio	25%	22%

## Intellectual Capital

8 decades of banking services	Strong Governance	Trustworthy Brand Name
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Intangibles associated with the Bank - culture, ethics, values, organizational knowledge, systems, procedures and brand value. These intangibles, while not reflected in the balance sheet, are indeed the real assets of the Bank.

	2024	2023
Governance Rating	CGR 9++	CGR 9++
Technology Infrastructure	<ul style="list-style-type: none"> <li>New corporate website has been launched with new advanced features.</li> <li>Commercial launch of POS Merchant Acquiring Business to step into Digital Payment Acceptance space and drive Financial Inclusion.</li> <li>Allied Bank partnered with Haball, a leading digital supply chain solutions provider.</li> </ul>	<ul style="list-style-type: none"> <li>Talking ATM for visually impaired customers.</li> <li>Introduced FCY debit card for exporters.</li> <li>Financial transactions through WhatsApp Banking.</li> <li>World class Customer Relationship Management (CRM)</li> </ul>

## Manufactured Capital

Capital Expenditure	Branches including sub-branches	ATMs
Rs. 22,790 million	1,510	1,604

Manufactured capital consists of our physical branch network and other tangible and intangible items that support our operations outreach such as equipment, IT systems and network.

During the year, the Bank has expanded its network by 27 branches.

The banking model is in gradual transformation from traditional banking to digital era. Hence, to cater to the growing segment of millennials among our customers, the Bank has been continuously investing in the digital banking platforms. We are increasing our digital touch points at a steady pace, providing our customers transactional convenience while ensuring financial security.

	2024	2023
Branches	1,510	1,483
ATMs - Onsite	1,356	1,312
ATMs - Offsite	243	249
Mobile ATMs	5	5

## Social and Relationship Capital

No. of Customers	Dividend to Shareholders (Rs. in million)	CSR Funds (Rs. in million)
9.2 million	18,321	186

Bank values its stakeholders and remained cognizant of its responsibilities towards the society. Analysis of social and relationship capital as compared to last year is as follows:

	2024	2023
No. of Customers	9.2 million+	7.9 million+
Complaint Resolution	97%	98%
Website Visits	9.3 million+	10 million +
Social Media Fan Following/ Subscribers	3.6 million+	2.2 million +
Internet Banking Customers	2.1 million+	1.6 million +
Tree Plantation	100,000+	100,000+

# SIX YEARS VERTICAL ANALYSIS

## Statement of Financial Position

	2024		2023		2022		2021		2020		2019	
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%

ASSETS												
Cash & Balances with Treasury & Other Banks	156,732	6%	158,592	7%	91,353	4%	125,310	6%	135,628	9%	120,546	8%
Lending to financial institutions	243,541	9%	9,418	1%	28,222	1%	45,453	3%	17,996	1%	13,607	1%
Investments- Net	1,129,874	40%	1,150,318	49%	1,123,117	50%	1,064,495	53%	829,621	52%	757,957	51%
Advances - Net	1,051,314	37%	781,597	33%	845,640	38%	652,890	32%	496,432	31%	485,016	33%
Operating Fixed assets	138,681	5%	125,475	5%	84,442	4%	80,871	4%	76,246	5%	64,084	4%
Other assets	96,826	3%	103,916	5%	78,198	3%	41,138	2%	34,535	2%	39,911	3%
<b>Total Assets</b>	<b>2,816,968</b>	<b>100%</b>	<b>2,329,316</b>	<b>100%</b>	<b>2,250,972</b>	<b>100%</b>	<b>2,010,157</b>	<b>100%</b>	<b>1,590,458</b>	<b>100%</b>	<b>1,481,121</b>	<b>100%</b>

LIABILITIES												
Bills payable	14,502	1%	9,322	1%	14,160	1%	10,060	1%	9,622	1%	7,879	1%
Borrowings	462,023	16%	373,674	16%	530,414	24%	420,006	21%	193,928	12%	266,448	18%
Deposits	2,018,395	72%	1,676,623	72%	1,522,297	68%	1,413,295	70%	1,216,678	76%	1,049,043	71%
Other liabilities	88,147	3%	75,443	3%	56,290	3%	39,551	2%	38,670	2%	42,400	2%
<b>Total Liabilities</b>	<b>2,583,067</b>	<b>92%</b>	<b>2,135,062</b>	<b>92%</b>	<b>2,123,161</b>	<b>94%</b>	<b>1,882,912</b>	<b>94%</b>	<b>1,458,898</b>	<b>92%</b>	<b>1,365,770</b>	<b>92%</b>

NET ASSETS	233,901	8%	194,254	8%	127,811	6%	127,245	6%	131,560	8%	115,351	8%
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EQUITY												
Share capital	11,451	1%	11,451	1%	11,451	1%	11,451	1%	11,451	1%	11,451	1%
Reserves	42,461	1%	37,961	1%	31,435	1%	26,784	1%	24,277	1%	22,270	1%
Un - appropriated profit	123,361	4%	104,802	4%	79,653	4%	69,471	3%	66,995	4%	55,821	4%
Surplus on revaluation of assets	56,628	2%	40,040	2%	5,272	0%	19,539	1%	28,837	2%	25,809	2%
<b>Total Equity</b>	<b>233,901</b>	<b>8%</b>	<b>194,254</b>	<b>8%</b>	<b>127,811</b>	<b>6%</b>	<b>127,245</b>	<b>6%</b>	<b>131,560</b>	<b>8%</b>	<b>115,351</b>	<b>8%</b>

## Profit and Loss Account

Interest / Return / Non Interest Income earned												
Markup / Return / Interest earned	376,760	93%	357,307	94%	215,469	91%	118,649	88%	110,547	90%	122,637	92%
Fee, Commission & Brokerage	14,081	3%	10,641	3%	8,147	3%	6,811	5%	5,441	4%	5,092	4%
Foreign Exchange Income	6,679	2%	9,167	2%	7,948	3%	1,973	2%	1,664	2%	1,992	1%
Gain on securities and Dividend income	6,462	2%	4,388	1%	4,487	2%	6,485	5%	5,076	4%	3,404	3%
Other income	758	0%	231	0%	93	0%	669	0%	362	0%	403	0%
Non-markup Income	27,980	7%	24,427	6%	20,675	9%	15,938	12%	12,543	10%	10,891	8%
<b>Total Income</b>	<b>404,740</b>	<b>100%</b>	<b>381,734</b>	<b>100%</b>	<b>236,144</b>	<b>100%</b>	<b>134,587</b>	<b>100%</b>	<b>123,090</b>	<b>100%</b>	<b>133,528</b>	<b>100%</b>

Markup / Return / Interest and Non Interest Expense												
Markup / Return / Interest expensed	(261,537)	-65%	(244,028)	-64%	(148,750)	-63%	(73,062)	-54%	(62,126)	-50%	(81,130)	-61%
Operating expenses	(57,880)	-14%	(48,888)	-13%	(40,923)	-17%	(33,886)	-25%	(30,472)	-26%	(27,555)	-21%
Donations	(105)	0%	(84)	0%	(107)	0%	(60)	0%	(133)	0%	(55)	0%
Non-markup Expense	(57,985)	-14%	(48,972)	-13%	(41,030)	-17%	(33,946)	-25%	(30,605)	-25%	(27,610)	-20%
Reversals / (Provisions)	2,710	1%	(2,977)	-1%	262	0%	812	1%	(844)	-1%	(547)	0%
Taxation	(44,812)	-11%	(45,074)	-11%	(25,433)	-11%	(11,077)	-8%	(11,486)	-9%	(10,129)	-8%
Total expense - percentage of total income	(361,624)	-89%	(341,051)	-89%	(214,950)	-91%	(117,274)	-87%	(105,061)	-85%	(119,416)	-89%
<b>Profit / (Loss) after taxation</b>	<b>43,116</b>	<b>11%</b>	<b>40,683</b>	<b>11%</b>	<b>21,194</b>	<b>9%</b>	<b>17,313</b>	<b>13%</b>	<b>18,029</b>	<b>15%</b>	<b>14,112</b>	<b>11%</b>

# SIX YEARS HORIZONTAL ANALYSIS

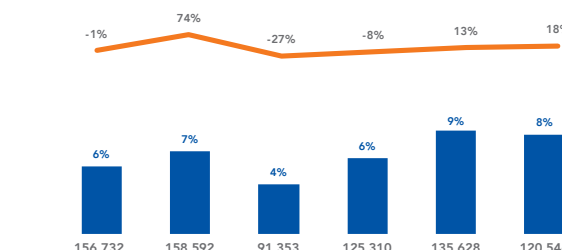
## Statement of Financial Position

	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18
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Other liabilities	88,147	17%	75,443	34%	56,290	42%	39,551	2%	38,670	-9%	42,400	68%
<b>Total Liabilities</b>	<b>2,583,067</b>	<b>21%</b>	<b>2,135,062</b>	<b>1%</b>	<b>2,123,161</b>	<b>13%</b>	<b>1,882,912</b>	<b>29%</b>	<b>1,458,898</b>	<b>7%</b>	<b>1,365,770</b>	<b>10%</b>
<b>NET ASSETS</b>	<b>233,901</b>	<b>20%</b>	<b>194,254</b>	<b>52%</b>	<b>127,811</b>	<b>0%</b>	<b>127,245</b>	<b>-3%</b>	<b>131,560</b>	<b>14%</b>	<b>115,351</b>	<b>7%</b>
<b>EQUITY</b>												
Share capital	11,451	0%	11,451	0%	11,451	0%	11,451	0%	11,451	0%	11,451	0%
Reserves	42,461	12%	37,961	21%	31,435	17%	26,784	10%	24,277	9%	22,270	10%
Un - appropriated profit	123,361	18%	104,802	32%	79,653	15%	69,471	4%	66,995	20%	55,821	6%
Surplus on revaluation of assets	56,628	41%	40,040	659%	5,272	-73%	19,539	-32%	28,837	12%	25,809	12%
	<b>233,901</b>	<b>20%</b>	<b>194,254</b>	<b>52%</b>	<b>127,811</b>	<b>0%</b>	<b>127,245</b>	<b>-3%</b>	<b>131,560</b>	<b>14%</b>	<b>115,351</b>	<b>7%</b>
<b>Profit and Loss Account</b>												
<b>Interest / Return / Non Interest Income earned</b>												
Markup / Return / Interest earned	376,760	5%	357,307	66%	215,469	82%	118,649	7%	110,547	-10%	122,637	67%
Fee, Commission & Brokerage	14,081	32%	10,641	31%	8,147	20%	6,811	25%	5,441	7%	5,092	17%
Foreign Exchange Income	6,679	-27%	9,167	15%	7,948	303%	1,973	19%	1,664	-16%	1,992	32%
Gain on securities and Dividend income	6,462	47%	4,388	-2%	4,487	-31%	6,485	28%	5,076	49%	3,404	-34%
Other income	758	228%	231	148%	93	-86%	669	85%	362	-10%	403	60%
Non-markup Income	27,980	15%	24,427	18%	20,675	30%	15,938	27%	12,543	15%	10,891	-4%
<b>Total Income</b>	<b>404,740</b>	<b>6%</b>	<b>381,734</b>	<b>62%</b>	<b>236,144</b>	<b>75%</b>	<b>134,587</b>	<b>9%</b>	<b>123,090</b>	<b>-8%</b>	<b>133,528</b>	<b>58%</b>
<b>Markup / Return / Interest and Non Interest Expense</b>												
Markup / Return / Interest expensed	(261,537)	7%	(244,028)	64%	(148,750)	104%	(73,062)	18%	(62,126)	-23%	(81,130)	97%
Operating expenses	(57,880)	18%	(48,888)	19%	(40,923)	21%	(33,886)	11%	(30,472)	11%	(27,555)	18%
Donations	(105)	25%	(84)	-21%	(107)	78%	(60)	-55%	(133)	142%	(55)	-51%
Non-markup Expense	(57,985)	18%	(48,972)	19%	(41,030)	21%	(33,946)	11%	(30,605)	11%	(27,610)	18%
Reversals / (Provisions)	2,710	-191%	(2,977)	-1236%	262	-68%	812	-196%	(844)	54%	(547)	-150%
Taxation	(44,812)	-1%	(45,074)	77%	(25,433)	130%	(11,077)	-4%	(11,486)	13%	(10,129)	24%
Total expense - percentage of total income	(361,624)	6%	(341,051)	59%	(214,950)	83%	(117,274)	12%	(105,061)	-12%	(119,416)	67%
<b>Profit / (Loss) after taxation</b>	<b>43,116</b>	<b>6%</b>	<b>40,683</b>	<b>92%</b>	<b>21,194</b>	<b>22%</b>	<b>17,313</b>	<b>-4%</b>	<b>18,029</b>	<b>28%</b>	<b>14,112</b>	<b>10%</b>

# STATEMENT OF FINANCIAL POSITION

## Six Years Horizontal & Vertical Performance Highlights

2024	2023	2022	2021	2020	2019
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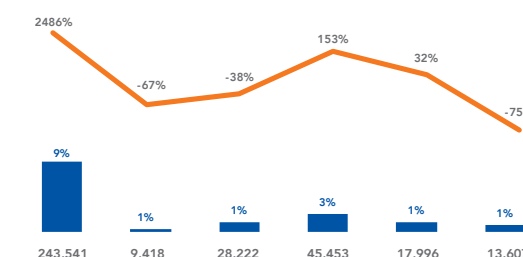
CAGR for the last six years-annualized is 7%

Cash and balances with Treasury banks decreased by Rs. 9,368 million or 6%, mainly on account of lower Current account balances maintained NBP by Rs. 12,987 million, partially offset by higher Current account balances maintained with SBP and Cash in hand by Rs. 4,068 million and Rs. 2,236 million respectively.

### ASSETS

#### Cash & Balances with Treasury & Other Banks

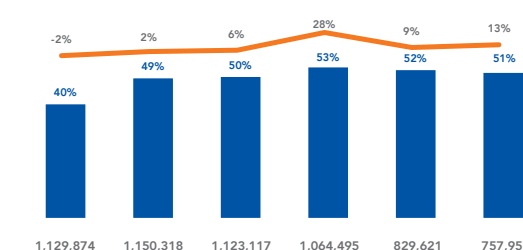
#### Lendings to Financial Institutions



CAGR for the last six years-annualized is 29%

Lendings to financial institutions increased by Rs. 234,123 million from December 31, 2023 mainly due to increase in Repo lendings by Rs. 227,523 million.

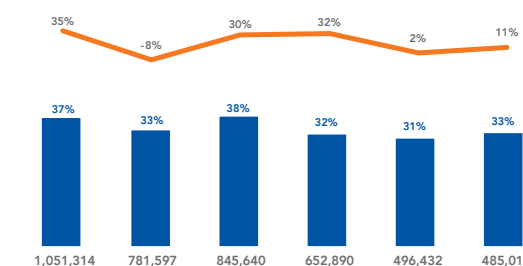
#### Investments - Net



CAGR for the last six years-annualized is 9%

Decrease in investments by Rs. 20,444 million mainly pertains to decrease in Pakistan investments bonds by Rs. 186,888 million, partially offset by increase in Treasury bills and Sukuk bonds by Rs. 78,195 million and Rs. 65,875 million respectively.

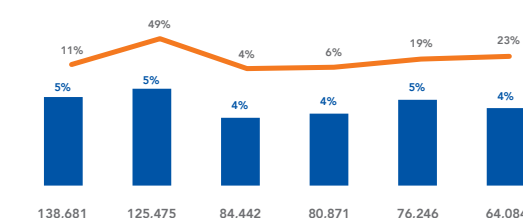
#### Advances - Net



CAGR for the last six years-annualized is 16%

Increase in net Advances by Rs. 269,717 million mainly pertains to higher Demand finance by Rs. 482,767 million, partially offset by lower Commodity operations finance by Rs. 135,254 million and Working capital finance by Rs. 31,941 million.

#### Fixed Assets (including Intangible Assets)



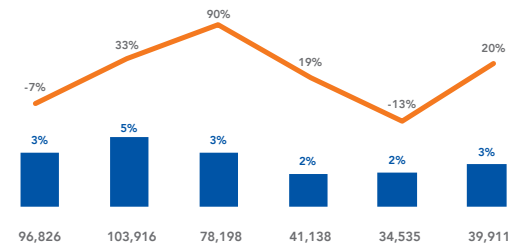
CAGR for the last six years-annualized is 18%

Fixed assets, including intangibles and Right-of-Use asset, increased by Rs. 13,206 million. During the year, major additions in Electrical, office and computer equipment and leasehold land amounts to Rs. 7,436 million and Rs. 4,875 million respectively.

# STATEMENT OF FINANCIAL POSITION

2024	2023	2022	2021	2020	2019
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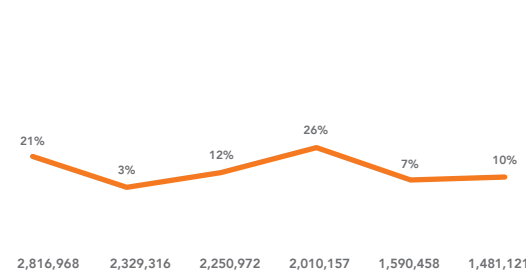
## Other Assets (Including Deferred Tax Assets)



**CAGR for the last six years-annualized is 19%**

There is 7% decrease in the Other Assets mainly on account of Markup accrued which increased by Rs. 7,299 million.

## Total Assets

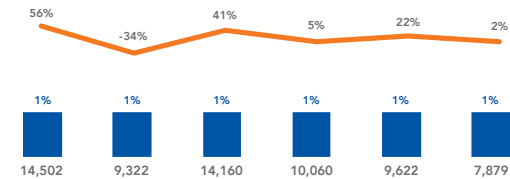


**CAGR for the last six years-annualized is 13%**

Total Assets of the Bank have increased by Rs. 487,652 million from December 31, 2023 position. Main increase is witnessed in Advances, Lendings to financial institutions, Operating fixed assets (including Right of use assets and Intangible assets) and Balances with other banks by Rs. 269,717 million, Rs. 234,123 million, Rs. 13,206 million and Rs. 7,509 million respectively; partially offset by decrease in Investments, Cash & balances with treasury banks, Deferred tax assets and Other Assets (mainly on account of lower accrued markup of Rs. 7,720 million), which are lower by Rs. 20,444 million, Rs. 9,368 million and Rs. 3,822 million and Rs. 3,269 million respectively.

## LIABILITIES

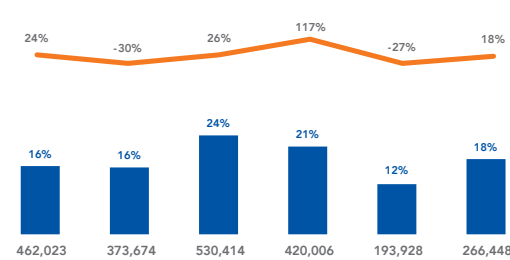
### Bills Payable



**CAGR for the last six years-annualized is 11%**

There is 56% increase in Bills Payable

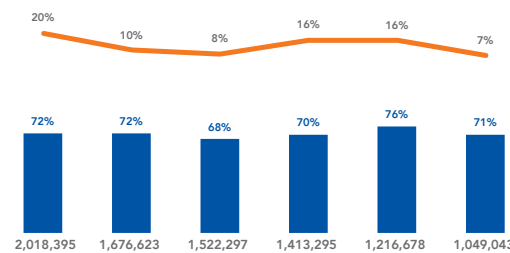
### Borrowings



**CAGR for the last six years-annualized is 13%**

Bank Borrowings have increased by Rs. 88,349 million or 24% from Rs. 373,674 million as at December 31, 2023 to Rs. 462,023 million as at December 31, 2024 mainly due to increase in Repo borrowing by Rs. 112,489 million.

### Deposits and other accounts



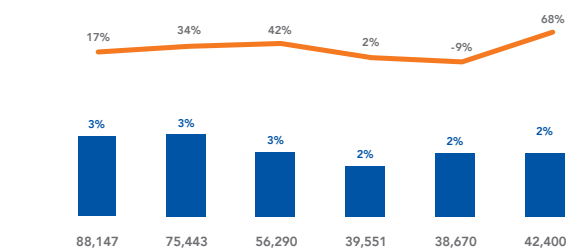
**CAGR for the last six years-annualized is 13%**

Outstanding deposits as at December 31, 2024 were higher than December 31, 2023 by Rs. 341,772 million i.e., 20.4%, higher than industry growth of 8.8%. Percentage of high-cost Corporate deposits was improved to 15% from 18% compared to December 31, 2023. Moreover, Deposits market share was improved to 6.67% compared to 6.02% in December 31, 2023.

## Six Years Horizontal & Vertical Performance Highlights

2024	2023	2022	2021	2020	2019
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## Other Liabilities (Including Deferred Tax Liabilities)

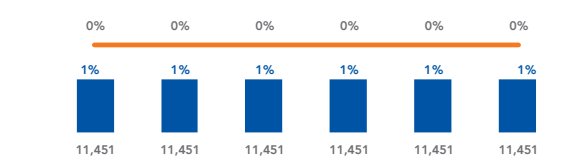


**CAGR for the last six years-annualized is 23%**

Deferred Tax Asset (DTA) decreased by Rs. 13,652 million from December 31, 2023; mainly attributable to Deferred Tax Liability (DTL) arising on Surplus on revaluation of securities classified under FVOCI portfolio amounting to Rs. 17,346 million, partially offset by, increase in Deferred Tax Asset on advances, investments etc. and Workers' Welfare Fund of Rs. 4,028 million and Rs. 898 million, respectively. DTL also increased on Accelerated tax depreciation, Actuarial gains, Surplus on revaluation of fixed assets and Non-Banking Assets by Rs.585 million, Rs.550 million, Rs.91 million and 7 million, respectively. Resulting, into net DTL of Rs.9,831 million as at December 31, 2024 against DTA of Rs.3,822 million as on 31 December 2023.

## EQUITY

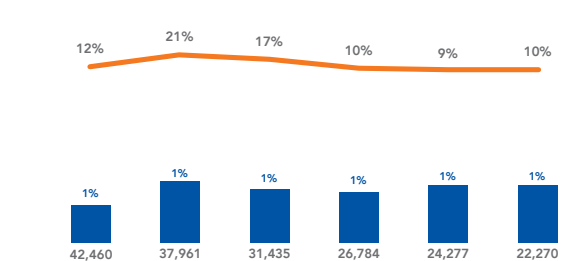
### Share Capital



**CAGR for the last six years-annualized is 0%**

Compliant with the regulatory requirement.

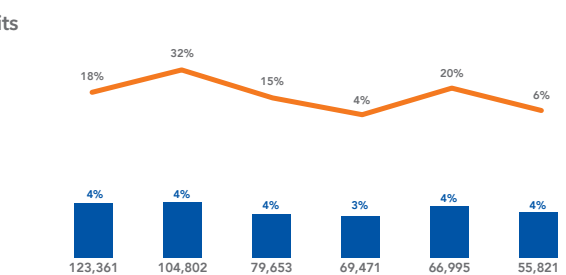
### Reserves



**CAGR for the last six years-annualized is 13%**

12% YOY growth on reserves.

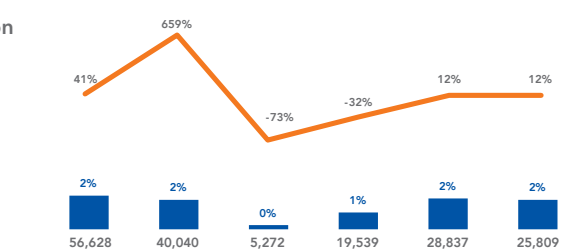
### Unappropriated Profits



**CAGR for the last six years-annualized is 15%**

18% YOY growth is on account of current year's profit after payment of last year cumulative dividend.

### Surplus on revaluation of assets - net



**CAGR for the last six years-annualized is 16%**

YOY increase of Rs. 16,588 million is due to Surplus in revaluation of fixed assets.

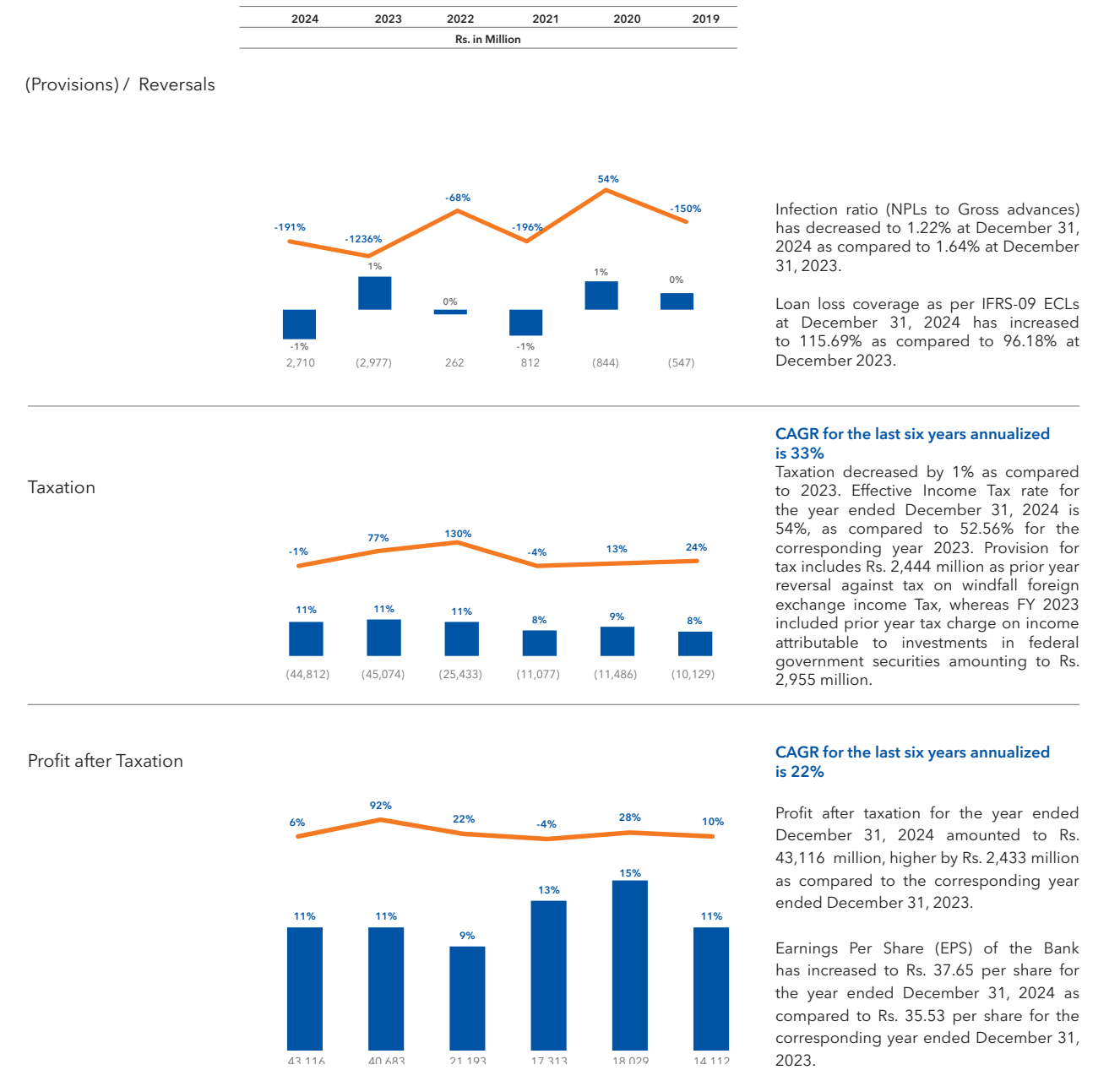


# PROFIT AND LOSS ACCOUNT

## Six Years Horizontal & Vertical Performance Highlights



## Six Years Horizontal & Vertical Performance Highlights



# FINANCIAL RATIOS

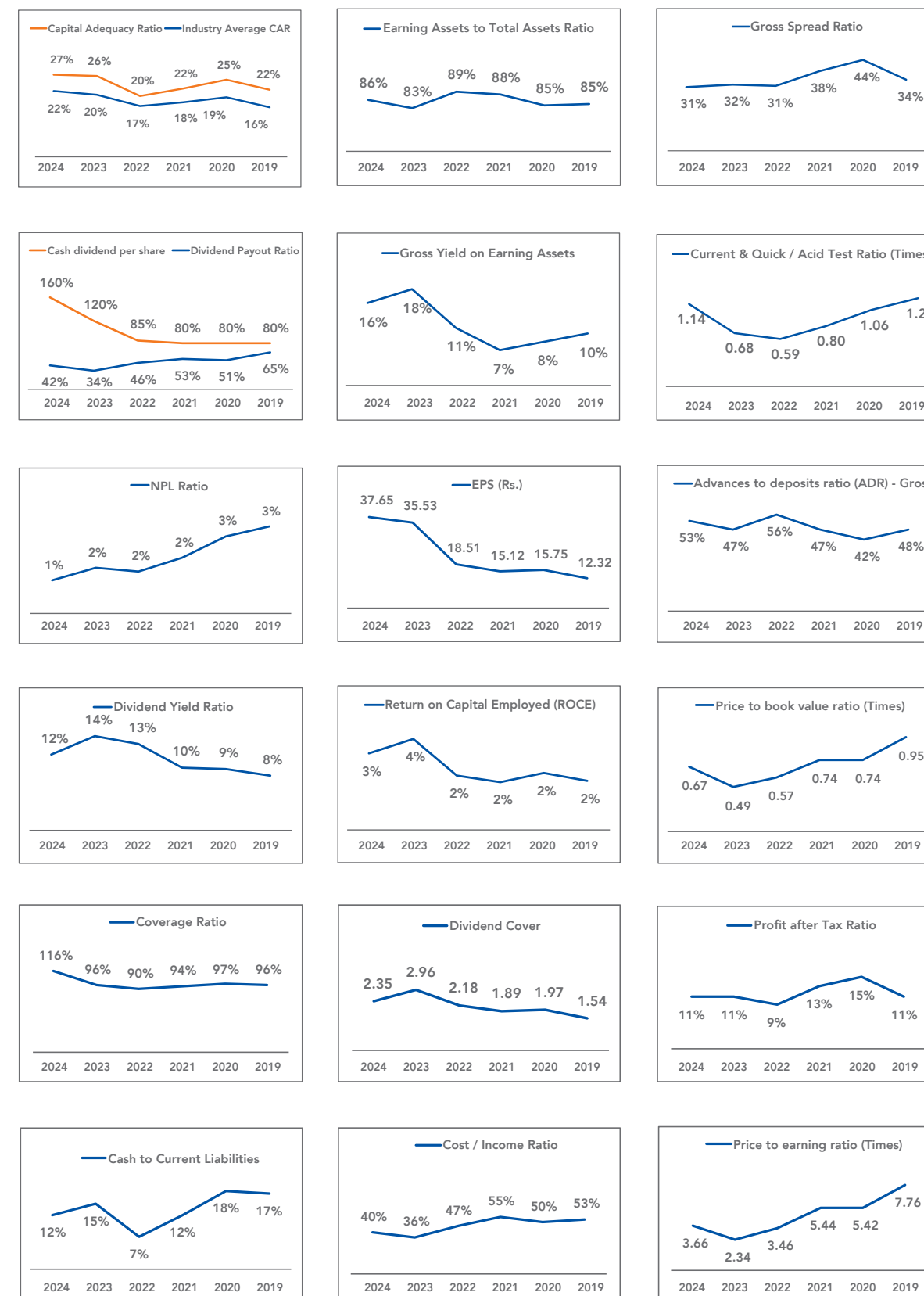
## A Strong Balance Sheet Enabled An Attractive Dividend Payout

Our CET1 or Tier 1 and Capital Adequacy ratios of 19.93 % and 26.71% respectively, Liquidity Coverage Ratio of 199.06% and Net Stable Funding Ratio of 155.62 % on a pro forma basis, are all Basel III-compliant and are a reflection of a strong balance sheet. On the back of solid earnings growth in operations and a strong capital position, a final dividend of Rs. 4.00 was declared. Our full-year dividend cover was 2.35 times.

### Financial Ratios

For the year ended	2024	2023	2022	2021	2020	2019	
<b>Profitability Ratios</b>							
Profit before tax ratio	%	21.72%	22.46%	19.74%	21.09%	23.98%	18.15%
Gross Yield on Earning Assets	%	15.54%	18.41%	10.79%	6.73%	8.22%	9.76%
Gross spread ratio	%	30.58%	31.70%	30.96%	38.42%	43.80%	33.85%
Cost to Income ratio	%	40.42%	35.50%	46.83%	55.08%	49.98%	52.59%
Return on equity	%	26.01%	29.40%	18.41%	16.46%	18.75%	16.24%
Return on Capital employed	%	3.11%	3.65%	2.18%	1.95%	2.27%	1.97%
Shareholders' Fund	Rs. Mn	233,901	194,254	127,811	127,245	131,560	115,351
Return on Shareholders' Fund	%	18.43%	20.94%	16.58%	13.61%	13.70%	12.23%
Return on investments	%	3.82%	3.54%	1.89%	1.63%	2.17%	1.86%
<b>Liquidity Ratios</b>							
Advances to deposits ratio	%	52.83%	47.37%	56.33%	47.11%	41.93%	47.68%
Current, Quick or Acid test ratio	Times	1.14	0.68	0.59	0.80	1.06	1.24
Cash to current liabilities	%	12.16%	14.64%	7.22%	11.96%	17.54%	16.95%
Coverage Ratio (Stage 3 ECL /NPLs)	%	93.83%	94.61%	89.58%	93.75%	96.27%	95.32%
Coverage Ratio (Total ECL /NPLs)	%	115.69%	96.18%	90.42%	94.49%	97.04%	95.58%
Net interest income as a percentage of working funds	%	4.65%	5.53%	2.36%	2.49%	3.43%	3.16%
Credit Deposit Ratio	%	64.90%	47.93%	58.18%	50.32%	43.41%	48.98%
Cost of Funds Ratio	%	17.79%	16.90%	10.38%	6.21%	5.41%	9.48%
<b>Operating cost - Efficiency ratio</b>							
Liquidity Coverage ratio - LCR	%	199.06%	181.56%	167.46%	186.17%	179.27%	167.84%
Gross Non-Performing assets to gross advances	%	3.39%	4.13%	3.30%	2.24%	3.64%	4.03%
Non-Performing loans to gross loan	%	1.22%	1.64%	1.53%	2.04%	2.78%	3.17%
<b>Investment Ratios</b>							
Earnings per share	Rs.	37.65	35.53	18.51	15.12	15.75	12.32
Price earnings ratio	Times	3.66	2.34	3.46	5.44	5.42	7.76
Price to book ratio	Times	0.67	0.49	0.57	0.74	0.74	0.95
Dividend yield ratio	%	11.61%	14.46%	13.29%	9.72%	9.37%	8.37%
Dividend payout ratio	%	42.49%	33.78%	45.92%	52.91%	50.81%	64.91%
Cash dividend per share	%	160.00%	120.00%	85.00%	80.00%	80.00%	80.00%
Market value per share at the end of year	Rs.	137.87	82.99	63.97	82.27	85.37	95.60
Break-up value per share without surplus	Rs.	154.81	134.68	107.01	94.06	89.71	78.20
Break-up value per share with surplus	Rs.	204.27	169.64	111.62	111.12	114.89	100.74
Breakup value per share including investment in related party at fair value with surplus	Rs.	205.61	170.11	112.08	111.58	115.35	101.20
<b>Capital Structure</b>							
Capital Adequacy ratio	%	26.71%	26.21%	19.74%	22.32%	25.20%	21.69%
Earnings assets to total assets	%	86.08%	83.34%	88.72%	87.70%	84.51%	84.84%
Cost of deposit	%	9.56%	10.10%	6.55%	3.07%	4.02%	5.61%
Net asset per share	Rs.	204.28	169.64	111.62	111.12	114.89	100.74
Liquidity Reserve Ratio	%	4.72%	5.44%	3.73%	5.24%	6.35%	6.99%
Retention Ratio	%	57.51%	66.22%	54.08%	47.09%	49.19%	35.09%
Debt to Equity Ratio	Times	1.98	1.92	4.15	3.30	1.47	2.31
<b>Non-Financial Ratios</b>							
Staff turnover ratio	%	14%	12%	14%	10%	10%	7%
Counter Transactions Productivity per day (No. of Transactions)	No.	78	76	77	78	67	-
Customer Satisfaction Index	%	75%	-	80%	-	78%	-
Customer Retention ratio	%	97.08	96.67	96.00	92.04	93.42	94.51
Revenue Per Employee	Rs.	30.49	30.47	19.80	11.60	10.70	11.45

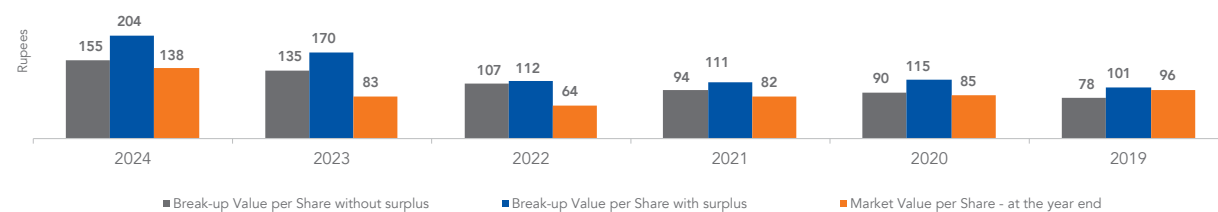
# GRAPHICAL PRESENTATION OF FINANCIAL RATIOS



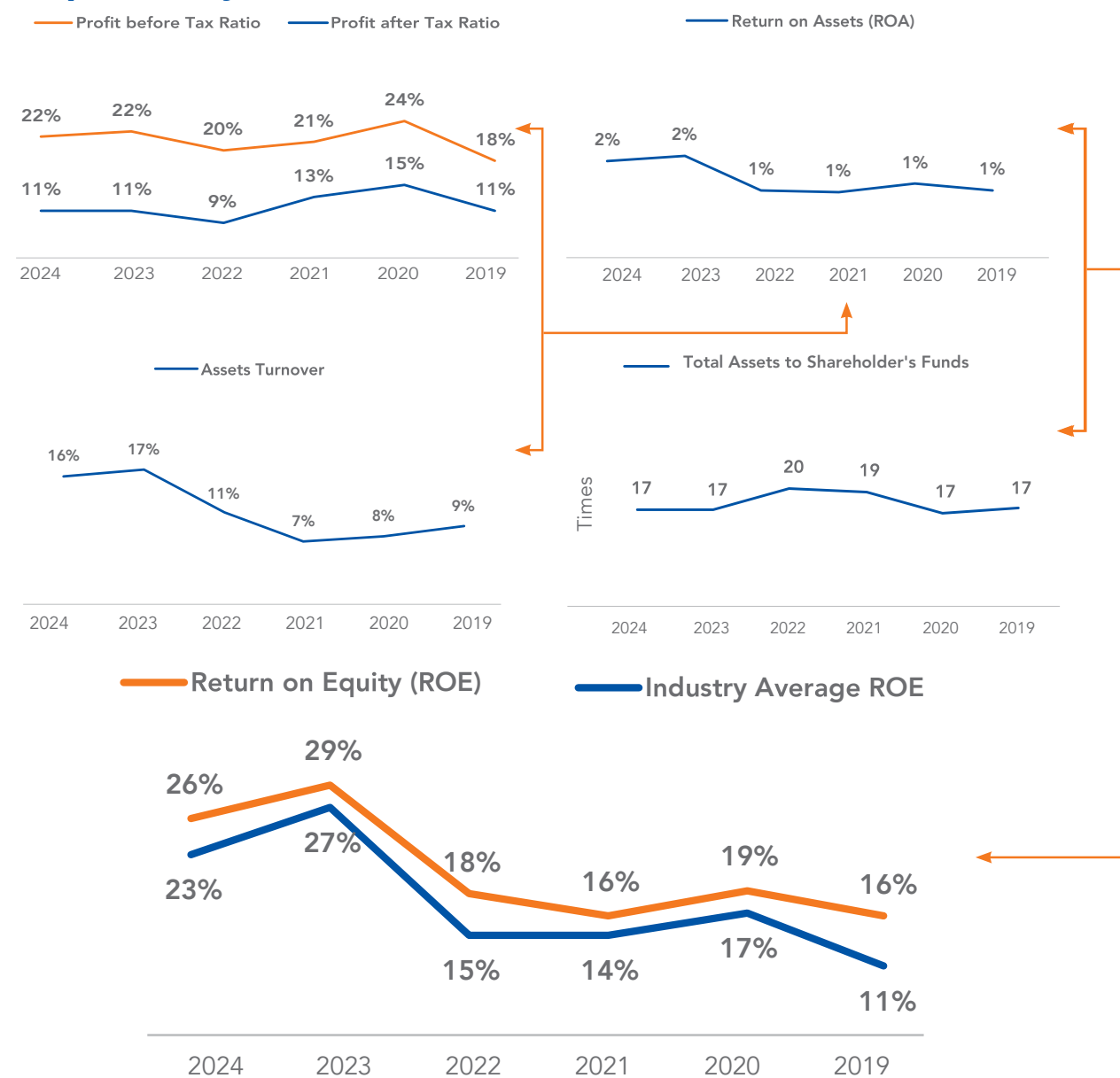
# VALUE CREATION FOR SHAREHOLDERS

Through our financial performance we demonstrate our commitment to delivering long-term value for our shareholders. Over the last six years the bank increased its break-up value per share without surplus at a Compounded Annual Growth Rate of 13%. Growing "Total assets to shareholder's funds" coupled with Return on Assets also contributed in achieving higher Return on Equity from respective average ratio of the industry.

Breakup Value vs Market Price

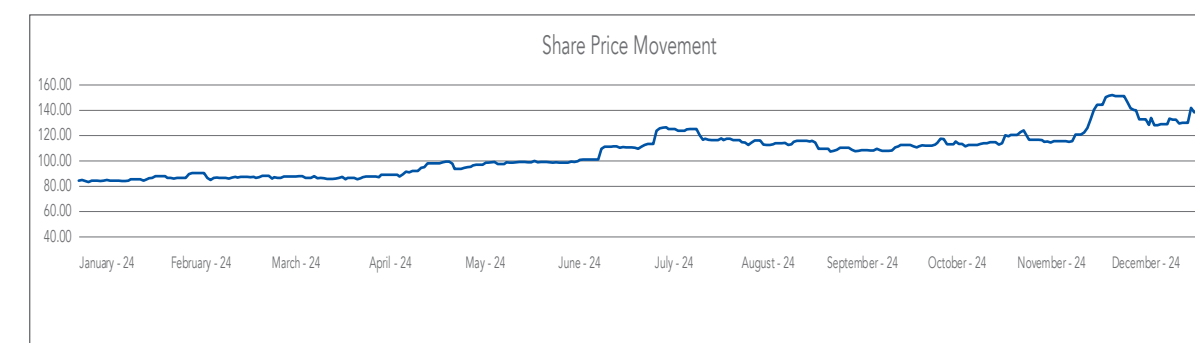


## Dupont Analysis



# SENSITIVITY ANALYSIS

	High	Low	Closing	Market Capitalization	
	Rupees			Capital (Rs. in Million)	Value (Rs. in Million)
December 31, 2024	140.00	137.50	137.87	11,451	157,875
September 30, 2024	112.00	110.00	111.00	11,451	127,106
June 30, 2024	112.00	107.59	110.20	11,451	126,190
March 31, 2024	87.95	85.13	85.99	11,451	98,467

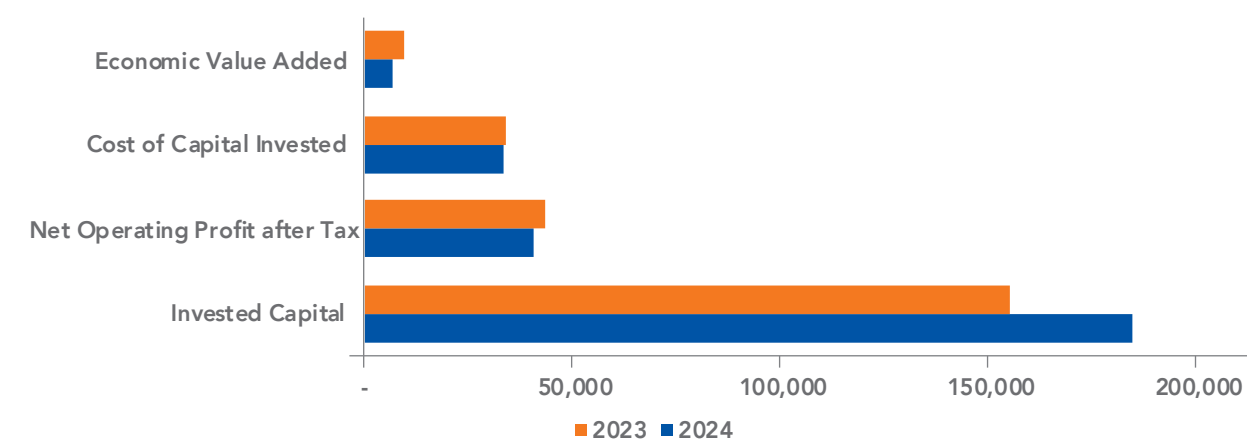


Regularly recurring matters (such as financial results and dividends) have a temporary impact on the share price of Allied Bank Limited. However, Government and Regulatory policy changes such as inflation, discount rate, monetary policy, political and environment situation of the country are the key determinants for ascertaining profitability of the Bank ultimately having an impact on share price.

# ECONOMIC VALUE ADDED STATEMENT

	December 31, 2024	December 31, 2023
	Rupees in Million	
<b>Invested Capital</b>		
Average Shareholders Equity	165,744	138,377
Provisions against assets:		
- Investments	2,714	3,537
- Advances	15,034	12,541
- Other Assets	1,148	996
<b>Invested Capital - A</b>	<b>184,640</b>	<b>155,451</b>
Net Operating Profit after Tax		
Profit after tax	43,116	40,683
(reversals) / Provisions for the year	(2,710)	2,977
<b>Net Operating Profit after Tax - B</b>	<b>40,406</b>	<b>43,660</b>
Economic Cost - C	18.21%	21.85%
Cost of Capital Invested - D - (A x C)	33,623	33,966
<b>Economic Value Added (B - D)</b>	<b>6,783</b>	<b>9,694</b>

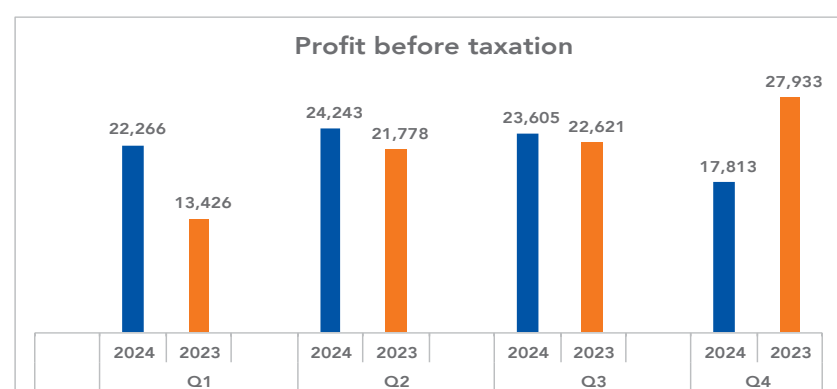
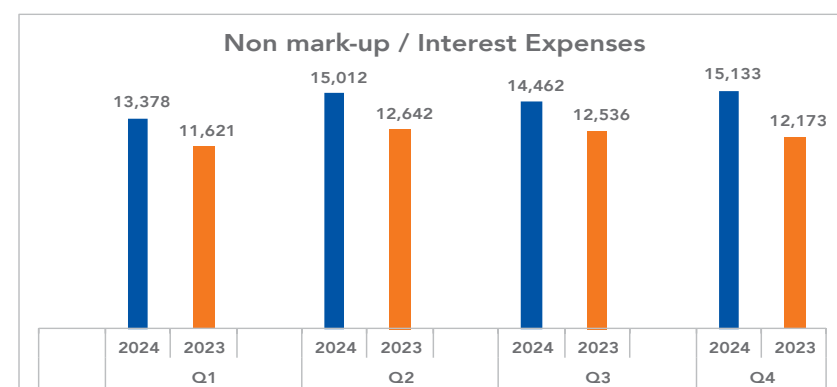
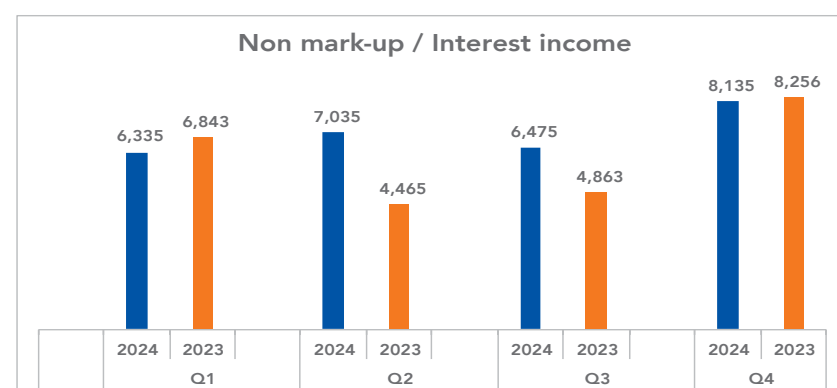
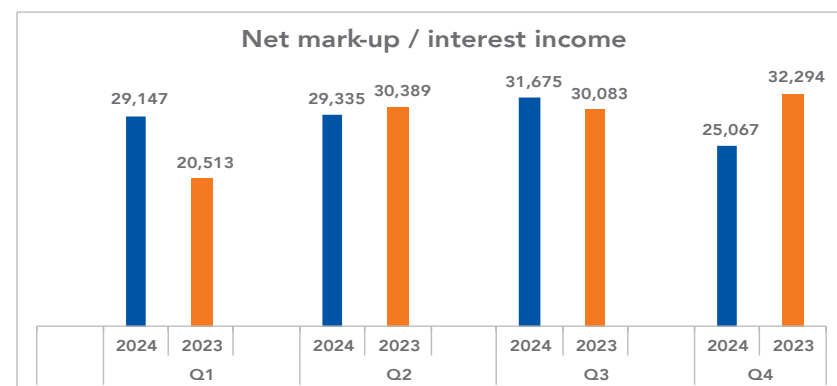
## Statement of Economic Value Added



# QUARTERLY PERFORMANCE - 2024 & 2023

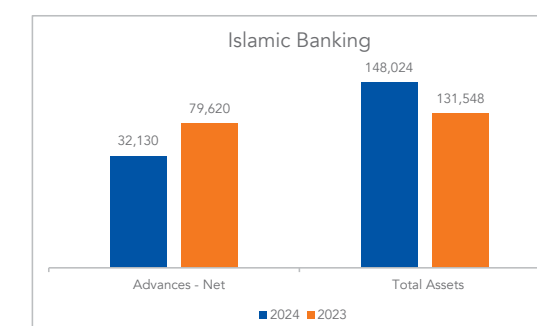
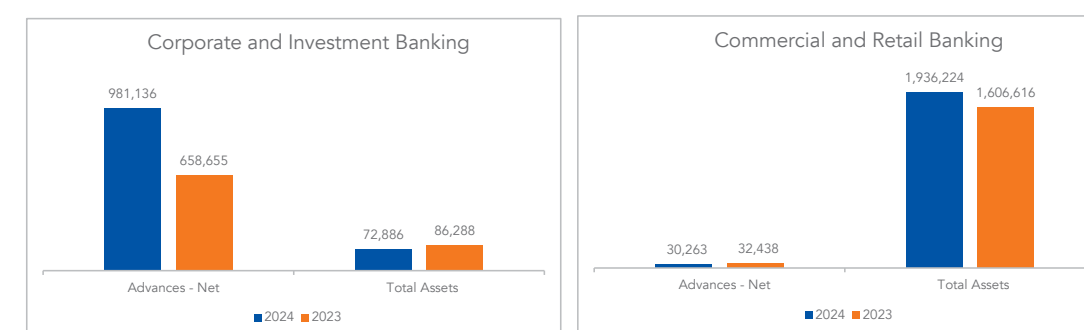
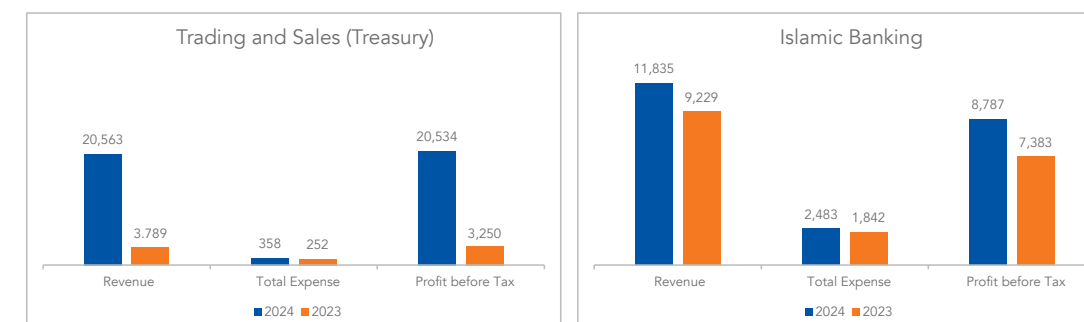
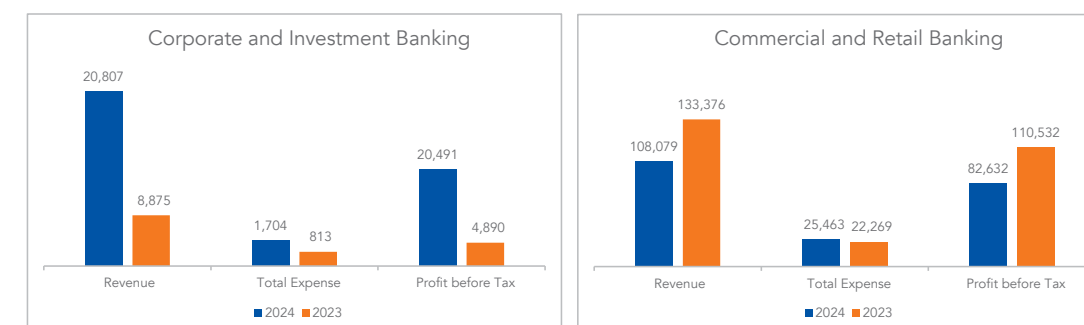
	2024				2023			
	Rupees in '000							
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
<b>Profit and Loss Account</b>								
Mark-up / return / interest earned	85,545,271	98,863,021	98,040,419	94,311,559	92,966,907	95,209,785	95,090,511	74,040,237
Mark-up / return / interest expensed	60,478,767	67,187,656	68,705,787	65,164,933	60,672,508	65,127,284	64,701,150	53,527,186
Net mark-up / interest income	25,066,504	31,675,365	29,334,632	29,146,626	32,294,399	30,082,501	30,389,361	20,513,051
Non mark-up / Interest income	8,135,273	6,474,739	7,034,984	6,335,110	8,255,838	4,863,164	4,464,559	6,843,480
Total Income	33,201,777	38,150,104	36,369,616	35,481,736	40,550,237	34,945,665	34,853,920	27,356,531
Non mark-up / Interest Expenses	15,132,916	14,462,328	15,011,667	13,378,299	12,172,780	12,536,162	12,642,306	11,620,962
Profit before provisions	18,068,861	23,687,776	21,357,949	22,103,437	28,377,457	22,409,503	22,211,614	15,735,569
(Reversals) / provisions and write offs - net	255,481	82,609	(2,885,474)	(162,755)	444,733	(211,384)	433,847	2,309,777
Profit before taxation	17,813,380	23,605,167	24,243,423	22,266,192	27,932,724	22,620,887	21,777,767	13,425,792
Taxation	10,388,288	11,555,076	11,966,270	10,902,624	15,911,314	11,402,342	11,923,552	5,836,975
<b>Profit after taxation</b>	<b>7,425,092</b>	<b>12,050,091</b>	<b>12,277,153</b>	<b>11,363,568</b>	<b>12,021,410</b>	<b>11,218,545</b>	<b>9,854,215</b>	<b>7,588,817</b>
<b>Statement of financial position</b>								
<b>Assets</b>								
Cash and balances with treasury banks	146,768,168	173,140,143	187,678,299	164,469,748	156,136,308	132,109,132	159,387,421	138,872,983
Balances with other banks	9,964,224	1,699,980	6,365,541	12,890,747	2,455,601	1,437,729	11,549,629	943,027
Lendings to financial institutions - net	243,541,081	11,461,542	28,094,416	44,591,363	9,418,003	99,120,861	21,521,771	33,266,602
Investments - net	1,129,873,956	1,333,148,852	1,283,419,689	1,165,709,779	1,150,318,089	1,046,971,926	1,138,509,023	1,130,714,207
Advances - net	1,051,313,893	847,636,989	772,967,403	703,443,812	781,597,230	757,225,582	817,355,036	782,862,123
Fixed assets	135,048,603	131,843,271	129,103,366	127,180,949	122,065,722	88,759,592	86,233,686	83,796,507
Intangible assets	3,632,624	3,666,004	3,389,457	3,469,984	3,409,291	3,133,182	3,077,015	3,103,363
Deferred tax assets - net	-	-	-	-	3,821,594	17,316,636	22,790,139	20,961,871
Other assets - net	96,826,140	121,224,752	106,853,786	115,588,471	100,094,817	117,138,089	93,259,832	75,564,308
	2,816,968,689	2,623,821,533	2,517,871,957	2,337,344,853	2,329,316,655	2,263,212,729	2,353,683,552	2,270,084,991
<b>Liabilities</b>								
Bills payable	14,502,237	8,527,430	9,504,311	8,752,234	9,322,405	9,759,133	7,982,568	9,561,703
Borrowings	462,023,558	342,018,723	331,251,823	332,461,651	373,674,042	308,986,319	470,666,734	526,623,665
Deposits and other accounts	2,018,395,067	1,926,439,908	1,877,472,514	1,698,876,259	1,676,623,075	1,704,478,770	1,665,118,472	1,529,648,342
Lease Liabilities	10,360,968	10,278,950	10,382,751	10,708,442	-	-	-	-
Deferred tax liabilities - net	9,830,548	8,604,216	5,148,676	3,550,846	-	-	-	-
Other liabilities	67,955,110	97,865,558	65,584,076	73,963,364	75,442,669	89,430,711	73,265,731	78,809,167
	2,583,067,488	2,393,734,785	2,299,344,151	2,128,312,796	2,135,062,191	2,112,654,933	2,217,033,505	2,144,642,877
<b>Net Assets</b>	<b>233,901,201</b>	<b>230,086,748</b>	<b>218,527,806</b>	<b>209,032,057</b>	<b>194,254,464</b>	<b>150,557,796</b>	<b>136,650,047</b>	<b>125,442,114</b>
<b>Represented by:</b>								
Share capital	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739
Reserves	42,460,536	41,226,026	40,094,463	38,869,886	37,961,636	37,092,306	36,272,857	35,191,530
Surplus on revaluation of assets - net of tax	56,628,460	55,383,298	51,693,586	50,936,977	40,039,632	5,058,516	(778,224)	(4,840,148)
Unappropriated profit	123,361,466	122,026,685	115,289,018	107,774,455	104,802,457	96,956,235	89,704,675	83,639,993
	233,901,201	230,086,748	218,527,806	209,032,057	194,254,464	150,557,796	136,650,047	125,442,114

# QUARTERLY PERFORMANCE GRAPHICAL PRESENTATION 2024 & 2023



# SEGMENT ANALYSIS

	Corporate and Investment Banking		Commercial and Retail Banking		Trading and Sales (Treasury)		Islamic Banking	
	2024	2023	2024	2023	2024	2023	2024	2023
Rs. in million								
Revenue	20,807	8,875	108,079	133,376	20,563	3,789	11,835	9,229
Total expenses	1,704	813	25,463	22,269	358	252	2,483	1,842
Profit before tax	20,491	4,890	82,632	110,532	20,534	3,250	8,787	7,383
Advances - net	981,136	658,655	30,263	32,438	-	-	32,130	79,620
Total Assets	72,886	86,288	1,936,224	1,606,616	387,745	279,049	148,024	131,548



# CASH FLOW STATEMENT

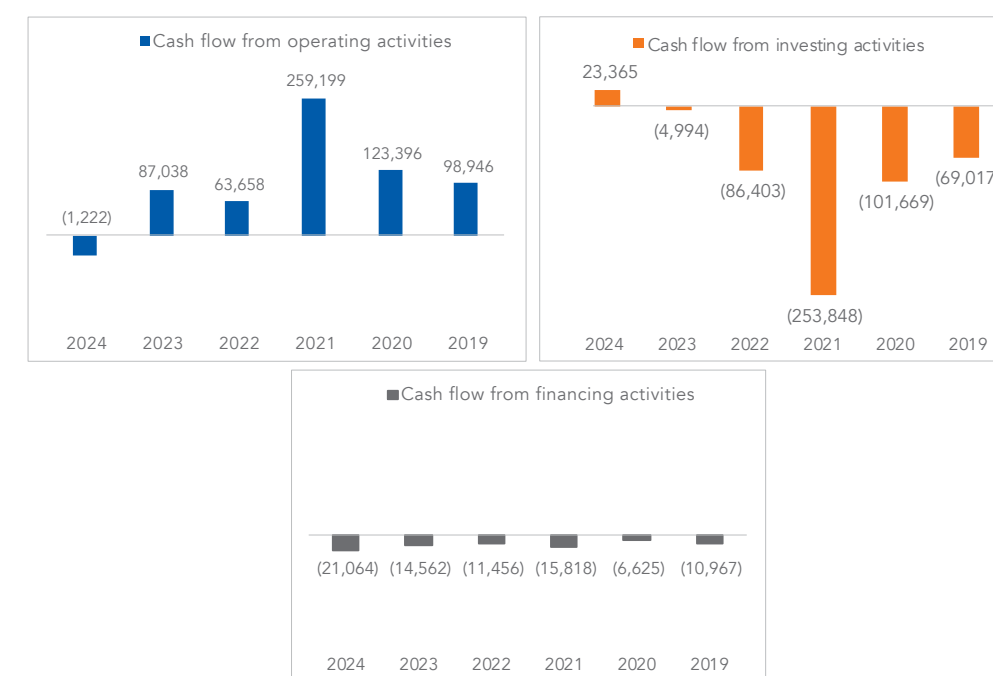
## Direct Method

	2024	2023
	Rs. In Million	
<b>STATEMENT FOR THE YEAR</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Mark-up / return / interest and commission receipts	411,703	361,769
Mark-up / return / interest payments	(259,008)	(243,204)
Cash payments to employees, suppliers and others	(174,491)	(23,088)
	(21,796)	95,477
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(234,123)	18,804
Securities classified as FVTPL	17,115	(19,975)
Advances	(269,974)	63,360
Other assets (excluding advance taxation)	389,394	(39,630)
	(97,589)	22,559
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	5,180	(4,837)
Borrowings	88,116	(156,498)
Deposits	341,772	154,326
Other liabilities (excluding current taxation)	(260,672)	17,195
	174,396	10,186
<b>Cash flow from operating activities before tax</b>	55,011	128,222
Income tax paid	(55,509)	(40,674)
Defined benefits paid	(725)	(510)
<b>Net cash flow (used in) / generated from operating activities</b>	(1,222)	87,038
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in 'FVOCI / AFS' securities	100,915	9,316
Investment in subsidiary	(1,000)	-
Net investments in 'amortised cost' securities	(59,518)	(344)
Dividend income received	3,079	3,476
Investments in operating fixed assets	(22,864)	(19,945)
Proceeds from sale of fixed assets	2,566	45
Effect of translation of net investment in foreign branch	187	2,458
<b>Net cash flow generated from / (used in) investing activities</b>	23,365	(4,994)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(2,808)	(2,580)
Payment of lease liability against right of use assets	(18,255)	(11,982)
<b>Net cash used in financing activities</b>	(21,064)	(14,562)
Increase in cash and cash equivalents during the year	1,079	67,482
<b>Cash and cash equivalents at beginning of the year</b>	158,131	91,751
Effect of exchange rate changes on opening cash and cash equivalents	269	(833)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	159,479	158,400

## Summary of Cash Flow Statement

	2024	2023	2022	2021	2020	2019
	Rs. In Million					
Cash flows from operating activities	(1,222)	87,038	63,658	259,199	123,396	98,946
Cash flows used in investing activities	23,365	(4,994)	(86,403)	(253,848)	(101,669)	(69,017)
Cash flows used in financing activities	(21,064)	(14,562)	(11,456)	(15,818)	(6,625)	(10,967)
Cash and cash equivalents at the beginning of the year	158,400	90,918	125,118	135,585	120,482	101,520
Cash and cash equivalents at the end of the year	159,479	158,400	90,918	125,118	135,585	120,482

## SIX YEARS CASH FLOW ANALYSIS



## Free Cash Flow Statement

	2024	2023	2022	2021	2020	2019
	Rupees in Million					
Profit before taxation	87,928	85,757	46,626	28,391	29,515	24,242
Adjustment for non-cash items	(109,724)	(103,559)	5,466	4,371	6,109	3,947
Operating assets/ liabilities changes	20,574	104,840	11,567	226,437	88,084	70,757
<b>Net cash generated from operating activities</b>	(1,222)	87,038	63,658	259,198	123,708	98,946
Capital expenditure	(22,864)	(19,946)	(8,126)	(8,857)	(8,116)	(7,409)
<b>Free cash flows</b>	(24,087)	67,093	55,532	250,341	115,592	91,537

# OTHER INFORMATION

## Defaults in payment of any debts and reason thereof

There is no default by the Bank in payments of any debts during the year.

## History of major events

- The Bank was recognized by “Euromoney Award for Excellence” as “Pakistan’s Best Digital Bank” in 2024.
- Corporate Governance Rating maintained at CGR 9++.
- Deposit volume surpassed Rs. 2 trillion.

## Method and Assumptions in Compiling Indicators

The Bank identifies its indicators which correctly reflect the Bank’s performance and analyses its market standing, competitors and overall market conditions while compiling its indicators. The Bank considers deposits, advances, capital adequacy ratios, profit after tax and EPS on a regular basis to measure its performance. These are the basic indicators of Bank’s financial performance and profitability. Market price is a measure of Bank’s sensitivity in the market. The Bank regularly analyses its cash flows and strives to keep it on positive side.

## Dividend Payout and Future Prospects of Dividend

The Board of Directors declared a final cash dividend of Rs. 4.00 per share for the year ended December 31, 2024, which is in addition to Rs. 12.00 per share interim dividend already paid to the shareholders for the quarter ended March 31, 2024, June 30, 2024 and September 30, 2024 taking the dividend payout ratio to 42.49%.

Dividend payout is also expected to be streamlined for the year 2025 as the Bank manages its profitability while ensuring that sufficient capital buffers are available to meet regulatory requirements.

## Management’s Assessment of Sufficiency of Tax

The Bank maintains sufficient provision for taxation as required under the accounting standards and the relevant regulations. Contingencies with respect to the direct or indirect taxation have been disclosed in Note 23 to these financial statements. It is our assessment that tax provision recognized in the financial statements is satisfactory.

## Performance versus Budget

During 2024, the Bank performed well and surpassed its deposits and profitability budgeted targets.

## Capital Expenditures Rationale

During the year ended December 31, 2024; Your Bank invested Rs. 22,790 million for business expansion and Information Technology infrastructure to ensure seamless services across the geographical diversity of the country.

Your Bank is committed to continue its focus on prudent investments in business expansion and technological infrastructure; keeping itself aligned with developing business needs and updated information technology enhancements for digital transformation.

## Performance of the Bank and its Subsidiaries

Allied Bank reported a consolidated profit after tax of Rs. 44.4 billion for the calendar year 2024, marking a 7% year-on-year increase. The Bank’s net interest income rose by over 2%, reaching Rs. 115.4 billion, while fee and commission income increased significantly by 37% to reach Rs. 16.17 billion. ABL Asset Management Company Limited (ABL-AMC) showed consistent performance in managing mutual funds and investment portfolios and posted profit after tax of Rs. 1,163 million. ABL Exchange (Private) Limited profit after tax amounted to Rs. 20 million.

## Performance of the Activities of the Bank and its Group Entities

- In 2024, Allied Bank achieved a profit after tax of Rs 43 billion, marking a 6% increase from the previous year. The Bank’s net interest income rose by over 2%, reaching Rs 115.2 billion, while non-markup income saw a 15% uplift to Rs 27.98 billion.
- Major highlights are disclosed at page 148 of this annual report and brief overview of the Bank’s subsidiaries is disclosed in the CEO’s Review.

## Market share of the Bank and its Products and Services

Market Share of Deposits and Gross Advances of ABL as at December 31, 2024 are 6.67% and 6.66% respectively.

## Country of Origin

Country of origin of all group companies is Pakistan.

## CEO’s Review

The CEO’s video message on the Banks business performance and strategy is available at: <https://www.abl.com/investor-relations/financials/financial-presentations>

# GROUP REVIEWS

## CORPORATE AND INVESTMENT BANKING

Allied Bank’s Corporate and Investment Banking Group (CIBG) has consistently leveraged its core strengths to establish itself as one of Pakistan’s premier wholesale banking divisions. Anchored in a commitment to fostering long-term client partnerships, CIBG adopts a comprehensive, forward-looking, and market-responsive approach to understanding and addressing the unique needs of its clients. By delivering a broad range of tailored financing solutions, CIBG ensures customer satisfaction remains at the heart of its operations.

The group’s extensive product portfolio includes a diverse range of funding solutions, trade services, cash management, home remittance, and bespoke investment banking offerings. Its robust capital markets portfolio, anchored in premium equity investments, provides a stable and resilient stream of dividends. In addition to managing relationships with local and international financial institutions, CIBG oversees operations in Bahrain, Dubai, and China, strengthening Allied Bank’s global footprint. The group also plays a pivotal role in driving collaboration across the bank’s various business divisions, maximizing cross-selling opportunities to create value for clients and stakeholders alike. In light of the evolving regulatory and economic landscape, CIBG adopted a cautious approach to lending. This strategy prioritized prudent credit deployment, focusing on sectors and clients with strong fundamentals to mitigate inherent risks. CIBG’s lending decisions were underpinned by a rigorous risk assessment framework, which enabled the identification and mitigation of potential vulnerabilities. This tailored approach helped balancing advances growth and risk management, while positioning ABL as a trusted financial partner amid challenging conditions.

Corporate Banking (CB) remains dedicated to building and nurturing strong relationships with top-tier corporate and institutional clients. It provides a comprehensive suite of wholesale banking services, addressing the diverse financing needs of corporate customers. These services include tailored lending solutions such as working capital, term loans, and trade finance facilities. In the past year, CB focused on sustainable growth while ensuring the quality of its portfolio through cautious lending practices and rigorous credit monitoring. At the same time, CB strategically generated adequate trade volumes and fee/commission-based income by leveraging its corporate relationships. Close coordination with internal stakeholders was ensured to optimize the ancillary wallet.

The Emerging Corporate (EC) segment remained cautious in 2024, primarily due to the elevated credit risk associated with this segment, particularly amid high interest rates. Focused on the mid-tier market, including emerging corporates and growing commercial entities, the EC segment aims to support businesses with expanding banking needs. The EC team plays a crucial role in advising clients on operational scalability, corporate governance, and other strategic areas. Throughout the year, the segment strengthened existing relationships and acquired new clients, all while upholding the bank’s stringent credit standards. Additionally, EC continued to expand its lending base through its flagship product, ‘Allied Share Financing’.

Financial Institutions & International Division continued to strengthen ABL’s global institutional banking relationship base with reputed financial institutions spread across Europe, Asia and Africa to support Bank’s trade, treasury and foreign exchange payments. With over 500 international correspondents in 75 countries, ABL ensures broad global coverage and widespread acceptability. In addition, our partnerships with various multilateral agencies and global banks have been instrumental in competently meeting the growing and diverse international banking needs of our clients.

Bahrain (Wholesale Banking Branch) and Dubai (Representative Office) remained engaged in exploring business growth

opportunities in the Gulf region. Despite a challenging year, Bahrain Branch continued to garner USD deposits for the Bank. Our Representative Office in Beijing, People’s Republic of China, continued to focus on developing relationships with leading Chinese Banks and corporates to explore potential business opportunities for trade and investment flows between China and Pakistan. Through vigilant approach and prudent risk management, the Bank remained fully compliant with home and host country regulations.

In 2024, the Home Remittance Business (HRB) continued its strategic expansion by forming new partnerships with key players, particularly in the USA, UK, UAE, and other regions, while strengthening existing relationships to drive sustained growth in remittance volumes. Digital transformation remained a central focus, with continuous product upgrades and system integrations designed to improve customer experience and operational efficiency. To further promote legal remittance channels, HRB, in collaboration with peer banks, successfully sponsored an extensive ‘Mohalla Cricket’ tournament across 10 major cities in Pakistan. This engaging platform fostered strong community partnerships while effectively educating the public about the benefits of utilizing legal channels for sending remittances. Furthermore, HRB diligently carried out targeted marketing and promotional campaigns in key source countries to boost remittances and enhance the brand visibility. ABL actively participated in the 4th Pakistan Remittance Summit in Italy and community engagement efforts in Spain, alongside the State Bank of Pakistan-PRI and other prominent banks, to promote the use of legal remittance channels within the Pakistani diaspora.

The Cash Management Division (CMD) continued to redefine traditional practices by utilizing a state-of-the-art core banking system and advanced digital solutions to address the collection and payment needs of corporate institutions. To expand the portfolio, particular emphasis was placed on acquiring new clients in the high-net-worth segment and strengthening existing relationships. The team actively sought out new opportunities and kept up with industry trends to ensure that clients’ transactional needs remained aligned with the latest developments and innovations.

Building on a legacy of strong client relationships and innovative solutions, ABL’s Investment Banking division continued to thrive in 2024. The division offers a comprehensive suite of financial advisory services across various sectors, including Debt Syndication & Advisory and Project Finance. Our expertise spans a broad spectrum of transactions such as IPOs, mergers and acquisitions, debt syndications and advisory, debt restructurings, project financing, investments, and underwriting. Leveraging our extensive network and deep industry knowledge, the bank effectively supported its clientele in achieving their strategic objectives throughout the year. In 2024, the Investment Banking division provided expert advice and financing for a diverse range of transactions across key sectors, including power generation, oil and gas, telecommunications, chemicals, sugar, electrical goods, textiles, and non-banking financial institutions.

This commitment to excellence was recognized through several prestigious industry awards in 2024, including ‘Best Syndicated Loan’ at The Asset Triple A Sustainable Finance Awards, ‘Syndicated Loan of the Year - Pakistan’ at Asian Banking & Finance Corporate & Investment Banking Awards, and ‘Best Investment Bank | Domestic’ at Finance Asia Awards. These accolades underscore ABL’s position as a leading player in Pakistan’s investment banking landscape.

Meanwhile, the listed equity asset class delivered exceptional performance during the year, driven by liquidity inflows as falling interest rates encouraged investors to shift from fixed-income investments to the stock market. The bank’s Capital Markets division remains focused on maximizing returns while minimizing risk, primarily by investing in fundamentally strong companies

with proven financial track records. This strategy has ensured steady dividend income even amid economic and market fluctuations. Additionally, the bank capitalized on the rise of the KSE 100 index, realizing significant capital gains from its portfolio.

## FUTURE OUTLOOK

CIBG remains dedicated to fostering growth, advancing sustainability initiatives, and delivering value to all stakeholders, while supporting the Bank's transformational strategic priorities. The group is focused on maintaining a well-balanced portfolio, comprising both top-tier blue-chip corporates and emerging businesses. By adhering to prudent lending practices and strategically targeting high-quality assets, CIBG positions the Bank to capitalize on viable opportunities, even amidst uncertain economic conditions. The group continues to drive profitability by diversifying the corporate segment, expanding its client base, and generating consistent revenue through cross-selling financial products and maximizing fee-based income streams. Additionally, the group is accelerating efforts to strengthen its global tie-ups network and enhance remittance flows through innovative digital channels.

## TREASURY

The pressures emanating from high domestic inflation and global volatility in hydrocarbon prices due to Russia sanctions started subsiding towards the end of 2023. With weak global demand outlook, central banks globally shifted their stance towards more accommodative monetary policy. Domestic fixed income market also witnessed a rally in fixed income securities with market buying longer duration instruments through heavy borrowing from SBP in expectations of sharp interest rate cuts. As a consequence, we witnessed an inverted yield curve where all tenors of securities were being priced at 50-200 bps below the policy rate. Consequently, SBP OMO injection in the market crossed ten trillion.

ABL was one of the few institutions who disagreed with this stance and expected policy rate to remain elevated for at least two quarters of 2024. In line with this view, ABL-Treasury group kept its OMO borrowings minimal to meet short term liquidity requirements and instead of building portfolio on long dated i.e., one year and beyond, the portfolio was concentrated around floating rates instruments which offered yield enhancement. As a consequence, the Bank's portfolio vis-a-viz policy remained in a positive carry throughout the year compared to a number of banks who had huge portfolios at negative carry.

Owing to the high rate of inflation witnessed during first half of the FY'24 and aggregate demand subduing post budget, ABL anticipated SBP to start cutting rates in second half of 2024. However, the deep inversion of the yield curve kept all long-dated securities in negative spread compared to the policy rate. Further, the Bank was of the view that any rate cuts would be gradual, and hence, would limit scope of huge yield or capital gains from holding long date securities. Going forward, Allied Bank is of the view that the policy rate is at or near its bottom and the Bank should witness a reversal in yields towards an upward sloping yield curve. At this point ABL shall evaluate adding fixed rate securities to our portfolio.

Despite not being a primary dealer ABL remained an active player in the secondary market of government securities and also serviced its clients for their fixed income needs. These activities resulted in healthy capital gains under fixed income trading. Going forward the Bank shall continue to remain active as a secondary market participant to capitalize on any opportunity offered by the market.

With a sharp dip in aggregate demand and an increase in home remittances the USD/PKR market remained lack luster for most part of the year where the USD/PKR parity remained unchanged. The stability in the exchange rate resulted in a decrease in client spreads which dented its foreign exchange income. However, the FX team continued to take active positions in the FX swap market which compensated for the fall in income from spot FX and delivered excellent results in the stable currency environment and limited trade flows.

## FUTURE OUTLOOK

In the coming year ABL Treasury will continue to closely monitor the changing economic and political landscape, domestically and globally. We will adjust the strategy accordingly to build on what the Bank have achieved last year. Largely, ABL expect interest rate cut cycle to be close to its end, hence, any decision to add duration to the portfolio will be driven by the structure of the yield curve and by balancing the expected future returns against the cost of carry. Similarly, on the FX side the Bank expect USD/PKR rate to remain mostly stable and will try to capitalize on movements in swap market to generate additional revenues. Simultaneously, ABL shall continue to work in close coordination with CIBG, CRBG and IBG to increase trade and remittance value and service its clients in the best way possible.

In addition to financial goals, adherence to internal risk parameters and regulatory compliance remain its top priorities. ABL ensured meeting all regulatory and internal control requirements throughout the year and will remain focused on ensuring compliance in future as well.

## COMMERCIAL AND RETAIL BANKING

Commercial and Retail Banking Group (CRBG) continued its legacy of providing enriched and comprehensive product suite, supported by digital platforms and an extensive network of customer touch points by providing increased access to financial services through an array of asset and liabilities products and services, at the time and convenience of our valued customers. ABL is committed to provide the best services to its commercial clients and is providing hi-tech cash management solutions.

The Bank capitalized on its digital strategy and was able to provide uninterrupted banking services to the account holders and obligors; providing financial access and business continuity.

Additionally, the Bank achieved a major milestone of surpassing the total deposits of Rs. 2 trillion in year ended December 31, 2024 complemented by impressive Zero cost Current Account deposit mix of 38%. Moreover, 20% growth in total deposit was witnessed in outstanding deposits enabling 11% total average deposit growth comprising 9% average deposit growth in Current Account.

The Bank continued to expand its footprint; resulting in the overall branch network to reach at 1,510 including 160 Islamic branches and 308 exclusive Islamic windows to support business expansion in new demographics. Remaining focused on boarding New to Bank relationships, the Bank added approximately 1.5 million accounts to the existing account base during the year.

In line with the objectives of National Financial Inclusion strategy of State Bank of Pakistan (SBP), the Bank continued to play a pivotal role. Unique segment specific offerings like Allied Youth Account, Allied Rising Stars Account, Allied Senior Citizen Account, Allied Khanum Account, Allied Freelancer Account and Allied Asaan Account continued to contribute towards financial inclusion of relatively un-banked, low-income segments of the society and also adding to deposit base of the Bank.

In line with digital on boarding framework of SBP; customers can open account through website / mobile app without visiting the branch. The Bank remained amongst the industry leaders to facilitate customers and to support the economy by increasing the inflow of foreign remittances.

The Bank has contributed towards government initiatives like Prime Minister's Youth Business and Agriculture Loan Scheme and has duly achieved its targets.

Allied Bank is also playing its part by providing consulting and non-financial advisory services by way of imparting knowledge through Financial Planning Advice, Economic Insight & Business Intelligence to more than 5,844 customers thereby generating more than 824 borrowers in the process. CRBG has also conducted more than 447 SME Finance awareness sessions held for public educating more than 3,850 people.

Allied Bank Limited is also offering a robust Consumer Products

Suite, including, Allied Visa Credit Card, Allied Personal Finance, Allied Car Finance, Allied Home Finance, Allied Solar System Finance, Allied Scooty Finance and Allied Electric Bike Finance. The Allied Scooty Finance is specifically designed to empower women in middle- and low-income segments of the society with regards to their transportation needs; whereas Allied Solar System Finance and Allied Electric Bike Finance are explicitly developed as green banking initiatives enabling the population to switch to renewable energy sources and contribute in lowering carbon emissions for a healthy environment.

Allied Bank recognizes the importance of staying ahead in the rapidly evolving digital landscape. As a result, the Bank has implemented a series of strategic measures to provide customers with cutting-edge digital banking services such as ABL enhanced the scope of a digital variant of personal loan "Allied Payday Finance" by adding more corporates and institutions and their employees maintaining salary accounts with the Bank, providing instant access to financing round the clock.

The Bank continued the program to recognize and reward their customers who have demonstrated exceptional engagement and performance on ABL digital platforms. Through this initiative, ABL has acknowledged dedication and loyalty of those customers who performed the highest number of transactions.

Throughout 2024, roadshows and product awareness programs were conducted by ABL across Pakistan for imparting awareness on different products of the Bank among general public. Additionally, country wide Farmer Financial Literacy/Awareness Programs were conducted during the year. The objective is to create awareness among the farmers and educate them regarding the availability and usage of financial services.

ABL reinforced its commitment to a healthier future by organizing Allied Bank Marathon 2024, themed "Run for a Greener Tomorrow". The exciting event that was held during the year 2024, at Lahore, brought together employees, professional athletes and fitness enthusiasts. The enthusiasm and team spirit demonstrated during the marathon truly symbolize ABL mission to foster a culture of health and wellness within the Bank and beyond.

In the same manner, with the theme "Pedal for a Greener Tomorrow", Allied Bank organized thrilling Cyclothon event wherein Team ABL participated and displayed remarkable spirit and sportsmanship. The highlight of the event was the enthusiastic involvement of ABL senior management led by the CEO, who participated in the event to promote wellness and a healthy work-life balance. Tree plantation activity was also performed under Bank's Green initiatives.

ABL continued its Cleanliness Drive under the banner of "Green Initiatives" as raised awareness campaigns regarding importance of cleanliness across Pakistan through the motto "Mil Kay Lagaen Gay Jaan – To Hoga Saaf Pakistan".

This year, Team ABL succeeded to accomplish the task of cleanliness drive at K2 Base Camp at height of 5,200 meters above sea level in coordination with Central Karakoram National Parks (CKNP). Team ABL started their trekking from Askole Village, the last human settlement on northern side to reach at K2 Base Camp through Baltoro Glacier & Concordia. Prime purpose of the activity is to maintain ecosystem so to prevent the glaciers from melting which causes floods. Team managed to bring down 1,200 KGs garbage, waste and other litters and dumped the same with CKNP for further disposal.

## FUTURE OUTLOOK

Moving into 2025, in addition to building relationships with new obligors, the Bank will also concentrate on strengthening relationships with existing customers/ depositors by offering a complete suite of attractive consumer products including Allied Visa Credit Card, Allied Personal Finance, Allied Car Finance, Allied Home Finance, Allied Solar System Finance, Allied Scooty Finance and Allied Electric Bike Finance to meet their specific financial needs.

ABL aims to play a key role in servicing the SMEs and commercial enterprises in multiple sectors, products and services through

Bank's operational facilities thereby facilitating financial inclusion, effective utilization of outreach, technological infrastructure, digital lending platform driving innovation and sustainability in SME Financing. Specialized lending products are developed to meet financing needs of SME/ commercial entities, which includes Allied Business Finance, Allied Fast Finance, working capital financing, Warehouse Financing, Term Finance, Trade Finance, Lease Finance, Allied Digital Finance and Supply Chain Finance.

CRBG is also working on strengthening both new and existing relationships with Agricultural obligors and customers and would explore avenues of Agri Value Chain and financing through Agri Service provider. Moreover, the Bank aims to focus at banking on equality and enhancing the scope of female centric products by offering khamum lending product and enhance the features of Allied Khanum Account.

## ISLAMIC BANKING GROUP

ABL Aitebar Islamic Banking successfully marked 11 years of operations in the Islamic banking achieving an appreciable annual profit of Rs. 8,787 million (2023: Rs. 7,383 million), registering impressive growth of 19%, where as total assets of ABL Aitebar Islamic Banking with healthy growth of 17% stood at Rs. 155,590 million. This significant milestone reflects the continued strength and growth of the business.

ABL Aitebar Islamic Banking has continued to broaden its outreach with the opening of new branches and Islamic Banking Windows (IBWs) at conventional branches. Our network has expanded to 160 Islamic Branches and 308 IBWs. During the year 15 new branches and 146 new IBWs have been opened and 18 branches have been converted from Conventional to Islamic Banking.

Strengthening the product suite, Islamic Banking developed and launched segment-based Shariah Compliant financing products for Treasury and Agriculture segments which includes Currency Salam and Allied Aitebar Aabayari.

Digitalization and automation in Islamic Banking Group has remained an important part of the overall strategy during the year evident from the deployment of Bulk Account opening functionality of Allied Aitebar Khanum Account, Allied Islamic Current Account, Allied Islamic Saving Account, Allied Aitebar Senior Citizen Account (Regular & Asaan), Allied Islamic Youth Account (Regular & Asaan) and Allied Aitebar Waseela e Hajj & Umrah Account. Allied Aitebar Rising Star Account was launched to fulfil the banking needs of minors/children by providing a Shariah compliant solution.

Under the banner of Allied Aitebar Islamic Banking focused interactive awareness seminar was arranged for guidance and financial inclusion of faith sensitive clientele;

Resident Shariah Board Member (RSBM) delivered comprehensive presentations on the importance of Islamic Banking in our day-to-day life & economy, products & transactions involved, the difference between Conventional & Islamic Banking. Business community comprising of 80 persons attended this session.

## FUTURE OUTLOOK

ABL Aitebar Islamic Banking aims to deliver a comprehensive range of Shariah-compliant products and services, excelling in the competitive Islamic banking sector by ensuring operational efficiency and exceptional customer service to drive significant growth. Emphasis will remain on conducting customer awareness workshops and promoting Islamic banking as a key tool for enhancing financial inclusion in Pakistan. The Bank also prioritizes expanding its network while leveraging automation and digitization to support the continued growth and evolution of Islamic banking.

## DIGITAL BANKING GROUP

2024 marked another year of innovation and excellence for Allied Bank's Digital Banking Group, solidifying its leadership in the digital banking landscape. The Group demonstrated unwavering



dedication to enhance customer experience through innovative technologies and strategic initiatives, earning accolades that highlight its exceptional performance.

Allied Bank was honoured as the Pakistan's Best Digital Bank at the prestigious Euromoney Awards 2024 and was named the Best Bank for Startup Support 2023-24 at the Future Banking Summit and Expo 2024 by VISA Inc.

This year, myABL platform reached a significant milestone, with over 2 million registrations, marking a 28% year-on-year growth. The introduction of features like Virtual Debit Cards and RAAST Person to Merchant (P2M) QR payments enriched the digital banking experience for users. The redesigned myABL User Interface improved accessibility and security with enhancements like biometric verification, device binding, and auto-fetch OTP. These innovations led to improved app ratings, 4.6 on Android and 4.5 on Apple Store, reflecting the Bank's commitment to customer-centric solutions.

Allied Bank also launched the myABL Coins Enterprise Loyalty Program, enabling debit and credit card customers to earn and redeem points, further enhancing customer engagement and loyalty.

The Bank's WhatsApp Banking service continued its remarkable growth, registering 1.6 million users, a 67% increase over the previous year. Enhanced features such as utility bill payments, cheque status inquiry, and account maintenance certificates made everyday banking more accessible. The introduction of a new interface with improved navigation, buttons, and emoji-based interactions further elevated the user experience. Allied Bank also strengthened its presence on social media space, achieving a 63% growth in followers, with the total count surpassing 3.6 million.

In its inaugural year, Allied Bank's Merchant Acquiring Business deployed over 3,000 POS machines, facilitating over 2 million transactions with a total volume Rs. 14 billion. Additionally, expansion of RAAST payments, with 23 million transactions worth Rs. 1.2 trillion, highlights Allied Bank's pivotal role in transforming the digital payments ecosystem in Pakistan.

Allied Bank has successfully completed its transition from Unison to Oracle Siebel CRM, enhancing the management of complaints, sales leads, and service requests at contact centers and branches. This shift facilitates seamless end-to-end integration, improves turnaround times (TAT) through predefined workflows, and provides enhanced customer insights.

Over 1,000 customer segments have been implemented based on digital footprints, demographics, and behavioural data, allowing the bank to deliver highly personalized and targeted engagement with customers. With the introduction of Customer 360 views for both retail and business customers, the bank now leverages analytical insights based on customer digital behaviour. This data-driven approach empowers frontline staff to provide customer-centric, tailored services and supports informed decision-making.

The digitalization of sales and marketing processes has optimized the recording and processing of customer leads, offering a seamless experience across the entire Bank network and improving lead conversion and customer interactions. Automated features, such as the locking of financial claims, fraud prevention mechanisms, and the one-click blocking of digital and non-digital channels, have enhanced customer security and streamlined operational efficiency. The integration of the complaint management process with key applications and touchpoints has improved TAT and customer service by enabling predefined workflows and a more efficient complaint resolution process.

The Bank's efforts in transforming customer relationship management were recognized with the Pakistan Digital Award 2024 for Best CRM, acknowledging the significant improvements in operational efficiency and customer service.

Operational efficiency and customer convenience remained at the forefront of Allied Bank's strategy. The Bank introduced third-party cash deposit functionality via Cash Recycler and Deposit

Machines, enabling non-Allied Bank customers to deposit cash into Allied Bank accounts.

The Allied Phone Banking Team achieved a historic 92% service level during the year, reflecting its exceptional commitment to efficiency and customer satisfaction. Allied Phone Banking also made significant contribution in the revenue of the bank through sales campaigns of Allied Visa Premium Debit Card and Allied Visa Platinum Debit Card. Allied Phone Banking also launched call back facility through multiple channels for customers.

To enhance the digital customer experience, the bank is committed to creating a seamless, integrated, and personalized journey for our customers. This involves developing and maintaining a robust, high-performance data analytics and reporting platform for the Digital Banking Group, utilizing Business Intelligence (BI) tools and Big Data solutions. Key initiatives include the creation of live Power BI dashboards to provide real-time insights into various critical areas, including POS, e-commerce, myABL, ATMs, Acquiring Machines, Cards, Raast, and more. This involves identifying gaps, collaborating with key stakeholders to address emerging needs, and driving data-driven solutions. By leveraging advanced data science techniques and scrubbing methods, we aim to uncover valuable insights and identify new opportunities to foster business growth and continuously improve the customer experience.

## FUTURE OUTLOOK

Looking ahead to 2025, ABL is set to embark on a transformative journey with ambitious goals and innovative strategies that align with its vision of leadership in the digital banking landscape.

The introduction of the Intelligent Virtual Assistant (IVA), powered by Kore.ai, is set to revolutionize customer service by delivering seamless, human-like interactions for inquiries, requests, and complaint resolution, available 24/7. A renewed focus will be placed on data-driven decision-making, with the Bank leveraging advanced analytics to enhance product development, marketing strategies, and customer engagement. Insights derived from these analytics will enable Allied Bank to tailor its offerings to meet the diverse needs of its customer base, ensuring continued relevance and competitiveness in a rapidly evolving market.

Allied Bank's strategy has always been centered around delivering optimal customer service through operational efficiency. Sales enhancement efforts will leverage the already implemented process automation within the CRM Sales module, thereby driving customer satisfaction.

The Bank will also expand its focus on enhancing self-service options, such as enabling advanced functionalities within the myABL app and WhatsApp Banking, to reduce inbound call volumes and promote greater independence for customers.

By embracing cutting-edge technologies, fostering innovation, and prioritizing sustainability, Allied Bank will redefine what it means to deliver exceptional banking services. The Bank's initiatives reflect its mission to promote financial inclusion, environmental stewardship, and customer empowerment. The Intelligent Virtual Assistant (IVA), strategic partnerships with bookme.pk and Haball, and sustainable practices like recycled PVC debit cards and the carbon credit calculator in the myABL app demonstrate a forward-thinking approach.

## INFORMATION TECHNOLOGY

Allied Bank (ABL) has consistently made remarkable strides in serving its customers by leveraging state-of-the-art technology, expanding its digital presence and incorporation of Artificial Intelligence (AI) tools and techniques to ensure that customers have access to a comprehensive range of AI based "digital and networked banking services" on the go.

Allied Bank is pioneer in development of a Large Language Model (LLM) using the proprietary OpenAI ChatGPT platform, incorporating Retrieval Augmented Generation (RAG). This initiative focuses on enhancing operational efficiency and customer service through innovative AI applications. Under this initiative the Bank has developed initial models, facilitating employees, to provide precise answers to queries related to

HR policies and to deliver accurate and current compliance information by leveraging training on the Bank's documents, circulars, policies and procedures. Another model developed to assist branch staff and call center agents for providing customers with information and guidance on bank products.

To better serve customers, the Bank has introduced an advanced Intelligent Virtual Assistant (IVA) that seamlessly integrates with ABL's Large Language Model. This solution is designed to handle a high volume of conversations and transactions, ensuring that customer needs are met quickly and efficiently. The IVA provides clear, helpful information about the Bank's products and services, making it easier for customers to make informed decisions. In its continuous journey of digital transformation, ABL has adopted a proactive stance by integrating Robotics Process Automation (RPA) to automate various operational scenarios. ABL has successfully applied RPA in trade finance price benchmarking and the generation of customer account statements, contributing to enhanced accuracy and timeliness.

Another notable completed RPA implementation is the core banking password reset feature, offering users a secure and convenient solution.

As part of bank's "Data Strategy", ABL has taken an initiative to collect and analyze various Customer Data points from ABL's own data lake by leveraging Big Data technologies. The "Customer Segmentation" use case was prioritized, aiming to categorize the customer base into distinct personas based on demographics, behaviors, and psychographics using advanced AI models. In order to further strengthen the digital platform security, Allied Bank has achieved another critical milestone by introducing innovative user authentication and transaction security features. These include two-factor authentication (2FA), touchless biometric authentication, device registration with a cooling-off period, and end-to-end encryption for all digital transactions. These advancements have enhanced customer confidence in the Bank's online banking services, ensuring robust security and privacy for myABL Digital Banking users.

The myABL Digital Banking App's redesign is a pivotal initiative aimed at significantly elevating the user experience. This comprehensive overhaul includes a refreshed interface that emphasizes simplicity, speed, and personalization. Recent advancements in myABL app include the instant creation of a VISA virtual debit card for secure online shopping, RAAST P2M (Person to Merchant) transfers enabling effortless merchant payments, activation of dormant accounts without branch visits, temporary transaction limit enhancements, direct subscription to Jazz Bundles, and simplified processes for lodging complaints and requesting refunds.

Customers are also empowered with enhanced control over their finances, enabling them to effectively manage their debit and credit card limits and usage across various channels, including ATMs, POS terminals, and eCommerce platforms. A major milestone in digital payments is the launch of NFC Tap&Pay, a revolutionary feature that sets a new benchmark in convenience and security for merchant payments. By integrating Tap&Pay functionality into the myABL Digital Banking App, the Bank not only simplifies the payment process but also aligns with global trends in contactless payments, offering customers a faster, safer, and more efficient way to pay.

Bulk RAAST Transfers is another important achievement that has established a more effective railroad for domestic funds transfer with quicker settlement of funds. Allied Bank has successfully rolled out this service for its corporate customers, facilitating bulk payment disbursements such as salaries, pensions, and dividends. Additionally, the Digital Lending Platform is set to revolutionize SME and sole proprietor financing, offering instant lending solutions. PISP (Payment Initiation Service Provider) compliance will facilitate customers in making merchant payments nationwide directly from their ABL account, while shifting numerous conventional 1-Link transactions to RAAST aligns with the regulatory slogan of "foree & free," highlighting the Bank's commitment to cost-effective, efficient digital banking solutions.

The Bank is also committed to establishing a robust presence in the Metaverse through the creation of a virtual branch

touchpoint. This digital space is designed to deliver an immersive experience to customers and is intended to evolve into a fully operational virtual branch in subsequent phases.

ABL has successfully integrated the Azure DevOps platform, designating it as the primary source code repository. With the extensive suite of tools offered by Azure DevOps, we are strategically positioned to enhance efficiency across the entire development lifecycle. The implementation of Azure DevOps marks a transformative shift, reinforcing collaboration, and optimizing our software development procedures for long-term success.

The Core Banking System serves as the central hub within a bank's software infrastructure, overseeing both customer financial and non-financial/historical data. The Bank has initiated an upgrade to the latest release of its Core Banking System, poised to benefit from technological enhancements made over time, ultimately leading to improved customer services and an enhanced user experience.

ABL is actively participating in the National eKYC Blockchain initiative facilitated by the Pakistan Banking Association. As part of this significant initiative, member banks, including ABL, will have the capability to share Know Your Customer (KYC) information securely over a state-of-the-art Blockchain network. This initiative marks a significant milestone as it represents the first use-case of Blockchain infrastructure deployment within Pakistan's banking industry.

In order to provide centralized, reliable, safe and secure business services, ABL has two state-of-the-art mission critical Data Center facilities. These facilities are designed, built and operated to meet international standards, and make sure the availability of banking services round the clock for customers.

The Bank is building Greenfield Tier-III data center after choosing a suitable location considering factors such as climate, natural disaster risks, accessibility, and proximity to energy sources. Designing this data center bank cares energy efficiency by incorporating renewable energy sources, efficient cooling systems, and energy-efficient hardware. By implementing green building practices and aiming for certifications such as LEED (Leadership in Energy and Environmental Design) in the data centre building, the Bank is contributing to minimize environmental impact.

To fulfill computing needs, the Bank has strategically acquired latest generation of Oracle Exadata, CISCO UCS X6/X7 platform and IBM Power10 Servers, to power its core and critical banking systems. These cutting-edge systems incorporate the latest CPUs, advanced networking capabilities, and optimized storage hardware, complemented by refined software.

The Bank has successfully upgraded its Tier-II Storage Area Network (SAN) infrastructure, replacing outdated storage with state-of-the-art Dell EMC PowerStore 5200T All Flash storage. By leveraging All Flash storage, the Bank has achieved substantial performance gains, including reduced latency and increased throughput, ultimately resulting in faster and more responsive application performance.

Enhancing the existing networking capabilities, the Bank has implemented Cisco Application Centric Infrastructure (ACI), the industry's most secure, open, and comprehensive Software Defined Networks (SDN) solution for Data Centers which enables automation to accelerates infrastructure deployment and governance.

To ensure the business continuity and availability of critical services to the customers' even in case of a disaster, the Bank is using Dell EMC Recover point solution for replicating virtual machines to DR site. Recover point provides efficient block level SAN to SAN data replication and Continuous Data Protection (CDP) between primary and alternate sites with point in time recovery feature. In the event of data loss or corruption, data can be recovered across arrays and applications to a consistent state. The Bank is also using VMware Site Recovery Manager (SRM) for automating the internal workflows for the recovery of VM at alternate site and non-disruptive testing of disaster recovery plans. VMware SRM is a disaster recovery management solution

which seamlessly integrates with SAN-based replication to automate and orchestrate the recovery process for VM in order to minimize downtime in case of disasters.

The Bank annually conducts one-week long DR exercise to assess the strength, availability and monitor the robustness of Disaster Recovery site, during this tenure all operations served from alternate site and act as primary site.

#### FUTURE OUTLOOK

Going forward, ITG shall continue to augment its inter-connected technological advancement across the Bank to cater financial needs of the Tech Savvy customers while reducing operational cost through automation and optimization of processes and systems. The Bank continues to implement robust system in order to safeguard from upcoming cyber security threats. The Bank shall continue to invest in revolutionized IT systems for better connectivity with branches, offices and ATMs including the deployment of end-to-end digital payments among individuals, business and government entities.

#### RISK MANAGEMENT GROUP

Risk Management Group (RMG) is continuously striving towards management of risk through an augmented framework of sound risk principles, reinforced by optimum organizational structure, robust risk assessment models and effective monitoring systems in an automated environment to safeguard the strength of the capital base of the Bank while achieving maximum value for the stakeholders.

Dedicated functions in Risk Management include:

- Corporate and Financial Institutions Risk;
- Commercial, SME and Consumer Risk;
- Credit Administration and Monitoring;
- Technical Appraisal;
- Information Security & Governance; and
- Enterprise Risk.

These functions operate cohesively to continuously augment the risk monitoring and assessment architecture, ensuring superior quality of asset portfolio while keeping the aggregate risks well within the Bank's overall risk acceptance criteria. During 2024, Risk Management continued to refine and innovate Risk Management practices using latest technology and took following key initiatives to further strengthen risk monitoring and assessment processes:

- The Bank has in place an indigenously developed state of the art Risk Assessment and Management System (RAMS) for loans processing and monitoring. The system has enabled effective management of Credit Risk, also reflected by one of the lowest infection ratios in the industry. The Bank follows a continuous process for upgradation in RAMS to enhance its effectiveness.
- In line with the Bank's distinctive initiative of engaging with the obligors to provide them latest insights on business management and strategies, three seminars have been organized during 2024 for Corporate, Commercial, and SME obligors. These insightful sessions were led by the eminent Dr. Ishrat Hussain, former Governor of the State Bank of Pakistan; who shared his expertise on critical topics including "Pakistan: The Way Forward", "Beyond Survival: A Roadmap for Business Success" and "Pakistan's Economy: Opportunities and Challenges for Businesses."

The Bank has conducted various security assessment exercises in 2024 on Information assets of the Bank which included Vulnerability Assessment (VA) and Penetration Testing (PT) activities.

Payment Card Industry Data Security Standard (PCI DSS) Certification has also been achieved for the consecutive 6<sup>th</sup> year in 2024 along with compliance to Swift Customer Security Program (CSP) as mandated by SWIFT International. Various Information Security Awareness campaigns including Fraud

awareness have been conducted for our valued customers. A Cloud based E-Learning platform is also in place for training of team members to educate and enhance awareness about latest Cyber security threats and trends.

Major focus of the Bank remained on the Capacity Building and Enhancement of SOC (Security Operations Center) where significant investment was made on the Technology Upgrades, Improvement of Processes and development of Skillset of Human Resources. Major highlights included a dedicated SOC Facility enabled through advanced technologies for Security Information and Event Management system, Threat Intelligence and Digital Risk Protection Platform, Security Orchestration Automation and Response System, End Point Protection & End Point Detection & Response Solution and Data Loss Prevention System. Through use of these systems, the Bank has capacity not only to analyze logs, identify the security incidents, and automate the process of orchestration & escalation for timely countermeasures but has also enriched and timely Threat Intelligence for protection of our Information Assets and prevention of loss of sensitive data.

The Bank implemented security tools to Detect and prevent Behavior based threats and anomalies at end points in order to further strengthen security.

The Bank has also in place Information Security Risk Management Program for aligning its Governance structure with International Standards and Industry best practices. In this regard, Information Security Strategy and development of Policies, Procedures and Frameworks were the major highlights.

The Bank has in place a roadmap to further strengthen and improve the security posture in view of Cyber Hygiene and Data Leakage self-assessment.

The Bank also initiated a project for Implementation of ISO 27001:2022 standard to further strengthen its Information Security Management System.

#### FUTURE OUTLOOK

Risk Management aims to continue the pace of major initiatives in 2025 such as effective utilization of the implemented Modules of Oracle Financial Services Analytical Applications (OFSA) and Operational Risk Management Module of Risk Nucleus, process design assessments and control testing, automation of workflows in Risk Assessment and Management System, information security awareness campaigns and augmentation of the Bank maintained warehouses for pledge financing.

Emphasis on further strengthening the Bank's Information Security Posture shall continue along with investments in technology and human resource development to maintain an effective risk management framework across the Bank.

Being cognizant of disruption through digital banking, Risk Management has planned to enhance the scope of existing digital lending platform from consumers to Small Enterprises, Medium Enterprises and commercial businesses by innovating credit scoring models and processes for credit risk assessment, disbursement and monitoring.

Collaboration with leading FinTech and Data Analytics companies shall be evaluated to leverage the developments taken place with regards to Artificial Intelligence and Machine Learning techniques.

Risk Management recognizes the challenges to the economy and shall continue to take pragmatic measures to ensure effective risk management of assets of the Bank.

#### HUMAN RESOURCE

In 2024, the Human Resource Group (HRG) demonstrated its unwavering commitment to innovation and adaptability, playing a vital role in ensuring a positive work culture while effectively addressing the evolving dynamics of talent management and operational strategies. Serving as a strategic business partner and a catalyst for transformation, HRG continued to deliver meaningful impactful across all sectors of the Bank.

With a focus on fostering a positive mindset and reinforcing organizational clarity, HRG remained dedicated to creating a work environment that is conducive to success. Leveraging past accomplishments and aligning operational strategies with future objectives, HRG uniquely positioned itself to steer the Bank toward sustained growth in an ever-changing workplace landscape.

Furthermore, HRG prioritize enhancing the overall employee experiences by transitioning from traditional operating models to more dynamics, forward-thinking approaches, ensuring meaningful outcomes in a rapidly evolving work environment.

#### Talent Acquisition

As per Bank's policy and to meet the human resource requirements of the Bank, career opportunities have been offered to external candidates and to our existing employees at all hierarchal levels through approved talent acquisition procedures of the Bank.

To fulfill the human resource requirement of different functions of the Bank, 4,272 offers for appointment have been issued to eligible candidates during the year 2024 against both permanent and contractual positions.

In line with approved Manpower Plan 2024, batch of Management Trainee Officers (MTOs) was inducted, consisting of 377 candidates. Moreover, three (03) batches of Tellers, consisting of total 709 candidates have been inducted during the year 2024. Besides, a Khanum Teller Batch of 190 candidates, with special emphasis on female inclusion, was also acquired during the year.

Furthermore, keeping in view the continuous increase and change in technological advancement in Banking industry, the Bank inducted a special Batch of Management Trainees Information Technology (MTIT), consisting of 26 candidates.

This year the Bank had special focus on enhancing Liability Sales Business and to support this business initiative, the Talent Acquisition team of HR made all-out-effort to on board multiple batches of BDOs. In total, 2036 offer letters were issued to candidates for the position of Business Development Officers.

Along with the batch hiring, 934 offers have been issued for lateral hiring positions as replacement hiring as well as against approved hiring budget for the year. As per approved career path of Management Trainees, 1309 Management Trainees from various batches were awarded biannual salary increments during the year 2024.

#### Employee Career Path Development

Career growth opportunities were offered at all hierarchal levels through merit-based elevations of the Bank's existing resources to provide cross functional exposures at Group Head, Divisional Head, Regional Head and Unit Head positions. Through effective career progression at junior management levels, 284 cadre change elevations were made during the year 2024 to provide adequate growth opportunities within the organization.

#### Learning & Development

In 2024, the Human Resources Group (HRG) exemplified its steadfast commitment to excellence and innovation, achieving an impressive 92% overall training coverage and positively impacting more than 12,000 employees. Among its standout achievements was the strategic emphasis on capacity building for the Bank's complete Islamic banking transformation by 2027. As part of this initiative, over 8,000 employees successfully completed specialized training in Islamic banking, laying a solid foundation for this significant organizational shift.

Diversity, Equity, and Inclusion (DEI) remained at the heart of HRG's vision, with over 9,500 employees receiving targeted training in these crucial areas. This dedication to nurturing an inclusive and equitable workplace was recognized with the prestigious Global Diversity & Inclusion Benchmarks (GDIB) award organized by HR Metrics in the DEI Learning and Development category, a testament to the Bank's leadership in this domain.

Customer service excellence continued to be a cornerstone of HRG's training efforts, covering more than 2,900 participants through a series of highly specialized programs. Highlights included a three-day exclusive program on Developing and Leading a Customer-Centric Culture, conducted in partnership with the Lahore University of Management Sciences (LUMS). Additionally, middle management benefited from the globally acclaimed Legendary Service Program by Blanchard. To sustain this impact, six resources were trained as Training of Trainers (TOT) and have successfully conducted 61 sessions across the country in 2024. Frontline staff underwent a focused customer service boot camp tailored to enhance essential skills such as greeting, effective communication and customer handling. HRG also prioritized leadership development and digital transformation to prepare the Bank's leaders for the future. Notable initiatives included the Leadership in the Age of AI program, delivered by distinguished professor from Cambridge University to Group Heads, and an exclusive session on Generative AI for senior executives, including the CEO and chiefs, which highlighted the Bank's readiness to embrace emerging technologies and drive innovation.

Additionally, through a strategic partnership with Coursera, over 450 employees accessed courses in Data Science, Computer Science, Leadership and Management, offered by globally renowned institutions and organizations such as Yale, Meta, IBM and Google. These initiatives exemplify HRG's dedication to empowering employees and driving innovation.

Employee well-being continued to be a key priority, with over 595 participants taking part in programs dedicated to health and lifestyle. HRG engaged foreign trainers to lead impactful sessions, including the Health 360 program and an exclusive employee well-being masterclass.

In compliance with the State Bank of Pakistan's directives, HRG prioritized capacity-building initiatives in underprivileged regions, making a significant contribution to the National Financial Literacy Program (NFLP). Through these efforts, HRG conducted more than 3,996 sessions across 41 remote districts, positively impacting the lives of over 122,201 local citizens.

A core priority has been cultivating digital fluency and agility to meet the demands of the rapidly evolving digital landscape. Numerous upskilling and reskilling sessions were conducted at Management Development Centers, enhancing employees' digital proficiency across the organization.

Collaborations with leading national and international academic institutions significantly strengthened training capabilities, with employees being nominated for world-class training programs, underscoring the Bank's commitment to continuous professional development.

To support these endeavours, advanced training infrastructure was expanded with the establishment of new Management Development Centers in Lahore and Multan. These state-of-the-art facilities feature modern auditoriums, classrooms, computer labs, discussion rooms, and dining areas, equipped with the latest learning technologies and tools. This comprehensive approach aligns with the strategic vision of holistic employee development, creating an environment that supports continuous learning and contributes to the organization's overall success.

Through these multifaceted initiatives, HRG has not only strengthened the Bank's organizational capacity but has also set a benchmark for excellence in learning and development, preparing Allied Bank to navigate future challenges with confidence and agility.

#### Employee Welfare

In 2024, Human Resource Group (HRG) played a pivotal role in upholding Allied Bank Limited (ABL) purpose and values through innovative initiatives aimed at enhancing employee experience, well-being, and financial stability.

#### Digitization and Technology:

- HR Chatbot 'ABL-معاون', was launched to streamline

employee internal communication and provide instant responses to HR-related queries. This digital AI based tool aims to enhance efficiency, enabling employee's quick response against wide range of queries in efficient manner. This will significantly reduce the time employees spend searching for information, improving efficiency across the bank, while also reducing the turnaround time.

- 'Online Medical Benefits Workflow' was introduced within Oracle HRMS to simplify and enhance the efficiency of medical benefits management for employees. This digital solution aligns with HRG's commitment to fostering a green environment. Through this platform, employees can easily submit medical bills via Oracle HRMS Self-Service, manage their claims seamlessly, and receive real-time status updates.

#### Employee Support Programs:

- Electric Bike and Scooty Loan facility has been launched to promote eco-friendly commuting for employees. This new benefit is designed to offer a sustainable, cost-effective commuting option, helping in reduction of carbon footprint while enjoying the convenience of modern electric bikes.
- Reduced Markup Rate on Employee Personal Loan from Kibor + 1 (22.71%) to fixed 6%. This significant reduction ensures that personal loan is now more affordable for employees. HRG is committed for providing financial relief and support, helping to create a more inclusive and financially secure environment for employees.

#### Healthcare and Well-being:

- Expansion of the Hospital Panel to 113 facilities for improved medical coverage and geographical accessibility for providing best medical facilities to our employees in a convenient manner, twenty-four (24) reputable hospitals have been added to our existing county-wide panel of hospitals during the year 2024.
- Partnership with Islamabad Diagnostic Centre to facilitate bank employees and their family members to avail premier and discounted healthcare services along with latest diagnostic and treatment facilities.
- Seminars on Mental Health, Stress Management have been arranged by HRG, these seminars focusing on employee's mental health awareness and strategies for maintaining mental well-being.
- Blood Donation Drive in collaboration with Shaukat Khanum Memorial Hospital was organized at ABHOL. The event was a testament to the bank's commitment to corporate social responsibility and giving back to the community. A large number of employees participated in the drive, donating blood to help save lives.
- 'Breast Cancer Awareness Seminars' have been organized across major cities (Lahore, Karachi, Islamabad and Multan) as part of the Pinktober campaign. These sessions aimed to empower employees with knowledge on early detection and prevention of breast cancer.

#### Compensation and Financial Relief:

- To remain competitive and solidify its position as a market leader, HRG has increased the Salaries and Allowances for all existing and future hires in the roles of Tellers, Business Development Officers, Sales Executives, Collection Officers, and Customer Support Officers.
- Inflationary Relief Allowance equivalent to one-month gross salary for employees in MG7 and below management grades.
- Branch Managers (BMs), allowance has been revised and benchmarked with branch deposit size.
- Severe Winter Allowance for employees posted in challenging geographical terrains has also been revised.

#### Employee Well-Being and Mental Health

Employees' wellbeing and mental health is of paramount significance to us. Training sessions and wellness programs on 'Work-life Balance', 'Yoga for Self-Care' and 'Stress Management' were arranged for employees.

#### Gym Facilities

ABL has established state-of-the-art gym facility for its employees, featuring separate gyms for males and females. These gyms are equipped with top-quality workout equipment and amenities, designed to meet diverse physical fitness needs. They provide employees with a convenient and accessible space to engage in physical activities, promoting a culture of health and wellness within the workplace.

#### Day Care Facilities

Launch of 'Allied Rising Star Day-care Centre (s)' at MDC Lahore and MDC Multan is a testament to our commitment to support working parents within the bank. Day-care helps employees to focus on their work by reducing stress and distractions when parents are confident that their children are in safe and nurturing environment. Staffed by qualified and caring professionals, these daycare centers ensure that children receive attentive care in a secure and supporting environment.

#### Sustainable Development Goals – Gender Equality

Gender Equality has always been the corner stone of Allied Bank from the time of the Banks inception it was the torch bearer on being an equal opportunity employer to help women achieve their goals. HR has always been at the fore front to promote the female employee inclusion and supporting new initiatives that support them in general areas of life as well. HR has taken multiple initiatives, to narrow down the gender gap and establish a conducive, harmonized gender sensitive work environment.

As part of our diversity & inclusion drive hiring of female employees was focused this year, therefore our female population stands at 24.59% at December 2024.

The commitment towards bringing diversity is further augmented by the following statistics.

Female Director	1
Female Employees – Reporting directly to Head of Departments	2
Female Chief Anti-Harassment Officer	1
Female Head of Department	1
Total Female Employee Ratio	25%
Female Employee Ratio at Senior Management	8%

#### Differently Abled Persons

As a strong proponent of equal opportunity employment, Allied Bank remains dedicated to maintaining a workplace that upholds inclusivity, ensuring no discrimination based on gender, race, or physical ability, in accordance with its established policies. The Bank continues to provide career growth opportunities for individuals with different abilities, fostering a supportive and accommodating work environment.

Furthermore, the Human Resource Group (HRG) has reinforced its commitment through extensive training initiatives, ensuring that employees are well-equipped to interact effectively with Persons with Different Abilities (PWDs). Over 9,000 employees have been trained on this subject through various methods, including workshops, e-learning modules, and interactive sessions. This comprehensive training program covers essential aspects such as understanding PWD needs, best practices for customer service, priority assistance protocols, fundamental sign language for communicating with hearing-impaired individuals, and guidelines for assisting visually impaired or blind customers.

#### Stakeholder Engagement Process

Due to the economic conditions and rising inflation rate of the country, year 2024, has been very challenging where Talent Acquisition and employee retention were major points of concern. Despite these challenging circumstances, our commitment to attract and recruit top tier resources remained unwavering. In the year 2024, the Bank continued with robust talent acquisition strategy through collaboration with reputable educational institutions, to provide employment opportunities to Pakistani youth with special emphasis on specialized fields such as FinTech, Data Sciences, Data Analytics and Artificial Intelligence (AI) to augment bank's digitization strategy & related initiatives. Under our Recruitment Strategy, the Bank participated in Job Fairs, Campus recruitment drives and number of related collaborates through partnering with esteemed academic institutions based in the major cities as well as far flung areas, such as Lahore University of Management Sciences (LUMS), Lahore School of Economics (LSE), Ghulam Ishaq Khan University (GIKI), Sawabi, IBA Karachi, IBA Sukkur, FAST (NUCES), COMSATS, University Of Central Punjab (UCP), Pakistan Hindu Council, University of Punjab – Institute of Business and Information Technology (PU-IBIT), Hailey College of Commerce, Knowledge Stream, ACCA Pakistan and Sindh HEC. The Bank aims to bridge the gap between academia and industry, providing platforms for graduates to access real-world data relevant to their respective fields.

#### Succession Planning

Continuous employee development and sustainable growth are the integral components of the Human Resource Group's (HRG) strategy. To achieve this objective, HRG continuously strives to transform its employees into agile teams with multi discipline expertise through Allied Leadership Talent Pipeline (ALTP) Program and Allied Leadership Recognition and Investment in Sustaining Employees (RISE) Programs. With the aim of aligned strategic policy, Center for Assessment Research and Employees' Evaluation (CARE) has altogether conducted the assessments of 6328 candidates FTY 2024. It includes the recruitment, succession planning, leadership planning, recognition, and employees' evaluation.

Among the sustainable execution of the past projects, CARE has also taken new initiatives in 2024 such as, Employees Happiness Survey (EHS-2024), Allied Phone Banking Agents' Assessment (APBA) Capacity Building Training Program (OTpsyMax Pre-Post Assessments). The following activities of past and new projects are as under:

- MTO's induction test of overall 1125 candidates.
- Learnability assessments and personality profiling of 1008 participants.
- MTIT's induction test of 696 candidates.
- MTIT Periodic Evaluation of 62 participants.
- Tellers Aptitude Assessment of 305 participants.
- Junior Grade Promotion Assessment - Change of Cadre Assessment of 1266 participants.
- Psychometric Assessment for the Position of Regional Head(s) 282 participants.
- Senior Grade Promotion (MG7 to MG6) Psychometric Assessment of 195 participants.
- Allied Phone Banking Agents Assessment: 64 candidates
- Capacity Building Program for 55 participants.
- ABL – Employees' Happiness Survey (EHS) among 1270 employees.

#### BANKING SERVICES GROUP

The Banking Services Group (BSG) drives exceptional customer experience leading to sustainable growth through technology and operational excellence. By streamlining processes, automating tasks, and embracing digitization, we have achieved significant strides in efficiency and team empowerment, setting the stage for greater customer focus and long-term success.

#### Business Growth

The BSG played a pivotal role in driving business growth and enhancing customer engagement through collaborative efforts with other business groups. The Bank achieved several milestones in 2024:

- Expanded Customer Base:** The Bank achieved an account base of 9.2 million by opening 1.4 million plus additional accounts during the year. Special support was extended to flood-affected communities in Sindh, enabling them to rebuild their lives through access to essential banking services.
- Trade Business:** Facilitated US\$ 3.6 billion in Trade business, demonstrating significant contribution to country's economic landscape.
- SMS Alert Activations:** 436,709 customers onboarded for SMS Alerts during the year crossing the milestone of 1.28 million Subscribers.
- RTGS Transactions:** The Bank processed 721,480 RTGS transactions, achieving a turnover exceeding Rs. 75 trillion, with a 33% growth in turnover and a 17% increase in transaction volume.
- Enhanced Investment Portfolio:** Enhanced customer investment portfolios worth over Rs. 729 billion across 1,500+ IPS accounts.

#### Enhanced Customer Experience

ABL continued to prioritize customer satisfaction and inclusivity by launching several impactful initiatives:

**Biometric Authentication:** Enabled biometric-based transactions for utility payments and instrument issuance, eliminating cheque dependency and streamlining processes to improve customer facilitation.

**One-Window Operations for Remittances:** Simplified remittance payments up to Rs. 100,000 with one-window operations for faster processing.

**Flood-Affected Communities:** Dedicated efforts were made to open accounts for flood-affected communities in Sindh, ensuring access to essential financial services in their time of need.

**Women Financial Inclusion:** Opened 382,860 new female accounts, reinforcing the Bank's commitment to empowering women and promoting gender equity in financial services.

**Facilitation for senior citizens:** Improved pension disbursement processes, including facilitating real-time updates for life certificates using biometric verification, ensuring convenience for pensioners. Further, improvements are in testing with NADRA for implementation that would create enhanced convenience for pensioners to submit proof of their lives with the banks.

**Braille Script Stationery:** Introduced Braille-script stationery at regional offices to ensure inclusivity for visually impaired customers. Real-Time CNIC Verification: Introduced a system for real-time removal of Post-No-Debit upon verification of renewed CNIC, significantly reducing delays in account reactivation.

**Revamped KPIs for Customer Service Excellence:** Revamped Key Performance Indicators (KPIs) for Customer Support Officers (CSOs) to emphasize enhanced customer service, digital transformation, CRM utilization, and swift complaint resolution. Comprehensive training programs were rolled out to further strengthen their skills. Improved KPI performance was reflected during the year. This initiative ensures a stronger alignment between service excellence and organizational goals.

#### Sustainability Initiatives

The Bank integrated environmentally responsible practices to reduce its carbon footprint:

- Energy Efficiency:** Upgraded branch infrastructure by adding 80 new solar-powered locations, increasing the total to 147 solar-enabled locations enhancing total installed capacity of 2.2 megawatts. This initiative significantly reduced energy consumption and carbon emissions.
- e-Statement of accounts:** The shift of 463,450 customers to e-Statements of Account (e-SOA) brought the total to over 2.6 million users, enhancing cost efficiency and supporting the Bank's sustainability drive.
- Paper Reduction:** Reformatted 47 forms (consisting of multi-

ple pages) into single-page documents. Eliminated printing of office copy of Account maintenance certificate, reducing paper usage.

- **Paperless e-KYC:** Shifted to a fully paperless process for KYC of New customers, enabling review and verification of details directly in the T24 system.
- **Remote Training via DSMs:** Conducted 60 remote awareness sessions across 1,500+ branches and regional offices using Digital Signage Machines (DSMs). This initiative enhanced training efficiency, enabled branch staff to access training sessions from their branches/offices resulted elimination of travelling to learning centres thereby reducing fuel costs and carbon emissions.
- **SWIFT-Based Guarantees:** Promoted SWIFT-based guarantee issuance, achieving a 76% adoption rate for non-government entities. This shift from paper-based to SWIFT-based guarantees aligns with sustainability principles by reducing resource consumption, improving efficiency, and minimizing environmental impact.

#### Operational Excellence and Technological Advancements

BSG enhanced operational efficiency and reduced costs through strategic use of technology:

New Flatbed printers: Enhanced deployment of multifunction new flatbed printers up to 5,200 units, to support scrutiny of cheque security features, validations, digital archiving, operational efficiency, off-site monitoring & audits.

#### Automation of operational processes:

- **Enhanced Sweep Functionality:** Enabled automatic daily fund transfers at the Start of Day (SOD) or Close of Business (COB) with customer consent, ensuring seamless fund management within multiple customer accounts.
- **Automated SECP Fee Transfers:** Developed a system to auto-transfer SECP Verification Fee funds from branch heads to a centralized account, reducing manual errors and improving efficiency.
- **Automated Account Category Changes:** Enhanced the T24 system to automatically update account categories during COB, reducing manual interventions
- **Biometric T24 Password Reset:** Authorized Branch Managers to reset T24 passwords through biometric verification instantly, eliminating reliance on other offices to approve their requests.
- **API Integrations:** Collaborated with 10 partners to enable 24/7 remittance processing and adopted IBFT for 20 new agents, boosting transaction volumes.
- **Inward Clearing Centralization:** Resumption of centralized image based inward clearing of over 2 million transactions, reducing costs and branch workload.
- **Enhanced Data Governance:** Developed a Metadata Glossary and KPIs to improve data accuracy and foster data-driven decision-making.

#### FUTURE OUTLOOK

BSG envisions a future driven by simplified and automated processes and deployment of advanced technologies such as machine learning, artificial intelligence, and blockchain. B We are focused to elevate customer experiences, deepen engagement, and deliver transformative value.

We are committed to fostering stronger collaboration with business teams to drive sustainable growth while embedding a culture of innovation and resilience. At the core of our strategy lies a steadfast dedication to sustainability—integrating environmentally responsible practices into our operations and solutions.

#### SPECIAL ASSET MANAGEMENT

Special Assets Management Group (SAMG) is one of vibrant constituent of the Bank's risk management committee. Group is responsible for providing specialized services in (03) core functional areas of the bank that includes the recovery and management of non-performing assets, handling and applying of available measures/tools for controlling, minimizing and remedying the damage(s)/losses occasioning on account of undesirable acts of fraud, forgery and dacoity; and providing of legal support across the Bank.

SAMG exhibited consistent growth in recovery from classified portfolio through coordinated team efforts and by taking timely remedial measures.

SAMG by adopting multipronged strategies with special emphasis on negotiated settlements including cash settlements, debt property swap arrangements, restructuring/rescheduling of complex non-performing loans was able to post recovery of Rs. 1,251 million in 2024, compared to Rs. 1,530 million in 2023. Bank's infection ratio (NPL / Gross advances) has improved to 1.22% as compared to 1.64% in 2023. Meanwhile, loan loss coverage (including general provision) was recorded at 115.71% as on December 31, 2024, compared to 96.18% as on December 31, 2023.

During 2024, legal affairs has successfully maintained its track of efficient and timely professional support to all functions of the Bank. From the desk of FRM&RR several system controls were suggested to help control and curtail the digital banking frauds specially related to myABL & e-Commerce channels. As part of staff awareness, multiple training sessions for field offices were conducted for awareness of general public in respect of use of digital banking channels. FRM- Acquiring, a leg of FRMU was established in 2023 for monitoring, investigations and reporting of ABL acquiring business.

#### FUTURE OUTLOOK

SAMG will persist in adopting a proactive stance to optimize recovery initiatives while ensuring comprehensive legal support across the Bank and reinforce the fraud monitoring framework in collaboration with ITG and DBG.

#### COMPLIANCE

Allied Bank Limited is firmly committed to maintaining the highest standards of compliance, ensuring strict adherence to regulatory requirements, and fostering a robust compliance culture. The Bank remains dedicated to upholding ethical banking practices, mitigating compliance risks, and continuously enhancing its risk management framework. The Compliance Group (CG) serves as a critical component of the Bank's second line of defense in managing regulatory and financial crime risks, including Money Laundering (ML) and Terrorism Financing (TF). Its primary role is to ensure the Bank's adherence to all applicable laws and regulations by embedding robust controls within internal policies and procedures. The Bank's management remains committed to fostering a strong compliance culture through collaboration with stakeholders, effective adoption of regulatory guidance, and continuous improvement of risk mitigation frameworks. CG establishes a sound compliance environment by:

- Conducting comprehensive compliance reviews.
- Ensuring timely resolution of internal and external audit observations.
- Enhancing awareness among stakeholders.
- Continuously upskilling compliance staff.
- Implementing technology-driven controls to support Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Countering Proliferation Financing (CPF), and Trade-Based Money Laundering (TBML) initiatives.
- Overseeing the development, review, and updating of the Bank's policies, procedures, and product programs.

Providing structured oversight through the Compliance Committee regarding regulatory requirements and policies across both domestic and international operations.

With increased regulatory requirements, particularly concerning TBML, AML, CFT, and CPF in alignment with Financial Action Task Force (FATF) expectations, CG has played a pivotal role in ensuring the timely communication and implementation of these requirements across the Bank. It has also focused on instilling a compliance-driven culture through continuous monitoring, training, learning, and automation. To mitigate risks related to ML, TF, and Proliferation Financing (PF), CG has strengthened entity and process-level controls while maintaining an up-to-date inventory of the Bank's documentation and process flow charts. Additionally, regulatory compliance reviews are conducted to

assess adherence to regulations and the effectiveness of control measures. The use of Key Risk Indicators (KRIs) have been instrumental in identifying, evaluating, and tracking compliance risks, ensuring timely and accurate regulatory reporting, and fostering enhanced coordination with regulatory bodies. The Compliance Group has also expanded organization-wide outreach through regular and comprehensive training programs using digital platforms. Furthermore, advanced technology is leveraged to detect out-of-pattern transactions indicative of ML, TF, and PF activities, while audit observations are resolved through root cause analysis and process improvements.

To further enhance compliance, the Bank has strengthened monitoring mechanisms for TBML and harmonized electronic Know Your Customer (e-KYC) processes by integrating critical trade due diligence parameters. The development of a Trade Customer Risk Profiling Model has significantly contributed to mitigating trade-related ML risks, including dual-use goods and vessel tracking. Moreover, the Bank has upgraded its e-KYC functionality to ensure seamless integration with the core banking system. The Entity-Level Internal Risk Assessment (IRA) has been updated in accordance with regulatory requirements and Pakistan's National Risk Assessment (NRA). In a key technological advancement, the Compliance Group has deployed an Artificial Intelligence (AI)-powered solution that enables users across the Bank network to efficiently obtain answers to their queries on policy / processes, eliminating the need to manually search lengthy policy documents. This initiative enhances operational efficiency and accessibility of compliance information.

#### FUTURE OUTLOOK

Compliance Group remains dedicated to reinforcing the compliance culture by expanding training, certifications, and awareness programs on AML, KYC, CFT, CPF, TBML, and regulatory compliance for the team members. The integration of AI-driven solutions will further streamline transaction monitoring and sanction screening, optimizing efficiency and effectiveness. Additionally, the Bank is at the forefront of implementing an industry-wide blockchain e-KYC initiative, which aims to improve KYC quality while reducing compliance risks. Efforts to strengthen TBML frameworks will continue through enhancements in name screening solutions, vessel tracking, and transaction monitoring systems. Our investment in state-of-the-art compliance systems underscores the Bank's commitment to maintaining a robust and compliant banking environment.



**OUTLOOK**

# FORWARD LOOKING STATEMENT

Forward-looking statements are used in different sections of the annual report of Allied Bank Limited (ABL). These statements rely on assumptions and expectations that involve inherent uncertainties; thus, making them susceptible to deviations from actual results. Therefore, these assumptions and estimates should be read in conjunction with prevailing economic parameters including relevant fiscal and monetary policies to support informed decision-making.

## Economic outlook

Pakistan's economy demonstrated positive progress in 2024, with key macroeconomic indicators showing improvement. Inflation has slowed due to monetary policy measures, effective fiscal consolidation has led to a fiscal surplus, and rising exports and remittances have contributed to a surplus in the current account. Accordingly, the IMF has revised Pakistan's 2024 GDP growth forecast to 2.5%, up from its previous projection of 2.4% in the October 2024 WEO. State Bank of Pakistan (SBP) has estimated GDP growth of Pakistan at 2.5% for 2024, a significant improvement from -0.2% in 2023.

Inflation has remained a significant challenge in recent years, both globally and domestically. However, due to base effect, stable food prices owing to improved supply and the diminishing impact of previous gas tariff hikes have contributed to a notable decline in inflation. In December 2024, consumer price index (CPI) stood at 4.1%, down from 4.9% in the month of November 2024 and 29.7% in the month of December 2023. In response to easing inflationary pressure, SBP has progressively reduced the policy rate by 1,000 basis points since June 2024, bringing it to 12% in January 2025.

## Future Outlook

The Bank is diligently advancing toward a prosperous future by strategically investing in generative AI applications, autonomous technologies and digitally driven innovative solutions, while simultaneously creating the value for its stakeholders through a commitment to agility, resilience and robust governance.

Going forward, the Bank is determined to achieve the following key strategic objectives:

### Enhanced digitization

ABL aims to enhance its digital footprint through advancing and adopting digital financial technologies, expanding the smart branches and leveraging the Open Banking Platform, Artificial Intelligence (AI) and Generative AI.

### Process enrichment through robotic automation

The Bank continues to deploy further use cases of "Robotic Process Automation Solution" for improving operational efficiency, control and cost saving. Automation of manual processes which will result in turn-around time improvement and strengthening of operating environment.

### New-to-bank customer onboarding

A key strategic objective of ABL is to establish a seamless and user friendly digital onboarding process. The Bank is broadening its customer base by introducing innovative services and business models, leveraging a hybrid strategy to drive the acquisition of new customer base.

### Financial inclusion

Financial inclusion plays major role in economic growth and poverty alleviation. By providing access to formal financial services, individuals in underserved communities can participate in the formal economy, leading to improved livelihoods. Going

forward, ABL targets to penetrate into large unbanked segment of population groups through innovation and deploying the personalized and customer centric products and services.

### Information security

In an era of enhanced digitization, maintaining agile and proactive information security is of paramount importance. The Bank is committed to continuously strengthen its robust information security framework by adopting the industry best practices and integrate it with advanced controls measures.

### Human resource and intellectual capital

Technology-savvy human capital is critical for achieving successful digital transformation in an increasingly complex and competitive environment. In addition to onboarding technology-oriented talent, the Bank places significant emphasis on both traditional and e-learning methodologies to upskill and develop its workforce, aligning their capabilities with the evolving dynamics of the banking industry.

### Fee Based Income

Amid fluctuating interest rate environment; diversification, base broadening and optimization of revenue streams will remain pertinent. The Bank intends to expand opportunities in e-banking services, trade finance and remittances to enhance fee-based income.

### Outreach

Keeping in mind the evolving digital trends together with traditional banking to cater diversified population base of the country, the Bank focuses on hybrid banking strategy involving a mix of conventional and digital channels.

### Uncertainties that may affect the Bank's resources, revenues and operations

The Bank apprises readers regarding multiple factors beyond its control, which may cause the actual results to differ materially from the expectations expressed in these statements.

Following factors may affect the Bank's strategy going forward:

- Fiscal and monetary measures;
- Geo-political risks;
- Regulatory changes and taxation;
- Political stability; and
- Exchange rate volatility & inflation

# PERFORMANCE MEETING THE FORWARD-LOOKING DISCLOSURES

Strategic Objective	Key Operational Milestones
Enhance Operational Effectiveness to provide customer centric Experience.	<ul style="list-style-type: none"> <li>• Completed installation of additional "10" Digital Signage Machines (Total DSMs: 1,462).</li> <li>• One of the highest ATM transactions as acquirer; ATM uptime 96%.</li> <li>• Implemented RPA to reduce the TAT and improve processes efficiency in following areas: <ul style="list-style-type: none"> <li>✓ Handling of daily remittance payment</li> <li>✓ Auto Marking of IDs as inactive after resignation / termination of employee</li> </ul> </li> <li>• Implementation of System Generated Account Maintenance Certificate instead of manual issuance to customers from branch end</li> <li>• Enhancement in ABLs WhatsApp menu to facilitate the customers</li> <li>• Risk Assessment Management System (RAMS) Integration With myABL Business to have the complete view of customers.</li> <li>• Dormant Account Activation via myABL</li> <li>• Advanced security features have been introduced in myABL including the following: <ul style="list-style-type: none"> <li>✓ Contactless in-app biometric verification</li> <li>✓ Device binding</li> <li>✓ Auto-fetch OTP</li> </ul> </li> <li>• UI UX of myABL app is being redesigned to enhance customer experience.</li> </ul>
Augmenting financial inclusion	<ul style="list-style-type: none"> <li>• Enhanced Pakistan's first myABL WhatsApp Banking service, serving to around 1.6 million users, by adding new features including: <ul style="list-style-type: none"> <li>✓ Account maintenance certificate.</li> <li>✓ Cheque status inquiry.</li> </ul> </li> <li>• Deployed 3,119 POS machines; having more than 2 million+ successful transactions volume in 2024.</li> <li>• RAAST P2M QR Payments on myABL implemented to make payment to merchants via QR scanning.</li> <li>• Mobile Tap &amp; Pay contactless payments functionality for UPI &amp; PayPak Debit Cards rolled out.</li> <li>• RAAST Bulk Transfer (B2P) on myABL Business implemented.</li> <li>• Launched ABL's WhatsApp Channel to the keep customers and stakeholder updated on this platform</li> <li>• Payday loan feature (Advance Salary) has been extended to over 132 companies, during the year ended December 2024.</li> <li>• Opened 27 Branches and 146 Islamic Banking Windows (Total Branches 1,510 and Islamic Banking Windows 308).</li> <li>• 38 new Automated Teller Machines (ATMs) added (Total: 1604).</li> <li>• Total Mobile Banking Units are 05.</li> <li>• Opened 1,485,000+ new accounts during the period to reach the total at 9,261,000+ as on December 31, 2024 including mobile wallets.</li> </ul>
Enhancing brand image & Shareholders' Value	<ul style="list-style-type: none"> <li>• Total deposits surpassed Rs. 2 trillion.</li> <li>• Stable dividend stream and increasing equity.</li> <li>• One of the lowest infection ratio.</li> <li>• One of the highest capital adequacy ratio.</li> <li>• FinanceAsia awards the Bank: <ul style="list-style-type: none"> <li>✓ Best Domestic Bank</li> <li>✓ Most Diversity Equity Inclusion Progressive Bank</li> <li>✓ Most Innovative use of Technology</li> <li>✓ Best Bank for Financial Inclusion</li> <li>✓ Best Sustainable Bank</li> </ul> </li> <li>• Pakistan's Best Digital Bank awarded by Euromoney Awards for Excellence</li> <li>• The Bank won Pakistan's Best Domestic Islamic Bank by Euromoney Islamic Finance Awards</li> <li>• Employer of Choice Award - Gender Diversity &amp; Inclusion by The Pakistan Business Council along with the World Bank Group's International Finance Corporation</li> </ul>

	<ul style="list-style-type: none"> <li>Global Diversity &amp; Inclusion Benchmarks (GDIB) recognized the Bank in following categories: <ul style="list-style-type: none"> <li>✓ 'Best Practice in Industry Bank' in RECRUITMENT category</li> <li>✓ 'Best Practice in Industry Bank' in DEI LEARNING AND DEVELOPMENT category.</li> </ul> </li> </ul>
Employer of Choice for Top Professionals	<ul style="list-style-type: none"> <li>ABL demonstrated its steadfast commitment to excellence and innovation, achieving an impressive 92% overall training coverage and positively impacting more than 12,000 employees.</li> <li>Over 8,000 employees have been successfully completed specialized training in Islamic banking.</li> <li>To fulfill the human resource requirements of different functions of the Bank, 4,272 offers for appointment issued to eligible candidates during the year 2024 against both permanent and contractual positions.</li> <li>In line with approved Manpower Plan 2024, batches of Management Trainee Officers were inducted, consisting of 377 candidates. Moreover, three (03) batches of Tellers, consisting of total 709 candidates inducted during the year 2024. Besides, a Khanum Teller Batch of 190 candidates, with special emphasis on female inclusion, was also acquired during the year.</li> <li>Through effective career progression at junior management levels, 284 cadre change elevations were made during the year 2024 to provide adequate growth opportunities within the organization.</li> <li>Diversity, Equity, and Inclusion (DEI) remained at the heart of training &amp; development, with over 9,500 employees receiving targeted training in these crucial areas.</li> <li>Customer service excellence continued to be a cornerstone of our training efforts, covering more than 2,900 participants through a series of highly specialized programs. Highlights included a three-day exclusive program on Developing and Leading a Customer-Centric Culture, conducted in partnership with the Lahore University of Management Sciences (LUMS).</li> <li>Additionally, middle management benefited from the globally acclaimed Legendary Service Program by Blanchard. To sustain this impact, six resources were trained as Training of Trainers (TOT) and have successfully conducted 61 sessions across the country in 2024. Frontline employees underwent a focused customer service boot camp tailored to enhance essential skills such as greeting, effective communication and customer handling.</li> <li>Training &amp; Development also focused on leadership development and digital transformation to prepare the Bank's leaders for the future. Notable initiatives included the Leadership in the Age of AI program, delivered by a distinguished professor from Cambridge University to Group Heads and an exclusive session on Generative AI for senior executives, including the CEO and Chiefs, which highlighted the Bank's readiness to embrace emerging technologies and drive innovation.</li> <li>Additionally, through a strategic partnership with Coursera, over 450 employees accessed courses in Data Science, Computer Science, Leadership and Management, offered by globally renowned institutions and organizations such as Yale, Meta, IBM and Google.</li> <li>Employee well-being continued to be a key priority, with over 595 participants taking part in programs dedicated to health and lifestyle. Bank engaged foreign trainers to lead impactful sessions, including the Health 360 program and an exclusive employee well-being masterclass.</li> <li>In compliance with the State Bank of Pakistan's directives, we prioritized capacity-building initiatives in underprivileged regions, making a significant contribution to the National Financial Literacy Program (NFLP). Through these efforts, ABL conducted more than 3,996 sessions across 41 remote districts, positively impacting the lives of over 122,201 local citizens.</li> <li>A core priority has been cultivating digital fluency and agility to meet the demands of the rapidly evolving digital landscape. Numerous upskilling and reskilling sessions were conducted at Management Development Centers, enhancing employees' digital proficiency across the organization.</li> <li>Advanced training infrastructure was expanded with the establishment of new Management Development Centers in Lahore and Multan.</li> <li>To remain competitive and solidify its position as a market leader, HRG has increased the Salaries and Allowances for all existing and future hires in the roles of Tellers, Business Development Officers, Sales Executives, Collection Officers, and Customer Support Officers.</li> </ul>

Enhanced Focus on Digitization	<ul style="list-style-type: none"> <li>Established 18 Digital Branches.</li> <li>Biometrically enabled ATM network of 1604 ATMs.</li> <li>Mobile Tap &amp; Pay contactless payments functionality for UPI &amp; PayPak Debit Cards has been rolled out.</li> <li>Enhancement in transaction limits of myABL and debit cards to cater customer needs.</li> <li>New Services on WhatsApp Banking introduced.</li> <li>Deployed 3,119 POS machines having more than 2 million+ successful transactions volume.</li> <li>Implementation of Oracle CRM Solution to provide the customers best possible financial solutions.</li> <li>Virtual debit card issuance for myABL customers for eCommerce transactions.</li> <li>Hackathon for engagement of FinTech's, startups conducted with 1,244 individuals represented by 366 groups participated in hackathon.</li> <li>Storage area network is upgraded with more advanced storage called "EMC Power-Store 5200T which has more advanced features for efficient storage management.</li> </ul>
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## STATUS OF MAJOR PROJECTS

The Bank initiated several projects throughout the year to improve customer services, regulatory compliance and to expand information technology infrastructure.

List of projects completed are detailed below:

Projects	Status
Robotic Process Automation has been implemented for following activities: <ul style="list-style-type: none"> <li>Daily remittance payment</li> <li>Auto Marking of IDs as inactive through RPA after resignation/termination of employee.</li> </ul>	Completed
Implementation of system generated account maintenance certificate instead of manual issuance to customers from branch end.	Completed
Deployed 3,119 POS machines having more than 2 million+ successful transactions volume.	Completed
RAAST P2M QR Payments on myABL implemented to make payments to merchants via QR scanning.	Completed
Mobile Tap & Pay contactless payments functionality for UPI & PayPak Debit Cards rolled out.	Completed
Risk Assessment Management System (RAMS) integrated with myABL Business to provide complete business overview of a corporate customer by showing their deposits and lending products on one platform.	Completed
Virtual card issuance for myABL customers can now generate virtual debit card for eCommerce transactions	Completed
Implementation of Oracle CRM Solution	Completed
Installation of new systems in 06 warehouses for live view at the Head Office of the Bank	Completed

## SOURCE OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS AND FORECASTS

The Bank prudently analyses market dynamics to formulate its projections and forecasts. The Bank also uses assumptions and forecasts provided by International Monetary Fund, World Bank,

Asian Development Bank, State Bank of Pakistan, Ministry of Finance and Pakistan Bureau of Statistics.

## BANK'S FUTURE RESEARCH AND DEVELOPMENT INITIATIVES

The Bank aims to enhance digital banking capabilities, leveraging AI, blockchain and data analytics to optimize customer experience and operational efficiency. ABL will focus on developing shariah-compliant financial solutions, expanding fintech partnerships and introducing sustainable

banking products. Additionally, investments in cybersecurity are being made to strengthen risk management and regulatory compliance. Through these initiatives, ABL seeks to remain at the forefront of financial innovation, ensuring long-term growth and competitive advantage.

## BANK'S RESPONSE TO CRITICAL CHALLENGES AND UNCERTAINTIES

The Bank's robust Risk Management Framework together with strong technological and intellectual infrastructure enables the Bank to address impending risks and uncertainties. The Bank's distinctive positioning; combined with capital buffer, liquidity cushion and well-established systems and processes, instill

confidence in the Bank's ability to thrive the year 2025 and beyond.



**SUSTAINABILITY  
AND CORPORATE  
SOCIAL RESPONSIBILITY**



# CORPORATE SUSTAINABILITY

## Chairman Overview on Sustainability Practices

Sustainability is a rapidly growing field that connects environmental, social, and governance (ESG) issues with economic impacts across various industries, including banking. At Allied Bank Limited (ABL), we recognize the importance of ESG and are committed to driving meaningful change by leveraging our financial expertise and resources. Our goal is to extend our positive influence beyond our immediate operations and contribute to a more sustainable future.

The State Bank of Pakistan regulates sustainable development practices in the banking sector, prompting a shift towards more responsible and environmentally friendly business models. In response, ABL has adopted green banking strategies, integrating corporate social responsibility (CSR) into its operations. We are actively developing green products and services to promote sustainable business practices.

In the past, businesses viewed ESG initiatives as an added cost. However, today, sustainable practices are seen as a valuable investment that drives innovation, opens new market opportunities, and enhances value for all stakeholders.

Our sustainability report provides detailed insights and statistics on ABL's sustainable initiatives in an organized and transparent manner, helping stakeholders better understand our progress. By embracing innovative environmental solutions, promoting social equity, and maintaining strong governance standards, ABL aims not only to improve financial performance but also to make a meaningful contribution to a more sustainable world.

## Board of Directors Statement on Adoption of CSR Best Practices

The Corporate Social Responsibility (CSR) Vision of the Bank is 'To be a Socially Responsible Corporate Citizen'. The vision is in line with the Mission statement of the Bank 'To play a proactive role in contributing towards the society'

Allied Bank, being a responsible corporate citizen, strives towards continuous adoption of CSR best practices within its culture and operations for meaningful and positive contribution to the environment in which it operates. The Board of the Directors is fully committed in developing and implementing the CSR strategy and aligning it with the Bank's values and objectives. Through CSR, the Bank participates in resolving the community issues related to the social and environmental concerns, on a voluntary basis.

The Board of Directors has approved following policies for implementation of CSR practices which ensure that these become a fundamental part of the Bank's culture and guide its operations and stakeholders' engagement.

- Corporate Social Responsibility Policy
- Donations Policy

The CSR activities of the Bank are governed through a CSR policy having objective to provide guidelines, so that business objectives and Bank's role as Socially Responsible Corporate citizen are aligned.

The Bank adopted globally recognized ecological and social practices through its endorsed CSR policy. The key CSR objectives of the policy are aligned with the rolling strategic plan of the Bank; ensuring close adherence to the global Sustainable Development Goals (SDGs).

The Bank has assigned specific short-term and long-term performance targets under the guidelines of above referred policies and frameworks and regular performance updates against assigned targets is submitted to the Board of the

Directors for monitoring purposes. Annual CSR plan of the Bank for upcoming year is approved by the Board of Directors and performance against plan is reviewed accordingly. The CSR plan meets following objectives under the policy.

- Workplace
- Environment
- Community & Brand Image
- Customer Relations
- Governance

## Strategic Objectives on Environment, Social and Governance (ESG)

Allied Bank recognizes that the achieving a sustainable and prosperous future for all stakeholders requires integrating ESG practices into core strategic objectives of the Bank. This strategic approach requires effective management of its impact on environment, economy and society. These initiatives are essential to the Bank's success and have the potential to facilitate growth, enhance stakeholder satisfaction and increase profitability. Allied Bank's ESG initiatives focus on introducing banking products, services, and operations that positively impact the environment and society while fostering a sustainable governance framework. These efforts have significant implications for strategic direction, financing and investment, portfolio evaluation, the development of financial instruments and products, and the adoption of environmentally friendly practices within the Bank's internal operations.

The sustainability policy, strategies and activities of the Bank are aligned with the following broader sustainability goals;

### Environmental

To become an environmentally responsible organization having positive impact on the natural world including ecosystem, climate, and natural resources.

### Social

To become socially responsible organization, having positive impact on its employees, customers, communities, and society as a whole.

### Governance

To become a responsible organization, believing in complete governance and sustainable economy.

### Capacity Building

Updating the skills of the Bank's personnel and its stakeholders in understanding the latest trends in sustainability.

## Impact of Sustainability-related Risks and Opportunities on the Financial Performance in the Short, Medium and Long term

The emphasis on sustainable practices requires investment in short term however these are projected to improve the financial performance in the medium and long term. Investments made in conversion of own premises to alternative energy sources has increased the depreciation expense however the related benefits of savings in energy cost and fuel consumptions are anticipated to outweigh the initial expense. Similarly, investments made in technology for automation of processes and paperless banking is expected to yield positive financial impact in the long term. The green banking initiatives including tree plantations and cleanliness drives are expected to create a positive image of the Bank among the existing and prospective customers and within the society. The Bank has prepared detailed sustainability targets

for the year 2025 and budgets have been allocated accordingly. Based on the results against these short-term targets, medium and long term targets shall be set along with related financial budgetary requirement.

## Four Pillars of Sustainability Reporting

### Governance

The Bank has developed a detailed Sustainability Framework and Strategic Plan document which defines the roles and responsibilities of the Board of Directors and the Management towards sustainability and integration of ESG factors in the Bank's policies, procedures, processes, products and services.

The Board of Directors has approved following policies and frameworks for implementation of Sustainability practices which ensure that these becomes a fundamental part of the Bank's culture and guide its operations and stakeholders' engagement.

- Sustainability Framework and Strategic Plan
- Green Banking Policy

The Board Risk Management Committee (BRMC), on behalf of the Board, is responsible for governance and oversight of sustainability risks and opportunities, which includes the ESG considerations within the Bank by setting the Bank's sustainability strategies, priorities and targets to create long term corporate value. The Terms of Reference (TOR) of BRMC include:

- To act as Sustainability Committee of the Board and review sustainability related risks initiatives / strategies and opportunities of the Bank.
- To review and recommend to the Board of Directors, on embedding sustainability principles into the Bank's strategy and operations to increase corporate values.

A cross functional 'Sustainability Forum' under the Management Committee (MANCO) of the Bank has been established to oversee the implementation of the sustainability activities of the Bank. The committee also oversees and ensures that all the activities related to sustainability are implemented as per the vision and directions of the Board of Directors and MANCO.

Allied Bank has adopted ESG Disclosures Guidelines of Securities and Exchange Commission of Pakistan (SECP), Green Banking Guidelines of State Bank of Pakistan (SBP), Environmental and Social Risk Management (ESRM) Implementation Manual of State Bank of Pakistan (SBP), Performance Standards of the International Finance Corporation (IFC) incorporated in ESRM, and ESG Reporting Guidelines of Central Bank of Bahrain (CBB).

### Strategy

The sustainability policy, strategies and activities of the Bank are focused on following key areas;

- Long Term Stability and Growth

### Metrics and Targets

The Bank has set targets and action plans to improve and assess ESG performance. The performance against major metrics is as under;

Metric	2024	2023
Green Financing (Rs. In Millions)	11,606	11,538
Solar Energy enabled Locations (No.)	147	69
Installed Capacity of Solar Locations (KW)	2,242	652
Tree Plantation (No.)	100,000+	100,000+
Gender Ratio (Female: Male)	25:75	22:78
Training and Developments (Rs. In Millions)	255	231
Donations (Rs. In Millions)	105	84
Corporate Governance Rating	CGR 9++	CGR 9++

- Sustainable Banking
- Carbon Neutrality
- Responsible Employer
- Creating Lasting Impact
- Contribution to Community
- Capacity Building
- Disclosure Management
- Validation and Rating
- Partnership and Alliances

### Risk Management

The Bank recognizes that its relationship with obligors in terms of financing decisions may have an adverse impact on the natural as well as social environment. In order to mitigate this risk, Environmental and Social Risk Management (ESRM) has been made an integral part of our credit approval process. The financing function of the Bank strives to remain aware of environmental and social risks faced by its obligors. The Bank assists its obligors to understand their responsibilities with regards to the protection of natural environment and their responsibilities to the society as a whole. All new loan proposals and credit renewals for the applicable categories are screened against required standards.

The Bank has developed a comprehensive Environmental and Social Management System (ESMS) comprising of set of policies, procedures, tools, and internal capacity to identify and manage the Bank's exposure to the Environmental and Social (E&S) risks of its borrower and customers. The ESMS states the Bank's commitment to the E&S management, explains its procedures for identifying, assessing, and managing the E&S risks of financial transactions, defines the decision-making process, describes the roles, responsibilities, and capacity needs of staff for doing so, as well as states the documentation and record keeping requirements. It also provides guidance on how to screen and categorize transactions based on E&S risks, conduct E&S due diligence, and monitor the borrower and customer's E&S performance. It is implemented through a set of procedures for:

- Screening transactions
- Categorizing transaction
- Conducting Environmental and Social Due Diligence (ESDD)
- Decision making process
- Escalation
- Monitoring borrower'/customer's environmental and social performance
- Managing a borrower'/customer's non-compliance with the Bank's environmental and social standards
- Incorporating environmental and social requirements, such as corrective action plan, as clauses in legal agreements with the borrower and customer
- Reporting

## Sustainability-related Risks and Opportunities throughout the Value Chain

Sustainability-related risks and opportunities arise out of the interactions between the Bank and its stakeholders, society, the economy and natural environment throughout the Bank's value chain. The Bank's dependencies on those resources and relationships give rise to sustainability-related risks and opportunities that could be expected to affect the Bank's prospects. The Bank's sustainability-related risks and opportunities are derived from the understanding of the resources and relationships which are categorized as under;

- Internal including the Bank's workforce and operational processes
- External including relationships with supplier and customers
- Community and Society as a whole

Human resource is a major asset owing to the service nature of the banking industry. The banking industry of the Pakistan is highly regulated and competitive; therefore, banks require constant supply of trained specialized staff and training & upgrading of existing staff to keep abreast of the constantly evolving financial landscape and changing customer needs. Allied Bank has taken major steps over the years to invest in the human resource to manage the risks and explore the opportunities associated with human resource. The Bank has established purpose-built state of the art Management Development Centres in four major cities including Lahore, Karachi, Islamabad and Multan which play a pivotal role in meeting the training needs of the staff. The training programs are designed to cater the evolving regulatory requirements as well as keeping up to date with the advancement in the digital landscape. The human resource policies of the Bank are designed and implemented in line with the Bank's mission to provide a challenging work environment and reward dedicated team members according to their abilities and performance.

The Bank believes in Equal Treatment of Customers. We are committed to treating all customers in a non-discriminatory manner and ensuring that our compliance program is grounded in strong ethical principles. The Bank has adopted various measures to facilitate the customers. By implementing these measures, Allied Bank demonstrates its unwavering dedication to protecting consumer rights, promoting financial literacy, and maintaining a high standard of ethical conduct.

These measures include:

- Customer Relationship Management (CRM)
- Complaint Management System (CSM)
- Financial Consumer Protection Framework
- Deposit Protection Insurance
- Consumer Awareness and Financial Literacy
- Various Sources for Product/ Service Information

Community service is a cornerstone of the Bank's Corporate Social Responsibility (CSR) initiatives. Through regular donations and support, we aim to make a positive impact on these essential sectors and improve the well being of our communities. We prioritize following sectors for our philanthropic contributions;

- Education
- Health
- Sports
- Science & Arts and Research
- General Welfare

In addition, the Bank plays a pivotal role in contributing to National Exchequer by not only working as a tax agent but also pay corporate taxes from its income.

### Climate-related Risks and Opportunities

Climate change has shifted from being solely an environmental concern to a substantial threat to humans, businesses, and national and global economies. Extreme climatic conditions jeopardise the ecological environment, human health, and economic development. Traditionally perceived as non-

environmentally sensitive, the banking sector has been demonstrated to be directly or indirectly affected by climate change. The State Bank of Pakistan (SBP) has also introduced regulatory requirements relating to integrating environmental risks into overall credit assessment and issued the Green Banking Guidelines (GBGs) and Environmental and Social Risk Management (ESRM) Implementation Manual for Pakistan's financial sector.

In order to address Climate-related risks and opportunities, Allied Bank has formulated a Green Banking Policy to adopt Green Banking practices focusing on following;

### Environmental and Social Risk Management (ESRM)

ESRM is part of the Credit Policy of the Bank and is applicable to new and extension of existing exposures. The borrowers / customers of the Bank are bound to comply with Environmental and Social Risk requirements.

### Green Business Facilitation / Financing

Allied Bank is committed to gradually allocate funding resources, development of green products and establishment of green advisory services for obligors who directly or indirectly want to improve their carbon footprint and be more resource efficient to reduce their environmental impact.

### Own Impact Reduction

Allied Bank is committed to manage and leverage resources in a way that help minimizes its own carbon footprint. The Bank endeavours to reduce its operational impact on the environment through increasing use of cost efficient / viable renewable energy and setting up its premises in such a way that its operations use low carbon energy and other resources.

### Compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 by the SECP

Allied Bank Limited is committed to upholding the highest standards of corporate social responsibility (CSR) as outlined in the Corporate Social Responsibility (Voluntary) Guidelines, 2013, issued by the Securities and Exchange Commission of Pakistan (SECP). The Bank's CSR Policy ensures compliance to these guidelines and actively integrates social, environmental, and economic responsibilities into its business operations, ensuring sustainable development and the well-being of society. Allied Bank's CSR initiatives encompass a wide range of activities, including environmental sustainability, ethical business practices, community development, and economic growth. By adhering to these guidelines, Allied Bank demonstrates its dedication to responsible business practices and its commitment to making a positive impact on society.

# CORPORATE SOCIAL RESPONSIBILITY

## REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

Allied Bank Limited (the Bank) being a socially responsible citizen remains committed towards Corporate Social Responsibility (CSR) which forms an integral part of the Bank's long-term strategy.

Your Bank believes in continued efforts for creating positive impact on our society and works to sustain the trust of the customers and communities in which it operates.

### OUR PHILOSOPHY OF CSR

Your Bank adopted globally recognized ecological and social practices through its endorsed CSR policy. The key CSR objectives of the policy are aligned with the rolling strategic plan of Your Bank; ensuring close adherence to the global Sustainable Development Goals (SDGs).

Under the CSR Policy, Your Bank aims to achieve following broader objectives:

**Customer Relations:** To Become First Choice Bank for the Customers.

**Workplace:** Establish a workplace environment to maintain balanced work life, healthcare facilities for employees, resource efficient Green culture, with an emphasis on achieving an equitable gender employment ratio.

**Environment:** Imparting positive impact on environment including the promotion of green banking, use of renewable energy sources, reduction in carbon emissions, tree plantation and cleanliness drives.

**Community and Brand Image:** Contribute towards wider social development including health, education and general community welfare, especially during times of natural calamities so that Your Bank is regarded as community caring organization.

**Governance:** Becoming Corporate Responsible Citizen by ensuring transparency, adopting best business practices, improving stakeholder relations and ensuring compliance with applicable laws and regulations.

### REGULATORY COMPLIANCE OF CSR POLICY

Your Bank's CSR policy ensures compliance of all regulatory requirements including the adoption of Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by Securities and Exchange Commission of Pakistan as well as Corporate Regulatory Framework issued by State Bank of Pakistan.

### SUSTAINABILITY FRAMEWORK AND STRATEGIC PLAN

Allied Bank's commitment to sustainable and responsible banking remained a cornerstone of our strategy. The Bank's management recognizes that our success is deeply intertwined with the well-being of the communities we serve, the environment we operate in, and the integrity of our business practices. Our dedication to sustainability and its pillars, Environmental, Social, and Governance (ESG), is integral to our daily operations. As an organization, we are integrating sustainability principles into our business processes, ensuring that our operations reflect to our dedication towards a sustainable and equitable future.

During the year, the Bank developed a comprehensive Sustainability Framework and Strategic Plan which provides guidelines for the Bank's approach towards sustainability and integration of ESG factors in its policies, procedures, processes, products and services. It highlights the Bank's commitments for sustainable development and corporate responsibility in the scope of its management practices and impacts on local communities. This plan also defines the roles and responsibilities of the Board of Directors (BoD) and the management with regard to sustainability. Under this framework, the Bank has set specific

short-term and long-term targets in key sustainability focus areas.

The Bank established Sustainability Forum under Management Committee (MANCO) of the Bank, to oversee the implementation of the sustainability activities of the Bank.

During the year, the Bank issued its first Sustainability Report which outlines the Bank's policies, procedures, activities and initiatives aimed at achieving sustainability for the Bank, society, and the community at large. The publication of Sustainability Report, crafted on recycled paper with eco-friendly vegetable based inks, highlights our dedication to resource conservation.

### CSR HIGHLIGHTS

In line with the aforementioned CSR objectives, the Bank's contributions towards these key areas are as follows:

#### Customer Services

- Deposit Protection – Rs. 1,822 Million
- Customer Complaints Resolution: 97%
- ATM Uptime – 96%
- Electronic Queue Management Systems – 642 Branches
- National Financial Literacy Program (NFLP) Sessions – 411

#### Employee Empowerment

- Best Practice in Industry Bank in "RECRUITMENT" and "DEI LEARNING AND DEVELOPMENT" category – By GDIB
- Employer of the Choice Award by PBC and IFC in "Gender Diversity & Inclusion" category
- Management Trainee Officers Graduation - 295
- Gender Diversity – 25% Females
- Trainings – 12,000+ Employees
- Medical Facility – 2,308 Employees
- Post Retirement Medical Facility – 495 Employees
- Benevolent Grants – 36 Employees

#### Contribution to National Exchequer

- Income & Super Tax – Rs.55,509 Million
- With Holding Tax as Agent – Rs.41,935 Million
- Federal Excise Duty and Sales Tax – Rs.2,515 Million
- Zakat Collection – Rs.371 Million

#### Digital Services

- Point of Sale Machines – 3,119
- Digital Touchpoints - 23
- Self Service Kiosk – 126 Branches
- Digital Self Service Branches – 18 Branches
- Information Security Awareness campaigns
- Mobile Banking Units - 5

#### Green Banking

- Tree Plantation Campaign – 100,000 approx. saplings/trees

- Solar Energy Locations – 147
- Total Solar Power Installed – 2,242 KW
- Green Financing – Rs. 11,606 Million

#### Community Services

- Education Rs. 72 Million
- General Welfare Rs. 56 Million
- Health Sector Rs. 43 Million
- Sports Rs. 15 Million

#### CUSTOMER RELATIONS

Your Bank continuously endeavors to achieve excellence in customer services by consistently surpassing the expectations of customers, understanding their needs, disrupting the industry and continuously bringing improvement in delivery of services to set the bar high, in-line with the organizational goals, and remains committed to nurture a service culture across the organization.

Customer service in Your Bank is one of the most important tools to enhance the Bank's market share. It includes responding to customers' needs and addressing their feedback in a 'thorough and timely' manner by interacting with customers through multiple communication mediums including Allied Phone Banking, Social Media platforms and Live Chat facility at Corporate Website and on WhatsApp; resulting in service efficiency and customer empowerment.

Your Bank is continuously expanding its digital footprint to augment the existing conventional branch banking experience by launching innovative digital solutions to cater the ever-evolving customer needs. Your Bank's vision is to distinguish as a leading force, defined by reliability, innovation and customer-centricity within the payment domain, with a mission to empower businesses through secure, user-friendly payment solutions.

Your Bank's excellence in digital platforms was acknowledged in Euromoney Awards for Excellence 2024 as the Bank won prestigious Pakistan's "Best Digital Bank 2024". In addition, Your Bank was honored with "Most Innovative use of Technology" award at FinanceAsia 2024. These awards are a reflection of Your Bank's commitment towards excellence in technology and innovation.

#### CRM Solution

By leveraging advanced CRM solutions, Your Bank continually strengthens its customer relationships, gain deeper insights into their needs, and provide tailored solutions that surpass expectations. The state-of-the-art CRM technology, equipped with robust modules and cutting-edge functionalities, has been instrumental in securing the "Best Customer Relationship Management (CRM) Technology" award at the Pakistan Digital Awards 2024. Key features such as Retail & Corporate Customer 360, Leads & Opportunity Management, Campaign Management, Service Request & Analytics, and capturing of Additional Customer Information, including personal preferences and family details, have transformed our customer engagement approach and enabled us to deliver personalized experiences, streamline sales processes, and make data-driven decisions, ultimately enhancing customer satisfaction and loyalty.

#### Virtual Metaverse Branch

Your Bank was the first bank from Pakistan to establish a Virtual Branch in the Metaverse on Spatial Environment. In order to further improve competitive edge, Your Bank is continuously upgrading the existing virtual branch with new features that will be more immersive and interactive for customers. In recognition, Your Bank won the "Best Augmented & Virtual Reality – ABL Metaverse Branch" at the Pakistan Digital Awards 2024

#### Pakistan's First Cash Recycler

In an innovative endeavor to meet the evolving demands of the digital era and substantially enhance its digital footprint, Your Bank has launched the first-ever Cash Recycler facility in Pakistan. This initiative signifies a transformative leap in the provisioning of banking services, closely aligning with our dedication to fostering a digital-first banking environment. Currently Cash Recyclers are deployed at 14 locations.

#### Enterprise Loyalty Program

During the year 2024, Your Bank introduced Enterprise Loyalty Program, "myABL Coins," which allows cardholders to earn points (coins) while spending with ABL's Debit or Credit Card. This program also offers exclusive access to a diverse marketplace featuring globally renowned brands across various merchant segments.

#### myABL Digital Banking

Your Bank constantly strives to provide innovative solutions to its customers through its digital platforms. This year, myABL platform reached a significant milestone, with over 2 Million registrations, marking a 28% year-on-year growth. The introduction of features like Virtual Debit Cards and RAAST Person to Merchant (P2M) QR payments enriched the digital banking experience for users. The redesigned myABL User Interface improved accessibility and security with enhancements like biometric verification, device binding, and auto-fetch OTP. Your Bank enhanced the myABL WhatsApp Banking features enabling the customers to access account information on their preferred messaging platform. This year new interface for myABL WhatsApp Banking was rolled out with easy navigation through buttons and lists. It also includes faster and improved flows with lesser number of clicks as well as have different emojis to make interactions more friendly and expressive. myABL WhatsApp Banking surpassed 1.6 Million registered users, offering convenient account inquiries and IBAN generation, providing a secure and accessible banking platform.

#### Virtual Debit Card

The rapid growth of e-commerce industry has increased the number of online transactions. Customers are now looking for hassle free, convenient and a secure way of performing online transactions. Your Bank introduced VISA virtual debit card for myABL digital banking users with limited time period transactions or one time use for online shopping without exposing their physical debit card.

#### Biometric Access Facility

All ATMs in Your Bank are equipped with biometric access facility to allow round-the-clock transactions without using cards, coupled with anti-skimming devices to enhance security of transactions.

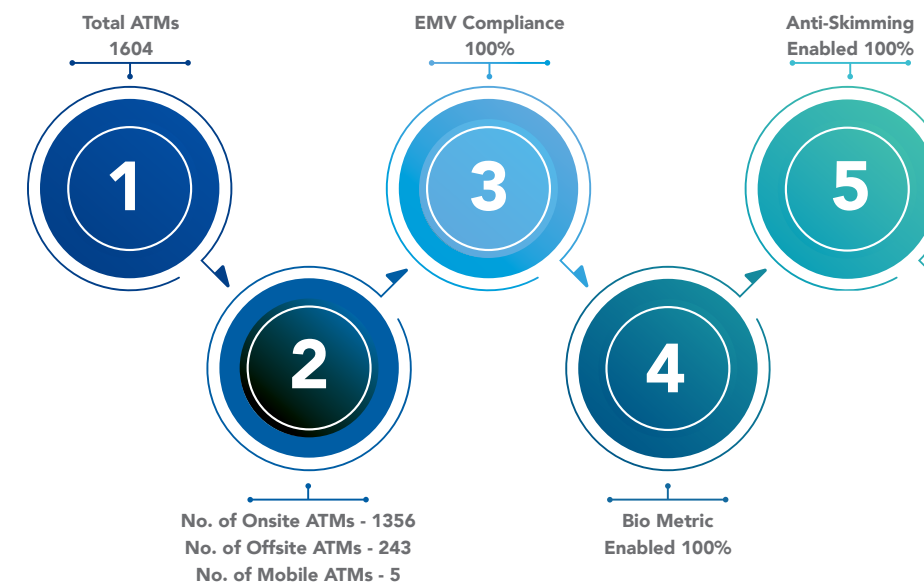
#### Self Service Branches

Identifying the impact of digitalization and focusing on banking needs for the millennials, Your Bank added to its network, Self Service branches making the total number of these Branches at 18 including one at Head Office, Lahore for employees' facilitation.

Self Service branch offers round the clock, wide array of fully automated banking services, including account opening, instant debit card issuance, fund transfers, fee payments, deposits and withdrawals.

#### ATM Network and Uptime

Your Bank has one of the largest networks of 1,604 ATMs deployed across the country to fulfill the needs of the Customers round the clock throughout the year. Your Bank continued its legacy of un-interrupted 99%+ ATM uptime during the occasions of Eid-ul-Fitr and Eid-ul-Adha holidays; processing around 1.92 Million transactions involving Cash Withdrawals of approximately Rs. 28.52 billion.



#### Electronic Queue Management System and Self-Service Kiosk

Your Bank installed Electronic Queue Management Systems in 642 branches with total cost Rs. 264.319 Million, facilitating the customers to conduct transactions conveniently. In continuation of the Bank's journey towards digitalization, 126 Self Service Kiosks worth Rs. 61.8 Million are installed to improve customer experience at branches. These Kiosks enable customers to perform banking services including account opening of Allied Asaan Accounts, performing balance inquiry, mini statement of account, cheque book requests and subscribing to alerts and e-statement of account. All these services are biometrically authenticated and can be performed in a completely secure environment at customer's convenience. Customers now can activate Dormant Account through Self Service Kiosks without the assistance of branch staff.

#### Customer Awareness and Financial Literacy Seminars

Your Bank remained focused in arranging seminars to create financial literacy and awareness among the customers and general public.

Your Bank organized an awareness Seminar on Pakistan Economy: Opportunities and Challenges for Businesses. The event featured Dr. Ishrat Husain, an esteemed economist and former Governor of the State Bank of Pakistan, as the keynote speaker. The primary objective of this event was to share with the participants, the opportunities, and challenges for businesses under Pakistan's prevailing economic conditions. The participants of the seminar were also informed about the "Applications of Digital Technologies in Industrial Sector". The participants were encouraged to use the Digital Technologies to increase their manufacturing efficiencies. The session was attended by the Bank's existing and prospective corporate /commercial relationships from multiple industries.

Moreover, another seminar on "Beyond Survival: A Road Map for Business Success" was arranged in Sahiwal where Dr. Ishrat Hussain offered actionable insights and strategic guidance to help businesses move beyond mere survival and achieve long-term success, to the participants. The seminar was attended by a diverse group of the Bank's existing and prospective commercial and SME obligors, representing multiple industries.

Your Bank also organized Agri awareness sessions in different rural areas of Punjab, KPK, AJK and Gilgit Baltistan to create awareness among the farmers about Agri finance products offered.

Your Bank's Human Resource function arranged 411 National Financial Literacy Program (NFLP) sessions in the rural districts with an aim of financial inclusion of unbanked segments of the society. These sessions, attended by 13,000+ citizens (70% Females), improved the financial awareness levels, which was appreciated by all the participants.

#### CUSTOMER PROTECTION AND QUALITY ASSURANCE

##### Deposit Protection Insurance

Your Bank spent Rs.1,822 Million towards deposit protection insurance, complying with SBP initiative to provide protection to small depositors across the banking industry.

##### Customer Data Protection

In this Digital era, customer information is more vulnerable than ever before. Cognizant to this fact, Your Bank continued to safeguard Data and Information Technology assets including compliance of PCI DSS and Customer Security Program (CSP) by SWIFT.

Your Bank conducted assessment exercises including Vulnerability Assessment (VA) and Penetration Testing (PT); ensuring a controlled environment for customers' related information.

##### Data Loss Prevention (DLP)

As part of Your Banks' commitment to safeguard sensitive customer information, Your Bank has implemented a Data Loss Prevention (DLP) solution during this year. This has strengthened the security control to detect, monitor, and prevent unauthorized access or leakage of confidential data across the bank's digital ecosystem. The DLP solution enables real-time data protection while ensuring compliance with industry standards, such as PCI DSS and data privacy regulations, reinforcing trust among our customers and stakeholders.

Through this proactive measure, the Bank has enhanced overall security posture, minimizing risks associated with data breaches and insider threats. This initiative is inline with Your Bank's vision to promote a culture of security awareness by supporting information security best practices across the organization and also reflects unwavering dedication to protecting customer data and upholding the highest standards of information security.

##### Information Security Awareness Campaigns

Information Security Awareness campaigns were conducted for valued Customers and Staff via Short Messaging Service (SMS) and emails to educate and enhance awareness about latest Cyber security threats.

##### Social Media Presence

Social Media followers increased significantly during the year, enabling Your Bank to keep our customers updated on products and stay connected. Your Bank maintains profiles on LinkedIn, Facebook, Twitter, Instagram and YouTube and actively interacts with the customers on a variety of topics. This engagement is providing significant enhancement to the Bank's presence on the

<b>Facebook</b>	<b>2,073,987</b>
<b>X (Twitter)</b>	<b>17,600</b>
<b>Instagram</b>	<b>61,463</b>
<b>YouTube</b>	<b>1,120,000</b>
<b>LinkedIn</b>	<b>396,099</b>

social media platforms, especially with the millennial segment of the society.

#### Contribution towards Financial Inclusion

During the year under review, Your Bank continued to work towards financial inclusion in rural areas and providing quality financial services at grass root level by expanding the Rural Branch network to 316.

#### Agricultural Financing

In order to play an operative role in the development of agricultural economy of the country, Your Bank is extending agricultural financing across the country and offers vast range of agricultural finance products through 263 Agri designated branches.

#### WORKPLACE

Your Bank, acting as Responsible Organization, places special significance in employee empowerment by building an engaged, healthy and inclusive team to accomplish the business strategies while meeting the ever-evolving external challenges of the 'Digital Era'.

Your Bank adopts the best Business Continuity Plan which has shown its resilience in testing times.

#### Awards & Accolades

Your Bank is continually employing the skilled staff while at the same time tapping resources into appropriate trainings to improve their ability and giving the best culture to thrive. In recognition of its efforts towards nurturing the best human capital and creating an inclusive environment, Your Bank won multiple awards during the year 2024.

#### Employer of Choice Award - Gender Diversity & Inclusion

Your Bank won Employer of the Choice Award by The Pakistan Business Council (PBC), along with the World Bank Group's International Finance Corporation (IFC) in "Gender Diversity & Inclusion" category.

#### Global Diversity Equality & Inclusion Benchmarks (GDEIB) Award

Your Bank has won Best Practice award by HR Global Diversity, Equality & Inclusion Benchmarks (GDEIB) award organized by Diversity Hub HR Metrics in "Recruitment" and "DEI Learning & Development" category.

These awards are manifestation and recognition of Your Bank's unwavering professional resolve and progress towards

inducting, retaining and nurturing the best human capital as well as successfully managing all functions of human resource management in line with the mission, vision and core values of Your Bank.

#### Women Welfare, Empowerment and Development

Your Bank won CSR award 2024 in "Women Welfare, Empowerment and Development" category by National Forum for Environment and Health (NFEH).

#### Equal opportunity employer and employment of Differently Abled Persons

Your Bank has created direct and indirect employment which is currently exceeding 19,000 employees, who represent diverse geographical areas of Pakistan; thereby positively impacting the broad-based economy and society at large.

Your Bank being an equal opportunity employer, encourages employment of differently abled persons and currently 55 such persons are honorably earning their livelihood while serving Your Bank with pride.

#### Diversity

Simultaneously 3,264 - females, representing 25% of total staff members, are diligently performing their duties. Among the senior management positions, Your Bank's Gender diversity ratio is 8%.

In a vibrant tribute to women's achievements, Your Bank hosted a spirited celebration for International Women's Day. The event underscored the Bank's dedication to gender equality and empowerment and highlighted women's leadership, fostering a diverse and inclusive workplace culture. Through engaging discussions and recognition of trailblazers, Your Bank reaffirmed its commitment to advancing gender equality initiatives, ensuring that women continue to thrive and inspire others to break barriers.

#### Occupational Health and Safety

Your Bank continued its endeavor, exhibiting commitment for occupational health and safety. During the year; 2308 employees availed medical facility worth Rs. 289 Million under the approved medical expense policy.

Adhering to responsibility towards eligible ex-employees, Your Bank paid Rs. 160 Million during the year, towards the health of 495 ex-employees, from the platform of "Post-retirement Medical Fund".

Your Bank ensures that necessary security standards are met at all the premises. For training and awareness of the employees on how to act during any emergency, 33 safety drills were conducted

at major buildings in Lahore, Karachi, Islamabad, Rawalpindi, Faisalabad, Gujranwala, Abbottabad, Peshawar, Quetta and Multan.

Your Bank ensured availability of emergency lights, fire and smoke detection equipment, alarm systems, portable fire extinguishers, periodic evacuation, safety drills in order to enhance staff security at the workplace. Additionally, experienced firefighters have been deputed in ABL major buildings for continuous monitoring and eradicating fire hazards and to deal fires timely to safe guard employees and premises.

#### Training and Development of the staff

Your Bank firmly believes in educational well-being of the staff empowering them to excel in their current roles and thrive in the future. Your Bank has already launched mobile application "m-Learning" providing access to learning sources around the clock, further bolstering Your Bank's aim of educational well-being of staff.

In addition, Your Bank has established four (04) dedicated state of the art Management Development Centers at Lahore, Karachi, Islamabad and Multan to cater the professional development needs of staff. During the year 2024, 295 Management Trainee Officers (MTO) graduated successfully by completing rigorous training program.

Your Bank spent Rs. 255 Million on trainings to 12,000+ employees and Rs. 31 Million towards employee's education.

#### Benevolent Grants

During the year, Your Bank through its platform of "Staff Welfare Fund" spent Rs. 17.57 Million to assist 36 employees by financially enabling them in important social events like marriage ceremony of their daughters, special medical financial assistance and to meet the burial expense of their departed loved ones.

#### Hajj Assistance

Keeping in view the religious sentiments of our employees, Your Bank is fully committed to sponsor its clerical, non-clerical and executive staff to perform Hajj. An amount of Rs. 45 Million was spent during the year, on sponsoring the Hajj of 35 employees (15 employees from Management Grades and 20 employees from Clerical and Non - Clerical) selected through balloting.

#### Employee Code of Ethics

Code of Ethics and Conduct signed by all employees acts as a guide for them in discharging their duties and sets out the standards of good practice. Management's Central Administration Action Committee (CAAC) takes action on any violation of policies and procedures, act of fraud and forgery, breach of discipline, code of conduct, ethics and business practices. Appeal of the staff against whom CAAC has already taken disciplinary action is reviewed by Human Resource Committee of the Bank.

#### Reskilling and Upskilling the Artificial Intelligence (AI)

As new AI driven technologies are becoming more integrated into organizations' processes and workflows, the need for professionals specially the decision makers, to adapt and continue to learn and grow becomes more imperative. To stay current with these changes, a customized training program titled 'Leadership in the Age of AI' was organized for the senior management of the Bank. This innovative program was designed to equip the participants with the skills needed to thrive in an AI-driven world.

Moreover, an exclusive session on 'Generative AI' was arranged which aimed to provide participants with invaluable insights into the dynamic landscape of artificial intelligence and its profound implications for banking operations. Through interactive discussions and real-world examples, participants gained practical understanding to navigate the evolving AI landscape and leverage emerging opportunities effectively.

#### Wellbeing Master Class – Thrive at Work

Your Bank is committed to the continuous development and well-being of its employees. To underscore this commitment, Your Bank organized an exclusive online Wellbeing Master Class titled 'Thrive at Work' for the employees of the Bank. This innovative workshop provided participants with tools to understand the psychological aspects of change, stress normalization and resilience enhancement.

#### Staff Wellbeing and Health

With an aim to provide healthy work environment and balanced work life to its employees, Your Bank has established gymnasiums in Head Office and Management Development Centre Lahore. The Gym is equipped with state-of-the-art infrastructure for resistance training and endurance under the supervision of trained staff and personal trainers who provide expert guidance and support. Gyms offer a variety of equipment and classes, making it convenient for members to try new things and stay engaged. These initiatives are a testament of Your Bank's commitment towards fostering a thriving workplace environment as well as encouraging its employees to maintain a healthy work life balance.

#### Training Session on Mindfulness

Your Bank arranged Mindfulness Hour Sessions to promote awareness among employees about mental health and wellness. These wellness sessions entail breathing techniques and Yoga to reduce stress, bring mental alertness, awareness and clarity. This initiative has been undertaken to equip the employees with tools to deal with everyday pressures of professional and personal lives. These sessions not only contribute to the physical and mental well-being of the employees but also enhance productivity and foster a positive work environment.

#### Health 360° Workshop

Your Bank conducted a tailored master class titled "Health 360° Workshop" for the senior management of the Bank. The workshop was meticulously designed to enhance understanding in critical areas such as the psychology of habits and food, nutritional intelligence, wellness technology, and mindfulness in the workplace. This event reflects Your Bank's commitment to fostering a holistic approach to wellbeing, ensuring the leadership is equipped with the knowledge and tools to thrive both personally and professionally.

#### Training sessions on Legendary Service

In a significant stride towards service excellence, Your Bank organized training sessions on 'Legendary Service'. These sessions were held in Lahore and Islamabad engaging employees from diverse segments within the Bank. The Legendary Service Program equips participants with the mindset and skillset to consistently deliver exceptional service, enhancing support for colleagues, fostering customer loyalty, and creating a competitive edge for Your Bank.

#### Training Session on Healthcare and First Aid

Your Bank, prioritizing the health and safety of employees, arranged a specialized training session on First Aid to staff. The session provided employees with a chance to learn preventive measures for various diseases and gain hands-on experience in performing First Aid on practice dummies and using essential medical equipment.

These sessions help in handling critical situations and providing first aid to accident victims were imparted during the training.

#### ENVIRONMENT

Global warming and Climate change are the most complicated issues that the world is facing today. Relentless efforts are being made across the globe, to measure and mitigate this climate change risks. Pakistan is one of the several nations to have made a commitment to controlling such threats. To supplement the Government efforts, Your Bank has taken strides forward in

setting out a series of targets to assist in the global transition to a low-carbon economy.

### Green Banking / Environmental & Social Risk Governance

#### Green Banking Office (GBO)

Oversight of Green Banking initiative falls under the purview of the GBO and is monitored through the Environmental Risk Management System. The Bank's credit portfolio is assessed on purpose build Environmental Risk Rating (ERR) model to ensure that Bank's financing is Green. Moreover, Environmental Improvement Plans (EIPs) are obtained from obligors, where required. GBO continuously endeavors to enhance capacity building of the staff, and accordingly, total of 8,953 staff members were trained/sensitized related to Green Banking during the year 2024.

#### Green Advisory Services Desk

A Green Advisory Services Desk is established within GBO to facilitate prospective/existing obligors for their enquiry(s) relating to Green Technology/Investments and various alternatives for efficient resource planning.

#### Environment and Social Risk Management System

As part of Green Banking Policy, Your Bank is committed to enhance the impact of Green Financing in the overall environment safety and has developed an Environment Risk Management System, which is monitored by GBO. The Environmental Risk Management System ensures that financing of the Bank is directed towards environment friendly projects / activities in the country.

Environmental Risk Rating (ERR) of obligors is calculated to assess environmental implications and their effects on credit quality of a particular financing transaction. The obligors with potential environmental risks are required to provide Environmental Improvement Plan (EIP) with specific timelines. An annual report on the status of inherent environmental risks in the Bank's portfolio is presented annually to Risk Management Committee/Board.

Social Risk Rating (SRR) of the obligor is also calculated to assess obligors with respect to compliance of widely accepted standards of business ethics.

In addition, the Bank has incorporated the SBP's 'Environmental and Social Risk Management (ESRM)' in its credit policy. The

### Green Financing

In year 2024, Your Bank has financed Rs. 1,553 Million to its obligors for installation of Green energy projects.

Project Type	Portfolio (Rs. in Million)
Wind Power	1,909
Solar Power	6,871
Hydel	630
Waste Heat Recovery Plant	1,542
Others (including Effluent Treatment Plant)	655
<b>Total</b>	<b>11,607</b>

Environmental and Social (E&S) assessment of the obligors is being completely shifted to ESRM regime.

### Low Carbon Footprints

As a part to reduce carbon emission by direct operational impact, your Bank has been investing in installation of solar panels. Resultantly, total internal solar power generation capacity of the Bank has increased to 2,242 KW installed at 147 locations.

As part of Your Bank's commitment towards reducing carbon emissions, IOT Based Fuel Management System was installed in selected locations to monitor and manage fuel consumption in real-time by collecting data from sensors placed on fuel tanks in Generators placed at various branches and other locations. Through use of this monitoring system the fuel consumption continuously optimized to reduce fuel cost and carbon emissions.

For energy Conservation, the Bank replaced the conventional lights with LED lights at 59 sites in 2024.

The Bank achieved the EDGE Certification, an innovation of International Finance Corporation (a member of the World Bank Group), for its newly built Management Development Centre Lahore Building, which exemplifies the achievements in reducing energy use, water use and embodied carbon in materials in the building. These sustainability strategies that are integrated into the building design were verified by an EDGE Auditor and certified by Green Business Certification Inc.

#### Paperless Banking

Your Bank took another step towards paperless banking by replacing the use of paper-based journal rolls in the selected ATMs with Electronic Journals which has eliminated the usage of these rolls. This reflects the Bank's unwavering commitment and continuous efforts towards inculcating a green culture.

#### Tree Plantation

During the year, Your Bank conducted a tree plantation campaign, wherein over 100,000 trees/sapling were planted at various locations across the country. Your Bank is firmly committed to enhance tree plantation efforts, in line with national target for "Clean and Green Pakistan". Tree plantation campaigns are being organized at schools, universities and public places.

Total outstanding Green Financing of the Bank stood at Rs. 11,607 Million at the end of FY-2024.

### COMMUNITY AND BRAND IMAGE

The Bank as a trusted member of the community is playing an active role in following CSR activities and community engagements.

**Education Institution  
Rs. 72 Million**

**General Welfare  
Rs.56 Million**

**Health Institutions  
Rs. 43 Million**

#### Health

Your Bank recognizes the challenges faced by society-at-large in health sector and always focuses for uplift of health infrastructure through contribution towards renowned health providers.

Your Bank contributed Rs. 43 Million to healthcare facilities across various cities of the country, focusing on treatment of cancer, hepatitis, arthritis, therapy for thalassemia patients, blood transfusion, impaired vision and mental health of the underprivileged.

Your Bank provided financial support to Fatimid Foundation for safe blood transfusions to deserving and underprivileged patients with Blood and Bleeding Disorders on free of cost basis. Additionally, Your Bank contributed to Liver Foundation Trust for building a dedicated Medical Centre at Faisalabad for healthcare services to patients with fighting deadly Hepatitis disease. Further, Your Bank contributed to Umpire Aleem Dar Foundation for providing safe blood transfusions and free treatment of thalassemia patients.

#### Education

During the year, Rs. 30 Million was contributed to The Lahore University of Management Sciences (LUMS) towards the construction of Hostel.

Your Bank contributed Rs. 10 Million to TNF Akhuwat Boarding School Faisalabad for the construction of school to support the under privileged in the outskirts of Faisalabad city.

Perceiving the significance of information technology, Your Bank proceeded with its arrangement to donate personal computers to educational institutions; particularly supporting under privileged sections of the general public. Moreover, Your Bank contributed Rs. 5 Million to Namal Education Foundation (NEF) for acquiring computers for students of the University.

#### Contribution to Educational Institutes in Rural Areas

Your Bank recognizes the significance of power of education to transform lives for which it has sponsored operations of two schools located in the under privileged areas; The Citizens Foundation – Allied Bank Campus school located in Quetta and Million Smiles Foundation – Allied Bank Campus school located in Mardan. Your Bank's dedicated and continued support has enabled hundreds of children to receive quality education at

these Allied Bank Campuses.

Furthering its commitment, Your Bank continued to sponsor 4 Years education of five under-privileged students at Institute of Business Administration (IBA) University, Sukkur.

#### Innovation and Digitalization

Your Bank partnered up with Teamup Ventures for its 3rd Fintech Hackathon with the objective of uncovering innovative and pioneering solutions, prototypes, and ideas that hold the potential to revolutionize and digitalize the ecosystem. The event focused on four thematic areas: Innovative authentication mechanisms; Transforming myABL into an 'Integrated Digital Platform'; Integrating Generative AI to enhance banking experiences; and Leveraging SBP-RAAST Payments. Your Bank carried out a pan-Pakistan university drive and mobilized students to bring their innovative ideas and prototypes based on the thematic areas. The Hackathon had an amazing response attracting participation from 1,244 individuals through 361 teams. The top three winners showcased cutting-edge solutions in AI credit scoring, customer engagement, and digital inclusion through smartphone financing respectively.

#### Community

##### Cleanliness Drives

Your Bank has always remained at the forefront for environmental health, sustainability of eco system and supported the noble cause through various channels. Your Bank, being responsible corporate citizen has taken the initiative for cleanliness and awareness drives across the country. With the objective of raising awareness about environmental conservation, reducing litter and promoting responsible tourism, cleanliness drive at K2 Base Camp during 2024 was conducted.

##### Cleanliness Drive at K2 Base Camp

Cleanliness is very important for maintaining ecosystem and healthy environment. In view of its significance, Your Bank under the banner of its "Green Initiatives" has conducted awareness campaigns on the importance of cleanliness across Pakistan through the motto "Mil Kay Lagaen Gay Jaan – To Hoga Saaf Pakistan".

This year, the Cleanliness Drive campaigns of the Bank undertook an extraordinary step by performing this activity at the iconic K2 Base Camp which is at a height of 5,200 meters above sea level in coordination with the Central Karakoram National Parks Authority (CKNP). A dedicated team of 14 team-members of the Bank was assembled to undertake this cleanliness drive, which in one of its kind initiatives as no other Bank has ever done such activity, to highlight the significance of the preservation of the environment. Team ABL mounted several challenges while trekking for 8 days to reach the K2 Base Camp.

Team ABL reached the destination; while conducting awareness sessions at different camping sites and carried out cleanliness drives at Concordia & K2 Base Camp. The purpose of this activity was to raise awareness about the ecosystem and the adverse effects of the melting glaciers. Team ABL managed to bring down 1,200 KGs garbage, waste and other litters and handed over it to CKNP at their disposal facility.

##### Marathon 2024: Run For a Greener Tomorrow

Your Bank, with the aim to foster a healthier future, organized the Allied Bank Marathon 2024 with the theme "Run for a Greener Tomorrow". The Marathon was held at DHA, Lahore and brought together employees of the Bank and professional athletes. The enthusiasm and team spirit demonstrated during the marathon symbolize the Bank's mission to foster a culture of health and wellness within the Bank and beyond.

##### Cycling Events: Cycle for Greener Tomorrow

In order to promote sustainable living and community engagement, Your Bank organized cycling events at Lahore and Karachi. With the theme "Pedal for a Greener Tomorrow", the

cycling event at Lahore was attended by the Bank staff and local cycling groups, reinforcing the Bank's commitment to positive change in the environment and community welfare. Your Bank partnered with the pioneering cycling groups of Karachi to conduct a cycling event under the theme of "Cycle for Health-Cycle for a Greener Tomorrow". The event brought together a diverse group of participants, including senior executives from various institutions and sectors, doctors, social activists, senior citizens, women, youth, and children. These events were a testament to our values, resilience, and commitment to positive change. This initiative underscored the Bank's commitment to sustainability and its advocacy for a greener future through promoting cycling and reducing carbon emissions, highlighting the collective dedication to a healthier tomorrow.

#### Art Festivals

The Faiz Festival is an annual cultural festival held in Lahore to honor the life and literary work of renowned Urdu poet Faiz Ahmed Faiz. The festival showcased a diverse array of cultural expressions, including literary dialogues, mesmerizing music performances, captivating theatre, insightful book launches, thought-provoking documentaries, engaging workshops, open mic sessions, and stimulating discussions. Your Bank proudly sponsored the event to promote cultural activities through Faiz Festival.

Your Bank also sponsored Lahore Literary Festival 2024 held at the Alhama Arts Centre, Lahore. The festival is an annual gathering of some of the most prominent writers, poets, artists, and scholars from both Pakistan and abroad, fostering engaging, stimulating, and thought-provoking conversations and panel discussions. Since its inception in 2013, the festival has been instrumental in promoting literary and cultural exchange, enriching the intellectual landscape of Lahore and beyond. Your Bank's support underscores its commitment to fostering creativity, dialogue, and cultural enrichment within the community.

Your Bank sponsored a theatre play by Anwar Maqsood "House Arrest" at the Arts Council of Pakistan. Such plays provide social and cultural reflections of society by showcasing the cultural heritage.

#### Differently Abled Persons

Your Bank established 29 model branches to make banking easy and convenient for Differently Abled Persons through supportive physical infrastructure, accessible products and services, assistive technologies and supportive staff interactions. These branches are equipped with customized stationery forms/ documents in Braille Script, accessible branch entrance, washrooms, ATM cabins and counters.

#### Sports

Your Bank sponsored 'Sadpara Mountaineering Club Skardu' in collaboration with Pakistan Army for the construction of The Sadpara Mountaineering & Adventure Sports Complex. This complex will help climbers to learn basics of climbing technique including practical of climbing. The purpose of complex is to boost the sport of climbing and empower existing climbing community of Skardu in Gilgit Baltistan region of Pakistan.

Your Bank also sponsored Volleyball Championship between Pakistan and Australia at Islamabad. Additionally, Your Bank sponsored Pakistan Tennis Federation for Davis Cup Tie, 2024. These events are manifestation of Your Bank's commitment to promote sports and general well-being. Such events transcend cultural, ethnic and socioeconomic divides, promoting unity and understanding.

#### Community Welfare

Your Bank continued its efforts in serving the community through contribution to well-reputed welfare organizations including Saylani Welfare International Trust, Jamia Ashrafia, Anjuman Himayat-e-Islam and Edhi Foundation; which worked for provision of food to deserving segments of the society.

During the year, Your Bank funded a food meal program which aimed to provide nutrition to the underprivileged children in schools through Fortify Education Foundation. In addition, Your Bank joined hands with I-Care Foundation to provide ration bags to under privileged families.

#### Women Empowerment

Your Bank is fully committed towards supporting the initiatives aimed at empowering women to exploit their full potential for prosperous and sustainable society. To channelize the potential of women, Your Bank sponsored Faisalabad Women Chamber of Commerce and Industry for symposium to raise awareness about the importance of digital transformation for women owned businesses in Pakistan and provide insights into the opportunities and challenges associated with digitalization for women entrepreneurs. The objective was to facilitate women led businesses, potential start-ups and home-based businesses for acquaintance and adopt the technology for growth and venture for exports.

#### Contribution to National Exchequer

Your Bank is one of the leading institutions in its contribution towards the national exchequer. During the year, Your Bank paid Rs. 55,509 Million as Income Tax (inclusive of Super Tax), deposited Rs. 41,935 Million as withholding tax agent and contributed Rs. 2,516 Million on account of Federal Excise Duty and Sales Tax to the national exchequer. Further, the Bank collected Rs. 371 Million Zakat from account holders and deposited to the national exchequer.

#### GOVERNANCE

##### Business Ethics and Anti-Corruption Measures

Your Bank nurtures a culture of excellence, good governance, transparency, integrity and accountability. Controls and Compliance being an integral function; Your Bank encourages high business ethics while promoting positive compliance culture.

Your Bank is committed to the best industry practices for compliance with all regulatory frameworks including anti-money laundering practices, so that the interests of all stakeholders are protected.

Your Bank's commitment to highest level of Governance standards is also reflected in its Corporate Governance Rating of "CGR 9++" (out of maximum scale of 10) given by VIS Credit Rating Company Limited.

# CYCLATHON 2024 FOSTERED A SENSE OF COMMUNITY THROUGH SHARED EXPERIENCES



SCAN TO WATCH

# ADOPTION OF INTERNATIONAL STANDARDS FOR CORPORATE SOCIAL RESPONSIBILITY

## International Finance Corporation (IFC), a member of the World Bank Group

The Bank achieved the EDGE Certification, an innovation of IFC, for its newly built Management Development Centre Lahore Building, which exemplifies the achievements in reducing energy use, water use and embodied carbon in materials in the building. These strategies that are integrated into the building design were verified by an EDGE Auditor and certified by Green Business Certification Inc.

## Performance against Sustainable Development Goals

Your Bank is committed towards achieving the targets assigned under Sustainable Development Goals of United Nations. Key contributions are presented below against respective Goals:

Goals	Bank's Contribution
 <p><b>2 ZERO HUNGER</b></p>	<ul style="list-style-type: none"> <li>Provision of food supplies to the deserving segment of the society through contributions to renowned charitable organizations.</li> </ul>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<ul style="list-style-type: none"> <li>Contributions towards various healthcare institutions for treatment of diseases and infrastructure development.</li> <li>Mindfulness Hour Sessions to promote mental health and wellness awareness among employees.</li> <li>Comprehensive Medical Policy to cater the medical needs of current and ex-employees.</li> </ul>
 <p><b>4 QUALITY EDUCATION</b></p>	<ul style="list-style-type: none"> <li>Donated to various foundations including The Noorani Foundation Trust, Million Smiles Foundation (MSF), Namal Education Foundation and The Citizen Foundation for education of under privileged students.</li> <li>Contributions towards construction of Hostel at Lahore University of Management Sciences.</li> <li>Sponsored Science &amp; Educational Events at various educational institutions.</li> </ul>
 <p><b>5 GENDER EQUALITY</b></p>	<ul style="list-style-type: none"> <li>Gradually increasing female participation in workforce including management positions.</li> <li>Interactive sessions with female employees for strategy formulation on empowering women.</li> <li>Healthy participation of females at National Financial Literacy Program (NFLP) organized in coordination with State Bank of Pakistan.</li> <li>Contributions to Women Chambers of Commerce and Industry for their initiatives to empower the women.</li> </ul>

 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<ul style="list-style-type: none"> <li>Green Financing facilities worth Rs. 11,606 million.</li> <li>Solar energy usage at 147 locations.</li> </ul>
 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<ul style="list-style-type: none"> <li>Continuous investment in training and development needs of employees through access to learning resources.</li> <li>Internship opportunities for professional and academic students.</li> <li>Management Trainee Officers Development Program for fresh graduates recruited by the Bank.</li> <li>Employment of Differently Aabled Persons, enabling them to honorably earn their livelihood.</li> <li>Educational support to staff, clerical and non-clerical employees.</li> </ul>
 <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p>	<ul style="list-style-type: none"> <li>Awareness seminars on Financial Literacy, Islamic Banking and Agri products for general public, businessmen and farmers for increased access to financial services.</li> <li>Seminars for business community on Corporate Governance and Sustainable Business Practices.</li> <li>Continuous growth in Digital Touchpoints.</li> <li>Model Branches for Differently Aabled Persons.</li> <li>Expansion in Rural and Agri designated Branches.</li> </ul>
 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>	<ul style="list-style-type: none"> <li>Launching Digital channels for banking services.</li> <li>Processes automation to reduce paper-based consumption.</li> </ul>
 <p><b>13 CLIMATE ACTION</b></p>	<ul style="list-style-type: none"> <li>Plantation of 100,000+ tree saplings at business premises, schools and public parks.</li> <li>Cleanliness drives at K2 Base Camp to promote awareness about environment conservation.</li> </ul>
 <p><b>17 PARTNERSHIPS FOR THE GOALS</b></p>	<ul style="list-style-type: none"> <li>Collaboration with Technology Partners to leverage the use of Data Sciences for business growth.</li> <li>Acting as Withholding Tax agent to facilitate tax and other revenue collections on behalf of Revenue authorities.</li> </ul>



UNCONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2024



# Independent Auditor's Report

## To the members of Allied Bank Limited

### Report on the Audit of the Unconsolidated Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of **Allied Bank Limited**, 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 Forty branches which have been audited by us and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 Matter

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

Following is the key audit matter:

Key Audit Matter	How the matter was addressed in our audit
<p><b>1. Expected credit loss against advances</b></p> <p>As disclosed in Note 9 to the unconsolidated financial statements, the Bank's advances represent 37.32% of its total assets as of 31 December 2024.</p> <p>During the year, the Bank has adopted IFRS 9 - "Financial Instruments" (as applicable in Pakistan), which requires a forward-looking approach to estimate the Expected Credit Loss ("ECL") against advances and other financial instruments. As allowed under IFRS 9, the Bank has adopted the requirements of the standard retrospectively, without restating the previous year's financial information. The adoption of IFRS 9 has resulted in a transition adjustment to the retained earnings as of 1 January 2024 of Rs. 4,035 million. The impact of transition is explained in Note 4.2.4 and 4.2.5 to the unconsolidated financial statements.</p> <p>In view of the significance of this area in terms of its impact on the unconsolidated financial statements, and level of involvement of management's estimates and judgments, we identified adequacy and completeness of ECL against advances as a key audit matter.</p> <p>The accounting policy and disclosures related to the ECL against advances are included in Notes 4.2 and 9 respectively to the unconsolidated financial statements.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> <li>• We reviewed the management's process of assessment of allowance for ECL against advances including the Bank's accounting policy and ECL model methodology adopted during the year.</li> <li>• We performed procedures to test: <ul style="list-style-type: none"> <li>o the governance of ECL models and their validation, including relevant approvals.</li> <li>o completeness and accuracy of critical data inputs into the ECL models and calculations.</li> <li>o timely identification of SICR and the determination of individually impaired exposures.</li> <li>o the management's assessment of recoverable cash flows, including the impact of collateral, if any, and</li> <li>o ECL computation for exposures.</li> </ul> </li> <li>• Where required, we involved our experts to assist us in reviewing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL models.</li> </ul> <p>We also assessed adequacy of disclosures as included in Note 9 to the unconsolidated financial statements regarding the ECL made against advances in accordance with the requirements of the applicable financial reporting framework</p>

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

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

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

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

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

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

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

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

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

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

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

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

the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements:

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

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

**EY Ford Rhodes**  
Chartered Accountants

Place: Lahore  
Date: 3 March 2025

UDIN: AR20241012048avAmhjc

## Unconsolidated Statement of Financial Position

as at December 31, 2024

December 31, 2024	December 31, 2023	Note	December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
<b>ASSETS</b>				
526,901	560,532	5	146,768,168	156,136,308
35,772	8,816	6	9,964,224	2,455,601
874,317	33,811	7	243,541,081	9,418,003
4,056,271	4,129,666	8	1,129,873,956	1,150,318,089
3,774,238	2,805,949	9	1,051,313,893	781,597,230
456,869	408,468	10	127,260,862	113,778,667
27,958	29,751	11	7,787,741	8,287,055
13,041	12,239	12	3,632,624	3,409,291
-	13,720		-	3,821,594
347,608	359,340	13	96,826,140	100,094,817
10,112,975	8,362,292		2,816,968,689	2,329,316,655
<b>LIABILITIES</b>				
52,063	33,468	15	14,502,237	9,322,405
1,658,674	1,341,497	16	462,023,558	373,674,042
7,246,078	6,019,109	17	2,018,395,067	1,676,623,075
37,196	38,172	18	10,360,968	10,632,854
-	-		-	-
35,292	-	19	9,830,548	-
243,961	232,669	20	67,955,110	64,809,815
9,273,264	7,664,915		2,583,067,488	2,135,062,191
839,711	697,377		233,901,201	194,254,464
<b>REPRESENTED BY</b>				
41,108	41,108	21	11,450,739	11,450,739
152,434	136,283		42,460,536	37,961,636
203,299	143,743	22	56,628,460	40,039,632
442,870	376,243		123,361,466	104,802,457
839,711	697,377		233,901,201	194,254,464
<b>CONTINGENCIES AND COMMITMENTS</b>				
		23		

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Unconsolidated Profit and Loss Account

for the year ended December 31, 2024

December 31, 2024	December 31, 2023	Note	December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
1,352,577	1,282,741	25	376,760,270	357,307,440
938,923	876,066	26	261,537,143	244,028,128
413,654	406,675		115,223,127	113,279,312
<b>NON MARK-UP / INTEREST INCOME</b>				
50,553	38,202	27	14,081,463	10,641,276
10,834	12,720		3,017,787	3,543,033
23,976	32,910		6,678,630	9,167,089
-	-		-	-
12,365	3,033	28	3,444,359	844,772
-	-		-	-
2,721	829	29	757,867	230,871
100,449	87,694		27,980,106	24,427,041
514,103	494,369		143,203,233	137,706,353
<b>NON MARK-UP / INTEREST EXPENSES</b>				
201,949	168,676	30	56,252,909	46,984,827
5,073	6,291		1,413,187	1,752,270
1,146	844	31	319,114	235,113
208,168	175,811		57,985,210	48,972,210
305,935	318,558		85,218,023	88,734,143
(9,729)	10,687	32	(2,710,139)	2,976,973
315,664	307,871		87,928,162	85,757,170
160,877	161,817	33	44,812,258	45,074,183
154,787	146,054		43,115,904	40,682,987
<b>In US \$</b>			<b>In Rupees</b>	
0.14	0.13	34	37.65	35.53

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Unconsolidated Statement of Comprehensive Income

for the year ended December 31, 2024

December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
154,787	146,054	<b>Profit after taxation for the year</b>	43,115,904	40,682,987
		<b>Other comprehensive income</b>		
		<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
672	8,824	Effect of translation of net investment in foreign branches	187,310	2,457,884
		Movement in surplus on revaluation of investments - net of tax		11,256,117
	40,410	Movement in surplus on revaluation of debt investments through FVOCI - net of tax	3,696,661	
13,271	-		3,883,971	13,714,001
13,943	49,234			
		<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>		
		Remeasurement gain on defined benefit obligations - net of tax	603,732	487,850
2,167	1,751	Effect of change in tax rate / surplus on revaluation of fixed assets - net of tax	(257,155)	23,485,406
(923)	84,313	Movement in surplus on revaluation of non-banking assets - net of tax	233,956	96,088
840	345	Movement in surplus on revaluation of equity investments through FVOCI - net of tax	5,192,320	
18,641	-		5,772,853	24,069,344
20,725	86,409		52,772,728	78,466,332
189,455	281,697	<b>Total Comprehensive Income</b>		

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Unconsolidated Statement of Changes in Equity

for the year ended December 31, 2024

	Issued, subscribed and paid-up capital	Capital reserve Exchange translation	Statutory reserve	Revenue reserve General	Surplus / (deficit) on revaluation of Investments	Fixed assets	Non-banking assets	Un-appropriated profit	Total
	Rupees in '000								
<b>Balance as at January 01, 2023</b>	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,523,816	882,450	79,652,815	127,811,408
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	-	40,682,987	40,682,987
<b>Other Comprehensive Income - net of tax</b>									
Surplus on revaluation of investments - net of tax	-	-	-	-	11,256,117	-	-	-	11,256,117
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	23,485,406	-	-	23,485,406
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	96,088	-	96,088
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	487,850	487,850
Effect of translation of net investment in foreign branches	-	2,457,884	-	-	-	-	-	-	2,457,884
	-	2,457,884	-	-	11,256,117	23,485,406	96,088	487,850	37,783,345
Transfer to statutory reserve	-	-	4,068,299	-	-	-	-	(4,068,299)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	(69,093)	-	69,093	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(1,287)	1,287	-
<b>Transactions with owners recognized directly in equity</b>									
Final cash dividend for the year ended									
December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ended									
December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Second interim cash dividend for the year ended									
December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Third interim cash dividend for the year ended									
December 31, 2023 (Rs. 3 per ordinary share)	-	-	-	-	-	-	-	(3,435,221)	(3,435,221)
	-	-	-	-	-	-	-	(12,023,276)	(12,023,276)
<b>Balance as at December 31, 2023</b>	11,450,739	7,791,124	30,164,512	6,000	(6,877,748)	45,940,129	977,251	104,802,457	194,254,464
Effect of adoption of IFRS 9 - Note 4.2.5	-	-	-	-	9,230,428	-	-	(4,035,239)	5,195,189
<b>Balance as at January 01, 2024 - as restated</b>	11,450,739	7,791,124	30,164,512	6,000	2,352,680	45,940,129	977,251	100,767,218	199,449,653
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	43,115,904	43,115,904
<b>Other Comprehensive Income - net of tax</b>									
Movement in surplus on revaluation of debt investments - net of tax	-	-	-	-	3,696,661	-	-	-	3,696,661
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	5,192,320	-	-	-	5,192,320
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	233,956	-	233,956
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	603,732	603,732
Effect of translation of net investment in foreign branches	-	187,310	-	-	-	-	-	-	187,310
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(257,155)	-	-	(257,155)
	-	187,310	-	-	8,888,981	(257,155)	233,956	603,732	9,656,824
Transfer to statutory reserve	-	-	4,311,590	-	-	-	-	(4,311,590)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	16,030	(16,030)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	(168,008)	-	168,008	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(6,198)	-	6,198	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(3,119)	3,119	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	-	(1,330,057)	-	1,330,057	-
<b>Transactions with owners recognized directly in equity</b>									
Final cash dividend for the year ended									
December 31, 2023 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended									
December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Second interim cash dividend for the year ended									
December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Third interim cash dividend for the year ended									
December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	(18,321,180)	(18,321,180)
<b>Balance as at December 31, 2024</b>	11,450,739	7,978,434	34,476,102	6,000	9,911,604	45,524,798	1,192,058	123,361,466	233,901,201

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Unconsolidated Cash Flow Statement

for the year ended December 31, 2024

December 31, 2024	December 31, 2023	Note	December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
315,664	307,870		87,928,162	85,757,170
(10,834)	(12,720)		(3,017,787)	(3,543,033)
304,830	295,150		84,910,375	82,214,137
<b>Adjustments:</b>				
(413,653)	(406,675)		(115,223,127)	(113,279,312)
23,721	17,025	10.2	6,607,532	4,742,290
86	40		23,921	11,113
6,710	6,336		1,869,048	1,764,838
2,234	2,101		622,393	585,272
(9,702)	10,749	32	(2,702,596)	2,994,078
(88)	232		(24,397)	64,599
5,073	6,291		1,413,187	1,752,270
(31)	657		(8,632)	182,978
(2,271)	(86)		(632,669)	(24,033)
4,844	4,271		1,349,257	1,189,821
(383,077)	(359,059)		(106,706,083)	(100,016,086)
(78,247)	(63,909)		(21,795,708)	(17,801,949)
<b>Decrease or (increase) in operating assets</b>				
(840,506)	67,507		(234,123,078)	18,804,192
61,443	(71,711)		17,115,050	(19,974,980)
(969,212)	227,463		(269,974,117)	63,359,897
17,859	(71,665)		4,974,529	(19,962,358)
(1,730,416)	151,594		(482,007,616)	42,226,751
<b>Increase or (decrease) in operating liabilities</b>				
18,596	(17,366)		5,179,832	(4,837,238)
316,337	(561,829)		88,115,553	(156,497,535)
1,226,968	554,032		341,771,992	154,325,596
(5,972)	58,748		(1,663,573)	16,364,126
1,555,929	33,585		433,403,804	9,354,949
(252,734)	121,270		(70,399,520)	33,779,751
1,380,072	1,212,133		384,419,056	337,639,651
(929,845)	(873,081)		(259,008,212)	(243,196,728)
(199,277)	(146,022)		(55,508,732)	(40,674,477)
(2,602)	(1,831)		(724,695)	(510,074)
(4,386)	312,469		(1,222,103)	87,038,123
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(213,672)	(1,233)		(59,518,362)	(343,591)
362,287	33,446		100,914,991	9,316,431
(3,590)	-		(1,000,000)	-
11,055	12,478		3,079,404	3,475,756
(82,084)	(71,605)		(22,864,456)	(19,945,579)
672	8,824		187,310	2,457,884
9,213	163		2,566,248	45,349
83,881	(17,927)		23,365,135	(4,993,750)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(10,082)	(9,264)		(2,808,266)	(2,580,364)
(65,537)	(43,016)		(18,255,239)	(11,982,078)
(75,619)	(52,280)		(21,063,505)	(14,562,442)
3,876	242,262		1,079,527	67,481,931
567,692	329,386		158,130,761	91,750,779
965	(2,991)		268,793	(833,156)
568,657	326,395		158,399,554	90,917,623
572,533	568,657	35	159,479,081	158,399,554

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza Chief Financial Officer	Azid Razaq Gill President and Chief Executive	Muhammad Kamran Shehzad Director
Mian Ikram Ul Haq Director	Mohammad Naeem Mukhtar Chairman	

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 1 STATUS AND NATURE OF BUSINESS

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates through a total of 1,508 (2023: 1,481) branches in Pakistan including 160 (2023: 127) Islamic banking branches, 1 branch (2023: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (2023: 1) in Bahrain. The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA'. Short term rating of the Bank is 'A1+'.

Ibrahim Holdings (Private) Limited is the parent company of the Bank and it's registered office is in Pakistan.

The Bank is the holding company of ABL Asset Management Company Limited and ABL Exchange Company (Pvt.) Limited.

The registered office of the Bank is situated at 3 - Tipu Block, New Garden Town, Lahore.

### 2 BASIS OF PRESENTATION

These unconsolidated financial statements represent separate financial statements of the Bank and have been prepared in conformity with the format of the financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02 dated February 09, 2023. The consolidated financial statements of the Bank are being issued separately.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

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

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

The US\$ amounts presented in the Statement of Financial Position, Profit and Loss Account, Statement of Comprehensive Income and Statement of Cash Flow are stated as additional information, solely for the convenience of the users of financial statements. For the purpose of translation to US\$, spot rate of Rs. 278.55 per US\$ has been used for 2024 and 2023, as it was the prevalent rate on reporting date.

### 2.1 Statement of Compliance

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

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

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

**2.1.2** The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 04, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard (IFAS) 3, Profit and loss sharing on Deposits. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

**2.1.3** The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

**2.1.4** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in the financial statements of the Bank.

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

During the year, the Bank has adopted IFRS 9 as applicable in Pakistan with effect from January 01, 2024 (refer note 4.2 for details). There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant impact and accordingly have not been detailed in these unconsolidated condensed interim financial statements.

### Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Bank's financial statements.

### Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood That an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

### Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Bank's financial statements.

## Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9

'On 30 May 2024, the IASB issued Amendments to IFRS 9, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Bank is currently not intending to early adopt the Amendments.

With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Bank is currently performing an assessment of all material electronic payment systems it uses, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Company/ Group is reviewing all its other payment systems (such as cheques, credit cards, debit cards) to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date.

## IAS 7 - adjustments resulting from adoption of IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 is however still to be notified by Securities and Exchange Commission of Pakistan. Narrow-scope amendments have also been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. Upon adoption SECP may, however, prescribe a different effective date.

The Bank is currently working to identify all impacts, the amendments will have on these unconsolidated financial statements and notes to the financial statements.

## Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, IASB issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

These amendments are not applicable to the Bank.

## IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

# Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Bank.

## IFRS 10 and IAS 28 Consolidated financial statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amendment)

On 11 September 2014, the IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

Further, IASB has issued annual improvements in IFRS in July 2024, wherein certain amendments have been made to various standards which are effective for annual periods beginning on and after 01 January 2026. The Bank is currently evaluating the impact of these recently announced improvements.

In addition to the above, the following new standards have been issued by IASB but are not notified by SECP for application in Pakistan:

	Effective date (annual periods beginning on or after)
IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2009
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The application of the above standards are not expected to have a material impact on the Bank's financial statements, in the period of applicability, except for IFRS 18. The Bank is currently working to identify all impacts IFRS 18 will have on the unconsolidated financial statements and notes to the financial statements.

## 2.4 Critical Accounting Estimates And Judgments

The preparation of these financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates, underlying assumptions and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

### 2.4.1 Credit loss allowance against performing and non-performing loans and advances and debt securities classified as investments

The Bank reviews its loan portfolio and debt securities classified as investments to assess amount of credit loss allowance required on performing and non-performing loans and advances and debt securities. While assessing this requirement various factors including forward looking macroeconomic information, delinquency in the account, financial position of the borrower and the requirements of the Prudential Regulations are considered. (Refer to note 4.13)

### 2.4.2 Valuation and impairment of equity investments classified as 'Fair Value Through Other Comprehensive Income'

The equity investments classified as "fair value through other comprehensive income" are not subject to impairment testing. The gains and losses on these investments is taken to "Other comprehensive income" and are not recycled to "Profit and Loss Account".

# Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

## 2.4.3 Defined benefit plans

Liability is determined on the basis of actuarial advice using the Projected Unit Credit Method. The actuarial assumptions used to determine the liability and related expense are disclosed in note 37.

## 2.4.4 Classification of investments

### Debt Securities

- In classifying investments under Amortized Cost, the Bank determines the business model of the securities as "Hold to Collect" where the intentions are to hold the security until maturity to collect contractual cash flows based solely on payments of principal and interest. However, the sale of securities under this model is still possible under certain circumstances.
- In classifying investments as "Fair Value Through Other Comprehensive Income", the Bank determines the business model as Hold to Collect and Sell as the intentions are to hold the asset to collect contractual cash flows based solely on payments of principal and interest and sell the asset to manage liquidity needs or in order to maintain a particular interest yield profile or to match the duration of the assets to the duration of the liabilities that those assets are funding.
- The investments which are not classified as "Amortized Cost" and "Fair Value Through Other Comprehensive Income" are classified as "Fair Value Through Profit and Loss". The business model for such investments is to realize the cash flows through the sale of assets (Held for Trading).

### Equity Investment

Equity investments, other than those in subsidiaries and associates, are classified as "Fair Value Through Other Comprehensive Income" where the Bank determines equity instruments are not held for trading purposes and elects to present the fair value changes in Other Comprehensive Income. The equity instruments bought with the intention for trading are classified as "Fair Value Through Profit and Loss".

## 2.4.5 Depreciation, amortization and revaluation of operating fixed assets

In making estimates of depreciation and amortization, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Bank and estimates the useful life. The method applied and useful lives estimated are reviewed at each financial year end and if there is a change in the expected pattern or timing of consumption of the future economic benefits embodied in the assets, the estimate would be changed to reflect the change in pattern. Such a change is accounted for as change in accounting estimates in accordance with International Accounting Standard 8 - Accounting Policies, 'Changes in Accounting Estimates and Errors'. Further, the bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on the valuations carried out by independent professional valuers under the market conditions.

## 2.4.6 Fair value hierarchy of assets and liabilities

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy:

### a) Level 1

These are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date.

### b) Level 2

These are inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly.

### c) Level 3

These are input for the assets or liabilities that are not based on observable market data (unobservable Inputs).

## 2.4.7 Lease term

The Bank applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Bank is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

# Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

## 2.4.8 Income taxes

In making estimates for income taxes currently payable by the Bank, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

## 3 BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention except for the following which are stated at revalued amounts or fair values or present values:

- Certain investments (Note 4.5);
- Certain operating fixed assets (Note 4.7);
- Lease liability and related right-of-use assets (Note 4.8).
- Staff retirement and other benefits (Note 4.10);
- Non-banking assets acquired in satisfaction of claims (Note 4.11);
- Derivative financial instruments (Note 4.16.2).

## 4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements have been applied consistently to all periods, except as disclosed in Notes 4.1 and 4.2.

### 4.1 Changes in reporting format

The SBP vide BPRD Circular No. 2 dated February 09, 2023 specified the new format for annual financial statements of banking companies. The new format has revised the disclosure requirements of the Bank for the year ended December 31, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

### 4.2 IFRS 9 - Financial Instruments

The Bank has adopted IFRS 9 (read with IFRS 9 application instructions issued by SBP) using modified retrospective approach with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit and surplus on revaluation of assets - net of tax at the beginning of the current period without restating the comparative figures. The impact on carrying amounts of the financial assets and liabilities is disclosed in Note 4.2.4.

#### 4.2.1 Scope of IFRS 9 application

IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 01, 2018. The requirements of this standard were already incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (Letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL, accounting methodology for Islamic Banking Institutions and treatment of charity. Accordingly, the Bank has adopted the treatment as instructed in the aforementioned Letters in these unconsolidated financial statements. In addition, the SBP in a letter BPRD / RPD / 822456/25 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

The Bank has not recognised any general provisions over and above expected credit losses in these unconsolidated financial statements.

#### 4.2.2 Significant differences from accounting policies applicable till December 31, 2023 before adoption of IFRS 9

##### 4.2.2.1 Classification of financial assets

IFRS 9 introduced a new classification model for financial assets that is more principle-based than the previous requirements. Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. Instruments will be classified either at amortised cost, the newly established measurement category fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). For equity investment that are not held for trading, an election is available to the Bank to classify these either through FVTPL or FVOCI. The previous accounting policies were based on instrument by instrument classification into Held for trading, Held to maturity and Available for Sale categories as disclosed in Note 4.3 to the annual financial statements of the Bank for the year ended December 31, 2023.

# Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

## 4.2.2 Impairment of debt investments and loans and advances

The new IFRS 9 impairment requirements eliminate the previous approach for the recognition of credit losses, i.e., it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for ECLs, and updates the loss allowance for changes in these ECLs at each reporting date to reflect changes in credit risk since initial recognition. Consequently, the holder of the financial asset needs to take into account more timely and forward-looking information in order to provide users of financial statements with meaningful information about the ECLs on financial instruments that are in the scope of these impairment requirements. The previous impairment requirements were based solely on Prudential regulations of SBP as disclosed in Note 4.11 to the annual financial statements of the Bank for the year ended December 31, 2023.

## 4.2.3 Impairment of equity investments

Previously, investments classified as available for sale were required to be tested for impairment and if there is an objective evidence, impairment was required to be booked. Under IFRS 9 regime, no impairment is required against such investments which are carried at FVOCI as the gain or loss on remeasurement will permanently remain in OCI/Surplus on revaluation of Investments. The previous accounting policies are disclosed in Note 4.3 & 4.11 to the annual financial statements of the Bank for the year ended December 31, 2023.

## 4.2.3 Material accounting policies applicable from January 01, 2024 as a result of adoption of IFRS 9

### 4.2.3.1 Financial assets – initial recognition

Financial assets are initially recognized at fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in profit and loss account. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit and loss account when the inputs become observable, or when the instrument is derecognised.

### 4.2.3.2 Classification and subsequent measurement of financial assets

Financial assets are classified into following categories for measurement subsequent to initial recognition:

- Financial assets at amortized cost
- Financial assets at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

#### 4.2.3.3 Financial assets at amortized cost

The Bank classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below:

##### a. Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Board/ Board Committees
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.



**b. The SPPI test**

As a second step of its classification process the Bank assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than trivial exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

After initial measurement, these financial assets are subsequently measured at amortized cost.

**4.2.3.4 Debt instruments at FVOCI**

The Bank applies this new category under IFRS 9 when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR and foreign exchange gains and losses are recognised in the profit and loss account.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

**4.2.3.5 Equity instruments at FVOCI**

Upon initial recognition, the Bank elects to classify its equity investments at FVOCI which are not held for trading. Such classification is determined on an instrument-by-instrument basis and is irrevocable.

Gains and losses on these equity instruments are never recycled to profit and loss account. Dividends are recognised in profit and loss account when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

**4.2.3.6 Financial assets and financial liabilities at FVTPL**

Financial assets and financial liabilities in this category are those that are:

- held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or
- not held for trading and have been either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9

Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss account. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

**4.2.3.7 Financial liabilities at amortised cost**

Financial liabilities with a fixed maturity are measured at amortised cost using the EIR method. These include Bills payable, Borrowings, Deposits and certain items within Other Liabilities.

**4.2.3.8 Derecognition of financial assets**

**4.2.3.8.1 Derecognition due to substantial modification of terms and conditions**

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The gain/(loss) on derecognition of financial asset is calculated as the difference between the book value (including impairment) and the proceeds received.

**4.2.3.8.2 Derecognition other than due to substantial modification of terms and conditions**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

**4.2.3.9 Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

**4.2.3.10 Impairment of financial assets**

**4.2.3.10.1 Overview of the ECL principles**

The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Bank has been recording the allowance for expected credit losses for all loans and other debt financial assets held at amortized cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9. Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

**4.2.3.10.2 The calculation of ECLs**

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL)), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL).

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognized, the Bank recognizes an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination (SICR), the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Bank records an allowance for the LTECLs with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as higher of IFRS 9 ECL or provision computed under Prudential Regulations.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The key elements of ECL calculations are as follows:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and

is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non-rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. For IFRS 9, the Bank only considers the liquid collaterals.

The interest rate used to discount the ECLs would be based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Bank considers three probability-weighted scenarios (a base case, a best case, and a worse case). Each of these is associated with different PDs, EADs and LGDs. These expected probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

#### 4.2.3.10.3 Forward looking information

The Bank formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent macro economic inputs.

#### 4.2.4 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9

The following table reconciles the carrying amount of financial assets from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024.

	Classification under IFRS-9						
	Carrying amount as per accounting policy as at December 31, 2023	AT FVTPL	At FVOCI-with recycling	At FVOCI-without recycling	At Amortised Cost	Remeasurement under IFRS 9	IFRS 9 carrying amount as at January 01, 2024
	Rupees in '000						
Cash and balances with treasury banks	156,136,308	-	-	-	156,136,308	(3,495,350)	152,640,958
Balances with other banks	2,455,601	-	-	-	2,455,601	(749)	2,454,852
Lendings to financial institutions	9,418,003	-	-	-	9,418,003	(2)	9,418,001
Advances	781,597,230	-	-	-	781,597,230	(2,237,771)	779,359,459
<b>Investments in financial assets</b>							
Held for trading	20,049,848	20,049,848	-	-	-	-	20,049,848
Held to maturity	59,797,669	-	-	-	59,797,669	120,334,806	180,132,475
Available for sale	1,069,970,572	34,454	946,914,037	18,798,989	104,223,092	(104,223,092)	965,747,480
Other financial assets	88,096,252	-	-	-	88,096,252	(37,823)	88,058,429
Other liabilities	75,442,669	-	-	-	75,442,669	(153,373)	75,289,296
	2,262,964,152	20,084,302	946,914,037	18,798,989	1,277,166,824	10,186,646	2,273,150,798
Deferred Tax impact	3,821,594	-	-	-	-	(4,991,457)	(1,169,863)
Effect on net assets on adoption of IFRS 9	194,254,464	-	-	-	-	5,195,189	199,449,653

#### 4.2.5 Impact on equity on adoption of IFRS 9

##### Impact on equity

The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity as at January 01, 2024 is increase in surplus on revaluation of assets of approximately Rs. 9,230.428 million and reduction in unappropriated profits of approximately Rs. 4,035.239 million. Following is the detail of the impact on respective item within equity:

##### Opening unappropriated profits

- A decrease of Rs. 4,428.08 million net of tax related to impairment requirements;
- An increase of Rs. 392.841 million net of tax related to classification and measurement changes.

##### Opening surplus on revaluation of assets

- An increase of Rs. 9,230.428 million net of tax related to classification and measurement changes.

##### Impact on regulatory capital

The implementation of IFRS 9 has led to a decrease in the regulatory capital of banks, the State Bank of Pakistan (SBP) has concluded that it may be suitable for banks to establish a transitional arrangement regarding the impact on regulatory capital resulting from the adoption of ECL accounting. Annexure B of the Application Instructions issued by the SBP outlines this transitional arrangement.

This arrangement specifically pertains to provisions for Stage 1 and Stage 2 financial assets. It requires adjustments to Common Equity Tier 1 (CET1) capital. If there is a decrease in CET1 capital due to new provisions, after accounting for tax effects, upon the adoption of an ECL accounting model, the reduction in CET1 capital (referred to as the "transitional adjustment amount") must be partially reinstated (i.e., added back) to CET1 capital over a "transition period" of five years.

Additionally, the SBP has permitted adjustments to the amounts of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET1, and vice versa, as specified in Annexure A of BPRD Circular No. 16 of 2024, dated July 29, 2024.

The Bank has not elected to utilize the IFRS 9 transitional arrangement.

4.2.6 The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

##### (a) Open ended mutual funds previously classified as available for sale (AFS) has been reclassified to FVTPL

The Bank holds a portfolio of mutual funds investments which was earlier classified as available for sale (AFS) investments. However, these investments do not meet the definition of equity investment from holders perspective, therefore IFRS 9 classification requirements of debt instruments have been applied to these financial assets. The business model of this portfolio is hold to collect and sell, however contractual cash flows failed to meet the 'solely payments of principal and interest' (SPPI) test requirement for classification as FVOCI under IFRS 9. Therefore, these financial assets having a carrying value of Rs. 34.454 million have been reclassified mandatorily as FVTPL.

##### (b) Debt investments previously classified as available for sale (AFS) reclassified to amortised cost

At the date of initial application of IFRS 9, an entity shall assess the business model and the contractual terms of the financial asset on the basis of facts and circumstances that exist at the transition date. The Bank has identified certain portfolio of federal government securities under AFS category which have been held to collect the contractual cash flows and the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding. As a result, financial assets having fair value amounting to Rs. 104,223.092 million have been reclassified to Amortized cost at Rs. 120,334.806 million, instead of FVOCI.

##### (c) Investment in debt securities previously designated at held for trading

The Bank holds investment of Rs. 20,049.848 million in a portfolio of debt securities which had previously been designated at held for trading as the debt securities were managed on a fair value basis. As part of the transition to IFRS 9, these securities are part of an 'other' business model and so required to be classified as FVTPL category under IFRS 9.

##### (d) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate equity investments of Rs. 18,798.989 million in listed and unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. Upon disposal, the surplus or deficit of such securities previously recognized in Other Comprehensive Income is reclassified from equity to Unappropriated Profit and is never recycled to Profit and Loss account.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### (e) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- (i) Those previously classified as available for sale and now classified as measured at FVOCI; and
- (ii) Those previously classified as held to maturity and now classified as measured at amortised cost.
- (ii) Those previously classified as held for trading and now classified as measured at FVTPL.

### 4.3 Cash and cash equivalents

For the purpose of Cash Flow Statement, cash and cash equivalents include cash and balances with treasury banks and balances with other banks (net of overdrawn nostro balances) in current and deposit accounts.

### 4.4 Lendings to or borrowings from financial institutions

The Bank enters into transactions of borrowing (re-purchase) from and lending (reverse re-purchase) to financial institutions, at contracted rates for a specified period of time. These are recorded as under:

#### a) Sale under re-purchase agreements

Securities sold subject to a re-purchase agreement are retained in the financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and re-purchase value is accrued on a prorata basis and recorded as mark-up expense.

#### b) Purchase under resale agreements

Securities purchased under agreement to resell (reverse re-purchase) are included in lendings to financial institutions. The differential between the contracted price and resale price is accrued on pro rata basis over the period of the contract and recorded as mark-up income.

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

In Bai Muajjal, the Bank purchases and sells Shariah Compliant instruments including sukuks 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. Expected profit / expense is recognized on accrual basis.

In Musharaka and Mudaraba, the Bank invests in the Shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio. Expected profit is recognized on accrual basis.

Other borrowings including borrowings from SBP are recorded at the proceeds received. Mark-up on such borrowings is charged to the Profit and Loss Account on a time proportion basis.

Lendings are stated net of provision. Return on such lending is accrued to the Profit and Loss Account on a time proportion basis except mark-up on impaired or delinquent lendings, which is recognized on receipt basis.

### 4. Investments

ABL Asset Management Company Limited and ABL Exchange Private Limited is a subsidiary of the Bank. The investment is stated at the cost less provision for impairment, if any.

#### Amortized Cost

These are debt securities which are acquired under the business model "Hold to Collect" where the intention is to hold the security until maturity and collect the contractual cash flows which are based solely on payments of principal and interest (SPPI).

#### Fair Value Through Other Comprehensive Income

These are debt investments which are acquired under the business model "Hold to Collect and Sell" where the intentions are to collect contractual cash flows and sell the asset to manage everyday liquidity needs, to maintain a particular interest yield profile or to match the duration of the assets to the duration of the liabilities that those assets are funding. The contractual cash flows are based solely on payments of principal and interest (SPPI). In addition, equity investments which are not held for trading are classified under this category.

#### Fair Value Through Profit and Loss

The investments, other than those in subsidiary, which are not classified as Amortized Cost and Fair Value Through Other Comprehensive Income are classified as Fair Value Through Profit and Loss. The business model for such investments is to realize the cash flows through the sale of assets (Held for Trading) or the contractual cash flows of the debt instruments are not solely payments of principal and interest.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

Investments are initially recognized at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Quoted securities, other than those classified as "amortized cost" and investments in subsidiaries, are carried at market value. Debt securities classified as "amortized cost" are subsequently measured at amortized cost.

Unrealized surplus or (deficit) arising on revaluation of the Bank's "Fair Value Through Profit and Loss" investment portfolio is taken to the profit and loss account. Surplus or (deficit) arising on revaluation of debt securities classified as "Fair Value Through Other Comprehensive Income" is kept in a separate account shown in the statement of financial position as a component of Equity. On derecognition, the cumulative gains or losses previously recognized in Other Comprehensive Income is reclassified to Profit and Loss Account. The surplus or (deficit) arising on equity securities designated as "Fair Value Through Other Comprehensive Income" is taken to Other Comprehensive Income. Upon disposal, the cumulative surplus or (deficit) previously recognized in Other Comprehensive Income is reclassified from equity to Unappropriated Profit as a reclassification adjustment and is never recycled to Profit and Loss Account.

All "regular way" purchases and sales of investments are recognized on the trade date, i.e., the date that the Bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of investments that require settlement within the time frame generally established by regulation or convention in the market place.

All investment in equity securities are valued at fair value, however cost may be an appropriate estimate of fair value in case of unquoted equity investments in certain circumstances.

Investments in subsidiaries are stated at cost less impairment.

#### Reclassification

Financial assets can be reclassified only when there is a change of business model on how financial assets are managed. Business model change is made under exceptional circumstances as a result of internal or external changes which are significant to the Bank's operation and as per policy approved by the Board of Directors. The reclassification is applied prospectively from the reclassification date. Any previously recognized gains, losses (including impairment gain or losses) or interest is not restated.

### 4.6 Advances

#### a) Loans and advances

Loans and advances are stated net of Expected Credit Loss (ECL) and specific provisions. ECL is determined as the difference between the cash flows due to the Bank as per contractual terms of the loan and probability weighted cash flows that the Bank expects to receive and is charged to Profit and Loss Account. Specific provision against loans is determined in accordance with the requirements of the Prudential Regulations and other directives issued by SBP and charged to the Profit and Loss Account. Advances are written off when there are no realistic prospects of recovery.

#### b) Net investment in finance lease

Leases, where the Bank transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognized at an amount equal to the present value of the minimum lease payments, including un-guaranteed residual value, if any. Finance lease receivables are included in advances to the customers. Provision against Net Investment in Finance Lease is maintained in accordance with requirements of prudential regulations. Net investment in Finance Lease is written off when there are no realistic prospects of recovery in accordance with requirement of Prudential Regulations issued by SBP.

### 4.7 Fixed assets and depreciation

#### a) Tangible assets

Property and equipment owned by the Bank, other than land and building, are stated at cost less accumulated depreciation and impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses if any, and is not depreciated while buildings are stated at cost or revalued amount less accumulated depreciation and any subsequent impairment losses, if any.

Depreciation is calculated using the straight line method, except buildings which are depreciated using the reducing balance method, to write down the cost of property and equipment to their residual values over their estimated useful lives. The rates at which the fixed assets are depreciated are disclosed in note 10.2. The residual values, useful lives and depreciation methods are reviewed and adjusted, if required. Adjustments in residual values, useful lives and depreciation methods are treated as change in accounting estimates.

Depreciation on additions is charged from the month the assets are available for use, while no depreciation is charged in the month in which the assets are disposed off.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

When an asset or class of assets is revalued, any increase in the carrying amount arising on revaluation is recorded through other comprehensive income and credited to the revaluation reserve in equity. However, the increase shall be recognized in the Profit and Loss Account to the extent it reverses previously recognised revaluation decrease/impairment loss of the same asset in the Profit and Loss Account, net of amortization or depreciation had no revaluation decrease/impairment been required for the asset in prior years. A decrease resulting from a revaluation is initially charged directly against any related revaluation surplus held in respect of that asset and the remaining portion being charged as an expense.

The surplus on revaluation of fixed assets to the extent of incremental depreciation (net of deferred tax) charged on the related assets is transferred directly to un-appropriated profit.

Revaluation of entire class of assets is carried out by independent professionally qualified valuers with sufficient regularity (every third year) to ensure that the carrying amount of the entire class of assets does not differ materially from their fair value.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the Profit and Loss Account in the year the asset is derecognized, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit.

Subsequent costs are included in the asset's carrying amount 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 repairs and maintenance are charged to the Profit and Loss Account.

### b) Intangible assets

Intangible assets are carried at cost less any accumulated amortization and impairment losses, if any. The cost of intangible assets is amortized over their estimated useful lives, using the straight line method. Amortization is charged from the month the assets are available for use at the rate stated in note 11.2. The useful lives are reviewed and adjusted, if appropriate, at each reporting date.

### c) Capital work-in-progress

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

## 4.8 Lease liability and right of use asset

The lease liability is initially measured at the present value of lease payments to be made over the term of the lease, discounted using the Bank's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method. The carrying amount is remeasured/adjusted if there are changes in the future cash flows or the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date. On subsequent measurement, right-of-use assets are stated at cost less any accumulated depreciation and accumulated impairment losses and are adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight line basis over the lease term as this method closely reflects the expected pattern of consumption of future economic benefits. Carrying amount of the lease liability is derecognised upon termination of the lease contract with corresponding adjustment to right-of-use asset. Gain or loss on termination of lease contract is recognised in the Profit and Loss Account.

The Bank has elected not to recognize a right-of-use asset and the corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Payments associated with these leases are recognized as an expense in the Profit or Loss Account on a straight-line basis.

## 4.9 Taxation

### a) Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation. The charge for current tax is calculated using the prevailing tax rates or tax rates expected to apply to the profits for the year.

### b) Prior

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments or changes in laws and changes in estimates made during the current year.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### c) Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences, at the reporting date between the amounts attributed to assets and liabilities for financial reporting purpose and amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the periods when the difference will reverse, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank also recognizes a deferred tax asset or liability on deficit or surplus on revaluation of fixed assets, non-banking assets and investments which is adjusted against the related deficit or surplus in accordance with the requirements of IAS-12 'Income Taxes'.

## 4.10 Staff retirement and other benefits

### 4.10.1 Staff retirement schemes

#### a) For employees who opted for the 2002 scheme introduced by the management

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary, service length and age as on June 30, 2002 are payable to all employees whose date of joining the Bank is on or before July 01, 1992, i.e., who have completed ten years of continuous service as on June 30, 2002.

An approved gratuity scheme (defined benefit scheme) under which the benefits are payable as under:

- i. For members whose date of joining the Bank is on or before July 01, 1992, their services would be calculated starting from July 01, 2002 for gratuity benefit purposes.
- ii. For members whose date of joining the Bank is after July 01, 1992 their services would be taken at actual for the purpose of calculating the gratuity benefit. This rule will be applicable upon retirement or in service death only, in case of resignation gratuity will be payable from July 01, 2002, even if he or she had joined the Bank before July 01, 2002.

A contributory provident fund scheme to which equal contributions are made by the bank and the employees (defined contribution scheme).

#### b) For employees who did not opt for 2002 scheme

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary as on June 30, 2002 are payable to all employees opting continuation of the previous scheme and whose date of joining the Bank is on or before July 01, 1992, i.e., who had completed ten years of continuous service as on June 30, 2002.

In the light of decision of Honorable Supreme Court of Pakistan in SMC No. 20/2016 dated 13th February 2018 read with Order dated 3rd April 2018 passed in CRP No.72/2018 and Order dated 7th August 2018 in CrI.O.No. 98 and 99 of 2018 and after consultation with Bank's legal counsel, the monthly pension of eligible pensioners has been fixed with indexation levels for eligible pensioners effective from February 13, 2018.

#### c) Post-retirement medical benefits

The Bank provides post-retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefits on the basis of actuarial valuation carried out using the Projected Unit Credit Method.

Annual contributions towards the defined benefit schemes are made on the basis of actuarial valuation carried out using the Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income in the period of occurrence.

### 4.10.2 Other long term benefit

#### a) Employees' compensated absences

Employees' entitlement to annual leave is recognized when they accrue to employees, upto a maximum of 60 days. A provision is made for estimated liability for annual leaves as a result of services rendered by the employee against un-availed leaves, as per terms of service contract, up to the reporting date, based on actuarial valuation using Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Profit and Loss Account in the period of occurrence.

b) **Compensation to certain class of employees**

Bank has revised its retirement policy by reducing the retirement age to 58 years for class of employees effective January 01, 2018. Consequent to the revision, these employees shall be compensated with gross salary along with employer's contribution on provident fund and gratuity for the remaining period up to 60 years in addition to already defined post-employment benefits, payable at the time of retirement, if any.

**4.11 Non-banking assets acquired in satisfaction of claims**

Non-banking assets (NBA) acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation (excluding land). Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of NBA is credited to the 'surplus on revaluation of assets' account through statement of comprehensive income and any deficit arising on revaluation is taken to Profit and Loss Account directly. Legal fees, transfer costs and direct costs of acquiring title to property are charged to Profit and Loss Account and not capitalised.

**4.12 Deposits**

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is accrued to the Profit and Loss Account on time proportion basis. Deposits mobilized under Islamic Banking operations are generated under two modes i.e. 'Qard' and 'Mudaraba'. Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Saving deposits or Fixed deposits'.

**4.13 Impairment**

a) **Financial assets**

Expected credit loss is measured for all loans and other debt financial assets not held at fair value through Profit and Loss, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment

Determination of expected credit losses is a significant estimate and involves the following judgments.

- Development of ECL models, including the various formulas and the choice of inputs.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- The Bank's internal credit grading model based on which PDs are assigned to the individual grades.
- Qualitative and quantitative indicators used as SICR triggers.
- The definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated.
- Selection of forward looking macroeconomic scenarios and their probability weightings.
- Determination of economic inputs, such as GDP growth and CPI.

b) **Non-financial assets**

The carrying amount of the Bank's assets (other than deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Profit and Loss Account except for an impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the revaluation surplus for that same asset. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

**4.14 Provisions**

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision against identified losses on non-funded exposure is recognized when intimated and reasonable certainty exists for the Bank to settle the obligation. The loss is charged to the Profit and Loss Account net of expected recovery and is classified under other liabilities.

Provisions are reviewed at the reporting date and are adjusted to reflect the current best estimate.

**4.15 Acceptances**

Acceptances comprise of undertakings by the Bank to pay bills of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

**4.16 Financial instruments**

**4.16.1 Financial instruments**

Financial assets and financial liabilities are recognized at the time when the Bank becomes a party to the contractual provision of the instrument. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset.

Financial liabilities are de-recognized when obligation specific in the contract is extinguished. Any gain or loss on de-recognition of the financial asset and liability is recognized in the profit and loss account of the current period. The particular recognition and subsequent measurement methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

**4.16.2 Derivative financial instruments**

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the Profit and Loss Account.

**4.17 Revenue recognition**

Revenue is recognized to the extent that the economic benefits will flow to the Bank and the revenue can be reliably measured. These are recognised as follows:

a) **Advances and investments**

Mark-up, return on regular loans and advances and investments is recognized on a time proportion basis. Where debt securities are purchased at premium or discount, the same is amortized through the Profit and Loss Account using the effective interest rate method.

Interest or mark-up recoverable on classified loans, advances and investments is recognized on receipt basis. Interest, return or mark-up on classified, rescheduled or restructured loans and advances and investments is recognized as permitted by the regulations of the State Bank of Pakistan.

Dividend income is recognized when the right to receive the dividend is established.

Gain and losses on sale of debt investments and equity investments classified as Fair Value Through Profit and Loss are recognized in the Profit and Loss Account. Gain and losses on sale of equity investments classified as Fair Value Through Other Comprehensive Income are reclassified from Equity to Unappropriated Profit.

b) **Lease financing**

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealised income on classified leases is recognized on receipt basis.

Gains or losses on termination of lease contracts and other lease income are recognized when realized.

c) **Islamic financing and related assets**

Profit on Business Musharakah financing is booked on accrual basis and is adjusted upon declaration of profit by Musharakah partners.

Ijarah and Diminishing Musharakah income is recognised on an accrual basis as and when the rental becomes due.

Murabaha, Musawamah and Salam income is recognised on deferred income basis.

Profit on Istisna financing is recognized on an accrual basis commencing from time of sale of goods till the realization of sale proceeds by the Bank.

d) **Fees, brokerage and commission**

Fee, Commission and Brokerage income is recognized on an accrual basis except where, in the opinion of management, it would not be prudent to do so.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 4.18 Business Segment reporting

A segment is a distinguishable component of the Bank that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, whereas a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Bank's functional and management reporting structure. The Bank's primary segment reporting is based on following business segments:

**a) Corporate & investment banking**

This segment offers a wide range of financial services to medium and large sized public and private sector entities and also covers overseas operation of the Bank. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services on all bank related matters.

**b) Trading and sales (Treasury)**

This segment undertakes the Bank's treasury and money market activities.

**c) Commercial & retail banking**

Commercial and retail banking provides services to commercial and retail customers including agriculture sector. It includes loans, deposits and other transactions with commercial and retail (conventional and Islamic) customers.

**d) Islamic Banking**

Islamic banking provides Shariah compliant services to customers including loans, deposits and other transactions.

**e) Others**

Others includes functions which cannot be classified in any of the above segments.

### 4.19 Geographical Segment Reporting

Geographically the Bank operates in Pakistan, Middle East and China.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
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Rupees in '000

### 5 CASH AND BALANCES WITH TREASURY BANKS

<b>In hand</b>			
Local currency		37,733,118	34,864,260
Foreign currencies		3,244,559	3,877,058
		40,977,677	38,741,318
<b>With State Bank of Pakistan (SBP) in</b>			
Local currency current accounts	5.1	77,335,586	73,799,188
Foreign currency current account	5.2	107,534	149,569
Foreign currency deposit accounts (non-remunerative)	5.1	6,105,893	5,580,842
Foreign currency deposit accounts (remunerative)	5.3	11,743,494	11,695,327
		95,292,507	91,224,926
<b>With National Bank of Pakistan in</b>			
Local currency current accounts		12,987,328	25,519,660
<b>Prize Bonds</b>			
		677,568	650,404
		149,935,080	156,136,308
Less: Credit loss allowance held against cash and balances with treasury banks		(3,166,912)	-
<b>Cash and balances with treasury banks - net of credit loss allowance</b>		<b>146,768,168</b>	<b>156,136,308</b>

**5.1** Deposits with the State Bank of Pakistan (SBP) are maintained to comply with the cash reserve requirement, under section 22 of the Banking Companies Ordinance, 1962 and State Bank of Pakistan statutory requirements issued from time to time.

**5.2** This represents US\$ settlement account maintained with the State Bank of Pakistan (SBP).

**5.3** This represents special cash reserve maintained with the State Bank of Pakistan (SBP). The return on this account is declared by SBP on a monthly basis and carries mark-up at the rate of 3.53% to 4.35% (2023: 3.39% to 4.34%) per annum.

	Note	December 31, 2024	December 31, 2023
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Rupees in '000

### 6 BALANCES WITH OTHER BANKS

<b>In Pakistan</b>			
In current accounts		-	7,500
<b>Outside Pakistan</b>			
In current accounts		9,026,773	1,931,547
In deposit accounts	6.1	943,546	516,554
		9,970,319	2,448,101
		9,970,319	2,455,601
Less: Credit loss allowance held against balances with other banks		(6,095)	-
<b>Balances with other banks - net of credit loss allowance</b>		<b>9,964,224</b>	<b>2,455,601</b>

**6.1** Balances with other banks outside Pakistan in deposit accounts carry interest rates of 0.01% to 0.25% (2023: 0.01% to 0.25%) per annum.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>7</b>	<b>LENDINGS TO FINANCIAL INSTITUTIONS</b>		
	Call money lendings - local currency	7.1	7,600,000
	Repurchase agreement lendings (Reverse Repo)	7.2 & 7.5	235,941,105
	Certificates of investment	7.3	70,000
			243,611,105
	Less: Credit loss allowance held against lending to financial institutions	7.3 & 7.6	(70,024)
	<b>Lendings to financial institutions - net of credit loss allowance</b>		<b>9,488,003</b>

**7.1** These represent local currency call money lendings to financial institutions at the mark-up rate of 13.70% to 15.65% (2023:22.50%) per annum, maturing latest by March 26, 2025.

**7.2** These are short-term local currency lendings to financial institutions against government securities as shown in note 7.5 below. These carry mark-up at the rate of 12.90% to 13.90% (2023: 21.90% to 22.95%) per annum, maturing latest by January 17, 2025.

**7.3** This represents local currency classified certificates of investment and related provisioning, amounting to Rs. 70 million (2023: Rs. 70 million).

	December 31, 2024	December 31, 2023
Rupees in '000		

### 7.4 Particulars of lending

In local currency	243,611,105	9,488,003
In foreign currencies	-	-
	243,611,105	9,488,003

	December 31, 2024			December 31, 2023		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
Rupees in '000						

### 7.5 Securities held as collateral against lending to financial institutions

Pakistan Investment Bonds	161,175,991	-	161,175,991	8,418,003	-	8,418,003
Market Treasury Bills	74,765,114	-	74,765,114	-	-	-
	235,941,105	-	235,941,105	8,418,003	-	8,418,003

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024		December 31, 2023	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000				

### 7.6 Category of classification

<b>Domestic</b>				
Performing - Stage 1	243,541,105	24	-	-
Under performing - Stage 2	-	-	-	-
Non-performing - Stage 3	-	-	-	-
Substandard				
Doubtful				
Loss	70,000	70,000	70,000	70,000
	243,611,105	70,024	70,000	70,000

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Rupees in '000				

### 7.7 Lending to FIs - Particulars of credit loss allowance

Balance at the start of the year	-	-	70,000	70,000
Impact of adoption of IFRS 9	2	-	-	2
Financial assets that have been derecognised	(2)	-	-	(2)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	70,000	70,000
New financial assets originated or purchased	24	-	-	24
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	24	-	70,000	70,024





## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

		December 31, 2024		
		Outstanding amount	Credit loss allowance held	Total
		Rupees in '000		
<b>8.4.4 Particulars of credit loss allowance against debt securities</b>				
<b>Domestic</b>				
Performing	Stage 1	1,072,794,371	4,080	1,072,798,451
Underperforming	Stage 2	10,566,765	978,650	11,545,415
Non-Performing	Stage 3	946,469	741,185	1,687,654
Substandard		-	-	-
Doubtful		640,339	435,055	1,075,394
Loss		306,130	306,130	612,260
<b>Total</b>		<b>1,084,307,605</b>	<b>1,723,915</b>	<b>1,086,031,520</b>
<b>Overseas</b>				
Performing	Stage 1	-	-	-
Underperforming	Stage 2	12,759,640	990,582	13,750,222
Non-Performing	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		-	-	-
<b>Total</b>		<b>12,759,640</b>	<b>990,582</b>	<b>13,750,222</b>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 8.5 Quality of Securities

Details regarding quality of securities held under 'Hold to Collect and Sell' model are as under:

	December 31, 2024	December 31, 2023		
	Cost			
	Rupees in '000			
<b>Federal Government Securities – Government guaranteed</b>				
Market Treasury Bills	140,617,265	62,362,158		
Pakistan Investment Bonds	703,612,047	930,618,501		
Naya Pakistan Certificate	1,086,093	1,555,195		
Foreign Currency Bonds (US\$)	22,512,740	29,266,132		
GOP Ijarah Sukuks	88,721,700	24,141,346		
	<b>956,549,845</b>	<b>1,047,943,332</b>		
<b>Shares</b>				
<b>Listed Companies</b>				
Power Generation and Distribution	947,545	1,650,810		
Oil & Gas Exploration Companies	2,222,233	2,222,232		
Fertilizer	2,298,657	2,680,900		
Commercial Banks	3,147,311	4,686,843		
Oil & Gas Marketing Companies	561,076	561,076		
Real Estate Investment Trust	614,796	997,589		
Chemical	55,218	55,218		
Close-end Mutual Funds	51,603	51,603		
Investment Banks	50,000	50,000		
Cement	637	638		
	<b>9,949,076</b>	<b>12,956,909</b>		
<b>Unlisted Companies</b>				
	December 31, 2024	December 31, 2023		
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000			
Pakistan Mortgage Refinance Co. Limited	200,000	604,131	200,000	482,035
1 Link Private Limited	50,000	1,182,150	50,000	733,214
Central Depository Company of Pakistan Limited.	40,300	74,445	40,300	67,639
First Women Bank Limited	21,200	59,696	21,200	74,692
SME Bank Limited	5,250	-	5,250	-
Arabian Sea Country Club Limited	5,000	-	5,000	-
Eastern Capital Limited	5,000	-	5,000	-
NIFT	1,526	62,037	1,526	52,914
PASSCO	1,000	651,802	1,000	645,805
Pakistan Corporate Restructuring Company	43,118	28,320	43,117	25,955
	<b>372,394</b>	<b>2,662,581</b>	<b>372,393</b>	<b>2,082,254</b>

Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
Cost		
Rupees in '000		
<b>Non Government Debt Securities</b>		
<i>Listed</i>		
- AAA	799,360	1,299,840
- AA+, AA, AA-	3,947,715	4,067,920
- A+, A, A-	-	-
- Unrated	8,500,000	8,500,000
	<u>13,247,075</u>	<u>13,867,760</u>
<i>Unlisted</i>		
- AAA	2,877,250	5,596,320
- AA+, AA, AA-	1,445,000	2,530,000
- A+, A, A-	150,000	876,150
- B+, B, B-	300,339	-
- CCC and below	361,070	-
- Unrated	2,500,000	2,521,070
	<u>7,633,659</u>	<u>11,523,540</u>
<b>Foreign Securities</b>		
<b>Equity Securities - Unlisted</b>		
SWIFT	1,770	1,770
	<u>1,770</u>	<u>1,770</u>
<b>8.6 Particulars relating to securities classified Under "Hold to Collect" model' are as follows:</b>		
<b>Federal Government Securities - Government guaranteed</b>		
Pakistan Investment Bonds	116,971,045	59,797,669
GOP Ijarah Sukuks - Bai Muajjal Placement	2,380,562	-
	<u>119,351,607</u>	<u>59,797,669</u>
<b>Non Government Debt Securities</b>		
<i>Listed</i>		
- Unrated	44,442	62,159
<i>Unlisted</i>		
- Unrated	240,617	240,761

Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

8.6.1 The market value of securities classified as held-to-maturity as at December 31, 2024 amounted to Rs. 111,470 million (December 31, 2023: Rs. 51,778 million). This represents the market value of Pakistan Investment Bonds.

Note	Performing		Non Performing		Total			
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023		
Rupees in '000								
<b>9 ADVANCES</b>								
Loans, cash credits, running finances, etc.	1,020,419,211	699,211,949	11,685,811	11,713,507	1,032,105,022	710,925,456		
Islamic financing and related assets	A-II. 3 32,101,884	79,621,981	295,246	5,729	32,397,130	79,627,710		
Bills discounted and purchased	831,885	2,264,978	1,013,913	1,319,793	1,845,798	3,584,771		
<b>Advances – gross</b>	<b>9.2 1,053,352,980</b>	<b>781,098,908</b>	<b>12,994,970</b>	<b>13,039,029</b>	<b>1,066,347,950</b>	<b>794,137,937</b>		
<b>Credit loss allowance / Provision against advances</b>								
Stage 1	9.4 (529,283)	-	-	-	(529,283)	-		
Stage 2	9.4 (2,311,052)	-	-	-	(2,311,052)	-		
Stage 3	9.3 & 9.4 -	-	(12,193,722)	-	(12,193,722)	-		
Specific	9.3 & 9.4 -	-	-	(12,335,688)	-	(12,335,688)		
General	9.4 -	(205,019)	-	-	-	(205,019)		
		(2,840,335)	(205,019)	(12,193,722)	(12,335,688)	(15,034,057)		
<b>Advances – net of credit loss allowance</b>	<b>1,050,512,645</b>	<b>780,893,889</b>	<b>801,248</b>	<b>703,341</b>	<b>1,051,313,893</b>	<b>781,597,230</b>		
Rupees in '000								
December 31, 2024				December 31, 2023				
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total

9.1 Includes net investment in finance lease as described below

Lease rentals receivable	2,772,954	1,462,028	18,027	4,253,009	1,749,938	1,694,447	32,915	3,477,300
Residual value	413,129	564,508	26,128	1,003,765	305,104	591,527	43,199	939,830
Minimum lease payments	3,186,083	2,026,536	44,155	5,256,774	2,055,042	2,285,974	76,114	4,417,130
Financial charges for future periods	(514,234)	(159,232)	(1,952)	(675,418)	(429,973)	(237,176)	(2,712)	(669,861)
Present value of minimum lease payments	<u>2,671,849</u>	<u>1,867,304</u>	<u>42,203</u>	<u>4,581,356</u>	<u>1,625,069</u>	<u>2,048,798</u>	<u>73,402</u>	<u>3,747,269</u>

December 31,  
2024      December 31,  
2023  
Rupees in '000

9.2 Particulars of advances (Gross)

In local currency	1,031,303,046	753,527,904
In foreign currencies	35,044,904	40,610,033
	<u>1,066,347,950</u>	<u>794,137,937</u>

9.2.1 Advances to Women, Women-owned and Managed Enterprises

Women	7,576,152	2,591,449
Women Owned and Managed Enterprises	50,339,523	20,969,796
	<u>57,915,675</u>	<u>23,561,245</u>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

**9.3** Advances include Rs. 12,994.970 million (2023: Rs. 13,039.029 million) which have been placed under non-performing / Stage 3 status as detailed below:

	December 31, 2024		December 31, 2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Specific Provision
	Rupees in '000			
<b>Category of Classification</b>				
<b>Domestic</b>				
Other Assets Especially Mentioned	59,594	28,684	31,765	250
Substandard - Stage 3	189,271	101,492	361,480	90,154
Doubtful - Stage 3	871,895	566,361	46,947	23,473
Loss - Stage 3	11,238,973	10,861,948	11,956,050	11,579,024
	12,359,733	11,558,485	12,396,242	11,692,901
<b>Overseas</b>				
Loss	635,237	635,237	642,787	642,787
<b>Total</b>	<b>12,994,970</b>	<b>12,193,722</b>	<b>13,039,029</b>	<b>12,335,688</b>

	December 31, 2024				December 31, 2023			
	Note	Stage 3	Stage 2	Stage 1	Total	Specific	General	Total
	Rupees in '000							
<b>9.4 Particulars of credit loss allowance against advances</b>								
Opening balance		12,335,688	144,558	60,461	12,540,707	11,738,558	109,603	11,848,161
Impact of adoption of IFRS 9		183,043	1,409,256	645,472	2,237,771			
Exchange adjustments		-	(1,875)	-	(1,875)		9,497	9,497
Charge for the year		684,079	1,176,397	352,351	2,212,827	1,694,691	241,205	1,935,896
Reversals for the year		(1,009,088)	(417,284)	(529,001)	(1,955,373)	(1,097,561)	(155,286)	(1,252,847)
		(325,009)	759,113	(176,650)	257,454	597,130	85,919	683,049
Amounts written off	9.6	-	-	-	-	-	-	-
Closing balance		12,193,722	2,311,052	529,283	15,034,057	12,335,688	205,019	12,540,707
<b>9.4.1</b>								
In local currency		11,558,485	2,054,427	524,207	14,137,119	11,692,901	60,461	11,753,362
In foreign currencies		635,237	256,625	5,076	896,938	642,787	144,558	787,345
		12,193,722	2,311,052	529,283	15,034,057	12,335,688	205,019	12,540,707

**9.4.2** No benefit of forced sale value of the collaterals held by the Bank is taken while determining the provision against non-performing loans as allowed under BSD Circular No. 01 dated October 21, 2011.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024			Total
		Stage 1	Stage 2	Stage 3	
		Rupees in '000			
<b>9.5 Particulars of credit loss allowance</b>					
<b>9.5.1 Advances - Exposure</b>					
Gross carrying amount - Current year		734,059,561	47,038,140	13,040,236	794,137,937
New advances		681,625,337	22,028,894	367,319	704,021,550
Advances derecognised or repaid		(407,113,919)	(23,423,739)	(1,273,879)	(431,811,537)
Transfer to stage 1		6,032,844	(6,032,624)	(220)	-
Transfer to stage 2		(37,366,579)	37,621,143	(254,564)	-
Transfer to stage 3		(496,476)	(619,602)	1,116,078	-
		242,681,207	29,574,072	(45,266)	272,210,013
Amounts written off / charged off	9.6	-	-	-	-
Closing balance - Current year		976,740,768	76,612,212	12,994,970	1,066,347,950
<b>9.5.2 Advances - Credit loss allowance</b>					
Opening balance		705,933	1,553,814	12,518,731	14,778,478
New Advances		244,775	440,787	314,143	999,705
Advances derecognised or repaid		(252,135)	(276,646)	(754,769)	(1,283,550)
Transfer to stage 1		107,576	(107,427)	(149)	-
Transfer to stage 2		(98,687)	352,857	(254,170)	-
Transfer to stage 3		(1,849)	(33,211)	35,060	-
		(320)	376,360	(659,885)	(283,845)
Amounts written off / charged off	9.6	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)		(176,330)	380,878	334,876	539,424
Closing balance		529,283	2,311,052	12,193,722	15,034,057
<b>9.5.3 Advances - Credit loss allowance details</b>					
<b>Internal / External rating / stage classification</b>					
<b>Outstanding gross exposure</b>					
Performing - Stage 1		976,740,767	-	-	976,740,767
Under Performing - Stage 2		-	76,612,213	-	76,612,213
<b>Non-Performing - Stage 3</b>					
OAEM		-	-	59,594	59,594
Substandard		-	-	189,271	189,271
Doubtful		-	-	871,895	871,895
Loss		-	-	11,874,210	11,874,210
		-	-	12,994,970	12,994,970
Total		976,740,767	76,612,213	12,994,970	1,066,347,950
<b>Corresponding ECL</b>					
Stage 1 and Stage 2		529,283	2,311,052	-	2,840,335
Stage 3		-	-	12,193,722	12,193,722
		529,283	2,311,052	12,193,722	15,034,057

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

9.5.4 The table below shows the amortized cost of the Bank's gross advances, based on the Bank's internal credit rating system and year-end stage classification.

Note	December 31, 2024			Total
	Stage 1	Stage 2	Stage 3	
	Rupees in '000			
<b>Internal rating grade</b>				
<b>Performing Corporate</b>				
High grade	661,676,903	4,230,153	-	665,907,056
Medium grade	305,541,954	32,188,918	-	337,730,872
Low grade	-	39,855,021	-	39,855,021
Past due but not impaired				
<b>Consumer</b>				
Not yet due	9,521,911	338,120	-	9,860,031
Past due but not impaired	-	-	2,601	2,601
<b>Non-performing (Corporate and Retail)</b>				
OAEM	-	-	56,993	56,993
Substandard	-	-	189,271	189,271
Doubtful	-	-	871,895	871,895
Loss	-	-	11,874,210	11,874,210
	976,740,768	76,612,212	12,994,970	1,066,347,950

An analysis of the corresponding ECLs is, as follows:

	Stage 1	Stage 2	Stage 3	Total
Performing	529,283	2,311,052	-	2,840,335
Non-performing (only specific)	-	-	12,193,722	12,193,722
	529,283	2,311,052	12,193,722	15,034,057

9.6 There were no principal amounts written off during the year against provisions.

### 9.6.1 Details of loan write-off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees and above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-'I'. However, these write-offs do not affect the Bank's right to recover debts from these customers.

	Note	December 31, 2024	December 31, 2023
		Rupees in '000	

## 10 PROPERTY AND EQUIPMENT

	Note	December 31, 2024	December 31, 2023
Capital work-in-progress	10.1	10,324,434	9,779,743
Property and equipment	10.2	116,936,428	103,998,924
		127,260,862	113,778,667

### 10.1 Capital work-in-progress

Civil works	9,192,690	7,759,247
Equipment	-	89,246
Advances to suppliers	1,131,744	1,931,250
	10,324,434	9,779,743

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
<b>10.2 Property and Equipment</b>									
<b>At January 1, 2024</b>									
Cost or Revalued amount	47,519,246	20,973,582	14,851,259	7,277,734	3,364,511	25,170,822	2,323,290	8,095,171	129,575,615
Accumulated depreciation	-	-	(124,331)	(143,423)	(1,984,973)	(16,033,005)	(1,335,389)	(5,955,570)	(25,576,691)
<b>Net book value</b>	47,519,246	20,973,582	14,726,928	7,134,311	1,379,538	9,137,817	987,901	2,139,601	103,998,924
<b>Year ended December 31, 2024</b>									
Opening net book value	47,519,246	20,973,582	14,726,928	7,134,311	1,379,538	9,137,817	987,901	2,139,601	103,998,924
Additions	1,482,751	4,875,347	4,224,568	363,705	554,112	7,436,291	770,077	1,939,839	21,646,690
Net disposal (book value)	(1,670,225)	(354,614)	(21,923)	(3,979)	(3,289)	(37,868)	(2,065)	-	(2,093,963)
Depreciation charge	-	-	(859,000)	(377,903)	(341,962)	(3,645,454)	(422,243)	(960,970)	(6,607,532)
Exchange rate adjustments	-	-	-	-	-	(454)	(1)	17	(438)
Other adjustments	(818)	2	(6,436)	(1)	(1)	1	1	(1)	(7,253)
<b>Closing net book value</b>	47,330,954	25,494,317	18,064,137	7,116,133	1,588,398	12,890,333	1,333,670	3,118,486	116,936,428
<b>At December 31, 2024</b>									
Cost or Revalued amount	47,330,954	25,494,317	19,051,450	7,636,658	3,882,671	32,217,693	2,906,375	10,029,502	148,549,620
Accumulated depreciation	-	-	(987,313)	(520,525)	(2,294,273)	(19,327,360)	(1,572,705)	(6,911,016)	(31,613,192)
<b>Net book value</b>	47,330,954	25,494,317	18,064,137	7,116,133	1,588,398	12,890,333	1,333,670	3,118,486	116,936,428
<b>Rate of depreciation (percentage)</b>	-	-	5%	5%	10%	14.28%-50%	20%	20%	

	December 31, 2023								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
<b>At January 1, 2023</b>									
Cost or Revalued amount	29,391,257	12,686,611	13,394,912	5,247,888	2,873,083	20,451,560	1,684,105	7,297,400	93,026,816
Accumulated depreciation	-	-	(1,161,582)	(459,461)	(1,736,071)	(14,116,406)	(1,033,148)	(5,182,895)	(23,689,563)
<b>Net book value</b>	29,391,257	12,686,611	12,233,330	4,788,427	1,137,012	6,335,154	650,957	2,114,505	69,337,253
<b>Year ended December 31, 2023</b>									
Opening net book value	29,391,257	12,686,611	12,233,330	4,788,427	1,137,012	6,335,154	650,957	2,114,505	69,337,253
Additions	1,097,092	3,949,782	1,065,849	72,137	513,848	5,329,384	649,284	805,934	13,483,310
Movement in surplus on assets revalued during the year	17,064,078	4,339,867	2,120,445	2,447,798	-	-	-	-	25,972,188
Net disposal (book value)	-	-	-	-	(2,214)	(14,115)	(538)	-	(16,867)
Depreciation charge	-	-	(629,051)	(241,395)	(268,875)	(2,513,784)	(311,776)	(777,409)	(4,742,290)
Exchange rate adjustments	-	-	80	674	(233)	1,175	(24)	(16)	1,656
Other adjustments	(33,181)	(2,678)	(63,725)	66,670	-	3	(2)	(3,413)	(36,326)
<b>Closing net book value</b>	47,519,246	20,973,582	14,726,928	7,134,311	1,379,538	9,137,817	987,901	2,139,601	103,998,924
<b>At December 31, 2023</b>									
Cost or Revalued amount	47,519,246	20,973,582	14,851,259	7,277,734	3,364,511	25,170,822	2,323,290	8,095,171	129,575,615
Accumulated depreciation	-	-	(124,331)	(143,423)	(1,984,973)	(16,033,005)	(1,335,389)	(5,955,570)	(25,576,691)
<b>Net book value</b>	47,519,246	20,973,582	14,726,928	7,134,311	1,379,538	9,137,817	987,901	2,139,601	103,998,924
<b>Rate of depreciation (percentage)</b>	-	-	5%	5%	10%	14.28%-50%	20%	20%	

10.3 Bank arranged for valuation of all Land and Buildings as at December 31, 2023 from six independent valuers certified by PBA (Sadrudin Associates (Private) Limited, Hamid Mukhtar & Co (Private) Limited, Indus Surveyors (Private) Limited, A1 Warda Engineering Services, Tristar International Consultant (Private) Limited and Harvester Services (Private) Limited). The revalued amounts of properties have been determined on the basis of market value. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Rupees in '000	
- Land (Freehold and leasehold)	31,264,621	26,924,337
- Building	16,925,052	13,289,397

10.4 Fair value of property and equipment excluding land and buildings is not expected to be materially different from their carrying amount.

	Note	December 31, 2024	December 31, 2023
		Rupees in '000	

10.5 Incremental depreciation charged during the year transferred to unappropriated profit

	22.1	350,020	135,473
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10.6 Restriction or discrepancy in the title of property having a net book value of

		208,982	205,384
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10.7 The cost of fully depreciated assets that are still in use:

Furniture and fixtures		1,198,892	1,007,413
Electrical, office and computer equipments		10,956,622	9,139,158
Vehicles		775,734	675,194
Leasehold Improvements		4,850,720	4,015,416

10.8 The carrying amount of property and equipment that have retired from active use and held for disposal

		1,293,975	2,175,252
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10.9 The sale of fixed assets (otherwise than a regular auction) to related parties are disclosed in Annexure III.

	December 31, 2024		December 31, 2023	
	Buildings	Total	Buildings	Total
	Rupees in '000			

### 11 RIGHT-OF-USE ASSETS

At January 01, 2024				
Cost	15,832,237	15,832,237	13,610,540	13,610,540
Accumulated Depreciation	(7,545,182)	(7,545,182)	(5,787,146)	(5,787,146)
<b>Net carrying amount at January 01</b>	<b>8,287,055</b>	<b>8,287,055</b>	<b>7,823,394</b>	<b>7,823,394</b>

Additions during the year	1,894,202	1,894,202	2,457,404	2,457,404
Deletions during the year	(525,919)	(525,919)	(235,706)	(235,706)
Depreciation charge during the year	(1,869,048)	(1,869,048)	(1,764,838)	(1,764,838)
Exchange difference	1,451	1,451	6,801	6,801
<b>Net carrying amount at December 31</b>	<b>7,787,741</b>	<b>7,787,741</b>	<b>8,287,055</b>	<b>8,287,055</b>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
		Rupees in '000	

### 12 INTANGIBLE ASSETS

Capital work in progress	12.1	1,009,355	778,871
Intangible Assets	12.2	2,623,269	2,630,420
		<b>3,632,624</b>	<b>3,409,291</b>

#### 12.1 Capital work in progress

Softwares		1,006,481	775,996
Advances for softwares to suppliers		2,874	2,875
		<b>1,009,355</b>	<b>778,871</b>

	December 31, 2024		
	Computer software	Others	Total
	Rupees in '000		

#### 12.2 Intangible Assets

At January 01, 2024			
Cost	6,400,141	-	6,400,141
Accumulated amortisation and impairment	(3,769,721)	-	(3,769,721)
<b>Net book value</b>	<b>2,630,420</b>	<b>-</b>	<b>2,630,420</b>

Year ended December 31, 2024			
Opening net book value	2,630,420	-	2,630,420
Additions:			
directly purchased / transfers	615,246	-	615,246
Amortisation charge	(622,393)	-	(622,393)
<b>Closing net book value</b>	<b>2,623,273</b>	<b>-</b>	<b>2,623,273</b>

At December 31, 2024			
Cost	7,015,382	-	7,015,382
Accumulated amortisation and impairment	(4,392,113)	-	(4,392,113)
<b>Net book value</b>	<b>2,623,269</b>	<b>-</b>	<b>2,623,269</b>
<b>Rate of amortisation (percentage)</b>		<b>5% to 14.28%</b>	
<b>Useful life</b>		<b>7 to 20 Years</b>	

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2023		
	Computer software	Others	Total
	Rupees in '000		
<b>At January 1, 2023</b>			
Cost	5,873,124	-	5,873,124
Accumulated amortisation and impairment	(3,184,449)	-	(3,184,449)
<b>Net book value</b>	<b>2,688,675</b>	<b>-</b>	<b>2,688,675</b>
<b>Year ended December 31, 2023</b>			
Opening net book value	2,688,675	-	2,688,675
Additions:			
directly purchased / transfers	527,017	-	527,017
Amortisation charge	(585,272)	-	(585,272)
Closing net book value	2,630,420	-	2,630,420
<b>At December 31, 2023</b>			
Cost	6,400,141	-	6,400,141
Accumulated amortisation and impairment	(3,769,721)	-	(3,769,721)
<b>Net book value</b>	<b>2,630,420</b>	<b>-</b>	<b>2,630,420</b>
<b>Rate of amortisation (percentage)</b>	5% to 14.28%		
<b>Useful life</b>	7 to 20 Years		
		<b>December 31,</b>	<b>December 31,</b>
		<b>2024</b>	<b>2023</b>
		<b>Rupees in '000</b>	
<b>12.3</b>	The cost of fully amortized assets that are still in use:		
Intangible assets – software		1,467,420	894,732

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31,	December 31,
		2024	2023
		Rupees in '000	
<b>13 OTHER ASSETS</b>			
Income / Mark-up accrued in local currency		55,015,063	69,602,045
Income / Mark-up accrued in foreign currency		532,316	953,413
Financial assets due to subsidized loans		7,287,676	-
Advances, deposits, advance rent and other prepayments		5,702,613	3,081,606
Advance taxation (payments less provisions)		2,328,096	-
Non-banking assets acquired in satisfaction of claims	13.1	682,237	1,038,270
Branches adjustment account		-	1,701,578
Mark to market gain on forward foreign exchange contracts		-	80,674
Mark to market gain on forward government securities transactions		967,333	-
Acceptances		7,563,743	8,444,550
Due from the employees' retirement benefit schemes			
- Pension fund	37.4	7,772,440	6,185,041
Fraud and forgeries		527,738	544,824
Stationery and stamps in hand		1,205,896	863,475
Home Remittance Cell agent receivable		2,784	1,749
Receivable from State Bank of Pakistan		71	4,375
Charges receivable		29,924	29,873
ATM / Point of Sale settlement account		6,451,615	7,075,342
Others		639,010	440,520
		96,708,555	100,047,335
Less: Credit loss allowance held against other assets	13.2	(1,147,776)	(996,020)
Other assets (net of credit loss allowance)		95,560,779	99,051,315
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		1,265,361	1,043,502
Other assets - net		96,826,140	100,094,817
<b>13.1 Market value of non-banking assets acquired in satisfaction of claims</b>		<b>1,947,598</b>	<b>2,081,772</b>

Full-scope revaluation was carried out at December 31, 2024 through four independent valuers approved by Pakistan Banks' Association (Tristar International Consultant Private Limited, A-1 Warda Engineering Services and Harvester Services Private Limited). The revalued amounts of properties have been determined on the basis of market rates depending upon physical verification and general appearance of the site.

	December 31,	December 31,
	2024	2023
	Rupees in '000	
<b>13.1.1 Non banking assets acquired in satisfaction of claims</b>		
Opening balance	2,081,772	1,505,342
Additions	-	443,214
Constructions	3,744	100
Revaluation	261,756	144,229
Disposals	-	-
Transfers	(375,753)	-
Depreciation	(23,921)	(11,113)
Closing balance	1,947,598	2,081,772

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

13.1.2 There are no disposals of non banking assets acquired in satisfaction of claims.

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>13.2 Credit loss allowance / Provision held against other assets</b>			
Advances, deposits, advance rent and other prepayments		286,371	213,329
Provision against fraud and forgeries		427,195	444,282
Charges receivable		29,764	29,840
Credit loss allowance against acceptances		109,875	-
Others		294,571	308,569
		<u>1,147,776</u>	<u>996,020</u>

### 13.2.1 Movement in Credit loss allowance / Provision held against other assets

		December 31, 2024	December 31, 2023
Opening balance		996,020	755,808
Impact of adoption of IFRS 9		37,823	-
Charge for the year		241,906	505,416
Reversals		(119,745)	(259,078)
Net charge		122,161	246,338
Amounts written off		(8,228)	(6,126)
Closing balance		<u>1,147,776</u>	<u>996,020</u>

## 14 CONTINGENT ASSETS

There were no contingent assets of the Bank as at December 31, 2024 and December 31, 2023.

### 15 BILLS PAYABLE

		December 31, 2024	December 31, 2023
In Pakistan		14,477,225	9,296,223
Outside Pakistan		25,012	26,182
		<u>14,502,237</u>	<u>9,322,405</u>

### 16 BORROWINGS

#### Secured

		December 31, 2024	December 31, 2023
Borrowings from State Bank of Pakistan			
Repurchase agreement borrowings	16.1	355,072,900	270,000,000
Under export refinance scheme	16.2	23,682,355	28,652,901
Under long term financing facility	16.3	22,806,443	28,265,781
Under financing scheme for renewable energy	16.4	7,871,360	7,253,956
Under Temporary Economic Refinance Scheme	16.5	7,490,465	12,741,909
Under refinance scheme for modernization of SMEs	16.6	13,222	8,182
Under refinance scheme for SME Asaan Finance (SAAF)		172,807	-
Refinance and credit guarantee scheme for women entrepreneurs		19,310	13,517
Under refinance scheme for combating COVID-19	16.7	81,016	133,325
		<u>417,209,878</u>	<u>347,069,571</u>
Repurchase agreement borrowings from Financial Institutions	16.8	29,259,260	1,843,392
Trading liability		-	7,541,047
		<u>446,469,138</u>	<u>356,454,010</u>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>Unsecured</b>			
Call borrowings	16.9	7,628,102	2,677,677
Overdrawn nostro accounts		426,318	192,355
Musharaka borrowing	16.10	7,500,000	14,350,000
		<u>15,554,420</u>	<u>17,220,032</u>
		<u>462,023,558</u>	<u>373,674,042</u>

16.1 This represents local currency borrowing from the State Bank of Pakistan against government securities, carrying mark-up at the rate of 13.07% to 14.00% (2023: 22.08% to 22.09%) per annum, maturing on various dates latest by January 17, 2025.

16.2 The Bank has entered into various agreements for financing with the State Bank of Pakistan for extending export finance to customers. As per agreements, the Bank has granted to State Bank of Pakistan the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with the SBP. The borrowing carries mark-up at the rate of 1.00% to 2.00% (2023: 1.00% to 2.00%) per annum. These borrowings are repayable within six months from the deal date.

16.3 This represents Long Term Financing facility availed by the Bank for further extending the same to its customers, for a maximum period of 10 years. The borrowing carries mark-up at the rate of 1.50%, 2.50% and 3.00% (2023: 16% to 17.5%) per annum for financing up-to 3 years, 5 years & 10 years respectively.

16.4 These represent borrowings from the State Bank of Pakistan availed by the Bank for financing power projects and facilities using alternative and renewable energy (solar, wind, hydro, biogas, bio-fuels, bagasse cogeneration, and geothermal as fuel) for a maximum period of 12 years under Category I and for a maximum period of 10 years under Category II and III. The borrowing carries mark-up at the rate of 3% for Category I, 2% for Category II and 3% for Category III.

16.5 These borrowings have been obtained from the State Bank of Pakistan for providing concessionary refinancing facility to the industry for purchase of new imported and locally manufactured plant & machinery to set up new projects. These borrowings are repayable within a period of ten years including a grace period of upto 2 years. These carry mark up rate of 1% per annum.

16.6 These borrowings have been obtained from the State Bank of Pakistan for providing refinancing facility to wide range of SME clusters / sectors for purchase of new and imported / local plant and machinery for BMR of existing units and setting up new SME units. These borrowings are repayable for a maximum period of 10 years. These carry mark up rate ranging from 6% per annum.

16.7 These borrowings have been obtained from the State Bank of Pakistan for providing financing facilities to help businesses in payment of wages and salaries to their workers and employees for supporting continued employment. These borrowing are repayable in 8 equal quarterly instalments beginning from January 2021. These carry mark up rates ranging from 0% to 2% per annum.

16.8 These represent borrowings in local currency from local interbank markets against government securities, carrying mark-up at the rate of 12.10% to 12.90% (2023: 22%) per annum, maturing on various dates, latest by January 17, 2025.

16.9 These represent unsecured borrowings in foreign and local currency from foreign and local interbank markets, carrying mark-up at the rate of 6.53% to 18.60% (2023: 9.80% to 11.90%) per annum. These borrowings are maturing on various dates, latest by June 24, 2025.

16.10 This represents unsecured local currency borrowings by Islamic banking business under Musharaka agreement at profit of 12.25% (2023: 21.75% to 22.5%) per annum, maturing on various dates, latest by January 07, 2025.

16.11 Note 8.3 includes the carrying amount of investments given as collateral against re-purchase agreement borrowings.

	December 31, 2024	December 31, 2023
Rupees in '000		

### 16.12 Particulars of borrowings with respect to currencies

In local currency	455,895,458	370,804,011
In foreign currencies	6,128,100	2,870,031
	<u>462,023,558</u>	<u>373,674,042</u>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024			December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
<b>17 DEPOSITS AND OTHER ACCOUNTS</b>						
<b>Customers</b>						
Current deposits	683,016,032	35,622,173	718,638,205	616,041,518	44,460,629	660,502,147
Savings deposits	851,899,892	18,177,737	870,077,629	652,715,228	19,697,405	672,412,633
Term deposits	201,669,126	80,524,496	282,193,622	201,318,101	51,084,504	252,402,605
Others	37,063,834	78,257	37,142,091	30,467,120	61,278	30,528,398
	1,773,648,884	134,402,663	1,908,051,547	1,500,541,967	115,303,816	1,615,845,783
<b>Financial Institutions</b>						
Current deposits	15,659,282	1,218,988	16,878,270	14,062,494	853,715	14,916,209
Savings deposits	88,035,841	-	88,035,841	44,978,314	-	44,978,314
Term deposits	641,050	4,775,259	5,416,309	819,350	63,419	882,769
Others	13,100	-	13,100	-	-	-
	104,349,273	5,994,247	110,343,520	59,860,158	917,134	60,777,292
	1,877,998,157	140,396,910	2,018,395,067	1,560,402,125	116,220,950	1,676,623,075

### 17.1 Composition of deposits

	December 31, 2024	December 31, 2023
Rupees in '000		
Individuals	1,197,996,052	952,116,476
Private Sector	276,463,498	312,948,519
Government (Federal and Provincial)	236,687,637	209,285,511
Public Sector Entities	196,904,360	141,495,277
Non-Banking Financial Institutions	96,993,779	46,767,016
Banking Companies	13,349,741	14,010,276
	2,018,395,067	1,676,623,075

**17.2** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,343,523 million (2023: 1,138,708 million).

**17.3** Net outstanding value against prepaid cards is Rs. 21.604 million as at reporting date (2023: 25.328 million).

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>18 LEASE LIABILITIES</b>			
Outstanding amount at the start of the year		10,632,854	9,787,443
Additions during the year		1,894,202	2,457,404
Deletions during the year		(706,216)	(232,906)
Lease payments including interest		(2,808,266)	(2,580,364)
Interest expense		1,349,257	1,189,825
Exchange difference		(863)	11,452
Outstanding amount at the end of the year		10,360,968	10,632,854
<b>18.1 Contractual maturity of lease liabilities</b>			
Not later than one year		301,451	154,152
Later than one year and upto five years		3,834,226	5,325,576
Five to ten years		4,608,287	4,019,959
Over ten years		1,617,004	1,133,167
Total at the year end		10,360,968	10,632,854

	December 31, 2024			
	At January 1, 2024	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2024
Rupees in '000				

### 19 DEFERRED TAX LIABILITIES / ASSETS

	December 31, 2024	December 31, 2023
Rupees in '000		
Deductible Temporary Differences on		
- Tax losses carried forward	-	-
- Workers welfare fund	2,657,448	897,558
- Credit loss allowance against advances,	492,469	121,647
- Others	102,650	-
	3,252,567	1,019,205

	December 31, 2024	December 31, 2023
Rupees in '000		
Taxable Temporary Differences on		
- Surplus on revaluation of property and equipment	(4,200,202)	183,652
- Surplus on revaluation of investments	6,608,032	-
- Surplus on revaluation of non-banking assets	(66,251)	20,744
- Accelerated tax depreciation	(1,696,139)	(585,253)
- Actuarial gain on retirement benefits	(76,413)	-
	569,027	(380,857)
	3,821,594	638,348



Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

	December 31, 2023			
	At January 1, 2023	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2023
Rupees in '000				
Deductible Temporary Differences on				
Provision against:				
- Workers welfare fund	1,578,570	1,078,878	-	2,657,448
- Provisions against Advances and Off Balance Sheet Obligations	360,393	132,076	-	492,469
- Deficit on revaluation of investments	13,679,933	-	(7,071,901)	6,608,032
- Others	102,650	-	-	102,650
	15,721,546	1,210,954	(7,071,901)	9,860,599
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets	(1,779,800)	66,380	(2,486,782)	(4,200,202)
- Surplus on revaluation of non-banking assets	(19,347)	1,237	(48,141)	(66,251)
- Actuarial gains	308,029	-	(384,442)	(76,413)
- Accelerated tax depreciation	(1,229,079)	(467,060)	-	(1,696,139)
	(2,720,197)	(399,443)	(2,919,365)	(6,039,005)
	13,001,349	811,511	(9,991,266)	3,821,594

Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>20 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		17,523,889	14,143,930
Mark-up / return / interest payable in foreign currencies		910,978	1,762,006
Deferred grant on subsidized loans		3,772,085	-
Accrued expenses		2,994,731	3,920,388
Provision for taxation (provisions less payments)		-	7,730,026
Retention money payable		1,153,757	679,647
Deferred income		1,345,950	855,132
Unearned commission and income on bills discounted		1,032,336	759,785
Acceptances		7,563,743	8,444,550
Unclaimed dividends		496,711	442,049
Dividend payable		37,622	26,343
Branch adjustment account		2,106,829	-
Unrealized loss on forward foreign exchange contracts		1,613,858	-
Unrealized loss on forward government securities transactions		-	13,812
Provision for:			
Gratuity	37.4	252,662	806,365
Employees' medical benefits	37.4	1,575,050	1,473,496
Employees' compensated absences	37.4	1,248,767	1,200,318
Payable to defined contribution plan		114,216	117,158
Credit loss allowance against off-balance sheet obligations	20.1	493,983	298,904
Security deposits against lease		1,004,808	941,987
Charity fund balance		1,417	1,000
Home Remittance Cell overdraft		206,321	794,027
With-holding tax payable		8,083,663	8,608,289
Sundry deposits		4,879,335	4,162,588
Workers welfare fund payable	20.2	6,836,550	5,423,363
Others		2,705,849	2,204,652
		67,955,110	64,809,815

**20.1 Credit loss allowance / Provision against off-balance sheet obligations**

Opening balance	298,904	298,904
Impact of adoption of IFRS 9	153,374	-
Charge for the year	41,705	-
Reversals	-	-
Net reversal	41,705	-
Closing balance	493,983	298,904

The above provision includes provisions made against letters of guarantee issued by the Bank.

**20.2 Workers Welfare Fund**

Supreme Court of Pakistan vide order dated November 10, 2016 held that the amendments made in the law through Finance Act 2008, introduced by the Federal Government for the levy of Worker Welfare Fund (WWF) were unlawful. Federal Board of Revenue filed review petition against the subject order, which is currently pending for adjudication.

WWF provision from 2014 has been maintained conservatively based on tax advisor's opinion in view of provincial levy of WWF by the provinces with effect from 2014, including levy by Sindh which is under litigation.

Punjab Government promulgated Punjab Workers Welfare Fund Act 2019 (PWWF) with effect from December 13, 2019, therefore, provision related to Punjab and pertaining to the period from 2014 till the date of promulgation of PWWF was reversed.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 21 SHARE CAPITAL

#### 21.1 Authorized capital

December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
No. of shares			Rupees in '000	
1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000

#### 21.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each

December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
No. of shares			Rupees in '000	
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253
		18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	91,486	91,486
		8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modarabah with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	84,000	84,000
8,400,000	8,400,000		84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [2023: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

Note	December 31, 2024	December 31, 2023
	Rupees in '000	

### 22 SURPLUS ON REVALUATION OF ASSETS – NET OF TAX

	Note	December 31, 2024	December 31, 2023
		Rupees in '000	
Surplus / (deficit) arising on revaluation of:			
Property and equipment	22.1	49,815,868	50,140,331
Non-banking assets acquired in satisfaction of claims	22.2	1,265,363	1,043,502
Available-for-sale securities		-	(13,485,780)
Securities measured at FVOCI - Debt		6,793,131	-
Securities measured at FVOCI - Equity		13,856,043	-
		71,730,405	37,698,053
Deferred tax on surplus / (deficit) on revaluation of:			
Property and equipment	22.1	(4,291,070)	(4,200,202)
Non-banking assets acquired in satisfaction of claims	22.2	(73,305)	(66,251)
Available-for-sale securities		-	6,608,032
Securities measured at FVOCI - Debt		(3,532,428)	-
Securities measured at FVOCI - Equity		(7,205,142)	-
		(15,101,945)	2,341,579
		56,628,460	40,039,632

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

Note	December 31, 2024	December 31, 2023
	Rupees in '000	

### 22.1 Surplus on revaluation of fixed assets

Surplus as at January 1, 2024	50,140,331	24,303,616
Surplus on revaluation during the year	-	25,972,188
Surplus related to transfer or adjustments	33,397	-
Surplus realised on disposal during the year	(7,840)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(168,008)	(69,093)
Related deferred tax liability	(182,012)	(66,380)
	10.5	(350,020)
Surplus on revaluation as at December 31, 2024	49,815,868	50,140,331
Less: Related deferred tax liability on :		
Revaluation surplus as at January 1, 2024	(4,200,202)	(1,779,800)
Deferred tax liability on revaluation surplus / change in tax rate	(257,155)	(2,486,782)
Deferred tax liability related to transfer or adjustments	(17,367)	-
Deferred tax on surplus on disposal during the year	1,642	-
Deferred tax on incremental depreciation transferred to unappropriated profit	182,012	66,380
	(4,291,070)	(4,200,202)
	45,524,798	45,940,129

### 22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus as at January 1, 2024	1,043,502	901,797
Surplus on revaluation during the year	261,756	144,229
Surplus related to transfer or adjustments	(33,397)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year – net of deferred tax	(3,119)	(1,287)
Related deferred tax liability	(3,379)	(1,237)
	(6,498)	(2,524)
Surplus on revaluation as at December 31, 2024	1,265,363	1,043,502
Less: Related deferred tax liability on :		
Revaluation surplus as at January 1, 2024	(66,251)	(19,347)
Deferred tax liability on revaluation surplus / change in tax rate	(27,800)	(48,141)
Deferred tax liability related to transfer or adjustments	17,367	-
Deferred tax on surplus on disposal during the year	-	-
Deferred tax on incremental depreciation transferred to unappropriated profit	3,379	1,237
	(73,305)	(66,251)
	1,192,058	977,251

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>23 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	64,704,701	66,315,450
Commitments	23.2	611,889,822	495,953,754
Other contingent liabilities	23.3	6,994,409	6,987,410
		<b>683,588,932</b>	<b>569,256,614</b>
<b>23.1 Guarantees</b>			
Financial guarantees		6,049,698	5,603,283
Performance guarantees		14,299,840	13,503,642
Other guarantees		44,355,163	47,208,525
		<b>64,704,701</b>	<b>66,315,450</b>
<b>23.2 Commitments</b>			
Documentary credits and short term trade related transactions:			
letters of credit		130,961,089	153,136,140
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	288,283,583	322,127,301
- forward government securities transactions	23.2.2	182,141,150	11,439,221
- operating leases	23.2.3	211,271	298,754
Commitments for acquisition of:			
- fixed assets		9,362,516	8,054,382
- intangible assets		930,213	897,956
		<b>611,889,822</b>	<b>495,953,754</b>
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		181,173,349	180,292,360
Sale		107,110,234	141,834,941
		<b>288,283,583</b>	<b>322,127,301</b>
<b>23.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		182,141,150	10,053,843
Sale		-	1,385,378
		<b>182,141,150</b>	<b>11,439,221</b>
<b>23.2.3 Commitments in respect of operating leases</b>			
Not later than one year		105,165	112,416
Later than one year and not later than five years		89,799	162,545
Later than five years		16,307	23,793
		<b>211,271</b>	<b>298,754</b>
<b>23.3 Other contingent liabilities</b>			
23.3.1 Claims against the Bank not acknowledged as debt	23.3.1.1	6,994,409	6,987,410

**23.3.1.1** This represent certain claims by third parties against the Bank, which are being contested in Courts of law. Based on legal advice and / or internal assessment, the management is confident that these matters will be decided in the Bank's favour and the possibility of an outflow of economic resource is remote.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

**23.3.2** The income tax assessments of the Bank have been finalized upto and including tax year 2024 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2024 income tax authorities made certain add backs with aggregate tax impact of Rs. 38,524 million (2023: 34,841 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals/references before higher forums against unfavorable decisions. Pending finalization of appeals/references no provision has been made by the Bank on aggregate sum of Rs. 38,524 million (2023: 34,841 million). The management is confident that the outcome of these appeals/references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and tax year 2022 created an arbitrary demand of Rs. 2,029 million (2023: 2,029 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2023: 2,029 million).

Tax authorities have also issued orders under Federal Excise Act, 2005/Sales Tax Act/Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2023: 1,144 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2023: 1,144 million).

**23.3.3** While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable Court was pleased to Order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated 15.01.2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Moreover, on 04.01.2023, the Appellate Board has ordered that ABL's appeals now stand adjourned sine die till the final disposal of ABL's constitutional petitions which are pending before the Sindh High Court. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

## 24 DERIVATIVE INSTRUMENTS

The Bank at present does not offer structured derivative products such as Interest Rate Swaps, Forward Rate Agreements or FX Options. However, the Bank buys and sells derivative instruments such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

### Forward Exchange Contracts

Forward Exchange Contract (FEC) is a product which is offered to the obligor who transact internationally. These obligor use this product to hedge themselves from unfavorable movements in a foreign currency, however, by agreeing to fix the exchange rate, they do not benefit from favorable movements in that currency.

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

If the relevant exchange rate moves un-favorably, Obligor will benefit from that movement because the Bank must exchange currencies at the FEC rate. In order to mitigate this risk of adverse exchange rate movement, the Bank hedges its exposure by taking opposite forward position in inter-bank FX.

### Foreign Exchange Swaps

A Foreign Exchange Swap (FX Swap) is used by the Bank if it has a need to exchange one currency for another currency on one day and then re-exchange those currencies at a later date. Exchange rates and forward margins are determined in the "inter-bank" market and fluctuate according to supply and demand.

An FX Swap prevents the Bank from gaining any benefit resulting from a favorable exchange rate movement in the relevant currency pair between the time Bank enters into the transaction deal and when settlement occurs. Cancellation of the swap may also result in exposure to market movements. The key advantage of an FX swap is that it provides the Bank with protection against unfavorable currency movements between the time it enters into the transaction and settlement. The term and amounts for FX Swap can also be tailored to suit the Bank's particular needs.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### Equity Futures

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

The Bank may use equity futures as a hedging instrument to hedge its equity portfolio, in both 'held-for-trading' and 'available-for-sale', against equity price risk. Only selected shares are allowed to be traded on futures exchange. Equity futures give flexibility to the Bank either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates. Maximum exposure limit to the equity futures is 10% of Tier I Capital of the Bank, based on prevailing SBP regulations.

The accounting policies used to recognize and disclose derivatives are given in Note 4.16.2. The risk management framework of derivative instruments is given in note 44.

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>25 MARK-UP / RETURN / INTEREST EARNED</b>			
On:			
Loans and advances		137,937,472	139,746,443
Investments		233,917,187	211,082,510
Lendings to financial institutions		3,889,625	5,275,814
Balances with banks		1,015,986	1,202,673
		<u>376,760,270</u>	<u>357,307,440</u>
<b>26 MARK-UP / RETURN / INTEREST EXPENSED</b>			
On:			
Deposits		192,995,854	169,411,629
Borrowings		61,411,203	67,798,698
Cost of foreign currency swaps against foreign currency deposits		5,780,829	5,627,980
Interest expense on lease liability		1,349,257	1,189,821
		<u>261,537,143</u>	<u>244,028,128</u>
<b>27 FEE AND COMMISSION INCOME</b>			
On:			
Branch banking customer fees		2,542,095	2,344,003
Consumer finance related fees		24,156	28,056
Card related fees (debit and credit cards)		7,321,467	5,430,362
Credit related fees		24,354	45,094
Investment banking fees		597,744	599,387
Commission on trade		706,640	616,940
Commission on guarantees		176,508	167,752
Commission on cash management		373,782	413,797
Commission on remittances including home remittances		2,141,375	978,648
Commission on bancassurance		14,144	17,237
Card acquiring business		159,198	-
		<u>14,081,463</u>	<u>10,641,276</u>
	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>28 GAIN ON SECURITIES</b>			
Realised - net	28.1	2,448,270	928,795
Unrealised - held for trading		14,944	(64,599)
Unrealised - forward government securities		981,145	(19,424)
		<u>3,444,359</u>	<u>844,772</u>
<b>28.1 Realised gain / (loss) on:</b>			
Federal government securities		2,448,270	546,524
Shares		-	382,256
Non Government debt securities		-	15
		<u>2,448,270</u>	<u>928,795</u>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>29 OTHER INCOME</b>			
Recovery of written off mark-up and charges		68	125,221
Gain on sale of fixed assets - net		632,669	24,033
Other assets disposal		51,983	8,580
Rent on property		41,181	21,518
Fee for attending Board meetings		1,172	1,557
Income from data center hosting service		17,716	17,716
Gain on disposal of Islamic financing and related assets		13,078	32,246
		<u>757,867</u>	<u>230,871</u>
<b>30 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	30.1	20,136,042	18,769,464
<b>Property expense:</b>			
Rent & taxes		435,599	396,589
Insurance		144,854	104,083
Utilities cost		3,105,050	2,558,057
Security (including guards)		1,941,530	1,672,869
Repair & maintenance (including janitorial charges)		1,910,147	1,608,133
Depreciation		6,402,810	5,049,881
		<u>13,939,990</u>	<u>11,389,612</u>
<b>Information technology expenses:</b>			
Software maintenance		2,278,841	2,302,538
Hardware maintenance		480,419	487,420
Depreciation		1,651,527	1,145,471
Amortisation		622,393	585,272
Network charges		942,216	890,938
Others		9,531	5,414
		<u>5,984,927</u>	<u>5,417,053</u>
<b>Other operating expenses:</b>			
Directors' fees and allowances		83,202	72,011
Fees and allowances to Shariah Board		12,224	8,913
Legal & professional charges		310,623	246,839
Outsourced service cost	36.1	1,714,874	1,303,938
Travelling & conveyance		478,317	383,174
NIFT clearing charges		219,657	182,323
Depreciation		422,243	311,776
Training and development		254,837	230,589
Postage & courier charges		221,097	202,610
Communication		1,703,606	1,168,499
Stationery & printing		805,858	715,103
Marketing, advertisement & publicity		3,316,500	1,236,632
Auditors Remuneration	30.2	31,249	29,478
Donations	30.3	105,251	84,104
Brokerage expenses		135,040	77,613
Card related expenses		2,635,978	2,117,582
CNIC verification		246,608	147,417
Entertainment		496,195	332,432
Clearing and settlement		278,942	240,250
Insurance		2,072,772	1,715,984
Cash In Transit Service Charge		471,071	458,322
Others		175,806	143,109
		<u>16,191,950</u>	<u>11,408,698</u>
		<u>56,252,909</u>	<u>46,984,827</u>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>30.1 Total compensation expense</b>		
Salaries	12,913,220	11,514,962
Fees and allowances etc.	3,338,751	2,097,946
Bonus and awards		
Variable	831,437	2,149,556
Fixed	832,755	738,454
(Reversal) / Charge for defined benefit plan	(8,632)	182,978
Contribution to defined contribution plan	687,013	532,840
Conveyance expense	934,134	895,567
Medical expense	289,688	225,698
Insurance	84,928	92,648
Education subsidy	28,002	25,573
Hajj expenses	45,206	43,088
Staff uniform	10,566	10,399
Executive club membership	20,361	23,449
Verification charges educational documents	11,758	8,655
Recruitment charges	2,616	5,883
Social Security Contribution - China	3,646	4,381
Others	-	22
Sub-Total	20,025,449	18,552,099
Voluntary retirement scheme	110,593	217,365
<b>Grand Total</b>	<b>20,136,042</b>	<b>18,769,464</b>

**30.1.1** The Bank announced the Voluntary Retirement Scheme (VRS) for its employees. Sixteen (16) employees (2023: 20) of the Bank opted for retirement under this scheme.

**30.1.2** Total cost for the year included in Other Operating Expenses relating to outsourced activities is Rs. 2,002.191 million (2023: Rs.1,599,215 million). 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 nil.

	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>30.2 Auditors' remuneration</b>		
Audit fee	12,350	10,292
Fee for other statutory certifications	5,520	6,745
Annual audit overseas business unit*	3,820	5,128
Half year review	4,860	4,050
Special certifications and miscellaneous services	294	203
Sales tax	1,776	960
Out-of-pocket expenses	2,629	2,100
	<b>31,249</b>	<b>29,478</b>

\*This includes audit fee amounting to Bahraini Dinar 5,000 (2023: 6,000) & Chinese Yuan 3,000 (2023: 3,000) relating to Wholesale Bahrain Branch & China Representative Office respectively.

**30.3** None of the directors, executives and their spouses had any interest in the donees, except Mr. Mohammad Naeem Mukhtar (Chairman and Non-Executive Sponsor Director) is director in National Management Foundation.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
		Rupees in '000	
Saleem Memorial Trust Hospital		10,000	-
Anjuman Himayat-i-Islam	30.3.1	442	1,968
Tamir Welfare Organization		3,500	-
Food Security Fund 18 Wing		500	-
Aziz Jehan Begum Trust For The Blind		2,500	2,500
Saylani Welfare International Trust	30.3.1	476	927
The Citizens Foundation		3,960	4,470
National Management Foundation (LUMS)		30,000	30,000
Jamia Ashrafia Lahore	30.3.1	1,948	1,355
Liver Foundation Trust		5,000	2,500
Abdul Sattar Edhi Foundation		3,272	2,180
Fatimid Foundation		1,000	1,000
Fortify Education Foundation		500	500
Hunza Public School & Degree College		-	94
Million Smiles Foundation (MSF)		6,336	1,980
The I Care Foundation		-	2,000
The Kidney Centre Post Graduate Training Institute		-	15,000
The Patients Behbud Society (PBS)		-	5,000
The Layton Rahmatulla Benevolent Trust		-	1,000
Al Shifa Trust		500	-
Shaukat Khanum Memorial Trust		10,000	-
Almarah Foundation		162	-
Fountain House MHA		2,500	-
Umpire Aleem Dar Foundation Society		2,000	-
Sukkur IBA University		-	1,630
Sundas Foundation		2,000	-
Namal Education Foundation		5,000	-
Idar Al Khair Welfare Society		1,000	-
The I-Care Foundation		1,000	-
Sarhad Rural Support Programme (SRSP)		1,000	-
The Noorani Foundation Trust		10,655	10,000
		<b>105,251</b>	<b>84,104</b>

**30.3.1** This represents charitable contributions on account of sadqa & feeding to under privileged.

	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>31 OTHER CHARGES</b>		
Penalties imposed by State Bank of Pakistan	93,136	173,381
Education cess	201,668	50,004
Depreciation - non-banking assets	23,921	11,113
Other assets written off	135	7
Others	254	608
	<b>319,114</b>	<b>235,113</b>

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>32 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>			
Credit loss allowance against lendings to financial institutions	22	-	-
Credit loss allowance against cash and bank balances	(328,439)	-	-
Credit loss allowance against nostro accounts	5,236	-	-
Credit loss allowance for diminution in the value of investments	8.4	(2,800,735)	2,064,691
Credit loss allowance against loans and advances	9.4	257,454	683,049
Credit loss allowance against other assets	13.2.1	122,161	246,338
Credit loss allowance against off balance sheet obligations	20.1	41,705	-
Bad debts written off directly	-	-	-
		(2,702,596)	2,994,078
Recovery of written off bad debts	(7,543)	(17,105)	(17,105)
		(2,710,139)	2,976,973
<b>33 TAXATION</b>			
Current – for the year including super tax	47,894,422	42,931,029	
– for prior year	(2,443,812)	2,954,666	
	45,450,610	45,885,695	
Deferred – current	(638,352)	(811,512)	
	44,812,258	45,074,183	
<b>33.1 Relationship between tax expense and accounting profit</b>			
Accounting profit for the year	87,928,162	85,757,170	
Tax on income @ 44% (2023: 39%)	38,688,391	33,445,296	
Super Tax @ 10%	8,869,337	8,761,435	
Impact of tax rate change	169,500	-	
Prior Year	(2,443,812)	2,954,666	
Others	(471,158)	(87,214)	
Tax charge for the year	44,812,258	45,074,183	
	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>34 EARNINGS PER SHARE – BASIC AND DILUTED</b>			
Profit after taxation	43,115,904	40,682,987	
Number of Shares			
Weighted average number of ordinary shares outstanding during the year	1,145,073,830	1,145,073,830	
Rupees			
Earnings per share – basic and diluted	37.65	35.53	
There is no dilution effect on basic earnings per share.			

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023					
Rupees in '000								
<b>35 CASH AND CASH EQUIVALENTS</b>								
Cash and balances with treasury banks	35.1	149,935,080	156,136,308					
Balances with other banks		9,970,319	2,455,601					
Overdrawn nostro accounts		(426,318)	(192,355)					
		159,479,081	158,399,554					
<b>35.1</b>	This includes balances with SBP amounting to Rs.7,653.525 million (2023: Rs. 91,125.620 million) related to statutory cash reserve to comply with SBP requirements.							
<b>35.2 Reconciliation of movement of liabilities and equity to cash flows arising from financing activities</b>								
	December 31, 2024				December 31, 2023			
	Liabilities		Equity		Liabilities		Equity	
	Lease Liabilities	Dividend payable	Unappropriated Profit	Total	Lease Liabilities	Dividend payable	Unappropriated Profit	Total
Rupees in '000								
Balance as at January 01	10,632,854	468,392	104,802,457	115,903,703	9,787,444	427,194	79,652,815	89,867,453
Changes from Financing cash flows								
Payment of lease liability against right-of-use-assets	(2,808,266)	-	-	(2,808,266)	(2,580,364)	-	-	(2,580,364)
Dividend Paid	-	(18,255,239)	-	(18,255,239)	-	(11,982,078)	-	(11,982,078)
Total changes from financing cash flows	(2,808,266)	(18,255,239)	-	(21,063,505)	(2,580,364)	(11,982,078)	-	(14,562,442)
<b>Liability related</b>								
Changes in Other liabilities								
- Dividend announced	-	18,321,180	(18,321,180)	-	-	12,023,276	(12,023,276)	-
- Lease liability recognised	2,536,380	-	-	2,536,380	3,425,774	-	-	3,425,774
Total liability related other changes	2,536,380	18,321,180	(18,321,180)	2,536,380	3,425,774	12,023,276	(12,023,276)	3,425,774
Total equity related other changes	-	-	36,880,189	36,880,189	-	-	37,172,918	37,172,918
Balance as at December 31	10,360,968	534,333	123,361,466	134,256,767	10,632,854	468,392	104,802,457	115,903,703
<b>35.3</b>	Markup receipts and markup payments during the year amounted to Rs. 391,706.732 million and Rs. 258,977.960 million respectively. (2023: Rs. 361,768.543 million and Rs. 243,204.268 million respectively).							
Numbers								
<b>36 STAFF STRENGTH</b>								
Permanent		12,058	11,991					
Temporary / on contractual basis / trainee		1,217	537					
Bank's own staff strength at the end of the year		13,275	12,528					
Average number of employees		12,902	12,229					
<b>36.1</b>	In addition to the above, 738 (2023: 800) 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. Further, 9 (2023: 7) employees were posted abroad. The rest were working domestically.							
<b>37 DEFINED BENEFIT PLANS</b>								
<b>37.1 General description</b>								
The Bank operates a funded gratuity scheme for all employees who opted for the staff retirement benefit scheme introduced by the management with effect from July 1, 2002. For those employees who did not opt for the new scheme, the Bank continues to operate a funded pension scheme.								
The Bank also provides post retirement medical benefits (unfunded scheme) to eligible retired employees.								
<b>37.2 Number of employees and beneficiaries under the schemes</b>								
The number of employees covered under the following defined benefit scheme or plans are:								

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Numbers	
- Pension fund	92	141
- Gratuity fund	12,145	12,077
- Post retirement medical benefits	13,275	12,528
- Employees' compensated absences	13,275	12,524
In addition, the number of beneficiaries covered under the following defined benefit scheme / plans are:		
- Pension fund	1,971	1,997
- Post retirement medical benefits	1,610	1,610

### 37.3 Principal actuarial assumptions

The actuarial valuations were carried out for December 31, 2024 based on the Projected Unit Credit Method, using the following significant assumptions:

Sources of estimation	December 31, 2024	December 31, 2023
<b>Withdrawal rate</b>		
Pension fund	Age Based	Age Based
Gratuity fund	Moderate	Moderate
Post retirement medical benefits	Age Based	Age Based
Employees' compensated absences	Age Based	Age Based
<b>Mortality rate</b>		
	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Yield on investments in Government Bonds		
<b>Discount rate</b>	12.25%	15.50%
<b>Expected rate of return on plan assets</b>		
Pension fund	Yield on investments in Government Bonds	12.25%
Gratuity fund	Yield on investments in Government Bonds	12.25%
<b>Expected rate of salary increase</b>	Rate of salary increase	10.25%
		13.50%

The expected return on plan assets is based on the market expectations and depends on the asset portfolio of the Bank, at the beginning of the period, for returns over the entire life of the related obligation.

### 37.4 Reconciliation of (receivable from) / payable to defined benefit plans

	Note	December 31, 2024				December 31, 2023			
		Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
		Rupees in '000				Rupees in '000			
Present value of defined benefit obligations	37.6	1,049,460	5,213,085	1,575,050	1,248,767	879,630	4,868,996	1,473,496	1,200,318
Fair value of plan's and scheme's assets	37.7	(8,821,900)	(4,960,423)	-	-	(7,064,671)	(4,062,631)	-	-
Net (asset) / liability		(7,772,440)	252,662	1,575,050	1,248,767	(6,185,041)	806,365	1,473,496	1,200,318
Net (asset) / liability		(7,772,440)	252,662	1,575,050	1,248,767	(6,185,041)	806,365	1,473,496	1,200,318

### 37.5 Movement in (receivable from) / payable to defined benefit plans.

	Note	December 31, 2024				December 31, 2023			
		Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
		Rupees in '000				Rupees in '000			
Opening balance		(6,185,041)	806,365	1,473,496	1,200,318	(4,943,030)	804,194	1,508,820	1,124,542
(Reversal) / charge for the year	37.9	(877,579)	555,014	239,477	158,703	(539,516)	502,221	235,577	169,122
Other comprehensive (income) / losses	37.10	(709,820)	(568,376)	20,425	-	(702,495)	(20,952)	(148,845)	-
Contribution to the fund and benefits paid		-	(540,341)	(158,348)	(110,254)	-	(479,098)	(122,056)	(93,346)
Closing balance		(7,772,440)	252,662	1,575,050	1,248,767	(6,185,041)	806,365	1,473,496	1,200,318

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 37.6 Movement in defined benefit obligations

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
Rupees in '000				
Opening balance	879,630	4,868,996	1,473,496	1,200,318
Current service cost	-	470,104	22,411	71,369
Interest cost	116,085	703,070	216,120	177,505
Benefits paid	(261,383)	(666,120)	(158,348)	(110,254)
VRS settlement loss / (gain)	81,103	1,800	946	399
Re-measurement loss / (gain)	234,025	(164,765)	20,425	(90,570)
Closing balance	1,049,460	5,213,085	1,575,050	1,248,767

	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
Rupees in '000				
Opening balance	1,067,361	4,421,505	1,508,820	1,124,542
Current service cost	-	417,946	24,216	62,517
Interest cost	122,331	602,367	209,930	156,291
Benefits paid	(447,396)	(534,493)	(122,056)	(93,346)
VRS settlement loss	177,223	2,402	1,431	3,370
Re-measurement loss and (gain)	(39,889)	(40,731)	(148,845)	(53,056)
Closing balance	879,630	4,868,996	1,473,496	1,200,318

### 37.7 Movement in fair value of plan assets

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
Rupees in '000				
Opening balance	7,064,671	4,062,631	-	-
Expected return on plan assets	1,074,767	619,960	-	-
Bank's contribution	-	540,341	-	-
Benefits paid	(261,384)	(666,120)	-	-
Re-measurement loss	943,846	403,611	-	-
Closing balance	8,821,900	4,960,423	-	-

	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
Rupees in '000				
Opening balance	6,010,391	3,617,311	-	-
Expected return on plan assets	839,071	520,494	-	-
Bank's contribution	-	479,098	-	-
Benefits paid	(447,396)	(534,493)	-	-
Re-measurement loss	662,605	(19,779)	-	-
Closing balance	7,064,671	4,062,631	-	-

Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

37.8 Composition of plan assets

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	2,702,889	-	-	-
Government securities	5,558,258	4,821,570	-	-
Cash and cash equivalents	560,630	138,853	-	-
CDC Advance Deposit	123	-	-	-
	8,821,900	4,960,423	-	-
	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	1,766,592	-	-	-
Government securities	5,067,523	3,549,409	-	-
Cash and cash equivalents	230,553	513,221	-	-
	7,064,668	4,062,630	-	-
	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			

37.8.1 Fair value of Bank's financial instruments included in plan assets

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Government securities	5,558,258	4,821,570	-	-
Bank balances with ABL	560,630	138,853	-	-
	6,118,888	4,960,423	-	-
	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Term deposit receipts	-	406,844	-	-
Government securities	5,067,523	3,549,409	-	-
Bank balances with ABL	230,553	106,377	-	-
	5,298,076	4,062,630	-	-

37.8.2 Investment in term deposit receipts are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Trustees of the employee funds.

Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

37.9 Charge for defined benefit plan

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	470,104	22,411	71,370
Interest cost	-	-	-	-
Net interest	(958,682)	83,110	216,120	177,505
VRS loss	81,103	1,800	946	399
Re-measurement loss recognised	-	-	-	(90,570)
	(877,579)	555,014	239,477	158,704
	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	417,946	24,216	62,517
Interest cost	-	-	-	-
Net interest	(716,739)	81,873	209,930	156,291
VRS loss or gain	177,223	2,402	1,431	3,370
Re-measurement loss recognised	-	-	-	(53,056)
	(539,516)	502,221	235,577	169,122

37.10 Re-measurements recognized in other comprehensive income

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations	-	-	-	-
- Demographic assumptions	-	-	-	-
- Financial assumptions	(31,391)	(1,054,373)	-	-
- Experience adjustments	(202,634)	1,219,138	(20,425)	-
Re-measurement loss on assets	943,846	403,611	-	-
Re-measurement (loss) or gain in OCI	709,821	568,376	(20,425)	-
	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations	-	-	-	-
- Demographic assumptions	-	-	-	-
- Financial assumptions	42,020	(27,490)	-	-
- Experience adjustments	(2,131)	68,225	148,845	-
Re-measurement loss on assets	662,605	(19,779)	-	-
Re-measurement (loss) or gain in OCI	702,494	20,956	148,845	-



## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>37.11 Actual return on plan assets</b>		
- Pension fund	2,018,613	1,501,675
- Gratuity fund	1,023,571	500,715

### 37.12 Five year data of defined benefit plan and experience adjustments

	Pension fund				
	2024	2023	2022	2021	2020
	Rupees in '000				
Present value of defined benefit obligation	1,049,460	879,630	1,067,361	1,389,295	1,707,213
Fair value of plan assets	(8,821,900)	(7,064,671)	(6,010,391)	(5,769,269)	(5,493,653)
	(7,772,440)	(6,185,041)	(4,943,030)	(4,379,974)	(3,786,440)

#### Experience adjustments on plan obligations and assets

Re-measurement (loss) / gain on obligation	(234,025)	39,889	24,380	259,608	(87,632)
Re-measurement (loss) / gain on assets	(943,846)	662,605	95,859	(35,118)	(1,063,774)

	Gratuity fund				
	2024	2023	2022	2021	2020
	Rupees in '000				
Present value of defined benefit obligation	5,213,085	4,868,996	4,421,505	4,083,960	3,655,868
Fair value of plan assets	(4,960,423)	(4,062,631)	(3,617,311)	(3,367,829)	(3,046,593)
	252,662	806,365	804,194	716,131	609,275

#### Experience adjustments on plan obligations / assets

Re-measurement gain and (loss) on obligation	164,765	40,731	85,320	(76,096)	130,088
Re-measurement (loss) and gain on assets	(403,611)	(19,779)	(159,818)	(21,713)	(118,061)

	Post retirement medical				
	2024	2023	2022	2021	2020
	Rupees in '000				
Present value of defined benefit obligation	1,575,050	1,473,496	1,508,820	1,515,000	1,514,300
Fair value of plan assets	-	-	-	-	-
	1,575,050	1,473,496	1,508,820	1,515,000	1,514,300

#### Experience adjustments on plan obligations

Re-measurement (loss) and gain on obligation	(20,425)	148,845	99,452	52,599	(95,729)
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	Employees' compensated absences				
	2024	2023	2022	2021	2020
	Rupees in '000				
Present value of defined benefit obligation	1,248,767	1,200,318	1,124,542	923,138	774,381
Fair value of plan assets	-	-	-	-	-
	1,248,767	1,200,318	1,124,542	923,138	774,381

#### Experience adjustments on plan obligations

Re-measurement (loss) and gain on obligation	90,570	53,056	(118,350)	(131,808)	(120,571)
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### 37.13 Expected contributions to be paid to the funds in the next financial year

The Bank contributes to the gratuity fund as per actuarial expected charge for the next financial year. No contributions are being made to pension due to surplus of fair value of plan's assets over present value of defined obligation. Based on actuarial advice, management estimates that the charge or (reversal) in respect of defined benefit plans for the year ending December 31, 2025 would be as follows:

	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Expected (reversal) and charge for the next year	(952,229)	471,791	225,770	204,060

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 37.14 Sensitivity analysis

Description	+1% Discount Rate	-1% Discount Rate	+1% Salary Increase Rate	-1% Salary Increase Rate	+10% Withdrawal Rate	-10% Withdrawal Rate	1Year Mortality age set back	1Year Mortality age set forward
	Rupees in '000							
Pension fund	992,869	1,112,638	-	-	1,049,463	1,049,457	1,056,724	1,042,774
Gratuity fund	4,838,382	5,645,151	5,674,485	4,807,266	5,199,592	5,226,108	5,210,371	5,215,785
Post retirement medical	1,479,411	1,683,008	1,599,240	1,550,038	1,571,939	1,578,237	1,572,484	1,577,594
Leave compensated absences	1,175,626	1,331,357	1,332,148	1,173,737	1,241,584	1,256,131	1,246,720	1,250,806

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognized within the statement of financial position.

### 37.15 Maturity Profile

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
The weighted average duration of the obligation (in years)	5.71	7.73	6.46	6.24

### 37.16 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the Fund on any valuation date having regards to the various actuarial assumptions such as projected future salary increase, expected future contributions to the fund, projected increase in liability associated with future service and the projected investment income of the Fund.

### 37.17 Risk associated with defined benefit plans

The defined benefit plans may expose the bank to actuarial risks such as longevity risk, investment risk, salary increase risk and withdrawal rate risk as described below;

#### Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

#### Investment risks:

The risk arises when the actual performance level of investment levels is lower than expectation and thus creating a shortfall in the funding objectives.

#### Salary increase risk:

The most common type of retirement benefit is one where the final benefit is linked with final salary. The risk arises when the actual increases are higher than expectations and impact the liability accordingly.

#### Withdrawal Rate:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

### 38 DEFINED CONTRIBUTION PLAN

The Bank operates an approved contributory provident fund for 10,760 (2023: 9,471) employees where contributions are made by the Bank at 8.33% per annum (2023: 8.33% per annum), whereas employees have the option to contribute at 8.33%, 12% or 15% per annum (2023: 8.33%, 12% or 15% per annum) of the basic salary every month.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	December 31, 2024						
	Directors						
	Chairman	Executive (other than CEO)*	Non-Executives	Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers / Controllers
Rupees in '000							
<b>39.1 Total compensation expense</b>							
Fees and allowances etc.	7,200	-	73,200	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	4,237	60,000	167,419	203,397
- Total variable	-	-	-	600	50,000	167,850	103,867
of which							
a. Cash bonus and awards	-	-	-	600	50,000	167,850	103,867
b. Bonus and awards in shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	327	4,998	12,731	16,341
Rent and house maintenance	-	-	-	2,556	36,000	100,452	117,708
Utilities	-	-	-	786	12,000	33,484	39,236
Medical	-	-	-	786	12,000	34,406	39,236
Conveyance	-	-	-	1,354	5,400	91,450	77,436
Others	-	-	-	1,578	15,485	65,731	107,154
<b>Total</b>	<b>7,200</b>	<b>-</b>	<b>73,200</b>	<b>12,224</b>	<b>195,883</b>	<b>673,523</b>	<b>704,375</b>
Number of persons	1	-	8	3	1	17	65
	December 31, 2023						
	Directors						
	Chairman	Executive (other than CEO)*	Non-Executives	Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers / Controllers
Rupees in '000							
Fees and allowances etc.	4,200	-	67,200	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	3,947	30,000	135,294	209,435
- Total Variable	-	-	-	895	30,500	165,990	140,804
of which							
a. Cash Bonus / awards	-	-	-	895	30,500	165,990	140,804
b. Bonus and awards in Shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	303	2,499	11,221	16,019
Rent and house maintenance	-	-	-	2,186	18,735	80,827	121,585
Utilities	-	-	-	728	6,245	26,943	40,528
Medical	-	-	-	728	6,245	27,962	43,005
Conveyance	-	-	-	1,316	5,850	86,550	88,039
Others	-	-	-	743	1,717	26,877	91,500
<b>Total</b>	<b>4,200</b>	<b>-</b>	<b>67,200</b>	<b>10,846</b>	<b>101,791</b>	<b>561,664</b>	<b>750,915</b>
Number of persons	1	-	6	3	1	21	75

\* CEO stands for Chief Executive Officer

## Notes to the Unconsolidated Financial Statements

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### 39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	December 31, 2024						Total Amount Paid
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource & Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	
Rupees in '000								
1	Mohammad Naeem Mukhtar	4,200	-	-	-	3,000	-	7,200
2	Sheikh Mukhtar Ahmad	4,200	-	-	1,800	-	-	6,000
3	Muhammad Waseem Mukhtar	4,200	-	2,400	-	3,000	7,200	16,800
4	Zafar Iqbal	4,200	1,800	1,200	600	1,800	2,400	12,000
5	Nazrat Bashir	4,200	3,000	-	2,400	-	7,200	16,800
6	Mian Ikram Ul Haq	1,200	1,200	600	-	-	-	3,000
7	Muhammad Kamran Shehzad	1,200	1,200	-	-	600	-	3,000
8	Mubashir A. Akhtar (Retired)	2,400	1,800	1,200	-	-	-	5,400
9	Abdul Aziz Khan (Retired)	2,400	-	1,200	1,800	-	4,800	10,200
		<b>28,200</b>	<b>9,000</b>	<b>6,600</b>	<b>6,600</b>	<b>8,400</b>	<b>21,600</b>	<b>80,400</b>
Sr. No.	Name of Director	December 31, 2023						Total Amount Paid
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	
Rupees in '000								
1	Mohammad Naeem Mukhtar	1,800	-	-	-	2,400	-	4,200
2	Sheikh Mukhtar Ahmad	3,000	-	-	2,400	-	-	5,400
3	Muhammad Waseem Mukhtar	3,000	-	2,400	-	1,800	7,200	14,400
4	Abdul Aziz Khan	3,000	-	2,400	2,400	-	7,200	15,000
5	Zafar Iqbal	3,000	3,000	-	-	2,400	-	8,400
6	Mubashir A. Akhtar	3,000	3,000	2,400	-	-	-	8,400
7	Nazrat Bashir	3,000	3,000	-	2,400	-	7,200	15,600
		<b>19,800</b>	<b>9,000</b>	<b>7,200</b>	<b>7,200</b>	<b>6,600</b>	<b>21,600</b>	<b>71,400</b>

### 39.3 Remuneration paid to Shariah Board Members

Items	December 31, 2024			December 31, 2023		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
	Rupees in '000					
Salaries and allowances	6,597	2,895	2,732	6,042	2,544	2,260
Total Number of Persons	1	1	1	1	1	1

39.4 Deferred cash bonus and remuneration for MRTs for the year 2024 is Rs. 25,827,600 (2023: 23,607,733).

### 40 FAIR VALUE OF FINANCIAL INSTRUMENTS

#### 40.1 Fair value of financial assets

The fair value of traded investments is based on quoted market prices other than those classified as "hold to collect". Quoted securities classified as hold to collect are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.4 to these unconsolidated financial statements.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

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. Financial instruments included in level 1 comprise of investments in Listed Ordinary Shares.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Financial instruments included in level 2 comprise of Sukuk Bonds, Units of Mutual Funds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance Certificates and Forward Government & Exchange Contracts.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Currently, no financial instruments are classified in level 3.

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:

### Valuation Techniques used in determination of Fair Valuation of Financial Instruments within Level 2

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV, PKFRV & PKISRV rates.
Non-Government Debt Securities	Marked to Market on the basis of MUFAP / PSX rates.
Foreign exchange contracts	Marked to Market on the basis of SBP rates.
Open ended mutual funds	Marked to Market on the basis of MUFAP rates.
Operating fixed assets (land & building) & NBA	The valuation is based on their assessment of market value of the properties.

On-Balance sheet Financial Instruments	December 31, 2024				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
<b>Financial assets – measured at fair value</b>					
<b>Investments</b>					
Federal Government Securities	962,801,106	-	962,801,106	-	962,801,106
Shares	23,870,143	23,835,166	34,977	-	23,870,143
Non-Government Debt Securities	13,322,779	-	13,322,779	-	13,322,779
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
Cash and balances with treasury banks	129,879,928	-	-	-	-
Balances with other banks	146,768,168	-	-	-	-
Lendings	9,964,224	-	-	-	-
Advances	243,541,081	-	-	-	-
Other assets	1,051,313,893	-	-	-	-
<b>Non - Financial Assets measured at fair value</b>					
Operating fixed assets	78,184,645	-	-	-	-
Non-banking assets	98,005,541	-	98,005,541	-	98,005,541
<b>Off-balance sheet financial instruments – measured at fair value</b>					
Forward purchase of foreign exchange	1,947,598	-	1,947,598	-	1,947,598
Forward sale of foreign exchange	181,173,349	-	181,173,349	-	181,173,349
Forward purchase of government securities transactions	107,110,234	-	107,110,234	-	107,110,234
Forward sale of government securities transactions	182,141,150	-	182,141,150	-	182,141,150

On-Balance sheet Financial Instruments	December 31, 2023				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
<b>Financial assets – measured at fair value</b>					
<b>Investments</b>					
Federal Government Securities	1,044,283,263	-	1,044,283,263	-	1,044,283,263
Shares	18,491,692	18,457,238	34,454	-	18,491,692
Non-Government Debt Securities	13,274,049	-	13,274,049	-	13,274,049
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukus, subsidiaries, Bai muajjal)</b>					
Cash and balances with treasury banks	74,269,085	-	-	-	-
Balances with other banks	156,136,308	-	-	-	-
Lendings	2,455,601	-	-	-	-
Advances	9,418,003	-	-	-	-
Other assets	781,597,230	-	-	-	-
<b>Non - Financial Assets measured at fair value</b>					
Operating fixed assets	88,096,252	-	-	-	-
Non-banking assets	90,354,067	-	90,354,067	-	90,354,067
<b>Off-balance sheet financial instruments – measured at fair value</b>					
Forward purchase of foreign exchange	2,081,772	-	2,081,772	-	2,081,772
Forward sale of foreign exchange	180,292,360	-	180,292,360	-	180,292,360
Forward purchase of government securities transactions	141,834,941	-	141,834,941	-	141,834,941
Forward sale of government securities transactions	10,053,843	-	10,053,843	-	10,053,843
Forward sale of government securities transactions	1,385,378	-	1,385,378	-	1,385,378

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 41 SEGMENT INFORMATION

#### 41.1 Segment Details with respect to Business Activities

	December 31, 2024					Total
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Other	
Rupees in '000						
<b>Profit &amp; Loss</b>						
Net mark-up, return, profit	119,655,553	(180,319,079)	164,541,966	11,124,092	220,595	115,223,127
Inter segment revenue - net	(105,553,765)	278,855,473	(153,841,091)	-	(19,460,617)	-
Non mark-up / return / interest income	6,705,023	9,542,864	9,862,566	710,592	1,159,061	27,980,106
<b>Total income</b>	<b>20,806,811</b>	<b>108,079,258</b>	<b>20,563,441</b>	<b>11,834,684</b>	<b>(18,080,961)</b>	<b>143,203,233</b>
Segment direct expenses	1,704,162	25,463,491	357,935	2,482,619	27,977,003	57,985,210
Total expenses	1,704,162	25,463,491	357,935	2,482,619	27,977,003	57,985,210
Credit loss allowance	(1,388,174)	(15,862)	(328,420)	564,660	(1,542,343)	(2,710,139)
Profit before tax	20,490,823	82,631,629	20,533,926	8,787,405	(44,515,621)	87,928,162
<b>Statement of Financial Position</b>						
Cash & Bank balances	53,670	45,352,478	98,379,423	10,642,246	2,304,575	156,732,392
Investments	56,408,623	-	966,771,524	105,193,809	1,500,000	1,129,873,956
Net inter segment lending	(978,378,560)	1,774,976,738	(944,636,797)	(7,565,690)	155,604,309	-
Lendings to financial institutions	883,004	-	243,541,105	-	(883,028)	243,541,081
Advances - performing	983,462,886	30,483,881	-	32,101,884	7,304,329	1,053,352,980
Advances - non-performing	706,739	378,129	-	295,246	11,614,856	12,994,970
Credit loss allowance against advances	(3,033,458)	(600,576)	-	(267,440)	(11,132,583)	(15,034,057)
Advances - net	981,136,167	30,261,434	-	32,129,690	7,786,602	1,051,313,893
Property and equipment, right of use and intangible assets	166,367	84,402,623	62,838	3,119,284	50,930,115	138,681,227
Others	12,616,671	1,231,131	23,626,779	4,504,888	54,846,671	96,826,140
<b>Total assets</b>	<b>72,885,942</b>	<b>1,936,224,404</b>	<b>387,744,872</b>	<b>148,024,227</b>	<b>272,089,244</b>	<b>2,816,968,689</b>
Borrowings	64,136,867	2,624,973	386,815,578	9,329,144	(883,004)	462,023,558
Deposits & other accounts	3,209,902	1,901,632,001	-	109,842,436	3,710,728	2,018,395,067
Others	5,539,173	31,967,430	929,294	3,340,340	60,872,626	102,648,863
<b>Total liabilities</b>	<b>72,885,942</b>	<b>1,936,224,404</b>	<b>387,744,872</b>	<b>122,511,920</b>	<b>63,700,350</b>	<b>2,583,067,488</b>
Equity and Reserves	-	-	-	25,512,307	208,388,894	233,901,201
<b>Total equity and liabilities</b>	<b>72,885,942</b>	<b>1,936,224,404</b>	<b>387,744,872</b>	<b>148,024,227</b>	<b>272,089,244</b>	<b>2,816,968,689</b>
<b>Contingencies and commitments</b>	<b>168,695,593</b>	<b>19,108,538</b>	<b>470,424,733</b>	<b>7,811,978</b>	<b>17,548,090</b>	<b>683,588,932</b>

Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

	December 31, 2023					
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Other	Total
	Rupees in '000					
<b>Profit &amp; Loss</b>						
Net mark-up, return, profit	119,873,099	(156,066,479)	140,324,432	8,561,048	587,212	113,279,312
Inter segment revenue - net	(117,178,022)	281,976,540	(146,027,805)	-	(18,770,713)	-
Non mark-up, return, interest income	6,179,654	7,465,828	9,492,779	667,832	620,948	24,427,041
<b>Total income</b>	<b>8,874,731</b>	<b>133,375,889</b>	<b>3,789,406</b>	<b>9,228,880</b>	<b>(17,562,553)</b>	<b>137,706,353</b>
Segment direct expenses	812,765	22,269,329	251,608	1,842,413	23,796,095	48,972,210
Total expenses	812,765	22,269,329	251,608	1,842,413	23,796,095	48,972,210
Provisions	(3,171,735)	(574,914)	(287,719)	(3,451)	1,060,846	(2,976,973)
Profit before tax	4,890,231	110,531,646	3,250,079	7,383,016	(40,297,802)	85,757,170
<b>Statement of Financial Position</b>						
Cash & bank balances	63,911	52,567,988	87,420,356	7,981,515	10,558,139	158,591,909
Investments	56,323,830	-	1,055,128,295	38,360,057	505,907	1,150,318,089
Net inter segment lending	(637,179,804)	1,431,073,958	(920,483,266)	(427,931)	127,017,043	-
Lendings to financial institutions	-	-	16,191,116	-	(6,773,113)	9,418,003
Advances - performing	658,585,879	32,393,352	-	79,621,981	10,497,696	781,098,908
Advances - non-performing	296,254	174,347	-	5,729	12,562,699	13,039,029
Provision against advances	(226,742)	(129,247)	-	(7,338)	(12,177,380)	(12,540,707)
Advances - net	658,655,391	32,438,452	-	79,620,372	10,883,015	781,597,230
Property and equipment, right of use and intangible assets	152,919	74,579,541	5,707	887,783	49,849,063	125,475,013
Others	8,271,993	15,956,021	40,787,167	5,126,241	33,774,989	103,916,411
<b>Total assets</b>	<b>86,288,240</b>	<b>1,606,615,960</b>	<b>279,049,375</b>	<b>131,548,037</b>	<b>225,815,043</b>	<b>2,329,316,655</b>
Borrowings	80,418,586	3,160,687	279,576,794	17,276,361	(6,758,386)	373,674,042
Deposits & other accounts	3,332,467	1,573,043,102	-	95,333,605	4,913,901	1,676,623,075
Others	2,537,187	30,412,171	(527,419)	3,904,191	48,438,944	84,765,074
<b>Total liabilities</b>	<b>86,288,240</b>	<b>1,606,615,960</b>	<b>279,049,375</b>	<b>116,514,157</b>	<b>46,594,459</b>	<b>2,135,062,191</b>
Equity and Reserves	-	-	-	15,033,880	179,220,584	194,254,464
<b>Contingencies and commitments</b>	<b>86,288,240</b>	<b>1,606,615,960</b>	<b>279,049,375</b>	<b>131,548,037</b>	<b>225,815,043</b>	<b>2,329,316,655</b>
<b>Contingencies &amp; Commitments</b>	<b>192,589,491</b>	<b>20,824,987</b>	<b>333,566,522</b>	<b>5,984,115</b>	<b>16,291,499</b>	<b>569,256,614</b>

Notes to the Unconsolidated Financial Statements  
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41.2 GEOGRAPHICAL SEGMENT ANALYSIS

	December 31, 2024			Total
	Domestic Operations	Middle East	China	
	Rupees in '000			
<b>Profit and Loss Account</b>				
Net mark-up, return, profit	113,706,783	1,516,344	-	115,223,127
Inter segment revenue - net	102,703	(102,703)	-	-
Non mark-up / return / interest income	27,792,396	187,710	-	27,980,106
<b>Total Income</b>	<b>141,601,882</b>	<b>1,601,351</b>	<b>-</b>	<b>143,203,233</b>
Segment direct expenses	(57,800,247)	(150,669)	(34,294)	(57,985,210)
Total expenses	(57,800,247)	(150,669)	(34,294)	(57,985,210)
Credit loss allowance	2,145,457	564,682	-	2,710,139
Profit / (loss) before tax	85,947,092	2,015,364	(34,294)	87,928,162
<b>Statement of Financial Position</b>				
Cash & Bank balances	156,728,318	4,074	-	156,732,392
Investments	1,116,813,547	13,060,409	-	1,129,873,956
Net inter segment lendings	325,900	-	-	325,900
Lendings to financial institutions	243,215,181	-	-	243,215,181
Advances - performing	1,047,781,980	5,571,000	-	1,053,352,980
Advances - non-performing	12,994,970	-	-	12,994,970
Credit loss allowance against advances	(14,777,727)	(256,330)	-	(15,034,057)
Advances - net	1,045,999,223	5,314,670	-	1,051,313,893
Property and equipment, right of use and intangible assets	138,644,226	37,001	-	138,681,227
Others	96,053,288	772,852	-	96,826,140
<b>Total Assets</b>	<b>2,797,779,683</b>	<b>19,189,006</b>	<b>-</b>	<b>2,816,968,689</b>
Borrowings	455,569,558	6,128,100	-	461,697,658
Subordinated debt	-	-	-	-
Deposits & other accounts	2,015,185,164	3,209,903	-	2,018,395,067
Net inter segment borrowing	-	325,900	-	325,900
Lease liabilities	10,360,968	-	-	10,360,968
Others	92,212,322	75,573	-	92,287,895
<b>Total liabilities</b>	<b>2,573,328,012</b>	<b>9,739,476</b>	<b>-</b>	<b>2,583,067,488</b>
Equity	224,451,671	9,449,530	-	233,901,201
<b>Total Equity and liabilities</b>	<b>2,797,779,683</b>	<b>19,189,006</b>	<b>-</b>	<b>2,816,968,689</b>
<b>Contingencies and commitments</b>	<b>683,588,932</b>	<b>-</b>	<b>-</b>	<b>683,588,932</b>

Notes to the Unconsolidated Financial Statements  
for the year ended December 31, 2024

	December 31, 2023			
	Domestic Operations	Middle East	China	Total
	Rupees in '000			
<b>Profit and Loss Account</b>				
Net mark-up, return, profit	111,733,893	1,545,419	-	113,279,312
Inter segment revenue - net	483,113	(483,113)	-	-
Non mark-up, return, interest income	24,421,011	6,030	-	24,427,041
Total Income	136,638,017	1,068,336	-	137,706,353
Segment direct expenses	(48,737,065)	(202,793)	(32,352)	(48,972,210)
Total expenses	(48,737,065)	(202,793)	(32,352)	(48,972,210)
Provisions	(833,592)	(2,143,381)	-	(2,976,973)
Profit or (loss) before tax	87,067,360	(1,277,838)	(32,352)	85,757,170
<b>Statement of Financial Position</b>				
Cash & Bank balances	158,589,094	2,815	-	158,591,909
Investments	1,136,641,091	13,676,998	-	1,150,318,089
Net inter segment lendings	6,716,740	-	-	6,716,740
Lendings to financial institutions	2,701,263	-	-	2,701,263
Advances - performing	779,877,512	1,221,396	-	781,098,908
Advances - non-performing	13,039,029	-	-	13,039,029
Provision against advances	(12,396,149)	(144,558)	-	(12,540,707)
Advances - net	780,520,392	1,076,838	-	781,597,230
Property and equipment, right of use and intangible assets	125,392,111	82,902	-	125,475,013
Others	103,505,071	411,340	-	103,916,411
<b>Total Assets</b>	2,314,065,762	15,250,893	-	2,329,316,655
Borrowings	364,279,625	2,677,677	-	366,957,302
Subordinated debt	-	-	-	-
Deposits & other accounts	1,673,290,608	3,332,467	-	1,676,623,075
Net inter segment borrowing	-	6,716,740	-	6,716,740
Others	84,572,361	192,713	-	84,765,074
<b>Total liabilities</b>	2,122,142,594	12,919,597	-	2,135,062,191
Equity	191,923,168	2,331,296	-	194,254,464
<b>Total Equity and liabilities</b>	2,314,065,762	15,250,893	-	2,329,316,655
<b>Contingencies and commitments</b>	569,256,614	-	-	569,256,614

42 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its parent, subsidiaries, companies with common directorship, directors, employee benefit plans and key management personnel including their associates.

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

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

	December 31, 2024					December 31, 2023								
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
Rupees in '000														
<b>Balances with other banks</b>														
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Lendings to financial institutions</b>														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investments</b>														
Opening balance	-	-	-	500,000	-	25,000	-	-	-	-	500,000	-	-	25,000
Investment made during the year	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-
Investment redeemed and disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,500,000	-	25,000	-	-	-	-	500,000	-	-	25,000
<b>Credit loss allowance for diminution in value of investments</b>														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advances</b>														
Opening balance	-	116,784	336,098	1,500,000	-	1,125	-	66,875	368,217	1,672,000	961,476	-	-	2,985
Addition during the year	-	177,896	107,214	1,500,000	90,095,479	238,752	-	90,791	202,400	1,500,000	81,408,541	-	-	17,264
Repaid during the year	-	(150,308)	(105,327)	(3,000,000)	(90,073,191)	(163,196)	-	(40,882)	(224,519)	(1,672,000)	(82,370,017)	-	-	(19,074)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	144,372	337,985	-	22,288	76,741	-	116,784	368,098	1,500,000	961,476	-	-	1,125
<b>Credit loss allowance held against advances</b>														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	December 31, 2024						December 31, 2023							
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
Rupees in '000														
<b>Other Assets</b>														
Interest or mark-up accrued	-	26,631	104,117	-	9,869	-	-	13,464	94,881	3,616	8,660	-	-	-
Receivable from staff retirement fund	-	-	-	-	-	7,114,833	-	-	-	-	-	-	-	5,238,086
Other receivable	-	-	330,388	-	-	-	-	-	66,547	-	-	-	-	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowings</b>														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subordinated debt</b>														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issued or Purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption and Sold during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>														
Opening balance	12,963	46,894	35,100	33,398	37,125	7,839,463	1,716	53,731	51,333	21,629	111,965	-	-	2,128,234
Received during the year	18,118,441	2,359,496	1,704,479	33,813,057	13,091,224	618,177,846	21,582,782	510,062	1,116,106	10,686,205	9,933,381	-	-	292,662,647
Withdrawn during the year	(18,128,987)	(2,333,115)	(1,682,401)	(33,516,644)	(13,126,259)	(591,388,212)	(21,571,535)	(516,899)	(1,132,339)	(10,674,436)	(10,008,221)	-	-	(286,951,418)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,417	73,275	57,178	329,811	2,090	34,629,097	12,963	46,894	35,100	33,398	37,125	-	-	7,839,463
<b>Other Liabilities</b>														
Interest or mark-up payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Contingencies and Commitments</b>														
Other contingencies	-	-	-	-	292,162	-	-	-	-	-	1,842,309	-	-	-

#### 42.1 RELATED PARTY TRANSACTIONS

	December 31, 2024						December 31, 2023							
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
Rupees in '000														
<b>Income</b>														
Mark-up, return, interest earned	-	13,167	16,979	7,387	219,659	-	5,333	-	9,918	17,155	308,865	38,444	-	197
Fee and commission income	-	133	277	27,497	829	-	1,103	4	83	277	7,820	3,579	-	1,035
Dividend income	-	-	-	-	-	19,077	-	-	-	-	-	-	-	-
Net gain / (loss) on sale of securities	-	-	250	(51)	-	5,399	-	-	(94)	-	-	-	-	18,057
Rental Income	-	-	-	-	39,321	-	-	-	-	-	21,518	-	-	-
Other Income**	1	11	35	20,062	-	15	-	20	58	19,628	-	-	-	23
<b>Expense</b>														
Mark-up, return, interest paid	1,291	6,656	5,319	42,648	270	1,394,225	-	10,154	4,099	10,839	1,275	-	-	851,330
Directors meeting fee	-	80,400	-	-	-	-	-	71,400	-	-	-	-	-	-
Remuneration	-	195,883	673,823	-	-	-	-	99,292	507,353	-	-	-	-	-
Charge for defined benefit plans	-	5,442	25,802	-	-	-	-	2,662	23,669	-	-	-	-	-
Contribution to defined contribution plan	-	4,998	12,731	-	-	-	-	2,499	10,094	-	-	-	-	-
Other expenses***	-	1,987	-	-	38,749	-	-	-	-	-	-	37,806	-	-
Rent expense****	-	-	-	-	22,989	-	-	-	-	-	-	20,396	-	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	51,090	-	-	-	-	-	-	-	189,812
Insurance premium paid	-	412	2,646	-	-	-	-	394	1,268	-	-	-	-	-
<b>Others Transaction</b>														
Purchase of Government securities	-	-	559,861	-	-	2,239,656	-	-	-	-	-	-	-	-
Sale of Government securities	-	-	634,626	1,937,577	-	66,077	-	-	-	-	-	-	-	-
Purchase of foreign currencies	-	-	86,824	1,498,034	-	-	-	-	-	-	-	-	-	-
Sale of foreign currencies	-	-	-	981,477	-	-	-	-	-	-	-	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Shares held by the holding company, outstanding at the end of year are included in note 21 to these unconsolidated financial statements.

\* Associated companies are as per IAS 24 'Related Party Disclosures'.

\*\*Other income includes income from data hosting services provided to ABL AMC at agreed terms.

\*\*\*Other expenses mainly include donation of Rs. 30 million to National Management Foundation for construction of hostel building and technology and product development lab.

\*\*\*\*Rent expense of ABL Branch with associated companies (Ibrahim Fibres Limited & Ibrahim Agencies Pvt. Limited) was carried out on agreed terms with prior permission of State Bank of Pakistan.

During the year ended December 31, 2024, certain moveable assets which have been fully depreciated were disposed off for Rs. 735,341 to the Key Management Personnel of the Bank.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>43 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	11,450,739	11,450,739
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	165,125,973	136,415,747
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	165,125,973	136,415,747
Eligible Tier 2 Capital	56,168,881	44,340,488
Total Eligible Capital (Tier 1 + Tier 2)	221,294,854	180,756,235
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	536,062,246	473,684,877
Market Risk	65,492,988	40,606,084
Operational Risk	226,944,614	175,308,026
Total	828,499,848	689,598,987
Common Equity Tier 1 Capital Adequacy ratio	19.93%	19.78%
Tier 1 Capital Adequacy Ratio	19.93%	19.78%
Total Capital Adequacy Ratio	26.71%	26.21%

The SBP through its BSD Circular No. 07 dated April 15, 2009 prescribed the minimum paid up capital (net of losses) for all locally incorporated banks of Rs. 10 billion. The paid up capital of the Bank stood at Rs. 11.451 billion as at 31 December, 2024 and is in compliance with the SBP requirements.

Further, SBP vide its BPRD Circular # 6 of 2013 dated August 15, 2013 required the Banks to maintain the minimum Capital Adequacy Ratio (CAR) of 12.5% inclusive of Capital Conservation Buffer (CCB) of 2.5% on standalone as well as on consolidated basis. To support the banking sector in extending financing or credit facilities to their customers during COVID-19, SBP vide BPRD Circular # 12 of 2020 relaxed the CAR requirement to 11.5% by reducing the Capital Conservation Buffer (CCB) from 2.5% to 1.5% till further instructions.

Bank's CAR as at December 31, 2024 stood at 26.71% of its total risk weighted assets and complied with all externally imposed capital requirements. Standardized Approach is used for calculating the Credit Risk and Maturity approach for Market risk, whereas, Basic Indicator Approach is used for Operational Risk in the Capital Adequacy calculation.

	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	165,125,973	136,415,747
Total Exposures	2,921,466,553	2,470,110,831
Leverage Ratio	5.65%	5.52%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	861,351,877	673,797,912
Total Net Cash Outflow	432,705,987	371,108,564
Liquidity Coverage Ratio	199.06%	181.56%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	1,745,069,468	1,679,029,185
Total Required Stable Funding	1,121,401,014	1,042,804,071
Net Stable Funding Ratio	155.62%	161.01%

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

43.1 The link to the full disclosure is available at <https://www.abl.com/investor-relations/>

### 44 RISK MANAGEMENT

The principal risks associated with the Bank's business are Credit Risk, Market Risk, Liquidity Risk, Reputational Risk, Operational Risk, Information Security & Governance Risk and Shariah Non-Compliance Risk. The Risk Management Framework (henceforth to be referred to as 'The Framework') provides principles for identifying, assessing, and monitoring risk within the Bank. The Framework specifies the key elements of the risk management process in order to maximize opportunities, minimize adversities and to achieve improved outputs based on informed decision making.

The Bank performs risk measurement, monitoring and control functions through use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board and relevant management committees.

#### Categories of Risk

**Credit Risk** This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a business partner.

Credit Risk includes Country Risk i.e., the risks that counterparty is unable to meet its foreign currency obligations as a result of adverse economic conditions or actions taken by governments in the relevant country.

**Market Risk** The risk that the value of on and off-balance sheet positions of the Bank will be adversely affected by movements in market rates or prices such as interest rates / rate of returns, foreign exchange rates, equity prices, credit spreads and / or commodity prices, resulting in a loss to earnings and capital.

**Liquidity Risk** The risk that the Bank is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn without incurring unacceptable cost or losses.

**Operational Risk** Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. The definition includes legal risk but excludes strategic risk and reputational risk.

**Reputational Risk** The Reputational risk arises from the negative perception on the part of stakeholders that can adversely affect a bank's ability to maintain existing, or establish new, business relationships and continued access to sources of funding.

**Information Security & Governance Risk** The Reputational risk arises from the negative perception on the part of stakeholders that can adversely affect a bank's ability to maintain existing, or establish new, business relationships and continued access to sources of funding.

**Strategic Risk** Risk of an adverse impact on strategic goals. Strategic risk mainly arises from strategic decisions, improper implementation of those decisions, or lack of responsiveness of Bank to industry, economic or technological changes.

**Shariah Non-Compliance Risk** Shariah Non Compliance Risk arises from the failure to comply with shariah rules and principles determined by the Shariah Board of the Bank and the Regulator.

#### Risk Responsibilities

- The Board of Directors shall oversee the risk management process. The Board of Directors are responsible for determining the manner in which risk authorities are set, as well as the approval of all risk policies and ensuring that these are properly implemented. Further, the Board of Directors shall also seek appointment of senior management personnel capable of managing the risk activities conducted by the Bank.
- The Board Risk Management Committee (BRMC) is responsible for ensuring that the overall risk strategy and risk acceptance criteria of the Bank is appropriately defined in the Strategic Plan and recommend the same to the Board of Directors.
- The Chief Executive Officer and Group Chiefs shall be responsible for the management of risk collectively through their membership of various committees i.e. Management Committee (MANCO), Asset & Liability Committee (ALCO), Compliance Committee (CC) and Risk Management Committee (RMC). Independent supervision of risk management activities is provided by the Audit Committee of the Board.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

- The Risk Management Group is headed by a Group Chief responsible for set-up and implementation of the Risk Management Strategy of the Bank.

### Risk Management Group Organization

Risk management functions have been segregated by business specialization, i.e., Credit Risk, Credit Administration, Technical Appraisal, Information Security and Enterprise Risk which interalia includes Policy and Procedures, Risk Architecture, Operational Risk and Market & Liquidity Risk. All these functions are operating in tandem to monitor the health of assets and liabilities, while ensuring risk mitigants against cyber and information system threats.

### 44.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Bank is exposed to credit risk through its lending and investment activities. The Bank's credit risk function is divided into Corporate and Financial Institutions and Risk Shariah and Commercial, SME and Consumer Risk. The functions operate within an integrated framework of credit policies, guidelines and processes. The credit risk management activities are governed by the Credit Policy of the Bank that defines the respective roles and responsibilities, the credit risk management principles and the Bank's credit risk strategy. The policy is supported by a comprehensive Credit Procedures Manual.

The Bank manages three principal sources of credit risk:

- Sovereign credit risk on its public sector advances
- Counterparty credit risk on its private sector advances
- Counterparty credit risk on interbank limits

#### Sovereign Credit Risk

When the Bank lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GOP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model, based on which the lending is secured through collaterals other than GOP guarantee.

#### Counterparty credit risk on its private sector advances

Each borrower's credit worthiness is analyzed on the Credit Application Package that incorporates a formalized and structured approach for credit analysis and directs the focus of evaluation towards a balanced assessment of credit risk with identification of proper mitigants. These risks include Industry Risk, Business Risk, Financial Risk, Security Risk and Account Performance Risk.

Financial analysis is further strengthened through use of separate financial spread sheet templates that have been designed for manufacturing / trading concerns, financial institutions and insurance companies.

#### Counter Party Credit Risk on Interbank Limits

In the normal course of its business, the Bank's Treasury utilizes products such as Reverse Repo and Call Lending to meet the needs of interbank borrowers and manage its exposure to fluctuations in market, interest and currency rates. Further, these products are also used to temporarily invest Bank's liquidity prior to disbursement.

All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Bank. Reflecting a preference for minimizing exposure to counterparty credit risk, the Bank maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies.

#### A. Country Risk

The Bank has in place a Country Risk Management Framework which has been approved by the Board. This framework focuses on providing detailed roles and responsibilities with respect to country risk assessment as well as limit setting, exposure management and reporting of cross border exposure undertaken by the Bank. The Bank utilizes S&P, Fitch and Moody's country ratings as well as other macroeconomic and external risk factors in assigning a country risk limit. The Financial Institutions Division is responsible for monitoring of country exposure limits.

#### Credit Administration

The Credit Administration department plays a crucial role in minimizing, reducing and mitigating potential losses that could result from inadequacies in security and documentation. This department consistently evaluates the risks associated with security and documentation within the current credit portfolio, operating through four regional credit administration offices in major metropolitan cities. Moreover, the Credit Monitoring Division ensures that all post-disbursement activities are carried out in accordance with bank policies, thereby safeguarding the Bank's interests through its three specialized units: Classification & Monitoring, Vigilance, and Warehouse Management.

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Gross lendings		Non-performing lendings		Credit loss allowance held	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023

Rupees in '000

### 44.1.1 Lendings to financial institutions

#### Credit risk by public and private sector

Public and Government	44,059,437	3,502,103	-	-	-	-
Private	199,551,668	5,985,900	70,000	70,000	70,024	70,000
	243,611,105	9,488,003	70,000	70,000	70,024	70,000

	Gross Investments		Non-performing Investments		Credit loss allowance held	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023

Rupees in '000

### 44.1.2 Investment in debt securities

#### Credit risk by industry sector

Basic metals (iron, steel)	340,000	340,000	-	-	231,001	-
Financial	10,759,324	14,184,078	-	-	8,821	-
Hotel, restaurant and clubs	300,339	386,150	-	-	204,054	-
Power, gas, water and sanitary	330,000	910,000	-	-	174	-
Sugar	10,343	10,487	10,343	10,487	10,343	10,487
Textile - Spinning	51,345	51,345	51,345	51,345	51,345	51,345
Textile - Weaving	200,000	200,000	200,000	200,000	200,000	200,000
Government	1,088,030,849	1,137,405,449	-	-	1,964,317	2,429,689
Others	44,442	62,159	44,442	62,159	44,442	62,159
	1,100,066,642	1,153,549,668	306,130	323,991	2,714,497	2,753,680

#### Credit risk by public and private sector

Public and Government	1,088,030,849	1,137,405,448	-	-	1,964,317	2,429,689
Private	12,035,793	16,144,220	306,130	323,991	750,180	323,991
	1,100,066,642	1,153,549,668	306,130	323,991	2,714,497	2,753,680



## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	Gross advances		Non-performing advances		Credit loss allowance held	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023

Rupees in '000

### 44.1.3 Advances

#### Credit risk by industry sector

Agriculture, Forestry and Hunting	38,260,358	178,932,397	501,112	1,141,052	616,875	917,675
Basic metals (iron, steel)	2,812,035	3,466,684	837,627	671,679	460,601	287,160
Cement, clay and ceramics	44,426,206	37,021,595	124,933	69,791	142,521	69,791
Chemical and pharmaceutical	26,677,434	31,855,433	336,741	308,487	372,610	308,487
Construction	11,739,046	15,198,147	144,338	167,168	186,942	167,168
Education	128,191	119,231	123	1,445	636	1,445
Financial	447,600,543	99,964,826	5,554	12,154	306,536	12,154
Footwear and leather garments	4,795,725	3,202,145	25,450	8,472	80,213	8,473
Furniture and sports goods	947,383	716,601	114,747	116,147	137,589	116,147
Grains, food and beverages	48,270,093	20,900,865	1,553,326	1,726,564	1,614,353	1,726,564
Health and social welfare	129,238	33,614	2,975	599	5,236	599
Hotel, restaurant and clubs	9,986	4,500	6,686	6,686	6,689	6,686
Individuals	42,731,778	20,033,249	586,208	677,014	744,344	649,375
Machinery and equipment	1,628,100	2,594,385	45,659	9,399	52,191	9,399
Manufacture of transport equipment	2,072,845	6,188,907	126,162	133,073	130,489	130,003
Paper and paper boards	27,684,642	20,642,488	16,552	199,906	437,499	199,906
Petroleum products	25,442,623	55,953,186	7,465	8,366	8,997	8,366
Power, gas, water and sanitary	108,035,860	137,742,145	-	-	28,995	-
Printing, publishing and allied	74,083	80,560	198	378	666	378
Real estate, renting, and business activities	7,126,752	4,567,044	456,535	-	473,569	-
Rubber and plastic	836,374	795,219	164,927	205,413	165,226	176,596
Sugar	5,414,589	6,747,863	-	-	97,843	-
Mining and quarrying	8,062,839	4,334,842	3,039	-	3,926	-
Textile - Manufacture of made up & ready made garments	74,368,360	44,776,101	4,380,540	2,492,454	4,501,264	2,492,454
Textile - Finishing	25,048,510	18,590,819	652,993	2,629,435	755,304	2,629,435
Textile - Spinning	23,796,664	25,702,953	569,604	933,855	716,505	933,855
Textile - Weaving	2,715,365	2,456,362	1,002,716	443,280	1,009,222	443,280
Transport, storage and communication	50,650,222	40,873,418	46,642	46,392	682,665	30,150
Wholesale and retail trade	5,329,543	4,624,396	997,795	589,761	1,008,240	574,748
Others - Services	27,953,895	1,844,884	3,638	6,730	5,132	6,730
Others	1,578,668	4,173,078	280,685	433,329	281,179	428,664
	1,066,347,950	794,137,937	12,994,970	13,039,029	15,034,057	12,335,688

#### Credit risk by public and private sector

Public and Government	515,886,522	418,389,947	377,026	377,026	36,656	-
Private	550,461,428	375,747,990	12,617,944	12,662,003	14,997,401	12,335,688
	1,066,347,950	794,137,937	12,994,970	13,039,029	15,034,057	12,335,688

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
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Rupees in '000

### 44.1.4 Contingencies and Commitments

#### Credit risk by industry sector

Agribusiness	2,565,068	1,625,127
Automobile & transportation equipment	45,782,880	91,646,813
Cement	4,128,004	5,880,882
Chemical & pharmaceuticals	16,660,526	12,074,183
Construction	6,099,908	6,035,868
Electronic & electrical appliances	807,309	5,231,217
Exports / imports	167,267	110,744
Financial	493,510,707	356,580,032
Gas, water, sanitary	857,042	1,464,789
Individuals	7,521,497	6,472,528
Insurance	25,819	25,819
Mining and quarrying	444,136	91,642
Other Leather Garments	2,118,205	16,955
Production & transmission of energy	43,116,769	26,924,683
Services	25,075,378	1,638,716
Shoes & leather garments	250,649	1,560,886
Sugar	1,019,618	1,540,675
Textile - others	1,105,142	1,553,192
Textile - weaving	2,019,724	1,201,162
Textile - composite	4,264,186	4,778,297
Textile - spinning	446,634	2,262,568
Transport, storage and communication	5,260,825	6,630,863
Wholesale and retail trade	14,471,074	26,223,915
Others	5,870,565	7,685,058
	683,588,932	569,256,614

#### Credit risk by public and private sector

Public and Government	313,171,790	175,409,296
Private	370,417,142	393,847,318
	683,588,932	569,256,614

### 44.1.5 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregating to Rs. 558,066.09 million (December 31, 2023: Rs. 428,530.37 million) are as following:

	December 31, 2024	December 31, 2023
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Rupees in '000

Funded	524,470,248	361,618,685
Non Funded	33,595,847	66,911,684
Total Exposure	558,066,095	428,530,369

The sanctioned limits against these top 10 exposures aggregated to Rs. 678,578 million (December 31, 2023: Rs. 472,100 million).

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 44.1.6 Advances – Province/Region-wise Disbursement and Utilization

Province and Region	During the year ended December 31, 2024						
	Disbursements		Utilization				AJK including Gilgit-Baltistan
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad		
	Rupees in '000						
Punjab	1,365,984,656	1,034,443,275	326,048,307	4,274,850	7,656	1,200,894	9,674
Sindh	2,069,021,978	32,818,628	2,036,203,350	-	-	-	-
KPK including FATA	2,782,810	-	-	2,782,810	-	-	-
Balochistan	1,564,711	-	-	-	1,564,711	-	-
Islamabad	702,270,994	169,018,345	17,664,050	-	-	515,588,599	-
AJK including Gilgit-Baltistan	435,344	-	-	-	-	-	435,344
<b>Total</b>	<b>4,142,060,493</b>	<b>1,236,280,248</b>	<b>2,379,915,707</b>	<b>7,057,660</b>	<b>1,572,367</b>	<b>516,789,493</b>	<b>445,018</b>

Province and Region	During the year ended December 31, 2023						
	Disbursements		Utilization				AJK including Gilgit-Baltistan
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad		
	Rupees in '000						
Punjab	1,314,725,318	1,013,930,187	288,909,408	9,429,631	183,977	1,761,673	510,442
Sindh	1,688,018,427	27,829,287	1,660,189,140	-	-	-	-
KPK including FATA	3,796,745	-	-	3,796,745	-	-	-
Balochistan	1,605,872	-	-	-	1,605,872	-	-
Islamabad	746,899,662	166,822,965	23,368,139	-	-	556,708,558	-
AJK including Gilgit-Baltistan	414,912	-	-	-	-	-	414,912
<b>Total</b>	<b>3,755,460,936</b>	<b>1,208,582,439</b>	<b>1,972,466,687</b>	<b>13,226,376</b>	<b>1,789,849</b>	<b>558,470,231</b>	<b>925,354</b>

### 44.1.7 Sensitivity of ECL to Future Economic Conditions

The Bank performs sensitivity analysis on the ECL recognized on each of its segments. The following table outline the impact of ECL from applying a 100% weighting to each scenario.

Description	Agriculture	Corporate / Commercial	Medium Enterprise	Small Enterprise	Others	Overseas	Total
	Rupees in '000						
<b>Total ECL</b>	<b>220,638</b>	<b>11,340,022</b>	<b>1,290,222</b>	<b>1,187,645</b>	<b>739,199</b>	<b>256,330</b>	<b>15,034,056</b>
ECL (Upside)	213,915	9,773,404	1,270,537	1,150,943	697,619	230,697	13,337,116
ECL (Central)	220,500	11,073,056	1,283,916	1,176,929	733,913	256,330	14,744,645
ECL (Downside)	228,006	14,152,478	1,339,336	1,274,352	805,446	281,963	18,081,581
	ECL % Inc. / (Dec.)						
ECL (Upside)	-3.05%	-13.81%	-1.53%	-3.09%	-5.63%	-10.00%	-11.29%
ECL (Central)	-0.06%	-2.35%	-0.49%	-0.90%	-0.72%	0.00%	-1.93%
ECL (Downside)	3.34%	24.80%	3.81%	7.30%	8.96%	10.00%	20.27%

## Notes to the Unconsolidated Financial Statements

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### 44.2 Market Risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates / rate of return, foreign exchange rates, equity prices and market conditions. Thus market risk can be further described into Interest Rate Risk / Rate of Return Risk, Foreign Exchange Risk and Equity Position Risk.

Market Risk performs risk measurement, monitoring and control functions through the use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board of Directors and the relevant management committees.

The Bank uses three types of risk management tools to measure the Bank's Market Risk: Value-at Risk (VaR), Expected Shortfall (ES) and Stress Testing. In addition, control limits are utilized to maintain the risks within acceptable levels.

The Bank maintains adequate regulatory capital to cover all interest rate risks falling under the "Trading Book" as well as "Banking Book", as defined by Basel capital accord. The Bank uses Standardized Approach in determining credit risk, market risk and operational risk exposures in the capital adequacy calculation. In Market risk exposures, Maturity method is used to calculate charge on Interest rate risk and FX risk.

In its pursuit of automation, the Bank has successfully implemented Oracle Financial Services Analytical Application (OFSAA) Market Risk Module to automate the risk monitoring and reporting activities pertaining to Market Risk, which allows for more efficient risk monitoring and increased focus on risk analysis to help in making more informed decisions.

#### 44.2.1 Market Risk Pertaining to the Trading Book

##### Trading Book

The Trading Book of the Bank consists of positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book. To be eligible for trading book, financial instruments must be held with the intent of trading and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively monitored and managed accordingly.

The Bank's trading book includes securities classified as Fair Value Through Profit and Loss (FVTPL), Open Ended Mutual Fund and non-strategic listed equity placed in Fair Value Through Other Comprehensive Income (FVOCI) category. These positions are exposed to all forms of market risk and are managed actively.

##### Risk Pertaining to Banking Book Investment Portfolio

All investments excluding trading book are considered as part of banking book. Banking book includes:

- Fair Value Through Other Comprehensive Income (FVOCI) - (other than non-strategic listed equity)
- At Amortised Cost

Treasury investments parked in the banking book include:

- Government securities
- Capital market investments
- Investments in bonds, debentures, etc.

Due to the diversified nature of investments in banking book, it is subject to interest rate risk, equity price risk and FX risk.

##### Stress Testing

The Bank also conducts Stress Testing of the Bank's investment portfolio to ascertain the impact of various scenarios on the capital adequacy and sustainability of the Bank. The exercise assumes various stress conditions, with respect to Interest Rate Risk, Equity Price Risk, FX Risk and Liquidity Risk. Stress testing is also conducted on various macro-economic scenarios to test the resilience of the Bank.

## Notes to the Unconsolidated Financial Statements

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	December 31, 2024			December 31, 2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000					
<b>44.2.2 Balance sheet split by trading and banking books</b>						
Cash and balances with treasury banks	146,768,168	-	146,768,168	156,136,308	-	156,136,308
Balances with other banks	9,964,224	-	9,964,224	2,455,601	-	2,455,601
Lendings to financial institutions	243,541,081	-	243,541,081	9,418,003	-	9,418,003
Investments	1,106,845,843	23,028,113	1,129,873,956	1,114,769,066	35,549,023	1,150,318,089
Advances	1,051,313,893	-	1,051,313,893	781,597,230	-	781,597,230
Fixed assets	135,048,603	-	135,048,603	122,065,722	-	122,065,722
Intangible assets	3,632,624	-	3,632,624	3,409,291	-	3,409,291
Deferred tax assets	-	-	-	3,821,594	-	3,821,594
Other assets	96,826,140	-	96,826,140	100,094,817	-	100,094,817
	2,793,940,576	23,028,113	2,816,968,689	2,293,767,632	35,549,023	2,329,316,655

### 44.2.3 Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates.

The majority of the Bank's net foreign currency exposure is in US\$ and the Bank uses system-based monitoring of its intra-day Net Open Position for effective risk management.

The Bank's FX Risk is largely mitigated by following a matched funding policy, whereas, for any mismatched exposures, the Bank utilizes appropriate derivative instruments such as Forwards and Swaps. The Bank maintains adequate regulatory capital to cover against foreign exchange risk.

	December 31, 2024				December 31, 2023			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000							
Pakistani Rupee	2,724,781,786	2,434,233,065	(73,610,985)	216,937,736	2,232,259,069	2,007,251,840	(38,717,162)	186,290,067
United States Dollar	89,115,771	135,748,117	63,475,958	16,843,612	94,220,315	114,802,807	28,468,225	7,885,734
Great Britain Pound Sterling	1,419,851	7,404,011	5,987,650	3,490	1,603,410	7,402,006	5,805,160	6,564
Japanese Yen	56,410	402,773	345,980	(383)	65,116	563	(59,685)	4,867
Euro	1,305,042	5,279,522	3,974,097	(383)	1,009,639	5,456,835	4,449,161	1,965
Other currencies	289,829	-	(172,700)	117,129	159,106	148,140	54,301	65,267
	92,186,903	148,834,423	73,610,985	16,963,465	97,057,586	127,810,351	38,717,162	7,964,397
	2,816,968,689	2,583,067,488	-	233,901,201	2,329,316,655	2,135,062,191	-	194,254,464

	December 31, 2024		December 31, 2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on:				
- Profit and loss account	-	-	-	-
- Other comprehensive income	-	(167,308)	-	(79,644)
	-	(167,308)	-	(79,644)

## Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

### 44.2.4 Equity position Risk

Equity Price Risk is risk to earnings or capital that results from adverse changes in stock prices (single stocks, or a basket of stocks, or overall stock market). ABL holds a diversified portfolio of equity investments in order to minimize non-systematic risk while retaining acceptable systematic risk. ALCO ensures that equity price risk is mitigated through prudent portfolio management.

The Bank maintains adequate regulatory capital to cover against equity price risk. Equity investments classified as "Held-for-Trading" as well as listed non-strategic equity investments classified as "Available-for-Sale" are part of the "Trading Book" and are subject to market risk change as specified by the Basel Framework. Un-listed and listed strategic equity investment are part of the "Banking Book" and are subject to credit risk charge as specified by the Basel Framework.

	December 31, 2024		December 31, 2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices on				
- Profit and loss account	-	-	-	-
- Other comprehensive income	(192,550)	(1,000,715)	(149,626)	(774,959)

### 44.2.5 Yield and Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate and Rate of return risk is the current or prospective risk of losses, to both the Bank's capital and earnings, arising from movements in interest rates and rates of return. The Bank has a robust system in place to monitor Interest rate risk and ALCO regularly analyses the interest rate scenario and devises strategies to minimize adverse impact of interest rate risk on the Bank's equity and profits.

Interest rate risk is measured through "duration" of an instrument. To assess the interest rate risk at Balance Sheet and Income Statement level, gap analysis on "re-pricing schedule" is utilized. Re-pricing schedule is a distribution of interest-sensitive assets, liabilities, and Off-Balance Sheet positions into a number of predefined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floating-rate), and is calculated in compliance with SBP instructions. For non-contractual assets and liabilities, an ALCO approved methodology is utilized to place these assets and liabilities in the re-pricing schedule. This methodology is based on the results of a behavioural analysis which statistically models the historical trends of the last 5 years.

Government securities (PIBs & T-Bills, Sukuks), Bonds, Debentures, etc. and other money market investments are subject to interest rate / rate of return risk. To capture the risk associated with these securities, extensive modeling is being done with respect to duration analysis. Stress testing and scenario-based models are also in place to capture the sensitivity of the portfolio to adverse movement in interest rates. For prudent risk management, all money market investments are marked to market to assess changes in the market value of investments due to interest rate movements. Yield/ Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

In accordance with BSD Circular No.03 of 2011, issued by the SBP, Bank is required to report interest rate sensitivity gap of assets and liabilities on the basis of an objective and systematic behavioural study which is approved by ALCO.

	December 31, 2024		December 31, 2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of change in Interest Rates by 1%				
- Profit and loss account	(4,653,067)	-	907,128	-
- Other comprehensive income	3,368,766	36,391	(4,784,526)	(176,322)

44.2.6 Mismatch of Interest Rate Sensitive Assets and Liabilities

Effective Yield/ Interest rate	Total	December 31, 2024									Non-interest bearing financial instruments	
		Exposed to Yield/ Interest risk										
		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 in '000										
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	146,768,168	11,743,494	-	-	-	-	-	-	-	-	-	135,024,674
Balances with other banks	9,964,224	9,964,224	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	243,541,081	243,441,089	99,992	-	-	-	-	-	-	-	-	-
Investments	1,129,873,956	168,217,765	233,029,454	397,615,624	197,192,458	23,274,264	25,802,970	31,759,988	27,267,173	-	-	25,714,280
Advances	1,051,313,893	354,310,268	335,485,134	151,394,722	149,904,872	3,646,034	2,826,660	17,245,970	27,245,764	3,347,598	-	5,906,871
Other assets	89,117,808	-	-	-	-	-	-	-	-	-	-	89,117,808
	2,670,579,130	787,676,840	568,614,580	549,010,346	347,097,330	26,920,298	28,629,630	49,005,958	54,512,937	3,347,598	-	255,763,613
<b>Liabilities</b>												
Bills payable	14,502,237	-	-	-	-	-	-	-	-	-	-	14,502,237
Borrowings	462,023,558	394,403,406	3,872,294	27,198,211	4,249,028	7,451,086	6,678,589	10,688,388	7,453,385	29,191	-	561,227,783
Deposits and other accounts	2,018,395,067	213,433,248	398,955,753	757,451,651	65,392,669	21,251,798	142,137	445,531	94,497	-	-	10,360,968
Lease Liabilities	10,360,968	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	64,309,182	-	-	-	-	-	-	-	-	-	-	64,309,182
	2,569,591,012	607,836,654	402,828,047	784,649,862	69,641,697	28,702,884	6,820,726	11,133,889	7,547,882	29,191	-	650,400,170
	100,968,118	179,840,186	165,786,533	(235,639,516)	277,495,633	(1,782,586)	21,808,904	37,872,059	46,965,055	3,318,407	-	(394,636,557)
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions	195,665,790	25,037,779	20,163,929	87,325,334	17,457,572	32,271,542	4,508,503	97,925	110	8,803,096	-	-
Commitments in respect of purchase of: - forward foreign exchange contracts	181,173,349	97,470,661	70,780,564	12,679,189	242,935	-	-	-	-	-	-	-
- forward government securities transactions	182,141,150	151,291,229	30,849,921	-	-	-	-	-	-	-	-	-
- derivatives	-	-	-	-	-	-	-	-	-	-	-	-
- forward lending	363,314,499	248,761,890	101,630,485	12,679,189	242,935	-	-	-	-	-	-	-
Commitments in respect of sale of: - forward foreign exchange contracts	107,110,234	79,910,233	22,935,549	4,264,452	-	-	-	-	-	-	-	-
- forward government securities transactions	-	-	-	-	-	-	-	-	-	-	-	-
- derivatives	-	-	-	-	-	-	-	-	-	-	-	-
- forward lending	107,110,234	79,910,233	22,935,549	4,264,452	-	-	-	-	-	-	-	-
Other commitments	17,498,410	1,458,201	2,916,402	4,374,602	8,749,205	-	-	-	-	-	-	-
	469,368,465	195,347,637	101,775,267	100,114,673	26,449,712	32,271,542	4,508,503	97,925	110	8,803,096	-	-
	570,356,683	375,187,823	267,561,800	(335,624,843)	303,905,345	30,488,956	26,817,407	37,969,984	46,965,165	12,121,503	-	(394,636,557)
<b>Total Yield and Interest Risk Sensitivity Gap</b>												
<b>Cumulative Yield and Interest Risk Sensitivity Gap</b>												
	570,356,683	375,187,823	642,749,623	507,224,780	811,130,125	841,619,081	867,936,488	905,906,472	952,871,637	964,993,140	-	570,356,683

Effective Yield/ Interest rate	Total	December 31, 2023									Non-interest bearing financial instruments	
		Exposed to Yield/ Interest risk										
		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 in '000										
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	156,136,308	11,695,327	-	-	-	-	-	-	-	-	-	144,440,981
Balances with other banks	2,455,601	-	-	-	-	-	-	-	-	-	-	2,455,601
Lending to financial institutions	9,418,003	9,418,003	-	-	-	-	-	-	-	-	-	-
Investments	1,150,318,089	325,183,736	264,218,798	278,566,146	124,950,563	46,255,958	20,828,688	37,303,174	33,677,582	-	-	19,333,444
Advances	781,597,230	370,211,941	25,224,840	48,640,591	76,784,011	58,664,843	58,825,919	78,582,616	52,780,171	10,298,952	-	1,603,346
Other assets	95,063,983	-	-	-	-	-	-	-	-	-	-	95,063,983
	2,194,989,214	716,509,007	289,443,638	327,206,737	201,734,574	104,920,801	79,654,607	115,865,790	86,457,753	10,298,952	-	262,897,355
<b>Liabilities</b>												
Bills payable	9,322,405	-	-	-	-	-	-	-	-	-	-	9,322,405
Borrowings	373,674,042	303,794,850	25,747,205	9,315,624	108,908	976,050	1,693,268	5,217,638	24,749,949	2,070,550	-	588,981,012
Deposits and other accounts	1,676,623,075	209,955,594	387,537,760	430,268,963	123,185,620	20,543,026	278,898	112,337	226,035	-	-	504,514,842
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	75,143,765	-	-	-	-	-	-	-	-	-	-	75,143,765
	2,134,763,287	513,750,444	413,284,965	439,584,587	123,294,528	21,519,076	1,972,166	5,329,975	24,975,984	2,070,550	-	588,981,012
	60,225,927	202,758,563	(123,841,327)	(112,377,850)	78,440,046	83,401,725	77,682,441	110,585,815	61,481,769	8,228,402	-	(326,083,657)
<b>On-balance sheet financial instruments</b>												
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions	219,451,590	21,624,350	40,083,125	106,547,001	24,988,342	13,940,846	1,074,789	2,560,048	26,484	8,626,605	-	-
Commitments in respect of purchase of: - forward foreign exchange contracts	160,292,361	83,314,378	83,304,827	12,294,899	1,378,257	-	-	-	-	-	-	-
- forward government securities transactions	10,054,607	10,054,607	-	-	-	-	-	-	-	-	-	-
- derivatives	-	-	-	-	-	-	-	-	-	-	-	-
- forward lending	190,346,968	93,368,985	83,304,827	12,294,899	1,378,257	-	-	-	-	-	-	-
Commitments in respect of sale of: - forward foreign exchange contracts	141,834,941	51,661,105	47,713,484	41,295,657	1,164,695	-	-	-	-	-	-	-
- forward government securities transactions	1,385,378	1,385,378	-	-	-	-	-	-	-	-	-	-
- derivatives	-	-	-	-	-	-	-	-	-	-	-	-
- forward lending	143,220,319	53,046,483	47,713,484	41,295,657	1,164,695	-	-	-	-	-	-	-
Other commitments	16,237,946	1,353,162	2,706,324	4,059,487	8,118,973	-	-	-	-	-	-	-
	282,816,185	63,300,014	78,380,792	81,605,730	33,300,877	13,940,846	1,074,789	2,560,048	26,484	8,626,605	-	-
<b>Off-balance sheet gap</b>												
<b>Total Yield and Interest Risk Sensitivity Gap</b>												
	343,042,112	266,058,577	(45,460,535)	(30,775,120)	111,740,923	97,342,571	78,757,230	113,095,863	61,508,253	16,855,007	-	(326,083,657)
<b>Cumulative Yield and Interest Risk Sensitivity Gap</b>												
	343,042,112	266,058,577	220,598,042	189,825,922	301,566,845	398,909,416	477,666,646	590,762,509	652,270,762	669,125,769	-	343,042,112

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Reconciliation to total assets	December 31,	December 31,	Reconciliation to total liabilities	December 31,	December 31,
	2024	2023		2024	2023
	(Rupees in '000)	(Rupees in '000)		(Rupees in '000)	(Rupees in '000)
<b>Balance as per balance sheet</b>	2,816,968,689	2,329,316,655	<b>Balance as per balance sheet</b>	2,583,067,488	2,135,062,191
<b>Less: Non financial assets</b>			<b>Less: Non financial liabilities</b>		
<b>Fixed assets</b>	138,681,227	125,475,013	<b>Deferred tax liabilities</b>	9,830,548	-
<b>Deferred Tax Assets</b>	-	3,821,594	<b>Other liabilities</b>	3,645,928	298,904
<b>Other assets</b>	7,708,332	5,030,834		13,476,476	298,904
	146,389,559	134,327,441			
<b>Total financial assets</b>	2,670,579,130	2,194,989,214	<b>Total financial liabilities</b>	2,569,591,012	2,134,763,287

## 44.3 Operational Risk

The Bank, like all financial institutions, is exposed to different types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and the execution of legal, fiduciary and agency responsibilities.

In accordance with the BoD approved Operational Risk Management Policy (ORM), Bank maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the bank's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to industry best practices.

The Bank has implemented workflow based system "Risk Nucleus" for Operational Risk Loss Data Collection & Reporting, Risk Control & Self Assessment (RCSA) and Key Risk Indicators (KRIs) monitoring. Further, major Operational Risk events are also analyzed from the control breaches perspective and mitigating controls are assessed on design and operating effectiveness. Quarterly updates on Operational Risk events are presented to senior management and Board's Risk Management Committee & BoD.

The Bank has a BoD approved BCP policy and Business Continuity Plan applicable to all its functional areas. The Bank updates functional BCPs on annual basis or at any process change.

The Bank is also implementing internationally accepted Integrated Framework on Internal Control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), with a view to consolidate and enhance the existing internal control processes.

The Bank is reporting Operational Risk Capital Charge on Basic Indicator Approach. Also calculating impact under Alternate Standardized Approach (ASA) of Basel II. The Bank shall adopt "The Standardized Approach" under Basel-III once implemented by the Regulator.

## 44.4 Liquidity Risk

Liquidity Risk is the risk that the Bank is unable to fund its current obligations and operations in the most cost efficient manner. The Bank's Board of Directors has delegated the responsibility to Asset and Liability Committee (ALCO) for ensuring that Bank's policy for liquidity management is adhered to on a continual basis. ALCO uses gap analysis based on "maturity schedule" to assess the Bank's liquidity risk and devise strategy accordingly. The Bank has various limits and triggers in place to monitor liquidity risk on a periodic basis, while it also utilizes stress testing to assess adequacy of Bank's liquid assets. The Bank complies with State Bank of Pakistan's instructions on Liquidity Standards as prescribed under the Basel III Framework.

### Liquidity Management Framework

Daily liquidity management is carried out centrally by the Asset and Liability Management (ALM) Desk in Treasury Group which manages the day to day liquidity needs of the Bank. Funding and liquidity management strategies are regularly discussed during Asset and Liability Committee (ALCO) meetings. The discussions include analysis on composition of deposits and tenure, funding gaps and concentration, monitoring of short and long-term liquidity ratios (including Liquidity Coverage Ratio and Net Stable Funding Ratio). The Bank utilizes internal Management Action Triggers and Limits which act as early warning indicators and safeguards to ensure sufficient liquidity buffers at all times. Additionally, stress tests are performed to evaluate available liquidity under a range of adverse scenarios and to identify potential vulnerabilities in portfolios. The Bank also has in place contingency funding plan that identifies specific management actions that can be invoked in times of liquidity crisis.

### Liquidity Risk Management

The Bank has in place a robust Recovery Plan in place to deal with any liquidity crisis in the most efficient and effective manner. SBP initiatives such as deferral of principal and rescheduling and restructuring of loans may have an adverse effect on liquidity and maturity profile of the Bank, however the Bank holds sufficient liquidity buffer to absorb any unforeseen shocks during the prevailing situation. Moreover, the Asset and Liability Committee (ALCO) of the Bank continues to regularly monitor the liquidity position of the Bank in view of emerging risks.

# Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

## Liquidity Risk Mitigation Techniques

The Bank uses the following tools to identify and mitigate Liquidity Risk:

- Gap Analysis
- Liquidity Ratio
- Liquidity Stress Testing
- Contingency Funding Plan
- Risk Control Limits (RCLs)

### 44.4.1 Maturities of Assets and Liabilities – based on contractual maturity of the assets and liabilities of the Bank

	December 31, 2024														
	Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 Month	Upto 2 Months	Upto 3 Months	Upto 6 Months	Over 3 to 6 Months	Over 6 to 9 Months	Up to 1 year	Upto 2 years	Upto 3 years	Over 3 to 5 years	Over 5 years
<b>Assets</b>															
Cash and balances with treasury banks	146,768,168	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	9,964,224	321,446	1,928,675	2,250,121	5,463,982	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	243,541,081	-	222,741,097	699,992	20,000,000	-	99,992	-	-	-	-	-	-	-	-
Investments - net	1,129,873,956	-	-	44,264	58,607	296,285	6,082,455	144,305,046	124,821,405	178,353,964	226,573,852	91,332,994	283,434,480	73,570,604	
Advances - net	1,051,319,893	106,789,036	538,831	7,831,947	192,217,916	144,086,550	83,065,395	105,494,139	24,270,833	146,591,585	69,128,582	59,280,921	58,858,653	54,166,505	
Property and equipment	127,260,862	45,096	270,575	315,671	766,630	1,397,973	1,397,973	4,193,918	4,193,918	4,193,918	6,388,287	6,328,483	4,664,937	93,103,463	
Right-of-use assets	77,87,741	4,187	25,122	29,309	71,178	129,796	129,796	389,387	389,387	389,387	1,557,548	1,557,548	3,115,066	-	
Intangible assets	3,632,624	1,394	8,367	9,761	23,706	43,228	43,228	129,685	129,685	129,685	518,739	518,739	1,037,477	1,038,930	
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other assets - net	96,826,140	1,190,305	7,141,828	8,332,132	21,038,671	5,163,375	16,268,102	21,054,504	3,943,337	2,484,678	798,353	364,102	4,027,693	5,929,060	
	2,816,968,689	254,099,632	232,655,495	19,513,197	239,640,690	151,129,207	107,076,941	275,566,079	156,848,565	333,143,217	304,965,361	159,382,787	355,138,336	227,805,582	
<b>Liabilities</b>															
Bills payable	14,502,237	14,502,237	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowings	482,023,558	426,320	16,230,600	186,000	378,551,485	1,402,733	2,469,561	27,198,211	2,145,416	2,103,612	7,451,066	6,678,569	10,688,968	7,482,577	
Deposits and other accounts	2,018,395,067	1,730,793,035	3,753,133	17,234,275	22,904,776	22,615,548	70,732,641	104,891,382	39,025,454	6,439,037	323,821	142,137	445,531	94,497	
Lease Liabilities	10,360,968	2,785	16,711	19,496	47,349	86,341	86,341	259,024	259,024	259,024	1,036,097	1,036,097	2,072,194	5,180,485	
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred tax liabilities - net	9,830,548	(16,806)	(117,643)	(235,287)	(151,256)	(835,310)	(623,454)	207,520	425,103	376,231	2,144,367	900,554	2,748,609	4,907,920	
Other liabilities	67,955,110	1,594,226	9,565,354	11,159,580	27,101,836	1,515,336	1,322,373	1,388,314	1,320,577	1,320,245	5,283,659	1,162,175	1,491,839	3,729,596	
	2,653,067,488	1,747,301,797	28,448,155	28,373,064	428,454,190	24,784,648	74,087,462	133,944,451	43,175,574	9,498,149	16,238,630	9,919,552	17,446,541	21,395,075	
<b>Net assets</b>	<b>233,901,201</b>	<b>(1,493,202,165)</b>	<b>204,207,340</b>	<b>(8,859,867)</b>	<b>(188,813,500)</b>	<b>128,344,559</b>	<b>32,989,479</b>	<b>141,622,228</b>	<b>113,672,991</b>	<b>323,645,068</b>	<b>288,726,531</b>	<b>149,463,235</b>	<b>337,691,795</b>	<b>206,415,507</b>	
Share capital	11,450,739	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reserves	42,460,536	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unappropriated profit	56,628,460	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus on revaluation of assets - net of tax	123,361,466	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>233,901,201</b>														



# Notes to the Unconsolidated Financial Statements

for the year ended December 31, 2024

## 44.5 Derivative Risk

Market & Liquidity Risk Division under Risk Management Group is responsible for assessing and monitoring the derivative risk emanating from Bank's exposures.

The Bank buys and sells derivative instruments, for hedging and market making purposes, such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

The Bank's Risk Management Group, Asset and Liability Committee (ALCO) and Board Risk Management Committee monitor the derivative risk and utilize Off-Balance Sheet gap analysis to implement prudent asset liability management of the Bank's derivative exposures.

## 45 NON ADJUSTING EVENT AFTER THE REPORTING DATE

**45.1** The Board of Directors of the Bank in its meeting held on February 04, 2025 has proposed a final cash dividend in respect of 2024 of Rs. 4.00 per share (2023: cash dividend Rs. 4.00 per share). This appropriation will be approved in the forthcoming Annual General Meeting. The unconsolidated financial statements of the Bank for the year ended December 31, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

## 46 GENERAL

**46.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

**46.2** Corresponding figures have been rearranged, reclassified or additionally incorporated where considered necessary, for the purpose of better presentation.

## 47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 04, 2025 by the Board of Directors of the Bank.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Annexure I

### STATEMENT SHOWING WRITTEN OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF FIVE HUNDRED THOUSAND OR ABOVE FROM (JANUARY 1, 2024 TO DECEMBER 31, 2024)

Sl. No.	NAME AND ADDRESS OF BORROWER	NAME OF DIRECTORS	NIC NOS.	FATHER'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE PERIOD				TOTAL	PRINCIPAL WRITTEN-OFF	INTEREST/MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL 9+10+11
					PRINCIPAL	INTEREST/MARK-UP	OTHER	TOTAL					
1	MUHAMMAD UMER NAREJO Den 125 Village Muhammad Umer Narejo Taluka Mirpur Khas Sindh.	Muhammad Umer Narejo	44 103-5772165-7	Khan Mohammad Narejo	5	6	7	8	9	10	11	12	
1	MUHAMMAD SHAFAQE Hno.332/ Mohalla Fatehabad Chiniot	Muhammad Shafaqe	33201-8782481-1	Maqbool Ahmad Makhmola	1,350	0.301	1,378	3,029	-	0.301	1,378	1,679	
2	AHMED KARWAN STORE Saddique Road Mohallah Isampur Jalalpur Bhattian Hafizabad.	Khalid Hussain	34302-3126881-3	Ahmad Ali	2,000	0.519	0.823	3,342	-	-	0.706	0.706	
3	AGSA RICE MILLS Near Sher Gairi Road Rerela Khurd Distt. Okara	Ch. Attab Ahmed Ch. Mehtab Ahmad Mst. Sardarjan Bibi	35103-1339883-3 35103-1339882-9 35103-8368144-0	Muhammad Rafique	1,000	-	0.885	1,885	-	-	0.785	0.785	
4	ATAS PAPERS PVT LTD 16 K. M Lahore - Shekhupura Road	Malik Muzammal Ahmed Abida Mubashir	35202-8108125-3 35202-9995870-8	Malik Abdul Majeed Malik Mubashir	3,974	0.638	2,343	6,955	-	-	1,866	1,866	
5	ALLAHWALA AUTOS Shop No 3 Nimra Corner Rinchore Line M.A. Jinnah Road Karachi	Muhammad Shahid	42301-7797515-9	Shahab Ud Din	9,185	1,052	6,718	16,955	-	-	5,884	5,884	
6	MASROOR CORPORATION COMMISSION AGENTS Grain Market Haroon Abad	Asif Nadeem	31104-1675219-7	Taqi Muhammad	1,100	0.745	1,473	3,318	-	-	1,473	1,473	
7	KHAN RICE AND EXPORT PROCESSING Muzaffar Garh Road Ahmed Pur Sial Jhang	1)Kishwar Iftikhar 2) Mukhtar Ahmed Khan	1) 33202-120017-8 2) 33202-184173-7	1)Iftikhar Ahmed Khan 2)Ahmed Khan	1,828	0.322	0.798	2,948	-	-	0.576	0.576	
8	DIAMOND RICE MILLS Chak No 38/D Peer Di Hatti Depalpur Road Depalpur Hafizabad	Muhammad Ishaq Zeesan Ishaq	35302-1914974-3 35302-2168366-1	Muhammad Khairat Muhammad Ishaq	52,000	7,565	25,861	85,426	-	2,803	25,975	28,778	
9	WASDEV House No. 54 55 Gali Muhalla Anaj Mandi Sharadpur	Wasdev	44204-2300158-3	Shankar Das	20,000	3,281	8,437	31,718	-	-	7,926	7,926	
10	AJ PACHKAGING Mafir Township Karachi	Muhammad Anwar Jalli	42201-5394485-3	Muhammad Shamsul Huda	0,444	0,106	0,657	1,207	-	-	0,591	0,591	
11	MIAN MUHAMMAD UMAR MARRAL Saddique Masjid House No.2-A/EX Muhallian New Gulgahti Colony Multan.	Mian Muhammad Umair Marral	36302-3451121-5	Muhammad Ejaz Hussain	1,826	0,725	1,047	4,254	-	-	0,961	0,961	
12	YARF MUHAMMAD Kumbhar Mohalla Ward 74 Khyro Sanghar.	Yar Muhammad	44103-6692435-5	Muhammad Raahim	0,639	0,294	0,751	1,684	-	0,013	0,751	0,764	
13	M/S PAKISTAN CLOTH HOUSE Short Bazar Kharwal.	1. Muhammad Sardar 2. Abdul Razaq	36102-3928784-1 36102-9705910-9	Sher Muhammad	0,374	0,050	1,113	1,537	-	-	0,907	0,907	
14	LAL DIN MILATIE CO Grain Market Haroonabad	Muhammad Latif Tanveer Ahmed Ghouri	31104-4511974-1 36302-5987125-3	Lal Din Iftikhar Ud Din	4,215	-	5,570	9,785	-	-	4,385	4,385	
15	ALFARWISYA & FRANKA MUHAMMAD HAVAT PO Bahadri Stagebad	Alihan Wasaya Rana Muhammad Hayat	32304-0543235-9 36304-6171905-9	Muhammad Yar	1,161	1,002	0,774	2,937	-	-	0,524	0,524	
16	SADIQ POULTRY FARMS (PVT) LTD 32-A Near Ashi Masjid Sattelite Town Rawalpindi	1.Mrs. Sadia Sadq 2.M. Saad Sadq	1.37405-477435-6 2.37405-1930007-9	1.M.Sadq 2.M.Sadq	149,398	19,032	-	168,430	-	19,032	-	19,032	
17	SADIQ FEEDS (PVT) LTD 32-A Near Ashi Masjid Sattelite Town Rawalpindi	1.Mrs. Sadia Sadq 2.Muhammad Ansal	1.37405-477435-6 2.37405-210672-3	1.Muhammad Sadq 2.Nayer Odayyurn	156,353	7,113	-	163,466	-	7,113	-	7,113	
18	SADIQ POULTRY (PVT) LTD 48-C Sattelite town Rawalpindi	1.Ms Aisha Btaji 2.Mr.Saiman Sadq 3.Asr Zubair Sadq 4.Faheeda Begum	1.61101-1650422-0 2.61101-1926945-1 3.61101-1926942-9 4.61101-1650431-8	1.M. Sadq 2.M.Sadq 3.M.Sadq 4.M.Sadq	99,123	-	-	99,123	-	-	-	-	

Amount in Million

## ISLAMIC BANKING BUSINESS

The Bank is operating with 160 (December 31, 2023: 127) Islamic Banking Branches and 308 (December 31, 2023: 162) Islamic Banking Windows at the end of the year.

## Statement of Financial Position

As at December 31, 2024

Amount in Million

Sr. No.	NAME AND ADDRESS OF BORROWER	NAME OF INDIVIDUALS/PARTNERS/DIRECTORS			FATHER'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE PERIOD				INTEREST/MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL 9+10-11
		NAME OF DIRECTORS	NIC NOS.				PRINCIPAL	INTEREST/MARK-UP	OTHER			
1	2	3	4	5	6	7	8	9	10	11	12	
20	HAJI MEHDI HASSAN & SONS Plot No. 199 Timber Market, Multan.	Muhammad Saleem Shehzad Saleem Nasir	36302-0322283-9 36302-3183045-3	Haji Mehd Hassan	0.929	0.982	2.083	-	-	0.594	0.594	
21	MUHAMMAD YOUNAS TRACTOR HOUSE Model Colony Mariani Road Nawabshah	Muhammad Younis	45402-0864134-9	Gohar Ali	0.899	0.885	1.472	-	-	0.517	0.517	
22	FAQER TRADERS Gohar Shah Colony Dairhaki	Alah Dinho	45101-0058483-1	Haji Khetho Mehar	1.758	4.878	7.014	-	0.296	4.846	5.142	
23	M/S TANVEER TRADERS GOVT CONT & COMMIS- SION AGENT House No.332 Jinnah Colony Bahawalnagar.	Malik Tanveer Hussain Mst. Ghazala Tanveer	31101-1825080-3 31101-1567377-4	Ghulam Hussain Malik Tanveer Hussain	3.799	4.463	9.147	-	-	3.263	3.263	
24	M/S AKRAM CORPORATION House No.59 Street No.6 Block -1 Khanewal	Muhammad Akram	36103-528976-5	Shoukat Ali	0.597	1.800	2.416	-	-	1.617	1.617	
25	M/S MALIK TRADING COMPANY House No.332 Jinnah Colony Bahawalnagar.	Waqas Tanveer Ghazala Tanveer	31101-1196596-1 31101-1567377-4	Malik Tanveer Hussain	3.528	3.380	7.332	-	-	2.208	2.208	
26	STARRIC INTERNATIONAL LTD 18-D West, Mushuq Mansion Blue Area Isd	1.M. Nadeem Khan 2. Osama Nadeem Khan 3.Sadia Nadeem 4.Fresham Jari 5.Sana Khatunam	1.37405-188134-3 2.61101-1937592-7 3.61101-1830282-4 4.37405-0358711-4 5.61101-1818535-8	1.M.Ameen Khan 2.M.Nadeem Khan 3.M.Nadeem Khan 4.Ameen Mungil 5.Khuram Sarfrazad	-	2.087	2.087	-	-	0.937	0.937	
27	SHAZIA ASLAM H No 10 St No 1 Behlwan Park Amr Road Lahore	Shazia Aslam	35302-5236498-2	Aslam	1.092	1.491	3.162	-	1.383	0.040	1.423	
28	BONY INDUSTRY House No.48 Quaid-E-Azam Road Cantt	Zahid Majeed Khan	34603-2308934-1	Imtiaz Majeed Khan	4.338	7.553	12.245	-	-	7.244	7.244	
29	M/S INTERNATIONAL TRADERS House No.23 Block-E Chishtian.	Ch. Muhammad Azeel Ashraf	31102-4798586-1	Ch. Muhammad Ashraf	1.169	2.198	3.487	-	-	1.738	1.738	
30	M/S IQBAL RICE MILLS & ALLIED INDUSTRIES House No. 1314 Bakda Colony Haroon Abad.	Babar Iqbal Awi	31104-1693315-3	Muhammad Iqbal Awi	2.203	3.241	5.444	-	-	2.694	2.694	
31	M/S BISMILLAH TRADERS AND M/S MUBARRIK ALI House No. 119 Wiliyat Abad No.2 Multan.	Mubarrak Ali	36302-0398946-1	Abdul Rashid	0.009	14.987	15.190	-	-	12.190	12.190	
32	M/S MUHAMMAD SHAFIQ SHAHID Shop No.62 Gran Market Okara.	Muhammad Shafiq Shahid	35302-5970665-9	Saudar Muhammad	3.695	3.301	8.342	-	-	3.147	3.147	
33	RIZWAN TRADERS Near Pco Depot Multan Road Vehari	Rizwan Shaukat	36603-2132791-1	Sahukat Ali	0.700	0.758	1.458	-	-	0.508	0.508	
34	M/S SAJWA TRADERS House No.38 F Block, Vehari.	Muhammad Yousef	36603-4522336-7	Mushtaq Ahmed	2.499	2.361	5.211	-	0.050	2.361	2.411	
35	ZAFAR HAYYAT Chek No.82 No Po Ihas Tehsil Sargodha	Zafar Hayyat	38403-9743136-7	Muhammad Balish	1.843	1.003	5.393	-	0.577	-	0.577	
36	MADNI MASOOD MOTORS House No.6 Near Dubai Palace Mouza Dera Izzat Bahawalpur.	Ghulam Madohi Masood	31202-1165537-1	Muhammad Balish	2.782	2.563	6.327	-	-	1.656	1.656	
					540,602	117,031	709,396		31,568	102,005	133,573	

Note December 31, December 31,  
2024 2023  
Rupees in '000

## ASSETS

Cash and balances with treasury banks	10,380,917	7,728,461
Balances with other banks	261,329	253,054
Due from financial institutions	1	-
Investments	2	105,193,809
Islamic financing and related assets - net	3	32,129,690
Property and equipment		2,034,377
Right-of-use assets		1,084,789
Intangible assets		118
Due from Head Office	4	-
Other assets		4,504,888
<b>Total Assets</b>	<b>155,589,917</b>	<b>132,474,094</b>

## LIABILITIES

Bills payable	525,569	363,436
Due to financial institutions	9,329,144	17,276,361
Deposits and other accounts	5	109,842,436
Due to Head Office	4	7,565,690
Lease liabilities		1,393,192
Subordinated debt		-
Other liabilities		1,421,579
	<b>130,077,610</b>	<b>117,440,214</b>
<b>NET ASSETS</b>	<b>25,512,307</b>	<b>15,033,880</b>

## REPRESENTED BY

Islamic Banking Fund	4,100,000	4,100,000
Reserves	-	-
Surplus on revaluation of assets	2,246,873	351,709
Unappropriated profit	7	19,165,434
	<b>25,512,307</b>	<b>15,033,880</b>

## CONTINGENCIES AND COMMITMENTS

8



# ISLAMIC BANKING BUSINESS

## Annexure II

### Profit and Loss Account

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
Profit / return earned	9	23,681,640	19,720,920
Profit / return expensed	10	12,557,548	11,159,872
Net Profit / return		11,124,092	8,561,048
<b>OTHER INCOME</b>			
Fee and commission income		616,308	440,191
Dividend income		-	-
Foreign Exchange Income		77,944	194,686
Gain / (loss) on securities		4,472	15
Other Income		11,868	32,940
Total other income		710,592	667,832
<b>TOTAL INCOME</b>		<b>11,834,684</b>	<b>9,228,880</b>
<b>OTHER EXPENSES</b>			
Operating expenses		2,482,260	1,842,144
Workers welfare fund		-	-
Other charges		359	269
Total other expenses		2,482,619	1,842,413
<b>PROFIT BEFORE CREDIT LOSS ALLOWANCE HELD</b>		<b>9,352,065</b>	<b>7,386,467</b>
Credit loss allowance and write offs - net		564,660	3,451
<b>PROFIT BEFORE TAXATION</b>		<b>8,787,405</b>	<b>7,383,016</b>
Taxation		-	-
<b>PROFIT AFTER TAXATION</b>		<b>8,787,405</b>	<b>7,383,016</b>

# ISLAMIC BANKING BUSINESS

## Notes to the Annexure II

for the year ended December 31, 2024

	December 31, 2024			December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
<b>1 DUE FROM FINANCIAL INSTITUTIONS</b>						
Secured	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	-	-	-
Bai Mujjal Receivable from State Bank of Pakistan	-	-	-	-	-	-
Musharaka Lending	-	-	-	-	-	-
Less: Credit loss allowance						
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Due from financial institutions - net of credit loss allowance	-	-	-	-	-	-

	December 31, 2024				December 31, 2023			
	Cost/ Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost/ Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
<b>2 INVESTMENTS BY SEGMENTS</b>								
<b>Debt Instruments</b>								
<b>Classified at FVOCI</b>								
Federal Government Securities:								
-Ijarah Sukuks	91,102,262	-	1,639,880	92,742,142	24,141,346	-	273,079	24,414,425
-Islamic Naya Pakistan Certificate	1,086,092	(31,880)	31,880	1,086,092	1,555,196	-	-	1,555,196
<b>Non Government Debt Securities</b>	<b>11,295,339</b>	<b>(435,534)</b>	<b>505,770</b>	<b>11,365,575</b>	<b>12,381,149</b>	<b>-</b>	<b>9,287</b>	<b>12,390,436</b>
<b>Total Investments</b>	<b>103,483,693</b>	<b>(467,414)</b>	<b>2,177,530</b>	<b>105,193,809</b>	<b>38,077,691</b>	<b>-</b>	<b>282,366</b>	<b>38,360,057</b>

	December 31, 2024				December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Particulars of credit loss allowance</b>								
Federal Government securities	-	31,880	-	31,880	-	-	-	-
Non Government debt securities	479	-	435,055	435,534	-	-	-	-
	479	31,880	435,055	467,414	-	-	-	-

## ISLAMIC BANKING BUSINESS

### Notes to the Annexure II

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>3 ISLAMIC FINANCING AND RELATED ASSETS</b>			
Ijarah Financing	3.1	234,787	344,512
Advance Against Ijarah		26,130	-
Murabaha Financing	3.2	262,826	155,607
Diminishing Musharakah		13,924,597	14,886,737
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy		938,123	466,733
Advance Against Diminishing Musharakah		1,495,272	42,130
Business Musharakah Financing		8,939,893	59,298,890
Business Musharakah - Islamic Export Re-Finance		1,388,000	1,230,000
Istisna - Financing Under Islamic Export Re-Finance		-	407,268
Istisna Inventory		70,000	-
Advance Against Istisna		2,999,858	-
Advance Against Istisna - Financing Under Islamic Export Re-Finance		930,000	1,200,000
Musawamah Financing		25,768	136,708
Advance Against Musawamah		-	42,147
Salam Financing		86,869	40,933
Advance Against Salam		32,827	127,474
Ijarah Financing - Staff		704,990	677,652
Diminishing Musharakah Financing - Staff		174,904	442,928
Advance Against Ijarah - Staff		97,731	83,114
Advance Against Diminishing Musharakah - Staff		64,555	44,877
		32,397,130	79,627,710
<b>Gross Islamic financing and related assets</b>			
- Stage 1		55,644	-
- Stage 2		10,048	-
- Stage 3		201,748	-
		267,440	-
Less: provision against Islamic financings			
- Specific		-	5,729
- General		-	1,609
		-	7,338
<b>Islamic financing and related assets - net of credit loss allowance</b>		<b>32,129,690</b>	<b>79,620,372</b>

## ISLAMIC BANKING BUSINESS

### Notes to the Annexure II

for the year ended December 31, 2024

		December 31, 2024							
		Cost			Accumulated Depreciation			Book Value	
		As at Jan 01, 2024	Additions / (deletions)	As at Dec 31, 2024	As at Jan 01, 2024	Charge for the year / Adjustment	As at Dec 31, 2024	as at 31 Dec 2024	
Rupees in '000									
<b>3.1 Ijarah</b>									
Vehicles		541,094	(103,316)	437,778	196,582	6,410	202,992	234,786	
Equipment		22,230	(22,230)	-	22,230	(22,230)	-	-	
<b>Total</b>		<b>563,324</b>	<b>(125,546)</b>	<b>437,778</b>	<b>218,812</b>	<b>(15,820)</b>	<b>202,992</b>	<b>234,786</b>	
December 31, 2023									
		Cost			Accumulated Depreciation			Book Value	
		As at Jan 01, 2023	Additions / (deletions)	As at Dec 31, 2023	As at Jan 01, 2023	Charge for the year	As at Dec 31, 2023	as at 31 Dec 2023	
Rupees in '000									
Vehicles		751,862	(210,768)	541,094	174,549	22,033	196,582	344,512	
Equipment		22,230	-	22,230	15,224	7,006	22,230	-	
<b>Total</b>		<b>774,092</b>	<b>(210,768)</b>	<b>563,324</b>	<b>189,773</b>	<b>29,039</b>	<b>218,812</b>	<b>344,512</b>	
December 31, 2024									
		December 31, 2024				December 31, 2023			
		Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
Rupees in '000									
<b>3.1.1</b>	Future Ijarah payments receivable								
	Ijarah rental receivables	96,893	137,135	759	234,787	125,726	218,786	-	344,512
Note December 31, 2024 December 31, 2023									
Rupees in '000									
<b>3.2 Murabaha</b>									
Murabaha financing	3.2.1	262,826							158,542
Inventory for Murabaha		-							-
Advances for Murabaha		-							-
		262,826							158,542
<b>3.2.1</b>	Murabaha receivable - gross	3.2.2	262,826						158,542
	Less: Deferred murabaha income	3.2.4	-						(2,935)
	Profit receivable shown in other assets		-						-
	<b>Murabaha financings</b>		<b>262,826</b>						<b>155,607</b>
<b>3.2.2</b>	<b>The movement in Murabaha financing during the year is as follows:</b>								
	Opening balance		158,542						661,318
	Sales during the year		104,284						376,256
	Adjusted during the year		-						(879,032)
	<b>Closing balance</b>		<b>262,826</b>						<b>158,542</b>
<b>3.2.3</b>	Murabaha sale price		104,284						376,256
	Murabaha purchase price		(97,158)						(350,103)
			7,126						26,153

## ISLAMIC BANKING BUSINESS

### Notes to the Annexure II

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Rupees in '000	

<b>3.2.4</b> Deferred Murabaha income		
Opening balance	2,935	17,944
Arising during the year	3.2.3 7,126	26,153
Less: Recognised during the year	(10,061)	(41,162)
Closing balance	-	2,935

#### 4 DUE FROM AND (DUE TO) HEAD OFFICE

Pak Account Daily settlement with Head Office	7,565,690	(427,931)
---	-----------	-----------

	December 31, 2024			December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					

#### 5 DEPOSITS

##### Customers

Current deposits	30,616,945	980,018	31,596,963	20,495,221	980,018	21,475,239
Savings deposits	32,663,041	367,990	33,031,031	26,716,291	367,991	27,084,282
Term deposits	5,123,154	28,186	5,151,340	4,675,610	28,186	4,703,796
Others	3,104,793	-	3,104,793	2,664,074	-	2,664,074
	71,507,933	1,376,194	72,884,127	54,551,196	1,376,195	55,927,391

##### Financial Institutions

Current deposits	279,843	-	279,843	459,525	-	459,525
Savings deposits	36,678,466	-	36,678,466	38,946,689	-	38,946,689
Term deposits	-	-	-	-	-	-
Others	-	-	-	-	-	-
	36,958,309	-	36,958,309	39,406,214	-	39,406,214
	108,466,242	1,376,194	109,842,436	93,957,410	1,376,195	95,333,605

	December 31, 2024	December 31, 2023
	Rupees in '000	

#### 5.1 Composition of deposits

- Individuals	41,467,684	29,252,546
- Government	3,522,537	7,324,434
- Public Sector Entities	29,653	155,559
- Banking Companies	88,460	4,940
- Non-Banking Financial Institutions	36,874,818	39,416,361
- Private Sector	27,859,284	19,179,765
	109,842,436	95,333,605

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 59,471 million. (2023: 41,639 million)

## ISLAMIC BANKING BUSINESS

### Notes to the Annexure II

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Rupees in '000	

#### 6 CHARITY FUND

Opening Balance	1,000	828
Additions during the period:		
Received from customers on account of delayed payment	3,037	3,653
Dividend purification amount	-	-
Other Non-Shariah compliant income	-	-
Profit on charity saving account	580	506
Others	-	13
	3,617	4,172
Payments and utilization during the period:		
Education	-	-
Health	2,200	1,500
Others	1,000	2,500
	3,200	4,000
Closing Balance	1,417	1,000

#### 6.1 During the year charity exceeding Rs 0.5 million

Akhuwat Islamic Microfinance	1,000	2,000
Sundas Foundation	800	1,000
Shaukat Khanum Memorial Cancer Hospital	700	-
Indus Hospital & Health Network	700	-
	3,200	3,000

#### 6.2 During the year charity to related party is Nil. (2023: Nil)

#### 7 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT

Opening Balance	10,582,171	3,199,155
ECL Adjustment as per IFRS-9	(204,142)	-
Add: Islamic Banking profit for the period	8,787,405	7,383,016
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	19,165,434	10,582,171

#### 8 CONTINGENCIES AND COMMITMENTS

-Guarantees	2,524,208	2,278,575
-Commitments	1,731,139	2,989,376
-Other contingent liabilities	3,556,631	716,164
	7,811,978	5,984,115

#### 9 PROFIT/RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS

Profit earned on:		
Financings	13,755,517	13,534,311
Investments	9,731,320	6,042,279
Placements	194,803	144,330
	23,681,640	19,720,920

9.1 Profit / return has been calculated as per Islamic Financial Accounting Standards (IFAS). However, profit / return would be increased by Rs. 203 million if it would have been calculated under IFRS 9 requirements.

	December 31, 2024	December 31, 2023
	Rupees in '000	

#### 10 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts	9,627,355	8,763,328
Due to Financial Institutions	2,741,149	2,253,852
Other Expenses (IFRS-16)	189,044	142,692
	12,557,548	11,159,872

# ISLAMIC BANKING BUSINESS

## Notes to the Annexure II

for the year ended December 31, 2024

### 11 POOL MANAGEMENT

Allied Bank Limited – Islamic Banking is maintaining general and specific pools for depositors on Mudarabah basis, and Financial Institution pools are maintained for interbank funds on Musharakah / Mudarabah basis.

- 1- General Pool for Local Currency Depositors (Mudarabah)
- 2- General Pool for Foreign Currency (US\$, Great Britain Pound and EURO) depositors (Mudarabah)
- 3- Specific Pools (Mudarabah)
- 4- Treasury related FI Pools (Mudarabah, Musharakah)
- 5- Islamic Export Refinance Pool (Musharakah)
- 6- Equity Pool (Mudarabah)
- 7- Charity Pool (Mudarabah)

#### 1- General Pool for Local Currency Depositors (Mudarabah)

Funds generated from the general depositors are invested in different assets under this pool category. The Bank acts as Manager (Mudarib) and accepts funds in local currency from general depositors (Rab-ul-Maal) on the principals of Mudarabah and invests the same in Shariah compliant modes of financings, investments and placements. Bank as a manager of this pool, can add amend and transfer an asset to any other pool in the interest of the depositors. As required under regulatory instructions, SBP funds obtained under it's various schemes are also made part of the general pool. Further, the Bank may also commingle its own equity in this pool.

The profit of General Pool is calculated after deducting the directly incurred expenses, if any, from the income earned on all the remunerative assets managed by the pool. No provision against any non-performing asset of the pool are passed on to the pool except on the actual loss / write-off of such non-performing asset as per SBP guidelines. The profit of the pool is shared between equity and other members of the pool at gross level (before charging of mudarib fee) as per the investment ratios. After charging of agreed mudarib fee, The profit of the pool is shared among the members of the pool on profit weightages i.e. announced before start of profit calculation period.

#### 2- General Pool for Foreign Currency (US\$, Great Britain Pound and EURO) depositors (Mudarabah)

ABL Islamic is maintaining foreign currency pools for customers maintaining Mudarabah based deposit in US\$, Great Britain Pound and EURO currencies. The objective of these pools are to effectively manage the FCY deposits of customers to earn and distribute returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency assets.

#### 3- Specific Pools (Mudarabah)

Specific pool(s) are created where the customers desire to invest in high yielding assets. Profit rates of these pool(s) are usually different from the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the Special pool members. The distributable profit is calculated as direct costs from the gross return earned on the pool. From the net return, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. Specific pool deposits are invested in assets yielding relatively higher rate of return, as relative high risk investments are involved in these pools, hence bearing relative more risk than the general pool depositors.

#### 4- Treasury related FI Pools (Mudarabah, Musharakah)

Treasury Pools are generally created, to meet the liquidity requirements of the Bank, on the basis of Musharakah, Mudarabah, wherein Allied Bank Limited-Islamic Banking Group and Financial Institutions share actual return earned by the pool according to pre-defined profit sharing ratio. The FI pool assets generally comprise of sukuks and financings under business Musharakah and diminishing Musharakah modes.

#### 5- Islamic Export Refinance Pool (Musharkah)

Islamic Export Refinance Pool is created with SBP, to manage export refinance customers, on the basis of Musharakah, IERS Pool generally comprises of blue chip companies and exporters as allowed under the applicable rules and regulations of the scheme.

#### 6- Equity Pool

Funds from banks own sources and current deposit (Qard basis) from customers are tagged to this pool, all fixed assets, subsidized financing to the Bank's employees are part of the equity pool. further, all admin costs and cost of assets such as land, building, furniture, fixtures, computers and Information Technology system are born by bank through equity pool.

#### 7- Charity Pool (Mudarabah)

Funds from charity collection on delayed payments from customers etc. are tagged to this pool. Gross Income, after deducting Bank's equity share, is distributed to charity account without charging any mudarib fee.

# ISLAMIC BANKING BUSINESS

## Notes to the Annexure II

for the year ended December 31, 2024

#### Parameters associated with risk and rewards:

The risk & reward characteristics of each pool mainly depends on the assets and liability profile of each pool.

Following are the considerations attached with risk & reward of Modaraba based pools:

#### RISK:

- Period, rate of return, security and liquidity of investment.
- Risk annexed to investments and financings tagged to pools
- Market volatility risk relates to the current and future volatility of market values of specific assets and of foreign exchange rates.
- Change in deposit base due to early withdrawals of deposits
- Maturity mismatch of assets and deposits
- Limited avenues for Liquidity deployment, may decline profit earning rates
- SBP rules, guidelines
- Sharia Non compliance risk

#### REWARDS:

- Shariah compliant Halal Profit earnings.
- Profit distribution according to predetermined weightages / PSR.
- Sharing of gross profit after direct expenses related to pool, bank bears admin cost.
- Investments risk mitigation through Portfolio management.
- Transparency through regulator's control and periodic audits.
- Profit equalization reserve and Investment risk reserve to stream line profits.
- Mitigation of Shariah Non compliance risk through Shariah reviews and Shariah audits.

The deposits and funds accepted under the above mentioned pools are invested in diversified sectors and avenues of the economy and business along with investment in Government of Pakistan backed Ijarah Sukuks and other Shariah Compliant assets.

	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>11.1 Avenues and sectors where Mudarabah/Musharakah based funds have been deployed;</b>		
Production & Transmission of Energy	9,859,864	8,884,498
Manufacturing of Miscellaneous Plastic Products	70,000	179,694
Chemicals & Allied Products	10,368,070	5,734,563
Petroleum and Gas	390,625	453,125
Leather / Leather products	-	300,000
Financial Institutions	387,173	340,031
Agriculture & Food Products	2,026,224	55,091,376
Transportation & Logistics	319,768	300,182
Metal products - Steel Foundries	262,825	155,606
Cement	1,000,000	1,000,000
Textile - Knitting	212,500	404,880
Textile - Ginning	1,390,782	44,235
Textile - Spinning	19,036	-
Retail Chain	-	50,000
Communication	3,267,487	3,249,738
Construction & real estate	4,715	968,840
Rice Processing	930,000	-
Shipping Companies	505,115	688,795
Others	1,382,946	1,782,147
<b>Total Gross Financing and Related Assets</b>	<b>32,397,130</b>	<b>79,627,710</b>
GOP Ijarah Sukuks	92,742,143	24,414,711
GOP - Islamic Naya Pakistan Certificates	1,086,093	1,555,196
Power and Energy Generation	9,560,259	10,469,000
Financial Institutions	1,179,889	1,195,000
Chemicals	-	386,150
Hotel Business	293,344	340,000
Steel Processing	332,081	-
<b>Total Investments and Placements</b>	<b>105,193,809</b>	<b>38,360,057</b>
<b>Total Invested Funds</b>	<b>137,590,939</b>	<b>117,987,767</b>

## ISLAMIC BANKING BUSINESS

### Notes to the Annexure II

for the year ended December 31, 2024

#### 11.2 Profit and (loss) distribution to mudaraba based depositor's pool

Remunerative Depositor's Pool	No of Pools maintained during 2024	Profit rate and weightage announcement period	Mudarib share Percentage of Distributable income	Mudarib share Amount	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba	Profit rate return earned on earning assets	Profit rate return distributed to remunerative deposits
Rupees in '000'								
General Pool	1	Monthly	50.00%	4,907,929	39.91%	1,958,571	20.02%	13.31%
Foreign Currency Pool - USD	1	Monthly	99.00%	25,986	0.44%	113.71	7.36%	0.10%
Foreign Currency Pool - GBP	1	Monthly	99.00%	490	0.98%	4.78	5.25%	0.10%
Foreign Currency Pool - EUR	1	Monthly	99.00%	850	0.00%	-	20.08%	0.19%
Charity Pool	1	Monthly	0.00%	-	0.00%	-	20.02%	20.02%
Specific pools for interbank, Investment certificates and remunerative accounts	1	Monthly	15.69%	481,519	25.28%	121,712	19.84%	16.44%

#### 11.3 Profit and (loss) distribution to Musharkah Based pools

Pools	Profit rate and weightage announcement period	Average rate of return earned	Average PSR to Musharkah Partner	Average rate of return distributed to fund provider
Islamic Export Refinance (IERS) Musharka Pool	1	Monthly	20.17%	27.51%
InterBank Musharka Pools	587	As required	19.30%	94.19%

\*Profit sharing ratios varies from month on month and case to case basis

## Details of Disposal of Fixed Assets to Related Parties

for the year ended December 31, 2024

### Annexure III

The particulars of disposal of fixed assets to related parties are given below:

Description	Original Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of Disposal	Particulars of purchaser
Rupees in '000						
Electrical and Computer Equipments						
	326	326	-	33	As Per Bank Policy	Aizid Gill CEO
	354	354	-	35	As Per Bank Policy	Aizid Gill CEO
	519	519	-	52	As Per Bank Policy	Aizid Gill CEO
	903	863	39	90	As Per Bank Policy	Aizid Gill CEO
	250	250	-	25	As Per Bank Policy	Tariq Mehmood
	459	459	-	46	As Per Bank Policy	Nauman ul Haq
	475	475	-	48	As Per Bank Policy	Atif Mirza
	380	380	-	38	As Per Bank Policy	Asif Bashir
	75	75	-	8	As Per Bank Policy	Nauman ul Haq
	58	58	-	6	As Per Bank Policy	Tariq Mehmood
	375	375	-	37	As Per Bank Policy	Shahid Amir
	249	249	-	25	As Per Bank Policy	Shahid Amir
	475	475	-	48	As Per Bank Policy	Shahid Amir
	75	75	-	8	As Per Bank Policy	Shaffa Hussain
	475	475	-	48	As Per Bank Policy	Shaffa Hussain
	427	427	-	43	As Per Bank Policy	Shaffa Hussain
	30	30	-	3	As Per Bank Policy	Shaffa Hussain
	30	30	-	3	As Per Bank Policy	Shaffa Hussain
	124	124	-	12	As Per Bank Policy	Shaffa Hussain
	500	500	-	50	As Per Bank Policy	Jamil Khan
	327	327	-	33	As Per Bank Policy	Abid Anwar
	468	468	-	47	As Per Bank Policy	Ahmad Faheem
	<b>7,353</b>	<b>7,314</b>	<b>39</b>	<b>735</b>		

\*They are Key Management Personnel of the Bank.



CONSOLIDATED  
FINANCIAL STATEMENTS  
**FOR THE YEAR ENDED  
DECEMBER 31, 2024**

## Directors' Report on Consolidated Financial Statements

For the year ended December 31, 2024

On behalf of the Board of Directors, we are pleased to present the consolidated Annual Report of Allied Bank Limited (holding company), ABL Asset Management Company Limited (subsidiary company) and ABL Exchange Private Limited (subsidiary company) for the year ended December 31, 2024.

The operating results and appropriations, as recommended by the Board of Directors are included in the appended table:

	Year ended December 31,		
	2024	2023	Growth
	Rs. In Million		%
<b>Profit after tax for the year</b>	44,389	41,301	7
Accumulated profits brought forward	103,792	82,059	26
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	3	1	200
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	221	69	220
Transfer of surplus on account of disposal of equity investments - net of tax	1,330	-	100
Re-measurement on defined benefit obligation – net of tax	601	488	23
<b>Profit available for appropriation</b>	<b>150,336</b>	<b>123,918</b>	<b>21</b>
Final cash dividend for the year ended December 31, 2023: Rs. 4.00 per share (2023: Year ended December 3, 2022: Rs. 2.50 per share)	(4,580)	(2,863)	60
First interim cash dividend for the year ended at December 31, 2024: Rs. 4.00 per share (2023: year ended December 31, 2023: Rs. 2.50 per share)	(4,580)	(2,863)	60
Second interim cash dividend for the year ended at December 31, 2024: Rs. 4.00 per share (2023: year ended December 31, 2023: Rs. 2.50 per share)	(4,580)	(2,863)	60
Third interim cash dividend for the year ended December 31, 2024: Rs. 4.00 per share (2023: year ended December 31, 2023: Rs. 3.00 per share)	(4,580)	(3,434)	33
Transfer to Statutory Reserves	(4,312)	(4,068)	6
<b>Accumulated profits carried forward</b>	<b>127,704</b>	<b>107,827</b>	<b>18</b>
<b>Earnings Per Share (EPS) (Rs.)</b>	<b>38.77</b>	<b>36.07</b>	<b>7</b>

### Pattern of shareholding

Pattern of Shareholding as at December 31, 2024 is included in the Annual Report.

For and on behalf of the board

**Azid Razaq Gill**  
Chief Executive Officer

**Mohammad Naeem Mukhtar**  
Chairman Board of Directors

Lahore  
Dated: February 04, 2025

## Independent Auditor's Report To the members of Allied Bank Limited Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the annexed consolidated financial statements of Allied Bank Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated profit and loss account, 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 material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

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

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 Matter:

Key Audit Matter	How the matter was addressed in our audit
<p><b>1. Expected credit loss against advances</b></p> <p>As disclosed in Note 9 to the consolidated financial statements, the Group's advances represent 37.26% of its total assets as of 31 December 2024.</p> <p>During the year, the Group has adopted IFRS 9 - "Financial Instruments" (as applicable in Pakistan), which requires a forward-looking approach to estimate the Expected Credit Loss ("ECL") against advances and other financial instruments.</p> <p>As allowed under IFRS 9, the Group has adopted the requirements of the standard retrospectively, without restating the previous year's financial information.</p> <p>The adoption of IFRS 9 has resulted in a transition adjustment to the retained earnings as of 1 January 2024 of Rs. 4,035 million. The impact of transition is explained in Note 4.2.4 and 4.2.5 to the consolidated financial statements.</p> <p>In view of the significance of this area in terms of its impact on the consolidated financial statements, and level of involvement of management's estimates and judgments, we identified adequacy and completeness of ECL against advances as a key audit matter.</p> <p>The accounting policy and disclosures related to the ECL against advances are included in Notes 4.2 and 9 respectively to the consolidated financial statements.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> <li>We reviewed the management's process of assessment of allowance for ECL against advances including the Group's accounting policy and ECL model methodology adopted during the year.</li> <li>We performed procedures to test: <ul style="list-style-type: none"> <li>the governance of ECL models and their validation, including relevant approvals.</li> <li>completeness and accuracy of critical data inputs into the ECL models and calculations.</li> <li>timely identification of SICR and the determination of individually impaired exposures.</li> <li>the management's assessment of recoverable cash flows, including the impact of collateral, if any, and ECL computation for exposures.</li> </ul> </li> <li>Where required, we involved our experts to assist us in reviewing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL models.</li> </ul> <p>We also assessed adequacy of disclosures as included in Note 9 to the consolidated financial statements regarding the ECL made against advances in accordance with the requirements of the applicable financial reporting framework</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report 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 financial statements and our auditor's report 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.

## Independent Auditor's Report To the members of Allied Bank Limited Report on the Audit of the Consolidated Financial Statements

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

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

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

## Independent Auditor's Report To the members of Allied Bank Limited Report on the Audit of the Consolidated Financial Statements

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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 Omer Chughtai.

**EY Ford Rhodes**  
Chartered Accountants

Place: Lahore  
Date: 3 March 2025

UDIN: AR202410120o1tyTZwi3



## Consolidated Statement of Financial Position

as at December 31, 2024

December 31, 2024	December 31, 2023	Note	December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
<b>ASSETS</b>				
527,061	560,490	5	146,812,714	156,124,352
35,772	8,816	6	9,964,224	2,455,601
874,317	33,811	7	243,541,081	9,418,003
4,067,075	4,145,028	8	1,132,883,403	1,154,597,203
3,775,069	2,801,280	9	1,051,545,347	780,296,455
460,543	409,498	10	128,284,200	114,065,779
27,958	29,903	11	7,787,741	8,329,462
13,104	12,266	12	3,650,196	3,416,652
-	13,577		-	3,781,881
349,070	361,027	13	97,233,559	100,564,585
10,129,969	8,375,696		2,821,702,465	2,333,049,973
<b>LIABILITIES</b>				
52,063	33,468	15	14,502,237	9,322,405
1,658,674	1,341,497	16	462,023,558	373,674,042
7,244,910	6,018,989	17	2,018,069,645	1,676,589,677
37,196	38,365	18	10,360,968	10,686,438
-	-		-	-
35,399	-	19	9,860,520	-
246,409	234,972	20	68,636,946	65,451,373
9,274,651	7,667,291		2,583,453,874	2,135,723,935
855,318	708,405		238,248,591	197,326,038
<b>REPRESENTED BY</b>				
41,108	41,108	21	11,450,739	11,450,739
152,434	136,283		42,460,536	37,961,636
203,316	143,911	22	56,633,562	40,086,369
458,460	387,103		127,703,754	107,827,294
855,318	708,405		238,248,591	197,326,038
<b>CONTINGENCIES AND COMMITMENTS</b>				
		23		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Consolidated Profit and Loss Account

for the year ended December 31, 2024

December 31, 2024	December 31, 2023	Note	December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
1,353,105	1,281,669	25	376,907,387	357,008,968
938,945	876,311	26	261,543,253	244,096,459
414,160	405,358		115,364,134	112,912,509
<b>NON MARK-UP / INTEREST INCOME</b>				
58,079	42,515	27	16,177,781	11,842,546
10,834	12,720		3,017,787	3,543,033
24,015	32,910		6,689,514	9,167,089
-	-		-	-
12,365	3,033	28	3,444,359	844,772
-	-		-	-
3,609	717	29	1,005,291	199,649
108,902	91,895		30,334,732	25,597,089
523,062	497,253		145,698,866	138,509,598
<b>NON MARK-UP / INTEREST EXPENSES</b>				
207,340	171,175	30	57,754,498	47,680,724
5,196	6,368		1,447,221	1,773,735
1,146	844	31	319,114	235,113
213,682	178,387		59,520,833	49,689,572
2,964	3,468		825,699	965,906
312,344	322,334		87,003,732	89,785,932
(9,729)	10,687	32	(2,710,139)	2,976,973
-	-		-	-
322,073	311,647		89,713,871	86,808,959
162,716	163,373	33	45,324,650	45,507,595
159,357	148,274		44,389,221	41,301,364
<b>In US \$</b>			<b>In Rupees</b>	
0.14	0.13	34	38.77	36.07

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Consolidated Statement of Comprehensive Income

for the year ended December 31, 2024

December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
159,357	148,274	<b>Profit after taxation for the year</b>	44,389,221	41,301,364
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
672	8,824	Effect of translation of net investment in foreign branches	187,310	2,457,884
-	40,410	Movement in surplus on revaluation of investments - net of tax	-	11,256,117
		Movement in surplus on revaluation of debt investments through FVOCI - net of tax	3,701,762	-
13,289	-		3,889,072	13,714,001
13,961	49,234		3,889,072	13,714,001
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
2,158	1,752	Remeasurement gain on defined benefit obligations - net of tax	601,130	488,147
(923)	84,313	Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	(257,155)	23,485,406
840	345	Movement in surplus on revaluation of non-banking assets - net of tax	233,956	96,088
18,641	-	Movement in surplus on revaluation of equity investments through FVOCI - net of tax	5,192,320	-
20,716	86,410		5,770,251	24,069,641
194,034	283,918	<b>Total comprehensive income</b>	54,048,544	79,085,006

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Aizid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Consolidated Statement of Changes in Equity

for the year ended December 31, 2024

	Share capital	Capital reserve		Statutory reserve	Revenue reserve		Surplus/(deficit) on revaluation of			Un-appropriated profit	Total
		Exchange translation reserve			General	Investments	Fixed assets	Non-banking assets			
Rupees in '000											
<b>Balance as at January 01, 2023</b>	11,450,739	5,333,240		26,096,213	6,000	(18,133,865)	22,570,552	882,450	82,058,979	130,264,308	
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	41,301,364	41,301,364
<b>Other Comprehensive Income - net of tax</b>											
Surplus on revaluation of investments - net of tax	-	-	-	-	-	11,256,117	-	-	-	-	11,256,117
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	23,485,406	-	-	-	23,485,406
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	96,088	-	-	96,088
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	-	488,147	-	488,147
Effect of translation of net investment in foreign branches	-	2,457,884	-	-	-	-	-	-	-	-	2,457,884
	-	2,457,884	-	-	-	11,256,117	23,485,406	96,088	488,147	-	37,783,642
Transfer to statutory reserve	-	-	4,068,299	-	-	-	-	-	-	(4,068,299)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	(69,092)	-	69,092	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(1,287)	1,287	-
<b>Transactions with owners recognized directly in equity</b>											
Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Second interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Third interim cash dividend for the year ended December 31, 2023 (Rs. 3 per ordinary share)	-	-	-	-	-	-	-	-	-	(3,435,221)	(3,435,221)
	-	-	-	-	-	-	-	-	-	(12,023,276)	(12,023,276)
<b>Balance as at December 31, 2023</b>	11,450,739	7,791,124	30,164,512	6,000	(6,877,748)	45,986,866	977,251	107,827,294	197,326,038		
Effect of adoption of IFRS 9 - Note 4.2.5	-	-	-	-	-	9,230,428	-	-	(4,035,239)	5,195,189	
<b>Balance as at January 01, 2024 - as restated</b>	11,450,739	7,791,124	30,164,512	6,000	2,352,680	45,986,866	977,251	103,792,055	202,521,227		
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	-	44,389,221	44,389,221	
<b>Other Comprehensive Income - net of tax</b>											
Movement in surplus on revaluation of debt investments - net of tax	-	-	-	-	-	3,701,762	-	-	-	-	3,701,762
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	-	5,192,320	-	-	-	-	5,192,320
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	233,956	-	-	233,956
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	-	601,130	-	601,130
Effect of translation of net investment in foreign branch	-	187,310	-	-	-	-	-	-	-	-	187,310
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	-	-	(257,155)	-	-	(257,155)
Effect of change in tax rate on opening equity - net of tax	-	187,310	-	-	-	8,894,082	(257,155)	233,956	601,130	-	9,659,323
Transfer to statutory reserve	-	-	4,311,590	-	-	-	-	-	(4,311,590)	-	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	-	-	16,030	(16,030)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	(168,008)	-	168,008	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	-	-	(52,934)	-	52,934	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(3,119)	3,119	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	-	-	-	-	(1,330,057)	-	1,330,057
<b>Transactions with owners recognized directly in equity</b>											
Final cash dividend for the year ended December 31, 2023 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Second interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Third interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	-	-	(18,321,180)	(18,321,180)
<b>Balance as at December 31, 2024</b>	11,450,739	7,978,434	34,476,102	6,000	9,916,705	45,524,799	1,192,058	127,703,754	238,248,591		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Atif Mirza  
Chief Financial Officer

Aizid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Consolidated Cash Flow Statement

for the year ended December 31, 2024

December 31, 2024	December 31, 2023	Note	December 31, 2024	December 31, 2023
US \$ in '000			Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
322,075	311,646		89,713,871	86,808,959
(13,798)	(16,187)		(3,843,486)	(4,508,939)
308,277	295,459		85,870,385	82,300,020
<b>Adjustments:</b>				
(414,160)	(405,358)		(115,364,134)	(112,912,509)
23,958	17,079	10.2	6,673,434	4,757,467
86	40		23,921	11,113
6,710	6,394		1,869,048	1,781,018
2,247	2,111		626,004	587,995
(9,702)	10,749	32	(2,702,596)	2,994,078
(88)	232		(24,397)	64,599
5,196	6,368		1,447,221	1,773,735
(31)	657		(8,632)	182,978
(3,371)	(86)		(938,910)	(23,924)
5,019	4,296		1,398,015	1,196,683
-	-		-	-
(384,136)	(357,518)		(107,001,026)	(99,586,767)
(75,859)	(62,059)		(21,130,641)	(17,286,747)
<b>Decrease or (increase) in operating assets</b>				
(840,506)	67,507		(234,123,078)	18,804,192
61,443	(73,649)		17,115,049	(20,514,918)
(974,713)	227,029		(271,506,346)	63,239,056
20,621	(84,558)		5,744,022	(23,553,754)
(1,733,155)	136,329		(482,770,353)	37,974,576
<b>Increase or (decrease) in operating liabilities</b>				
18,596	(17,366)		5,179,832	(4,837,238)
316,337	(561,829)		88,115,553	(156,497,535)
1,225,920	553,990		341,479,968	154,313,827
(3,510)	54,961		(977,586)	15,309,477
1,557,343	29,756		433,797,767	8,288,531
(251,671)	104,026		(70,103,227)	28,976,360
1,380,580	1,212,133		384,560,564	337,639,651
(929,867)	(873,081)		(259,014,322)	(243,196,728)
(198,766)	(128,805)		(55,366,136)	(35,878,542)
(3,071)	(1,733)		(855,333)	(482,599)
(2,795)	312,540		(778,454)	87,058,142
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(214,348)	(1,446)		(59,706,590)	(402,648)
359,834	33,658		100,231,647	9,375,488
11,055	12,478		3,079,404	3,475,756
(83,760)	(71,665)		(23,331,273)	(19,962,277)
672	8,824		187,310	2,457,884
9,213	163		2,566,248	45,497
82,666	(17,988)		23,026,746	(5,010,300)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(10,257)	(9,288)		(2,857,024)	(2,587,226)
(65,537)	(43,016)		(18,255,239)	(11,982,078)
(75,794)	(52,304)		(21,112,263)	(14,569,304)
4,077	242,248		1,136,029	67,478,538
567,649	329,355		158,118,805	91,742,216
965	(2,991)		268,793	(833,156)
568,614	326,364		158,387,598	90,909,060
572,691	568,612	35	159,523,627	158,387,598

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Atif Mirza Chief Financial Officer	Azid Razaq Gill President and Chief Executive	Muhammad Kamran Shehzad Director
Mian Ikram Ul Haq Director	Mohammad Naeem Mukhtar Chairman	

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 1 STATUS AND NATURE OF BUSINESS

#### Holding company

#### Allied Bank Limited

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates through a total of 1,508 (2023: 1,481) branches in Pakistan including 160 (2023: 127) Islamic banking branches, 1 branch (2023: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (2023: 1) in Bahrain. The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA'. Short term rating of the Bank is 'A1+'.

The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA'. Short term rating of the Bank is 'A1+'.

Ibrahim Holdings (Private) Limited is the parent company of the Bank and its registered office is in Pakistan.

The Bank is the holding company of ABL Asset Management Company Limited and ABL Exchange Company (Pvt.) Limited.

The registered office of the Bank is situated at 3 - Tipu Block, New Garden Town, Lahore.

#### Subsidiary Company

#### -ABL Asset Management Company Limited

ABL Asset Management Company Limited ("the Company") is a public unlisted company, incorporated in Pakistan as a limited liability company on 12 October 2007 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry on Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(I) 2007 ("the NBFC Rules") S.R.O 1233(I) / 2019. The Company received certificate of commencement of business on 31 December 2007. The Company has also obtained license to carry out business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005. The registered office of the Company is situated at Plot no. 14, Main Boulevard, DHA Phase VI, Lahore. The Company is a wholly owned subsidiary of Allied Bank Limited ("the holding Company").

The Company has been assigned an Asset Manager rating of 'AM1' by Pakistan Credit Rating Agency Limited dated October 25, 2024 (2023: 'AM1' dated October 26, 2023).

ABL Asset Management Company is managing the following funds:

- ABL Income Fund	Launched on September 20, 2008
- ABL Stock Fund	Launched on June 28, 2009
- ABL Cash Fund	Launched on July 30, 2010
- ABL Islamic Income Fund	Launched on July 30, 2010
- ABL Government Securities Fund	Launched on November 30, 2011
- ABL Islamic Stock Fund	Launched on June 12, 2013
- ABL Pension Fund	Launched on August 20, 2014
- ABL Islamic Pension Fund	Launched on August 20, 2014
- ABL Islamic Financial Planning Fund	Launched on December 22, 2015
- ABL Financial Planning Fund	Launched on December 31, 2015
- ABL Islamic Dedicated stock fund	Launched on December 19, 2016
- ABL Islamic Asset Allocation Fund	Launched on May 31, 2018
- Allied Finergy Fund	Launched on November 30, 2018
- ABL Special Saving Fund	Launched on September 19, 2019
- ABL Islamic Cash Fund	Launched on February 10, 2020
- ABL Financial Sector Fund	Launched on August 01, 2023
- ABL Fixed Rate Fund	Launched on October 20, 2023
- ABL Money Market Fund	Launched on November 16, 2023

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for the year ended December 31, 2024

- |                                 |                               |
|---------------------------------|-------------------------------|
| – ABL Islamic Money Market Fund | Launched on December 23, 2023 |
| – ABL GOKP Pension Fund         | Launched on April 23, 2024    |
| – ABL GOKP Islamic Pension Fund | Launched on April 23, 2024    |
| – ABL Islamic Sovereign Fund    | Launched on July 22, 2024     |

## ABL Exchange Private Limited

ABL Exchange (Private) Limited (the Company) is a wholly owned subsidiary of Allied Bank Limited and incorporated on December 15, 2023 as a private limited company under the Companies Act, 2017. The Company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on March 20, 2024. The Company was formed under section 3AA of the Foreign Exchange Regulation Act, 1947. The registered office of the Company (head office) is situated at 21-Z, DHA Phase 3, Lahore and the Company has a head office and 21 payment booths across the country.

## 2 BASIS OF PRESENTATION

These consolidated financial statements consist of holding company and its subsidiary companies for the year ended December 31, 2024

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

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

These consolidated financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Group operates. The amounts are rounded to nearest thousand of rupees unless otherwise stated.

The US\$ Dollar amounts presented in the Statement of Financial Position, Profit and Loss Account, Statement of Comprehensive Income and Statement of Cash Flow are stated as additional information, solely for the convenience of the users of financial statements. For the purpose of translation to US\$, spot rate of Rs. 278.55 per US\$ has been used for 2024 and 2023, as it was the prevalent rate on reporting date.

The assets and liabilities of subsidiaries company have been consolidated on a line by line basis and the carrying value of investment in subsidiaries held by the Group is eliminated against the shareholders' equity in the consolidated financial statements.

### 2.1 Statement of Compliance

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

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

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

**2.1.2** The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 04, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard (IFAS) 3, Profit and loss sharing on Deposits. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable

# Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

**2.1.3** The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

**2.1.4** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in the financial statements of the Bank.

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

During the year, the Group has adopted IFRS 9 as applicable in Pakistan with effect from January 01, 2024 (refer note 4.2 for details). There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant impact and accordingly have not been detailed in these consolidated condensed interim financial statements.

### Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Bank's financial statements.

### Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

### Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Bank's financial statements.

#### Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9

On 30 May 2024, the IASB issued Amendments to IFRS 9, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group is currently not intending to early adopt the Amendments.

With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Company/ Group is currently performing an assessment of all material electronic payment systems it uses, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Company/ Group is reviewing all its other payment systems (such as cheques, credit cards, debit cards) to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date.

#### IAS 7 - adjustments resulting from adoption of IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 is however still to be notified by Securities and Exchange Commission of Pakistan. Narrow-scope amendments have also been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. Upon adoption SECP may, however, prescribe a different effective date.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, IASB issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

These amendments are not applicable to the Bank.

#### IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements

in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Bank.

#### IFRS 10 and IAS 28 Consolidated financial statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amendment)

On 11 September 2014, the IASB issued Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

Further, IASB has issued annual improvements in IFRS in July 2024, wherein certain amendments have been made to various standards which are effective for annual periods beginning on and after 01 January 2026. The Group is currently evaluating the impact of these recently announced improvements.

In addition to the above, the following new standards have been issued by IASB but are not notified by SECP for application in Pakistan:

	Effective date (annual periods beginning on or after)
IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2009
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The application of the above standards are not expected to have a material impact on the Bank's financial statements, in the period of applicability, except for IFRS 18. The Group is currently working to identify all impacts IFRS 18 will have on the consolidated financial statements and notes to the financial statements.

## 2.4 Critical Accounting Estimates And Judgments

The preparation of these financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates, underlying assumptions and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

### 2.4.1 Credit loss allowance against performing and non-performing loans and advances and debt securities classified as investments

The Group reviews its loan portfolio and debt securities classified as investments to assess amount of credit loss allowance required on performing and non-performing loans and advances and debt securities. While assessing this requirement various factors including forward looking macroeconomic information, delinquency in the account, financial position of the borrower and the requirements of the Prudential Regulations are considered. (Refer to note 4.13)

## Notes to the Consolidated Financial Statements

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### 2.4.2 Valuation and impairment of 'available-for-sale' equity investments

The equity investments classified as "fair value through other comprehensive income" are not subject to impairment testing. The gains and losses on these investments is taken to "Other comprehensive income" and are not recycled to "Profit and Loss Account".

Other areas where judgments are exercised in application of accounting policies are as follows:

### 2.4.3 Defined benefit plans

Liability is determined on the basis of actuarial advice using the Projected Unit Credit Method. The actuarial assumptions used to determine the liability and related expense are disclosed in note 37.

### 2.4.4 Classification of investments

#### Debt Securities

- In classifying investments under Amortized Cost, the Group determines the business model of the securities as "Hold to Collect" where the intentions are to hold the security until maturity to collect contractual cash flows based solely on payments of principal and interest. However, the sale of securities under this model is still possible under certain circumstances
- In classifying investments as "Fair Value Through Other Comprehensive Income", the Group determines the business model as Hold to Collect and Sell as the intentions are to hold the asset to collect contractual cash flows based solely on payments of principal and interest and sell the asset to manage liquidity needs or in order to maintain a particular interest yield profile or to match the duration of the assets to the duration of the liabilities that those assets are funding.
- The investments which are not classified as "Amortized Cost" and "Fair Value Through Other Comprehensive Income" are classified as "Fair Value Through Profit and Loss". The business model for such investments is to realize the cash flows through the sale of assets (Held for Trading).

#### Equity Investment

Equity investments, other than those in subsidiaries and associates, are classified as "Fair Value Through Other Comprehensive Income" where the Group determines equity instruments are not held for trading purposes and elects to present the fair value changes in Other Comprehensive Income. The equity instruments bought with the intention for trading are classified as "Fair Value Through Profit and Loss".

### 2.4.5 Depreciation, amortization and revaluation of operating fixed assets

In making estimates of depreciation and amortization, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Group and estimates the useful life. The method applied and useful lives estimated are reviewed at each financial year end and if there is a change in the expected pattern or timing of consumption of the future economic benefits embodied in the assets, the estimate would be changed to reflect the change in pattern. Such a change is accounted for as change in accounting estimates in accordance with International Accounting Standard 8 - Accounting Policies, 'Changes in Accounting Estimates and Errors'. Further, the Group estimates the revalued amount of land and buildings on a regular basis. The estimates are based on the valuations carried out by independent professional valuers under the market conditions.

### 2.4.6 Fair value hierarchy of assets and liabilities

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group categorizes fair value measurements within the following fair value hierarchy:

#### a) Level 1

These are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

#### b) Level 2

These are inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly.

## Notes to the Consolidated Financial Statements

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### c) Level 3

These are input for the assets or liabilities that are not based on observable market data (unobservable Inputs).

### 2.4.7 Lease term

The Group applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

### 2.4.8 Income taxes

In making estimates for income taxes currently payable by the Bank, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

## 3 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except for the following which are stated at revalued amounts or fair values or present values:

- Certain investments (Note 4.5);
- Certain operating fixed assets (Note 4.7);
- Lease liability and related right of use assets (Note 4.8).
- Staff retirement and other benefits (Note 4.10);
- Non-banking assets acquired in satisfaction of claims (Note 4.11);
- Derivative financial instruments (Note 4.16.2).

## 4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2024, except as disclosed in Notes 4.1 and 4.2.

### 4.1 Changes in reporting format

The SBP vide BPRD Circular No. 2 dated February 09, 2023 specified the new format for annual financial statements of banking companies. The new format has revised the disclosure requirements of the Group for the year ended December 31, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

### 4.2 IFRS 9 - Financial Instruments

The Group has adopted IFRS 9 (read with IFRS 9 application instructions issued by SBP) using modified retrospective approach with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit and surplus on revaluation of assets - net of tax at the beginning of the current period without restating the comparative figures. The impact on carrying amounts of the financial assets and liabilities is disclosed in Note 4.2.4.

### 4.2.1 Scope of IFRS 9 application

IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 01, 2018. The requirements of this standard were already incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (Letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL, accounting methodology for Islamic Banking Institutions and treatment of charity. Accordingly, the Group has adopted the treatment as instructed in the aforementioned Letters in these consolidated financial statements. In addition, the SBP in a letter BPRD / RPD / 822456/25 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

The Group has not recognised any general provisions over and above expected credit losses in these consolidated financial statements.

#### 4.2.2 Significant differences from accounting policies applicable till December 31, 2023 before adoption of IFRS 9

##### 4.2.2.1 Classification of financial assets

IFRS 9 introduced a new classification model for financial assets that is more principle-based than the previous requirements. Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. Instruments will be classified either at amortised cost, the newly established measurement category fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). For equity investment that are not held for trading, an election is available to the Group to classify these either through FVTPL or FVOCI. The previous accounting policies were based on instrument by instrument classification into Held for trading, Held to maturity and Available for Sale categories as disclosed in Note 4.3 to the annual financial statements of the Group for the year ended December 31, 2023.

##### 4.2.2.2 Impairment of debt investments and loans and advances

The new IFRS 9 impairment requirements eliminate the previous approach for the recognition of credit losses, i.e., it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for ECLs, and updates the loss allowance for changes in these ECLs at each reporting date to reflect changes in credit risk since initial recognition. Consequently, the holder of the financial asset needs to take into account more timely and forward-looking information in order to provide users of financial statements with meaningful information about the ECLs on financial instruments that are in the scope of these impairment requirements. The previous impairment requirements were based solely on Prudential regulations of SBP as disclosed in Note 4.11 to the annual financial statements of the Group for the year ended December 31, 2023.

##### 4.2.2.3 Impairment of equity investments

Previously, investments classified as available for sale were required to be tested for impairment and if there is an objective evidence, impairment was required to be booked. Under IFRS 9 regime, no impairment is required against such investments which are carried at FVOCI as the gain or loss on remeasurement will permanently remain in OCI/Surplus on revaluation of Investments. The previous accounting policies are disclosed in Note 4.3 & 4.11 to the annual financial statements of the Group for the year ended December 31, 2023.

#### 4.2.3 Material accounting policies applicable from January 01, 2024 as a result of adoption of IFRS 9

##### 4.2.3.1 Financial assets – initial recognition

Financial assets are initially recognized at fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in profit and loss account. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit and loss account when the inputs become observable, or when the instrument is derecognised.

##### 4.2.3.2 Classification and subsequent measurement of financial assets

Financial assets are classified into following categories for measurement subsequent to initial recognition:

- Financial assets at amortized cost
- Financial assets at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

##### 4.2.3.3 Financial assets at amortized cost

The Group classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below:

##### a) Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Board/ Board Committees
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

##### b) The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than trivial exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

After initial measurement, these financial assets are subsequently measured at amortized cost.

##### 4.2.3.4 Debt instruments at FVOCI

The Group applies this new category under IFRS 9 when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR and foreign exchange gains and losses are recognised in the profit and loss account.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

##### 4.2.3.5 Equity instruments at FVOCI

Upon initial recognition, the Group elects to classify its equity investments at FVOCI which are not held for trading. Such classification is determined on an instrument-by-instrument basis and is irrevocable.

Gains and losses on these equity instruments are never recycled to profit and loss account. Dividends are recognised in profit and loss account when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

#### 4.2.3.6 Financial assets and financial liabilities at FVTPL

Financial assets and financial liabilities in this category are those that are:

- held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or
- not held for trading and have been either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9

Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss account. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

#### 4.2.3.7 Financial liabilities at amortised cost

Financial liabilities with a fixed maturity are measured at amortised cost using the EIR method. These include Bills payable, Borrowings, Deposits and certain items within Other Liabilities.

#### 4.2.3.8 Derecognition of financial assets

##### 4.2.3.8.1 Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The gain/(loss) on derecognition of financial asset is calculated as the difference between the book value (including impairment) and the proceeds received.

##### 4.2.3.8.2 Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

#### 4.2.3.9 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

#### 4.2.3.10 Impairment of financial assets

##### 4.2.3.10.1 Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Group has been recording the allowance for expected credit losses for all loans and other debt financial assets held at amortized cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9. Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

#### 4.2.3.10.2 The calculation of ECLs

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL)), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognized, the Group recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination (SICR), the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as higher of IFRS 9 ECL or provision computed under Prudential Regulations.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. However, for certain portfolios, the Group has rebutted 30 DPD presumption based on behavioural analysis of its borrowers.

The key elements of ECL calculations are as follows:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Group has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non-rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. For IFRS 9, the Group only considers the liquid collaterals.

The interest rate used to discount the ECLs would be based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Group considers three probability-weighted scenarios (a base case, a best case, and a worse case). Each of these is associated with different PDs, EADs and LGDs. These expected probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier.



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Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

### 4.2.3.10.3 Forward looking information

The Group formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent macro economic inputs.

### 4.2.4 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9

The following table reconciles the carrying amount of financial assets from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024.

	Classification under IFRS-9						IFRS 9 carrying amount as at January 01, 2024
	Carrying amount as per accounting policy as at December 31, 2023	AT FVTPL	At FVOCI- with recycling	At FVOCI- without recycling	At Amortised Cost	Remeasurement under IFRS 9	
Rupees in '000							
Cash and balances with treasury banks	156,136,308	-	-	-	156,136,308	(3,495,350)	152,640,958
Balances with other banks	2,455,601	-	-	-	2,455,601	(749)	2,454,852
Lendings to financial institutions	9,418,003	-	-	-	9,418,003	(2)	9,418,001
Advances	781,597,230	-	-	-	781,597,230	(2,237,771)	779,359,459
<b>Investments in financial assets</b>							
Held for trading	20,049,848	20,049,848	-	-	-	-	20,049,848
Held to maturity	59,797,669	-	-	-	59,797,669	120,334,806	180,132,475
Available for sale	1,069,970,572	34,454	946,914,037	18,798,989	104,223,092	(104,223,092)	965,747,480
Other financial assets	88,096,252	-	-	-	88,096,252	(37,823)	88,058,429
Other liabilities	75,442,669	-	-	-	75,442,669	(153,373)	75,289,296
	<b>2,262,964,152</b>	<b>20,084,302</b>	<b>946,914,037</b>	<b>18,798,989</b>	<b>1,277,166,824</b>	<b>10,186,646</b>	<b>2,273,150,798</b>
Deferred Tax impact	3,781,881	-	-	-	-	(4,991,457)	(1,209,576)
Effect on net assets on adoption of IFRS 9	197,326,038					5,195,189	202,521,227

### 4.2.5 Impact on equity on adoption of IFRS 9

'The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity as at January 01, 2024 is increase in surplus on revaluation of assets of approximately Rs. 9,230.428 million and reduction in unappropriated profits of approximately Rs. 4,035.239 million. Following is the detail of the impact on respective item within equity:

#### Opening unappropriated profits

- A decrease of Rs. 4,428.08 million net of tax related to impairment requirements;
- An increase of Rs. 392.841 million net of tax related to classification and measurement changes.

#### Opening surplus on revaluation of assets

- An increase of Rs. 9,230.428 million net of tax related to classification and measurement changes.

#### Impact on regulatory capital

The implementation of IFRS 9 has led to a decrease in the regulatory capital of banks, the State Bank of Pakistan (SBP) has concluded that it may be suitable for banks to establish a transitional arrangement regarding the impact on regulatory capital resulting from the adoption of ECL accounting. Annexure B of the Application Instructions issued by the SBP outlines this transitional arrangement.

This arrangement specifically pertains to provisions for Stage 1 and Stage 2 financial assets. It requires adjustments to Common Equity Tier 1 (CET1) capital. If there is a decrease in CET1 capital due to new provisions, after accounting for tax effects, upon the adoption of an ECL accounting model, the reduction in CET1 capital (referred to as the "transitional adjustment amount") must be partially reinstated (i.e., added back) to CET1 capital over a "transition period" of five years.

## Notes to the Consolidated Financial Statements

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Additionally, the SBP has permitted adjustments to the amounts of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET1, and vice versa, as specified in Annexure A of BPRD Circular No. 16 of 2024, dated July 29, 2024.

The Group has not elected to utilize the IFRS 9 transitional arrangement.

4.2.6 The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Group as shown in the table above:

#### (a) Open ended mutual funds previously classified as available for sale (AFS) has been reclassified to FVTPL

The Group holds a portfolio of mutual funds investments which was earlier classified as available for sale (AFS) investments. However, these investments do not meet the definition of equity investment from holders perspective, therefore IFRS 9 classification requirements of debt instruments have been applied to these financial assets. The business model of this portfolio is hold to collect and sell, however contractual cash flows failed to meet the 'solely payments of principal and interest' (SPPI) test requirement for classification as FVOCI under IFRS 9. Therefore, these financial assets having a carrying value of Rs. 34.454 million have been reclassified mandatorily as FVTPL.

#### (b) Debt investments previously classified as available for sale (AFS) reclassified to amortised cost

At the date of initial application of IFRS 9, an entity shall assess the business model and the contractual terms of the financial asset on the basis of facts and circumstances that exist at the transition date. The Group has identified certain portfolio of federal government securities under AFS category which have been held to collect the contractual cash flows and the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding. As a result, financial assets having fair value amounting to Rs. 104,223.092 million have been reclassified to Amortized cost at Rs. 120,334.806 million, instead of FVOCI.

#### (c) Investment in debt securities previously designated at held for trading

The Group holds investment of Rs. 20,049.848 million in a portfolio of debt securities which had previously been designated at held for trading as the debt securities were managed on a fair value basis. As part of the transition to IFRS 9, these securities are part of an 'other' business model and so required to be classified as FVTPL category under IFRS 9.

#### (d) Designation of equity instruments at FVOCI

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

#### (e) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- Those previously classified as available for sale and now classified as measured at FVOCI; and
- Those previously classified as held to maturity and now classified as measured at amortised cost.
- Those previously classified as held for trading and now classified as measured at FVTPL.

### 4.3 Cash and cash equivalents

For the purpose of Cash Flow Statement, cash and cash equivalents include cash and balances with treasury banks and balances with other banks (net of overdrawn nostro balances) in current and deposit accounts.

### 4.4 Lendings to or borrowings from financial institutions

The Group enters into transactions of borrowing (re-purchase) from and lending (reverse re-purchase) to financial institutions, at contracted rates for a specified period of time. These are recorded as under:

#### a) Sale under re-purchase agreements

Securities sold subject to a re-purchase agreement are retained in the financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and re-purchase value is accrued on a prorata basis and recorded as mark-up expense.

#### b) Purchase under resale agreements

Securities purchased under agreement to resell (reverse re-purchase) are included in lendings to financial institutions. The differential between the contracted price and resale price is accrued on pro rata basis over the period of the contract and recorded as mark-up income.

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

In Bai Muajjal, the Group purchases and sells Shariah Compliant instruments including sukuks 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. Expected profit / expense is recognized on accrual basis.

In Musharaka and Mudaraba, the Group invests in the Shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio. Expected profit is recognized on accrual basis.

Other borrowings including borrowings from SBP are recorded at the proceeds received. Mark-up on such borrowings is charged to the Profit and Loss Account on a time proportion basis.

Lendings are stated net of provision. Return on such lending is accrued to the Profit and Loss Account on a time proportion basis except mark-up on impaired or delinquent lendings, which is recognized on receipt basis.

## 4. Investments

ABL Asset Management Company Limited and ABL Exchange Private Limited is a subsidiary of the Bank. The investment is stated at the cost less provision for impairment, if any.

### Amortized Cost

These are debt securities which are acquired under the business model "Hold to Collect" where the intention is to hold the security until maturity and collect the contractual cash flows which are based solely on payments of principal and interest (SPPI).

### Fair Value Through Other Comprehensive Income

These are debt investments which are acquired under the business model "Hold to Collect and Sell" where the intentions are to collect contractual cash flows and sell the asset to manage everyday liquidity needs, to maintain a particular interest yield profile or to match the duration of the assets to the duration of the liabilities that those assets are funding. The contractual cash flows are based solely on payments of principal and interest (SPPI). In addition, equity investments which are not held for trading are classified under this category.

## 4.5 Investments

ABL Asset Management Company Limited and ABL Exchange Private Limited is a subsidiary of the Bank. The investment is stated at the cost less provision for impairment, if any.

### Amortized Cost

These are debt securities which are acquired under the business model "Hold to Collect" where the intention is to hold the security until maturity and collect the contractual cash flows which are based solely on payments of principal and interest (SPPI).

### Fair Value Through Other Comprehensive Income

These are debt investments which are acquired under the business model "Hold to Collect and Sell" where the intentions are to collect contractual cash flows and sell the asset to manage everyday liquidity needs, to maintain a particular interest yield profile or to match the duration of the assets to the duration of the liabilities that those assets are funding. The contractual cash flows are based solely on payments of principal and interest (SPPI). In addition, equity investments which are not held for trading are classified under this category.

### Fair Value Through Profit and Loss

The investments, other than those in subsidiary, which are not classified as Amortized Cost and Fair Value Through Other Comprehensive Income are classified as Fair Value Through Profit and Loss. The business model for such investments is to realize the cash flows through the sale of assets (Held for Trading) or the contractual cash flows of the debt instruments are not solely payments of principal and interest.

Investments are initially recognized at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Quoted securities, other than those classified as "amortized cost" and investments in subsidiaries, are carried at market value. Debt securities classified as "amortized cost" are subsequently measured at amortized cost.

Unrealized surplus or (deficit) arising on revaluation of the Bank's "Fair Value Through Profit and Loss" investment portfolio is taken to the profit and loss account. Surplus or (deficit) arising on revaluation of debt securities classified as "Fair Value Through Other Comprehensive Income" is kept in a separate account shown in the statement of financial position as a component of Equity. On derecognition, the cumulative gains or losses previously recognized in Other Comprehensive Income is reclassified to Profit and Loss Account. The surplus or (deficit) arising on equity securities designated as "Fair Value Through Other Comprehensive Income" is taken to Other Comprehensive Income. Upon disposal, the cumulative surplus or (deficit) previously recognized in Other Comprehensive Income is reclassified from equity to Unappropriated Profit as a reclassification adjustment and is never recycled to Profit and Loss Account.

All "regular way" purchases and sales of investments are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of investments that require settlement within the time frame generally established by regulation or convention in the market place.

All investment in equity securities are valued at fair value, however cost may be an appropriate estimate of fair value in case of unquoted equity investments in certain circumstances.

Investments in subsidiaries are stated at cost less impairment.

### Reclassification

Financial assets can be reclassified only when there is a change of business model on how financial assets are managed. Business model change is made under exceptional circumstances as a result of internal or external changes which are significant to the Bank's operation and as per policy approved by the Board of Directors. The reclassification is applied prospectively from the reclassification date. Any previously recognized gains, losses (including impairment gain or losses) or interest is not restated.

## 4.6 Advances

### a) Loans and advances

Loans and advances are stated net of Expected Credit Loss (ECL) and specific provisions. ECL is determined as the difference between the cash flows due to the Group as per contractual terms of the loan and probability weighted cash flows that the Group expects to receive and is charged to Profit and Loss Account. Specific provision against loans is determined in accordance with the requirements of the Prudential Regulations and other directives issued by SBP and charged to the Profit and Loss Account. Advances are written off when there are no realistic prospects of recovery.

### b) Net investment in finance lease

Leases, where the Group transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognized at an amount equal to the present value of the minimum lease payments, including un-guaranteed residual value, if any. Finance lease receivables are included in advances to the customers. Provision against Net Investment in Finance Lease is maintained in accordance with requirements of prudential regulations. Net investment in Finance Lease is written off when there are no realistic prospects of recovery in accordance with requirement of Prudential Regulations issued by SBP.

## 4.7 Fixed assets and depreciation

### a) Tangible assets

Property and equipment owned by the Bank, other than land and building, are stated at cost less accumulated depreciation and impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses if any, and is not depreciated while buildings are stated at cost or revalued amount less accumulated depreciation and any subsequent impairment losses, if any.

Depreciation is calculated using the straight line method, except buildings which are depreciated using the reducing balance method, to write down the cost of property and equipment to their residual values over their estimated useful lives. The rates at which the fixed assets are depreciated are disclosed in note 10.2. The residual values, useful lives and depreciation methods are reviewed and adjusted, if required. Adjustments in residual values, useful lives and depreciation methods are treated as change in accounting estimates.

Depreciation on additions is charged from the month the assets are available for use, while no depreciation is charged in the month in which the assets are disposed off.

When an asset or class of assets is revalued, any increase in the carrying amount arising on revaluation is recorded through other comprehensive income and credited to the revaluation reserve in equity. However, the increase shall be recognized in the Profit and Loss Account to the extent it reverses previously recognised revaluation decrease/impairment loss of the same asset in the Profit and Loss Account, net of amortization or depreciation had no revaluation decrease/impairment been required for the asset in prior years. A decrease resulting from a revaluation is initially charged directly against any related revaluation surplus held in respect of that asset and the remaining portion being charged as an expense.

The surplus on revaluation of fixed assets to the extent of incremental depreciation (net of deferred tax) charged on the related assets is transferred directly to un-appropriated profit.

Revaluation of entire class of assets is carried out by independent professionally qualified valuers with sufficient regularity (every third year) to ensure that the carrying amount of the entire class of assets does not differ materially from their fair value.

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An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the Profit and Loss Account in the year the asset is derecognized, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit.

Subsequent costs are included in the asset's carrying amount 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 repairs and maintenance are charged to the Profit and Loss Account.

### b) Intangible assets

Intangible assets are carried at cost less any accumulated amortization and impairment losses, if any. The cost of intangible assets is amortized over their estimated useful lives, using the straight line method. Amortization is charged from the month the assets are available for use at the rate stated in note 11.2. The useful lives are reviewed and adjusted, if appropriate, at each reporting date.

### c) Capital work-in-progress

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

## 4.8 Lease liability and right of use asset

The lease liability is initially measured at the present value of lease payments to be made over the term of the lease, discounted using the Bank's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method. The carrying amount is remeasured/adjusted if there are changes in the future cash flows or the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date. On subsequent measurement, right-of-use assets are stated at cost less any accumulated depreciation and accumulated impairment losses and are adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight line basis over the lease term as this method closely reflects the expected pattern of consumption of future economic benefits. Carrying amount of the lease liability is derecognised upon termination of the lease contract with corresponding adjustment to right-of-use asset. Gain or loss on termination of lease contract is recognised in the Profit and Loss Account.

The Group has elected not to recognize a right-of-use asset and the corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Payments associated with these leases are recognized as an expense in the Profit or Loss Account on a straight-line basis.

## 4.9 Taxation

### a) Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation. The charge for current tax is calculated using the prevailing tax rates or tax rates expected to apply to the profits for the year.

### b) Prior

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments or changes in laws and changes in estimates made during the current year.

### c) Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences, at the reporting date between the amounts attributed to assets and liabilities for financial reporting purpose and amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the periods when the difference will reverse, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group also recognizes a deferred tax asset or liability on deficit or surplus on revaluation of fixed assets, non-banking assets and investments which is adjusted against the related deficit or surplus in accordance with the requirements of IAS-12 'Income Taxes'.

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## 4.10 Staff retirement and other benefits

### 4.10.1 Staff retirement schemes

#### a) For employees who opted for the 2002 scheme introduced by the management

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary, service length and age as on June 30, 2002 are payable to all employees whose date of joining the Group is on or before July 01, 1992, i.e., who have completed ten years of continuous service as on June 30, 2002.

An approved gratuity scheme (defined benefit scheme) under which the benefits are payable as under:

- i. For members whose date of joining the Group is on or before July 01, 1992, their services would be calculated starting from July 01, 2002 for gratuity benefit purposes.
- ii. For members whose date of joining the Group is after July 01, 1992 their services would be taken at actual for the purpose of calculating the gratuity benefit. This rule will be applicable upon retirement or in service death only, in case of resignation gratuity will be payable from July 01, 2002, even if he or she had joined the Group before July 01, 2002.

A contributory provident fund scheme to which equal contributions are made by the Group and the employees (defined contribution scheme).

#### b) For employees who did not opt for 2002 scheme

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary as on June 30, 2002 are payable to all employees opting continuation of the previous scheme and whose date of joining the Group is on or before July 01, 1992, i.e., who had completed ten years of continuous service as on June 30, 2002.

In the light of decision of Honorable Supreme Court of Pakistan in SMC No. 20/2016 dated 13th February 2018 read with Order dated 3rd April 2018 passed in CRP No.72/2018 and Order dated 7th August 2018 in CrI.O.No. 98 and 99 of 2018 and after consultation with Bank's legal counsel, the monthly pension of eligible pensioners has been fixed with indexation levels for eligible pensioners effective from February 13, 2018.

#### c) Post-retirement medical benefits

The Group provides post-retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefits on the basis of actuarial valuation carried out using the Projected Unit Credit Method.

Annual contributions towards the defined benefit schemes are made on the basis of actuarial valuation carried out using the Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income in the period of occurrence.

## 4.10.2 Other long term benefit

### a) Employees' compensated absences

Employees' entitlement to annual leave is recognized when they accrue to employees, upto a maximum of 60 days. A provision is made for estimated liability for annual leaves as a result of services rendered by the employee against un-availed leaves, as per terms of service contract, up to the reporting date, based on actuarial valuation using Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Profit and Loss Account in the period of occurrence.

### b) Compensation to certain class of employees

Group has revised its retirement policy by reducing the retirement age to 58 years for class of employees effective January 01, 2018. Consequent to the revision, these employees shall be compensated with gross salary along with employer's contribution on provident fund and gratuity for the remaining period up to 60 years in addition to already defined post-employment benefits, payable at the time of retirement, if any.

## 4.11 Non-banking assets acquired in satisfaction of claims

Non-banking assets (NBA) acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation (excluding land). Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of NBA is credited to the 'surplus on revaluation of assets' account through statement of comprehensive income and any deficit arising on revaluation is taken to Profit and Loss Account directly. Legal fees, transfer costs and direct costs of acquiring title to property are charged to Profit and Loss Account and not capitalised.

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### 4.12 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is accrued to the Profit and Loss Account on time proportion basis. Deposits mobilized under Islamic Banking operations are generated under two modes i.e. 'Qard' and 'Mudaraba'. Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Saving deposits or Fixed deposits'.

### 4.13 Impairment

#### a) Financial assets

Expected credit loss is measured for all loans and other debt financial assets not held at fair value through Profit and Loss, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment

Determination of expected credit losses is a significant estimate and involves the following judgments.

- Development of ECL models, including the various formulas and the choice of inputs.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- The Bank's internal credit grading model based on which PDs are assigned to the individual grades.
- Qualitative and quantitative indicators used as SICR triggers.
- The definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated.
- Selection of forward looking macroeconomic scenarios and their probability weightings.
- Determination of economic inputs, such as GDP growth and CPI.

#### b) Non-financial assets

The carrying amount of the Bank's assets (other than deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Profit and Loss Account except for an impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the revaluation surplus for that same asset. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

### 4.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision against identified losses on non-funded exposure is recognized when intimated and reasonable certainty exists for the Group to settle the obligation. The loss is charged to the Profit and Loss Account net of expected recovery and is classified under other liabilities.

Provisions are reviewed at the reporting date and are adjusted to reflect the current best estimate.

### 4.15 Acceptances

Acceptances comprise of undertakings by the Group to pay bills of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

### 4.16 Financial instruments

#### 4.16.1 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provision of the instrument. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset.

Financial liabilities are de-recognized when obligation specific in the contract is extinguished. Any gain or loss on de-recognition of the financial asset and liability is recognized in the profit and loss account of the current period. The particular recognition and subsequent measurement methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

#### 4.16.2 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the Profit and Loss Account.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 4.17 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured. These are recognised as follows:

#### a) Advances and investments

Mark-up, return on regular loans and advances and investments is recognized on a time proportion basis. Where debt securities are purchased at premium or discount, the same is amortized through the Profit and Loss Account using the effective interest rate method.

Interest or mark-up recoverable on classified loans, advances and investments is recognized on receipt basis. Interest, return or mark-up on classified, rescheduled or restructured loans and advances and investments is recognized as permitted by the regulations of the State Bank of Pakistan.

Dividend income is recognized when the right to receive the dividend is established.

Gain and losses on sale of debt investments and equity investments classified as Fair Value Through Profit and Loss are recognized in the Profit and Loss Account. Gain and losses on sale of equity investments classified as Fair Value Through Other Comprehensive Income are reclassified from Equity to Unappropriated Profit.

#### b) Lease financing

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealised income on classified leases is recognized on receipt basis.

Gains or losses on termination of lease contracts and other lease income are recognized when realized.

#### c) Islamic financing and related assets

Profit on Business Musharakah financing is booked on accrual basis and is adjusted upon declaration of profit by Musharakah partners.

Ijarah and Diminishing Musharakah income is recognised on an accrual basis as and when the rental becomes due.

Murabaha, Musawamah and Salam income is recognised on deferred income basis.

Profit on Istisna financing is recognized on an accrual basis commencing from time of sale of goods till the realization of sale proceeds by the Bank.

#### d) Fees, brokerage and commission

Fee, Commission and Brokerage income is recognized on an accrual basis except where, in the opinion of management, it would not be prudent to do so.

### 4.18 Business Segment reporting

A segment is a distinguishable component of the Group that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, whereas a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Bank's functional and management reporting structure. The Bank's primary segment reporting is based on following business segments:

#### a) Corporate & investment banking

This segment offers a wide range of financial services to medium and large sized public and private sector entities and also covers overseas operation of the Bank. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services on all Group related matters.

#### b) Trading and sales (Treasury)

This segment undertakes the Bank's treasury and money market activities.

#### c) Commercial & retail banking

Commercial and retail banking provides services to commercial and retail customers including agriculture sector. It includes loans, deposits and other transactions with commercial and retail (conventional and Islamic) customers.

#### d) Islamic Banking

Islamic banking provides Shariah compliant services to customers including loans, deposits and other transactions.

#### e) Others

Others includes functions which cannot be classified in any of the above segments.

### 4.19 Geographical Segment Reporting

Geographically the Group operates in Pakistan, Middle East and China.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>In hand</b>			
Local currency		37,733,223	34,852,304
Foreign currencies		3,289,000	3,877,058
		41,022,223	38,729,362
<b>With State Bank of Pakistan (SBP) in</b>			
Local currency current accounts	5.1	77,335,586	73,799,188
Foreign currency current account	5.2	107,534	149,569
Foreign currency deposit accounts (non-remunerative)	5.1	6,105,893	5,580,842
Foreign currency deposit accounts (remunerative)	5.3	11,743,494	11,695,327
		95,292,507	91,224,926
<b>With National Bank of Pakistan in</b>			
Local currency current accounts		12,987,328	25,519,660
<b>Prize Bonds</b>		677,568	650,404
		149,979,626	156,124,352
Credit loss allowance held against cash and balances with treasury banks		(3,166,912)	-
		146,812,714	156,124,352

**5.1** Deposits with the State Bank of Pakistan (SBP) are maintained to comply with the cash reserve requirement, under section 22 of the Banking Companies Ordinance, 1962 and State Bank of Pakistan statutory requirements issued from time to time.

**5.2** This represents US\$ settlement account maintained with the State Bank of Pakistan (SBP).

**5.3** This represents special cash reserve maintained with the State Bank of Pakistan (SBP). The return on this account is declared by SBP on a monthly basis and carries mark-up at the rate of 3.53% to 4.35% (2023: 3.39% to 4.34%) per annum.

	Note	December 31, 2024	December 31, 2023
Rupees in '000			

### 6 BALANCES WITH OTHER BANKS

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>In Pakistan</b>			
In current accounts		-	7,500
<b>Outside Pakistan</b>			
In current accounts		9,026,773	1,931,547
In deposit accounts	6.1	943,546	516,554
		9,970,319	2,448,101
		9,970,319	2,455,601
Credit loss allowance held against balances with other banks		(6,095)	-
		9,964,224	2,455,601

**6.1** Balances with other banks outside Pakistan in deposit accounts carry interest rates of 0.01% to 0.25% (2023: 0.01% to 0.25%) per annum.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings - local currency	7.1	7,600,000	1,000,000
Repurchase agreement lendings (Reverse Repo)	7.2 & 7.5	235,941,105	8,418,003
Certificates of investment	7.3	70,000	70,000
		243,611,105	9,488,003
Less: Credit loss allowance held against lending to financial institutions	7.3 & 7.6	(70,024)	(70,000)
Lendings to financial institutions - net of credit loss allowance		243,541,081	9,418,003
<b>7.1</b>	These represent local currency call money lendings to financial institutions at the mark-up rate of 13.70% to 15.65% (2023: 22.50%) per annum, maturing latest by March 26, 2025.		
<b>7.2</b>	These are short-term local currency lendings to financial institutions against government securities as shown in note 7.5 below. These carry mark-up at the rate ranging from 12.90% to 13.90% (2023: 21.90% to 22.95%) per annum, maturing latest by January 17, 2025.		
<b>7.3</b>	This represents local currency certificates of investment and related credit loss allowance, amounting to Rs. 70 million (2023: Rs. 70 million).		
		December 31, 2024	December 31, 2023
Rupees in '000			

### 7.4 Particulars of lending

	December 31, 2024	December 31, 2023
In local currency	243,611,105	9,488,003
In foreign currencies	-	-
	243,611,105	9,488,003

	December 31, 2024			December 31, 2023		
	Held by Group	Further given as collateral	Total	Held by Group	Further given as collateral	Total
Rupees in '000						

### 7.5 Securities held as collateral against lending to financial institutions

	December 31, 2024	December 31, 2023
Pakistan Investment Bonds	161,175,991	-
Market Treasury Bills	74,765,114	-
	235,941,105	-

	December 31, 2024		December 31, 2023	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000				

### 7.6 Category of classification

	December 31, 2024	December 31, 2023
<b>Domestic</b>		
Performing - Stage 1	243,541,105	24
Under performing - Stage 2	-	-
Non-performing - Stage 3	-	-
Substandard	-	-
Doubtful	-	-
Loss	70,000	70,000
	243,611,105	70,024

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

		December 31, 2024			
		Stage 1	Stage 2	Stage 3	Total
		Rupees in '000			
<b>7.7</b>	Lending to FIs - Particulars of credit loss allowance				
	Balance at the start of the year	-	-	70,000	70,000
	Impact of adoption of IFRS 9	2	-	-	2
	Financial assets that have been derecognised	(2)	-	-	(2)
	Transfer to stage 1	-	-	-	-
	Transfer to stage 2	-	-	-	-
	Transfer to stage 3	-	-	-	-
	Net remeasurement of credit loss allowance	-	-	70,000	70,000
	New financial assets originated or purchased	24	-	-	24
	Financial assets that have been derecognised	-	-	-	-
	Write offs	-	-	-	-
	Unwind of discount	-	-	-	-
	Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
	Balance at the end of the year	24	-	70,000	70,024

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

8 INVESTMENTS

		December 31, 2024				December 31, 2023			
Note	Fair value / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Fair value / Amortized cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying Value	
<b>8.1</b>	<b>Investments by type:</b>								
	<b>Debt Instruments</b>								
	<b>Classified / Measured at FVTPL</b>								
	Federal Government Securities	2,999,397	-	14,420	3,013,817	20,114,446	(64,599)	20,049,847	
		2,999,397	-	14,420	3,013,817	20,114,446	(64,599)	20,049,847	
	<b>Classified / Measured at FVOCI</b>								
	Federal Government Securities*	957,200,784	(1,964,317)	6,295,256	961,531,723	1,047,943,333	(2,452,459)	1,025,788,612	
	Shares	-	-	-	-	-	-	-	
	Non Government Debt Securities	20,880,734	(465,121)	505,278	20,920,891	25,391,300	(21,071)	25,348,518	
	Foreign securities	-	-	-	-	-	-	-	
	8.5	978,081,518	(2,429,438)	6,800,534	982,452,614	1,073,334,633	(2,473,530)	1,051,137,130	
	<b>Classified / Measured at Amortized Cost</b>								
	Federal Government Securities	119,539,835	-	-	119,539,835	59,797,669	-	59,797,669	
	Non Government Debt Securities	285,059	(285,059)	-	-	302,920	(302,920)	-	
	8.6	119,824,894	(285,059)	-	119,539,835	60,100,589	(302,920)	59,797,669	
	<b>Equity Instruments</b>								
	<b>Classified / Measured at FVOCI (Non-Reclassifiable)</b>								
	<b>Shares</b>								
	Listed companies	9,949,076	-	13,886,091	23,835,167	12,956,909	(728,410)	18,457,238	
	Unlisted companies	372,394	-	(30,048)	342,346	372,393	(32,412)	339,981	
	Foreign securities	1,770	-	-	1,770	1,770	-	1,770	
	8.5	10,323,240	-	13,856,043	24,179,283	13,331,072	(760,822)	18,798,989	
	<b>Associates</b>	3,697,854	-	-	3,697,854	4,813,568	-	4,813,568	
	<b>Total Investments</b>	1,114,926,903	(2,714,497)	20,670,997	1,132,883,403	1,171,694,308	(3,537,272)	1,154,597,203	
<b>8.2</b>	<b>Investments by segments:</b>								
	<b>Federal Government Securities</b>								
	Market Treasury Bills	141,953,316	-	879,002	142,832,318	63,107,685	-	63,124,524	
	Pakistan Investment Bonds	823,085,606	-	1,700,172	824,785,778	1,009,785,089	(17,781,318)	992,003,771	
	GOP Ijarah Sukuks	88,721,700	-	1,639,880	90,361,580	24,141,346	-	24,414,425	
	GOP Ijarah Sukuks - Bai Muajjal Placement	2,380,562	-	-	2,380,562	-	-	-	
	Naya Pakistan Certificate	1,086,092	(31,880)	31,880	1,086,092	1,555,196	-	1,555,196	
	Foreign Currency Bonds (US\$)	22,512,740	(1,932,437)	2,058,742	22,639,045	29,266,132	(2,452,459)	24,538,212	
		1,079,740,016	(1,964,317)	6,309,676	1,084,085,375	1,127,855,448	(2,452,459)	1,105,636,128	
	<b>Shares</b>								
	Listed Companies	9,949,076	-	13,886,091	23,835,167	12,956,909	(728,410)	18,457,238	
	Unlisted Companies	372,394	-	(30,048)	342,346	372,393	(32,412)	339,981	
		10,321,470	-	13,856,043	24,177,513	13,329,302	(760,822)	18,797,219	
	<b>Non Government Debt Securities</b>								
	Listed	13,291,518	(50,815)	82,075	13,322,778	13,929,920	(62,159)	13,846,050	
	Unlisted	7,874,275	(699,365)	423,203	7,598,113	11,764,300	(261,832)	11,502,468	
		21,165,793	(750,180)	505,278	20,920,891	25,694,220	(323,991)	25,348,518	
	<b>Foreign Securities</b>								
	Equity securities	1,770	-	-	1,770	1,770	-	1,770	
		1,770	-	-	1,770	1,770	-	1,770	
	<b>Associates</b>								
	Units of open-ended mutual funds	3,697,854	-	-	3,697,854	4,813,568	-	4,813,568	
		3,697,854	-	-	3,697,854	4,813,568	-	4,813,568	
	<b>Total Investments</b>	1,114,926,903	(2,714,497)	20,670,997	1,132,883,403	1,171,694,308	(3,537,272)	1,154,597,203	

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

	Note	December 31,	December 31,
		2024	2023
Rupees in '000			
<b>8.3 Investments given as collateral</b>			
Market Treasury Bills		27,425,460	-
Pakistan Investment Bonds		360,585,621	268,646,617
<b>Total Investments given as collateral</b>		<b>388,011,081</b>	<b>268,646,617</b>
<b>8.4 Credit loss allowance for diminution in value of investments</b>			
Opening balance		3,537,272	2,321,414
Impact of adoption of IFRS 9		1,996,619	-
Exchange adjustments		(18,659)	69,221
<b>Charge and reversals</b>			
Charge for the year		417,194	2,082,408
Reversals for the year		(2,356,291)	(17,717)
		(861,638)	-
		(2,800,735)	2,064,691
Reversal on disposals		-	(918,054)
<b>Closing Balance</b>		<b>2,714,497</b>	<b>3,537,272</b>

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Rupees in '000				

**8.4.1 Particulars of credit loss allowance**

**8.4.2 Investments - exposure**

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Rupees in '000				
Opening balance	1,102,959,449	30,151,782	323,991	1,133,435,222
New investments	143,836,994	-	-	143,836,994
Investments derecognised or repaid	(172,822,905)	(6,439,227)	(103,672)	(179,365,804)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	(340,000)	(386,150)	726,150	-
	(29,325,911)	(6,825,377)	622,478	(35,528,810)
Amounts written off / charged Off	-	-	-	-
Closing balance	1,073,633,538	23,326,405	946,469	1,097,906,412

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Rupees in '000				

**8.4.3 Investments - Credit loss allowance**

Gross carrying amount - Current year	7,008	5,202,100	323,991	5,533,099
New investments	-	-	-	-
Investments derecognised or repaid	(1,552)	-	-	(1,552)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	(839)	(97,220)	98,059	-
	(2,391)	(97,220)	98,059	(1,552)
Amounts written off / charged off	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(538)	(3,135,648)	319,136	(2,817,050)
Closing balance - Current year	4,079	1,969,232	741,186	2,714,497

	December 31, 2024		
	Outstanding amount	Credit loss allowance held	Total
Rupees in '000			

**8.4.4 Particulars of credit loss allowance against debt securities**

<b>Domestic</b>				
Performing	Stage 1	1,073,633,535	4,080	1,073,637,615
Underperforming	Stage 2	10,566,765	978,650	11,545,415
Non-Performing	Stage 3	946,469	741,185	1,687,654
Substandard		-	-	-
Doubtful		640,339	435,055	1,075,394
Loss		306,130	306,130	612,260
<b>Total</b>		<b>1,085,146,769</b>	<b>1,723,915</b>	<b>1,086,870,684</b>
<b>Overseas</b>				
Performing		-	-	-
Underperforming	12,759,640	990,582	-	13,750,222
Non-Performing	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
<b>Total</b>	<b>12,759,640</b>	<b>990,582</b>	<b>-</b>	<b>13,750,222</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023		
	Cost			
	Rupees in '000			
<b>8.5 Quality of Securities</b>				
Details regarding quality of Available for Sale (AFS) securities are as follows:				
<b>Federal Government Securities - Government guaranteed</b>				
Market Treasury Bills	141,268,204	62,362,158		
Pakistan Investment Bonds	703,612,047	930,618,501		
Naya Pakistan Certificate	1,086,093	1,555,195		
Foreign Currency Bonds (US\$)	22,512,740	29,266,132		
GOP Ijarah Sukuks	88,721,700	24,141,346		
	<u>957,200,784</u>	<u>1,047,943,332</u>		
<b>Shares</b>				
<b>Listed Companies</b>				
Power Generation and Distribution	947,545	1,650,810		
Oil & Gas Exploration Companies	2,222,233	2,222,232		
Fertilizer	2,298,657	2,680,900		
Commercial Banks	3,147,311	4,686,843		
Oil & Gas Marketing Companies	561,076	561,076		
Real Estate Investment Trust	614,796	997,589		
Chemical	55,218	55,218		
Close-end Mutual Funds	51,603	51,603		
Investment Banks	50,000	50,000		
Cement	637	638		
	<u>9,949,076</u>	<u>12,956,909</u>		
	<b>December 31, 2024</b>	<b>December 31, 2023</b>		
	<b>Cost</b>	<b>Breakup value</b>	<b>Cost</b>	<b>Breakup value</b>
	Rupees in '000			
<b>Unlisted Companies</b>				
Pakistan Mortgage Refinance Co. Limited	200,000	604,131	200,000	482,035
1 Link Private Limited	50,000	1,182,150	50,000	733,214
Central Depository Company of Pakistan Limited.	40,300	74,445	40,300	67,639
First Women Bank Limited	21,200	59,696	21,200	74,692
SME Bank Limited	5,250	-	5,250	-
Arabian Sea Country Club Limited	5,000	-	5,000	-
Eastern Capital Limited	5,000	-	5,000	-
NIFT	1,526	62,037	1,526	52,914
PASSCO	1,000	651,802	1,000	645,805
Pakistan Corporate Restructuring Company	43,118	28,320	43,117	25,955
	<u>372,394</u>	<u>2,662,581</u>	<u>372,393</u>	<u>2,082,254</u>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
		Cost	
		Rupees in '000	
<b>Non Government Debt Securities</b>			
<b>Listed</b>			
- AAA		799,360	1,299,840
- AA+, AA, AA-		3,947,715	4,067,920
- A+, A, A-		-	-
- Unrated		8,500,000	8,500,000
		<u>13,247,075</u>	<u>13,867,760</u>
<b>Unlisted</b>			
- AAA		2,877,250	5,596,320
- AA+, AA, AA-		1,445,000	2,530,000
- A+, A, A-		150,000	876,150
- B+, B, B-		300,339	-
- CCC and below		361,070	-
- Unrated		2,500,000	2,521,070
		<u>7,633,659</u>	<u>11,523,540</u>
<b>Open Ended Mutual Funds</b>			
Allied Finergy Fund		25,000	25,000
		<u>25,000</u>	<u>25,000</u>
<b>Foreign Securities</b>			
<b>Equity Securities - Unlisted</b>			
SWIFT		1,770	1,770
		<u>1,770</u>	<u>1,770</u>

### 8.6 Particulars relating to securities classified Under "Held to Collect" model' are as follows:

		December 31, 2024	December 31, 2023
<b>Federal Government Securities - Government guaranteed</b>			
Pakistan Investment Bonds		117,159,273	59,797,669
GOP Ijarah Sukuks - Bai Muajjal Placement		2,380,562	-
		<u>119,539,835</u>	<u>59,797,669</u>
<b>Non Government Debt Securities</b>			
<b>Listed</b>			
- Unrated		44,442	62,159
<b>Unlisted</b>			
- Unrated		240,617	240,761

8.6.1 The market value of securities classified as held-to-collect as at December 31, 2024 amounted to Rs. 111,659 million (December 31, 2023: Rs. 51,778 million). This represents the market value of Pakistan Investment Bonds.



## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Note	Performing		Non Performing		Total	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees in '000					
<b>9 ADVANCES</b>						
Loans, cash credits, running finances, etc.	1,020,650,665	699,230,728	11,685,811	11,713,507	1,032,336,476	710,944,235
Islamic financing and related assets	32,101,884	79,621,981	295,246	5,729	32,397,130	79,627,710
Bills discounted and purchased	831,885	945,424	1,013,913	1,319,793	1,845,798	2,265,217
<b>Advances - gross</b>	<b>9.2</b>	<b>1,053,584,434</b>	<b>780,433,370</b>	<b>12,994,970</b>	<b>12,403,792</b>	<b>1,066,579,404</b>

Credit loss allowance / Provision against advances							
Stage	Note	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Stage 1	9.4	(529,283)	-	-	-	(529,283)	-
Stage 2	9.4	(2,311,052)	-	-	-	(2,311,052)	-
Stage 3	9.3 & 9.4	-	-	(12,193,722)	-	(12,193,722)	-
Specific	9.3 & 9.4	-	-	-	(12,335,688)	-	(12,335,688)
General	9.4	-	(205,019)	-	-	-	(205,019)
		(2,840,335)	(205,019)	(12,193,722)	(12,335,688)	(15,034,057)	(12,540,707)
<b>Advances - net of credit loss allowance</b>		<b>1,050,744,099</b>	<b>780,228,351</b>	<b>801,248</b>	<b>68,104</b>	<b>1,051,545,347</b>	<b>780,296,455</b>

	December 31, 2024				December 31, 2023			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	Rupees in '000							

### 9.1 Includes net investment in right-of-use assets / finance lease as disclosed below:

Lease rentals receivable	2,772,954	1,462,028	18,027	4,253,009	1,749,938	1,694,447	32,915	3,477,300
Residual value	413,129	564,508	26,128	1,003,765	305,104	591,527	43,199	939,830
Minimum lease payments	3,186,083	2,026,536	44,155	5,256,774	2,055,042	2,285,974	76,114	4,417,130
Financial charges for future periods	(514,234)	(159,232)	(1,952)	(675,418)	(429,973)	(237,176)	(2,712)	(669,861)
Present value of minimum lease payments	<b>2,671,849</b>	<b>1,867,304</b>	<b>42,203</b>	<b>4,581,356</b>	<b>1,625,069</b>	<b>2,048,798</b>	<b>73,402</b>	<b>3,747,269</b>

December 31, 2024      December 31, 2023  
Rupees in '000

### 9.2 Particulars of advances (Gross)

In local currency	1,031,534,500	791,183,849
In foreign currencies	35,044,904	1,653,313
	<b>1,066,579,404</b>	<b>792,837,162</b>

### 9.2.1 Advances to Women, Women-owned and Managed Enterprises

Women	17,576,152	2,591,449
Women Owned and Managed Enterprises	460,049	518,423
	<b>18,036,201</b>	<b>3,109,872</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

9.3 Advances include Rs. 12,994.970 million (2023: Rs. 13,039.029 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of Classification	December 31, 2024		December 31, 2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Specific Provision
	Rupees in '000			
<b>Domestic</b>				
Other Assets Especially Mentioned	59,594	28,684	31,765	250
Substandard - Stage 3	189,271	101,492	361,480	90,154
Doubtful - Stage 3	871,895	566,361	46,947	23,473
Loss - Stage 3	11,238,973	10,861,948	11,963,600	11,586,574
	<b>12,359,733</b>	<b>11,558,485</b>	<b>12,403,792</b>	<b>11,700,451</b>
<b>Overseas</b>				
Loss	635,237	635,237	635,237	635,237
	<b>12,994,970</b>	<b>12,193,722</b>	<b>13,039,029</b>	<b>12,335,688</b>

Note	December 31, 2024				December 31, 2023			
	Stage 3	Stage 2	Stage 1	Total	Specific	General	Total	
	Rupees in '000							

### 9.4 Particulars of credit loss allowance against advances

Opening balance	12,335,688	144,558	60,461	12,540,707	11,738,558	109,603	11,848,161
Impact of adoption of IFRS 9	183,043	1,409,256	645,472	2,237,771			
Exchange adjustments	-	(1,875)	-	(1,875)	-	9,497	9,497
Charge for the year	684,079	1,176,397	352,351	2,357,135	1,694,691	241,205	1,935,896
Reversals for the year	(1009,088)	(417,284)	(529,001)	(2,099,681)	(1,097,561)	(155,286)	(1,252,847)
	(325,009)	759,113	(176,650)	257,454	597,130	85,919	683,049
Amounts written off	9.6	-	-	-	-	-	-
Closing balance	<b>12,193,722</b>	<b>2,311,052</b>	<b>529,283</b>	<b>15,034,057</b>	<b>12,335,688</b>	<b>205,019</b>	<b>12,540,707</b>

<b>9.4.1</b> In local currency	<b>11,558,485</b>	<b>2,054,427</b>	<b>524,207</b>	<b>14,137,119</b>	<b>11,692,901</b>	<b>60,461</b>	<b>11,753,362</b>
In foreign currencies	635,237	256,625	5,076	896,938	642,787	144,558	787,345
	<b>12,193,722</b>	<b>2,311,052</b>	<b>529,283</b>	<b>15,034,057</b>	<b>12,335,688</b>	<b>205,019</b>	<b>12,540,707</b>

9.4.2 No benefit of forced sale value of the collaterals held by the Bank is taken while determining the provision against non-performing loans as allowed under BSD Circular No. 01 dated October 21, 2011.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Note	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Rupees in '000				
<b>9.5 Particulars of credit loss allowance</b>				
<b>9.5.1 Advances - Exposure</b>				
Gross carrying amount - Current year	734,258,786	47,038,140	13,040,236	794,337,162
New advances	681,677,912	22,028,894	367,319	704,074,125
Advances derecognised or repaid	(407,134,265)	(23,423,739)	(1,273,879)	(431,831,883)
Transfer to stage 1	6,032,844	(6,032,624)	(220)	-
Transfer to stage 2	(37,366,579)	37,621,143	(254,564)	-
Transfer to stage 3	(496,476)	(619,602)	1,116,078	-
	242,713,436	29,574,072	(45,266)	272,242,242
Amounts written off / charged off	9.6	-	-	-
Closing balance - Current year	976,972,222	76,612,212	12,994,970	1,066,579,404
<b>9.5.2 Advances - Credit loss allowance</b>				
Opening balance	705,933	1,553,814	12,518,731	14,778,478
New Advances	244,775	440,787	314,143	999,705
Advances derecognised or repaid	(252,135)	(276,646)	(754,769)	(1,283,550)
Transfer to stage 1	107,576	(107,427)	(149)	-
Transfer to stage 2	(98,687)	352,857	(254,170)	-
Transfer to stage 3	(1,849)	(33,211)	35,060	-
	(320)	376,360	(659,885)	(283,845)
Amounts written off / charged off	9.6	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(176,330)	380,878	334,876	539,424
Closing balance	529,283	2,311,052	12,193,722	15,034,057
<b>9.5.3 Advances - Credit loss allowance details</b>				
Internal / External rating / stage classification				
<b>Outstanding gross exposure</b>				
Performing - Stage 1	976,972,221	-	-	976,972,221
Under Performing - Stage 2	-	76,612,213	-	76,612,213
Non-Performing - Stage 3	-	-	-	-
OAEM	-	-	59,594	59,594
Substandard	-	-	189,271	189,271
Doubtful	-	-	871,895	871,895
Loss	-	-	11,874,210	11,874,210
	-	-	12,994,970	12,994,970
Total	976,972,221	76,612,213	12,994,970	1,066,579,404
Corresponding ECL				
Stage 1 and stage 2	529,283	2,311,052	-	2,840,335
Stage 3	-	-	12,193,722	12,193,722
	529,283	2,311,052	12,193,722	15,034,057

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

9.5.4 The table below shows the amortized cost of the Bank's gross advances, based on the Bank's internal credit rating system and year-end stage classification.

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Rupees in '000				
<b>Internal rating grade</b>				
<b>Performing</b>				
<b>Corporate</b>				
High grade	661,676,903	4,230,153	-	665,907,056
Medium grade	305,541,954	32,188,918	-	337,730,872
Low grade	-	39,855,021	-	39,855,021
Past due but not impaired	-	-	-	-
<b>Consumer</b>				
Not yet due	9,753,365	338,120	-	10,091,485
Past due but not impaired	-	-	2,601	2,601
<b>Non-performing (Corporate and Retail)</b>				
OAEM	-	-	56,993	56,993
Substandard	-	-	189,271	189,271
Doubtful	-	-	871,895	871,895
Loss	-	-	11,874,210	11,874,210
	976,972,222	76,612,212	12,994,970	1,066,579,404

An analysis of the corresponding ECLs is, as follows:

Performing	529,283	2,311,052	-	2,840,335
Non-performing (only specific)	-	-	12,193,722	12,193,722
	529,283	2,311,052	12,193,722	15,034,057

9.6 There were no principal amounts written off during the year against provisions.

### 9.6.1 Details of loan write-off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees and above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-'I' of unconsolidated Financial Statements. However, these write-offs do not affect the Bank's right to recover debts from these customers.

	Note	December 31, 2024	December 31, 2023
Rupees in '000			

## 10 PROPERTY AND EQUIPMENT

Capital work-in-progress	10.1	10,927,109	9,779,743
Property and equipment	10.2	117,357,091	104,286,036
		128,284,200	114,065,779

### 10.1 CAPITAL WORK-IN-PROGRESS

Civil works		9,795,365	7,759,247
Equipment		-	89,246
Advances to suppliers		1,131,744	1,931,250
		10,927,109	9,779,743

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

10.2 Property and Equipment	December 31, 2024								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
<b>At January 1, 2024</b>									
Cost or Revalued amount	47,782,583	20,973,582	14,851,259	7,277,734	3,375,452	25,295,671	2,329,458	8,095,171	129,980,910
Accumulated depreciation	-	-	(124,331)	(143,423)	(1,992,371)	(16,138,206)	(1,340,973)	(5,955,570)	(25,694,874)
<b>Net book value</b>	<b>47,782,583</b>	<b>20,973,582</b>	<b>14,726,928</b>	<b>7,134,311</b>	<b>1,383,081</b>	<b>9,157,465</b>	<b>988,485</b>	<b>2,139,601</b>	<b>104,286,036</b>
<b>Year ended December 31, 2024</b>									
Opening net book value	47,782,583	20,973,582	14,726,928	7,134,311	1,383,081	9,157,465	988,485	2,139,601	104,286,036
Additions	1,482,751	4,875,347	4,224,568	363,705	559,901	7,721,619	904,147	1,971,699	22,103,737
Net disposal (book value)	(1,933,563)	(354,614)	(21,923)	(3,979)	(3,289)	(37,901)	(2,065)	-	(2,357,334)
Depreciation charge	-	-	(859,900)	(377,903)	(343,002)	(3,678,739)	(445,875)	(963,138)	(6,667,657)
Exchange rate adjustments	-	-	-	-	-	(454)	(1)	17	(438)
Other adjustments	(818)	2	(6,436)	(1)	(1)	1	1	(1)	(7,253)
<b>Closing net book value</b>	<b>47,330,953</b>	<b>25,494,317</b>	<b>18,064,137</b>	<b>7,116,133</b>	<b>1,596,690</b>	<b>13,161,991</b>	<b>1,444,692</b>	<b>3,148,178</b>	<b>117,357,091</b>
<b>At December 31, 2024</b>									
Cost or Revalued amount	47,330,953	25,494,317	19,045,017	7,636,658	3,899,401	32,627,374	3,046,633	10,061,383	149,141,736
Accumulated depreciation	-	-	(980,880)	(520,525)	(2,302,711)	(19,465,383)	(1,601,941)	(6,913,205)	(31,784,645)
<b>Net book value</b>	<b>47,330,953</b>	<b>25,494,317</b>	<b>18,064,137</b>	<b>7,116,133</b>	<b>1,596,690</b>	<b>13,161,991</b>	<b>1,444,692</b>	<b>3,148,178</b>	<b>117,357,091</b>
<b>Rate of depreciation (percentage)</b>	-	-	5%	5%	10%	10%-50%	20%	20%	

10.3	December 31, 2023								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
<b>At January 1, 2023</b>									
Cost or Revalued amount	29,654,594	12,686,611	13,394,912	5,247,888	2,877,350	20,469,424	1,685,325	7,297,400	93,313,504
Accumulated depreciation	-	-	(1,161,582)	(459,461)	(1,736,071)	(14,116,406)	(1,033,148)	(5,182,895)	(23,689,563)
<b>Net book value</b>	<b>29,654,594</b>	<b>12,686,611</b>	<b>12,233,330</b>	<b>4,788,427</b>	<b>1,141,279</b>	<b>6,353,018</b>	<b>652,177</b>	<b>2,114,505</b>	<b>69,623,941</b>
<b>Year ended December 31, 2023</b>									
Opening net book value	29,654,594	12,686,611	12,233,330	4,788,427	1,141,279	6,353,018	652,177	2,114,505	69,623,941
Additions	1,097,092	3,949,782	1,065,849	72,137	513,848	5,345,240	649,284	805,934	13,499,166
Movement in surplus on assets revalued during the year	17,064,078	4,339,867	2,120,445	2,447,798	-	-	-	-	25,972,188
Net disposal (book value)	-	-	-	-	(2,214)	(14,369)	(538)	-	(17,121)
Depreciation charge	-	-	(629,051)	(241,395)	(269,599)	(2,527,600)	(312,413)	(777,409)	(4,757,467)
Exchange rate adjustments	-	-	80	674	(233)	1,175	(25)	(16)	1,655
Other adjustments	(33,181)	(2,678)	(63,725)	66,670	-	3	(1)	(3,414)	(36,326)
<b>Closing net book value</b>	<b>47,782,583</b>	<b>20,973,582</b>	<b>14,726,928</b>	<b>7,134,311</b>	<b>1,383,081</b>	<b>9,157,467</b>	<b>988,484</b>	<b>2,139,600</b>	<b>104,286,036</b>
<b>At December 31, 2023</b>									
Cost or Revalued amount	47,782,583	20,973,582	14,851,259	7,277,734	3,375,452	25,295,671	2,329,458	8,095,171	129,980,910
Accumulated depreciation	-	-	(124,331)	(143,423)	(1,992,371)	(16,138,206)	(1,340,973)	(5,955,570)	(25,694,874)
<b>Net book value</b>	<b>47,782,583</b>	<b>20,973,582</b>	<b>14,726,928</b>	<b>7,134,311</b>	<b>1,383,081</b>	<b>9,157,465</b>	<b>988,485</b>	<b>2,139,601</b>	<b>104,286,036</b>
<b>Rate of depreciation (percentage)</b>	-	-	5%	5%	10%	14.28%-50%	20%	20%	

10.3 Group arranged for valuation of all Land and Buildings as at December 31, 2023 from six independent valuers certified by PBA (Sadrudin Associates (Private) Limited, Hamid Mukhtar & Co (Private) Limited, Indus Surveyors (Private) Limited, A1 Warda Engineering Services, Tristar International Consultant (Private) Limited and Harvester Services (Private) Limited). The revalued amounts of properties have been determined on the basis of market value. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

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for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Rupees in '000	
- Land (Freehold and leasehold)	31,264,621	26,924,337
- Building (Freehold and leasehold)	16,925,052	13,289,397

10.5 Fair value of property and equipment excluding land and buildings is not expected to be materially different from their carrying amount.

	Note	December 31, 2024	December 31, 2023
		Rupees in '000	
10.5 Incremental depreciation charged during the year transferred to unappropriated profit	22.1	350,020	135,473

10.6 Restriction or discrepancy in the title of property having a net book value of

	December 31, 2024	December 31, 2023
	Rupees in '000	
208,982	208,982	205,384

10.7 The cost of fully depreciated assets that are still in use:

	December 31, 2024	December 31, 2023
Furniture and fixtures	1,203,124	1,007,413
Electrical, office and computer equipments	11,047,792	9,139,158
Vehicles	781,902	675,194
Leasehold Improvements	4,850,720	4,015,416

10.8 The carrying amount of property and equipment that have retired from active use and held for disposal

	December 31, 2024	December 31, 2023
1,293,975	1,293,975	2,175,252

10.9 The sale of fixed assets (otherwise than a regular auction) to related parties are disclosed in Annexure III of unconsolidated financial statements.

	December 31, 2024		December 31, 2023	
	Buildings	Total	Buildings	Total
	Rupees in '000			
11 RIGHT-OF-USE ASSETS				

At January 01				
Cost	15,930,691	15,930,691	13,708,994	13,708,994
Accumulated Depreciation	(7,601,229)	(7,601,229)	(5,827,013)	(5,827,013)
<b>Net carrying amount at January 01</b>	<b>8,329,462</b>	<b>8,329,462</b>	<b>7,881,981</b>	<b>7,881,981</b>

Additions during the year	1,894,202	1,894,202	2,457,404	2,457,404
Deletions during the year	(568,326)	(568,326)	(235,706)	(235,706)
Depreciation charge during the year	(1,869,048)	(1,869,048)	(1,781,018)	(1,781,018)
Exchange difference	1,451	1,451	6,801	6,801
<b>Net carrying amount at December 31</b>	<b>7,787,741</b>	<b>7,787,741</b>	<b>8,329,462</b>	<b>8,329,462</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31,	December 31,
		2024	2023
Rupees in '000			
<b>12 INTANGIBLE ASSETS</b>			
Capital work in progress	12.1	1,010,773	778,871
Intangible Assets	12.2	2,639,423	2,637,781
		<u>3,650,196</u>	<u>3,416,652</u>
<b>12.1 Capital work in progress</b>			
Softwares		1,007,899	775,996
Advances for softwares to suppliers		2,874	2,875
		<u>1,010,773</u>	<u>778,871</u>
		<b>December 31, 2024</b>	
		Computer software	Others
		Rupees in '000	
<b>12.2 Intangible Assets</b>			
<b>At January 1, 2024</b>			
Cost		6,409,382	-
Accumulated amortisation and impairment		(3,771,601)	-
<b>Net book value</b>		<u>2,637,781</u>	<u>-</u>
<b>Year ended December 31, 2024</b>			
Opening net book value		2,637,781	-
Additions:			
Directly purchased		627,646	-
Amortisation charge		(626,004)	-
<b>Closing net book value</b>		<u>2,639,423</u>	<u>-</u>
<b>At December 31, 2024</b>			
Cost		7,037,028	-
Accumulated amortisation and impairment		(4,397,605)	-
<b>Net book value</b>		<u>2,639,423</u>	<u>-</u>
<b>Rate of amortisation (percentage)</b>		5% to 33.33%	
<b>Useful life</b>		3 to 20 Years	

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2023		
	Computer software	Others	Total
Rupees in '000			
<b>At January 1, 2023</b>			
Cost	5,882,367	-	5,882,367
Accumulated amortisation and impairment	(3,184,449)	-	(3,184,449)
<b>Net book value</b>	<u>2,697,918</u>	<u>-</u>	<u>2,697,918</u>
<b>Year ended December 31, 2023</b>			
Opening net book value	2,688,676	-	2,697,918
Additions:			
Directly purchased	527,015	-	527,015
Amortization charges	(587,152)	-	(587,152)
Disposals accumulated depreciation	2,628,539	-	2,637,781
<b>At December 31, 2023</b>			
Cost	6,409,382	-	6,409,382
Accumulated amortisation and impairment	(3,771,601)	-	(3,771,601)
<b>Net book value</b>	<u>2,637,781</u>	<u>-</u>	<u>2,637,781</u>
<b>Rate of amortisation (percentage)</b>	5% to 33.33%		
<b>Useful life</b>	3 to 20 Years		
		December 31,	December 31,
		2024	2023
		Rupees in '000	
<b>12.3</b>	The cost of fully amortized assets that are still in use:		
	Intangible assets – software	<u>1,493,600</u>	<u>894,732</u>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>13 OTHER ASSETS</b>			
Income / Mark-up accrued in local currency		55,020,672	69,598,428
Income / Mark-up accrued in foreign currency		532,316	953,413
Financial assets due to subsidized loans		7,287,676	-
Advances, deposits, advance rent and other prepayments		6,379,828	3,554,991
Advance taxation (payments less provisions)		2,052,691	-
Non-banking assets acquired in satisfaction of claims	13.1	682,237	1,038,270
Branches adjustment account		-	1,701,578
Mark to market gain on forward foreign exchange contracts		-	80,674
Mark to market gain on forward government securities transactions		967,333	-
Acceptances		7,563,743	8,444,550
Due from the employees' retirement benefit schemes			
- Pension fund	37.4	7,772,440	6,185,041
Fraud and forgeries		527,738	544,824
Stationery and stamps in hand		1,205,896	863,475
Home Remittance Cell agent receivable		2,784	1,749
Receivable from State Bank of Pakistan		71	4,375
Charges receivable		29,924	29,873
ATM / Point of Sale settlement account		6,451,615	7,075,342
Others		639,010	440,520
		97,115,974	100,517,103
Less: Credit loss allowance held against other assets	13.2	(1,147,776)	(996,020)
Other assets (net of Credit loss allowance)		95,968,198	99,521,083
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		1,265,361	1,043,502
Other assets - net		97,233,559	100,564,585
<b>13.1 Market value of non-banking assets acquired in satisfaction of claims</b>		<b>1,947,598</b>	<b>2,081,772</b>

Full-scope revaluation was carried out at December 31, 2024 through four independent valuers approved by Pakistan Banks' Association (Tristar International Consultant Private Limited, A-1 Warda Engineering Services and Harvester Services Private Limited). The revalued amounts of properties have been determined on the basis of market rates depending upon physical verification and general appearance of the site.

	December 31, 2024	December 31, 2023
Rupees in '000		

### 13.1.1 Non banking assets acquired in satisfaction of claims

Opening balance	2,081,772	1,505,342
Additions	-	443,214
Constructions	3,745	100
Revaluation	261,755	144,229
Disposals	-	-
Transfers	(375,753)	-
Depreciation	(23,921)	(11,113)
Closing balance	1,947,598	2,081,772

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

13.1.2 There are no disposals of non banking assets acquired in satisfaction of claims.

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>13.2 Credit loss allowance / Provision held against other assets</b>			
Advances, deposits, advance rent and other prepayments		286,371	213,329
Provision against fraud and forgeries		427,195	444,282
Charges receivable		29,764	29,840
Credit loss allowance against acceptances		109,875	-
Others		294,571	308,569
		1,147,776	996,020

### 13.2.1 Movement in Credit loss allowance / Provision held against other assets

Opening balance	996,020	755,808
Impact of adoption of IFRS 9	37,823	-
Charge for the year	241,906	505,416
Reversals	(119,745)	(259,078)
Net charge	122,161	246,338
Amounts written off	(8,228)	(6,126)
Closing balance	1,147,776	996,020

## 14 CONTINGENT ASSETS

There were no contingent assets of the Bank as at December 31, 2024 and December 31, 2023.

## 15 BILLS PAYABLE

In Pakistan	14,477,225	9,296,223
Outside Pakistan	25,012	26,182
	14,502,237	9,322,405

## 16 BORROWINGS

### Secured

Borrowings from State Bank of Pakistan			
Repurchase agreement borrowings	16.1	355,072,900	270,000,000
Under export refinance scheme	16.2	23,682,355	28,652,901
Under long term financing facility	16.3	22,806,443	28,265,781
Under financing scheme for renewable energy	16.4	7,871,360	7,253,956
Under Temporary Economic Refinance Scheme	16.5	7,490,465	12,741,909
Under refinance scheme for modernization of SMEs	16.6	13,222	8,182
Under refinance scheme for SME Asaan Finance (SAAF)		172,807	-
Refinance and credit guarantee scheme for women entrepreneurs		19,310	13,517
Under refinance scheme for combating COVID-19	16.7	81,016	133,325
		417,209,878	347,069,571
Repurchase agreement borrowings from Financial Institutions			
Repurchase agreement borrowings from Financial Institutions	16.8	29,259,260	1,843,392
Trading liability		-	7,541,047
		446,469,138	356,454,010

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>Unsecured</b>			
Call borrowings	16.9	7,628,102	2,677,677
Overdrawn nostro accounts		426,318	192,355
Musharaka borrowing	16.10	7,500,000	14,350,000
		15,554,420	17,220,032
		<b>462,023,558</b>	<b>373,674,042</b>

**16.1** This represents local currency borrowing from the State Bank of Pakistan against government securities, carrying mark-up at the rate of 13.07% to 14.00% (2023: 22.08% to 22.09%) per annum, maturing on various dates latest by January 17, 2025.

**16.2** The Bank has entered into various agreements for financing with the State Bank of Pakistan for extending export finance to customers. As per agreements, the Bank has granted to State Bank of Pakistan the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with the SBP. The borrowing carries mark-up at the rate of 1.00% to 2.00% (2023: 1.00% to 2.00%) per annum. These borrowings are repayable within six months from the deal date.

**16.3** This represents Long Term Financing facility availed by the Bank for further extending the same to its customers, for a maximum period of 10 years. The borrowing carries mark-up at the rate of 1.50%, 2.50% and 3.00% (2023: 16% to 17.5%) per annum for financing up-to 3 years, 5 years & 10 years respectively.

**16.4** These represent borrowings from the State Bank of Pakistan availed by the Bank for financing power projects and facilities using alternative and renewable energy (solar, wind, hydro, biogas, bio-fuels, bagasse cogeneration, and geothermal as fuel) for a maximum period of 12 years under Category I and for a maximum period of 10 years under Category II and III. The borrowing carries mark-up at the rate of 3% for Category I, 2% for Category II and 3% for Category III.

**16.5** These borrowings have been obtained from the State Bank of Pakistan for providing concessionary refinancing facility to the industry for purchase of new imported and locally manufactured plant & machinery to set up new projects. These borrowings are repayable within a period of ten years including a grace period of upto 2 years. These carry mark up rate of 1% per annum.

**16.6** These borrowings have been obtained from the State Bank of Pakistan for providing refinancing facility to wide range of SME clusters / sectors for purchase of new and imported / local plant and machinery for BMR of existing units and setting up new SME units. These borrowings are repayable for a maximum period of 10 years. These carry mark up rate ranging from 6% per annum.

**16.7** These borrowings have been obtained from the State Bank of Pakistan for providing financing facilities to help businesses in payment of wages and salaries to their workers and employees for supporting continued employment. These borrowing are repayable in 8 equal quarterly installments beginning from January 2021. These carry mark up rates ranging from 0% to 2% per annum.

**16.8** These represent borrowings in local currency from local interbank markets against government securities, carrying mark-up at the rate of 12.10% to 12.90% (2023: 22%) per annum, maturing on January 17, 2025.

**16.9** These represent unsecured borrowings in foreign and local currency from foreign and local interbank markets, carrying mark-up at the rate of 6.53% to 18.60% (2023: 9.80% to 11.90%) per annum. These borrowings are maturing on various dates, latest by June 24, 2025.

**16.10** This represents unsecured local currency borrowings by Islamic banking business under Musharaka agreement at profit of 12.25% (2023: 21.75% to 22.5%) per annum, maturing on various dates, latest by January 07, 2025.

**16.11** Note 8.3 includes the carrying amount of investments given as collateral against re-purchase agreement borrowings.

	December 31, 2024	December 31, 2023
Rupees in '000		
<b>16.12 Particulars of borrowings with respect to currencies</b>		
In local currency	455,895,458	370,804,011
In foreign currencies	6,128,100	2,870,031
	<b>462,023,558</b>	<b>373,674,042</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024			December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
<b>17 DEPOSITS AND OTHER ACCOUNTS</b>						
<b>Customers</b>						
Current deposits	683,016,032	35,622,173	718,638,205	612,491,853	44,460,629	656,952,482
Savings deposits	851,574,470	18,177,737	869,752,207	656,231,495	19,697,405	675,928,900
Term deposits	201,669,126	80,524,496	282,193,622	201,318,101	51,084,504	252,402,605
Others	37,063,834	78,257	37,142,091	30,467,120	61,278	30,528,398
	1,773,323,462	134,402,663	1,907,726,125	1,500,508,569	115,303,816	1,615,812,385
<b>Financial Institutions</b>						
Current deposits	15,659,282	1,218,988	16,878,270	14,062,494	853,715	14,916,209
Savings deposits	88,035,841	-	88,035,841	44,978,314	-	44,978,314
Term deposits	641,050	4,775,259	5,416,309	819,350	63,419	882,769
Others	13,100	-	13,100	-	-	-
	104,349,273	5,994,247	110,343,520	59,860,158	917,134	60,777,292
	<b>1,877,672,735</b>	<b>140,396,910</b>	<b>2,018,069,645</b>	<b>1,560,368,727</b>	<b>116,220,950</b>	<b>1,676,589,677</b>
				<b>December 31, 2024</b>		<b>December 31, 2023</b>
				Rupees in '000		

### 17.1 Composition of deposits

Individuals	1,197,996,052	952,116,476
Private Sector	276,251,448	312,915,121
Government (Federal and Provincial)	236,687,637	209,285,511
Public Sector Entities	196,904,360	141,495,277
Non-Banking Financial Institutions	96,880,407	46,767,016
Banking Companies	13,349,741	14,010,276
	<b>2,018,069,645</b>	<b>1,676,589,677</b>

**17.2** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,343,523 million (2023: 1,138,708 million).

**17.3** Net outstanding value against prepaid cards is Rs. 21.604 million as at reporting date (2023: 25.328 million).

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023	
Rupees in '000				
<b>18 LEASE LIABILITIES</b>				
Outstanding amount at the start of the year		10,686,438	9,841,027	
Additions during the year		1,894,202	2,457,404	
Deletions during the year		(759,800)	(232,906)	
Lease payments including interest		(2,808,266)	(2,580,364)	
Interest expense		1,349,257	1,189,825	
Exchange difference		(863)	11,452	
Outstanding amount at the end of the period		10,360,968	10,686,438	
<b>18.1 Liabilities outstanding</b>				
Not later than one year		301,451	168,894	
Later than one year and upto five years		3,834,226	5,364,418	
Five to ten years		4,608,287	4,019,959	
Over ten years		1,617,004	1,133,167	
Total at the year end		10,360,968	10,686,438	
<b>December 31, 2024</b>				
	At January 1, 2024	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2024
Rupees in '000				

**19 DEFERRED TAX LIABILITIES / ASSETS**

Deductible Temporary Differences on				
- Credit loss allowance against advances, off balance sheet etc.	492,469	121,647	3,907,145	4,521,261
- Workers welfare fund	2,657,448	897,558	-	3,555,006
- Others	112,896	19,268	-	132,164
	3,262,813	1,038,473	3,907,145	8,208,431
Taxable Temporary Differences on				
- Surplus on revaluation of property and equipment	(4,200,202)	183,652	(274,520)	(4,291,070)
- Surplus on revaluation of non banking assets	(66,251)	20,744	(27,798)	(73,305)
- Surplus on revaluation of investments	6,608,032	-	(17,343,455)	(10,735,423)
- Actuarial gain on retirement benefits	(73,611)	-	(552,502)	(626,113)
- Investment in associated undertaking	(59,763)	8,514	-	(51,249)
- Accelerated tax depreciation	(1,689,137)	(602,654)	-	(2,291,791)
	519,068	(389,744)	(18,198,275)	(18,068,951)
	3,781,881	648,729	(14,291,130)	(9,860,520)

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

	December 31, 2023			
	At January 1, 2023	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2023
Rupees in '000				
Deductible Temporary Differences on				
- Advances	360,393	132,076	-	492,469
- Deficit on revaluation of investments	13,679,933	-	(7,071,901)	6,608,032
- Workers welfare fund	1,578,570	1,078,878	-	2,657,448
- Others	111,840	1,056	-	112,896
	15,730,736	1,212,010	(7,071,901)	9,870,845
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets	(1,779,800)	66,380	(2,486,782)	(4,200,202)
- Surplus on revaluation of non banking assets	(19,347)	1,237	(48,141)	(66,251)
- Actuarial gains	308,029	2,992	(384,632)	(73,611)
- Investment in associated undertaking	21,981	(81,744)	-	(59,763)
- Accelerated tax depreciation or amortization	(1,228,559)	(460,578)	-	(1,689,137)
	(2,697,696)	(471,713)	(2,919,555)	(6,088,964)
	13,033,040	740,297	(9,991,456)	3,781,881

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>20 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		17,523,889	14,143,930
Mark-up / return / interest payable in foreign currencies		910,978	1,762,006
Deferred grant on subsidized loans		3,772,085	-
Accrued expenses		3,288,469	4,127,256
Provision for taxation (provisions less payments)		-	7,915,956
Retention money payable		1,153,757	679,647
Deferred income		1,345,950	855,132
Unearned commission and income on bills discounted		1,032,336	759,785
Acceptances		7,563,743	8,444,550
Unclaimed dividends		496,711	442,049
Dividend payable		37,622	26,343
Branch adjustment account		2,106,829	-
Unrealized loss on forward foreign exchange contracts		1,613,858	-
Unrealized loss on forward government securities transactions		-	13,812
Provision for:			
Gratuity	37.4	331,645	806,365
Employees' medical benefits	37.4	1,575,050	1,500,971
Employees' compensated absences	37.4	1,248,767	1,200,318
Payable to defined contribution plan		114,216	117,158
Credit loss allowance against off-balance sheet obligations	20.1	493,983	298,904
Security deposits against lease		1,004,808	941,987
Charity fund balance		1,417	1,000
Home Remittance Cell overdraft		206,321	794,027
With-holding tax payable		8,091,953	8,610,249
Sundry deposits		4,879,335	4,162,588
Workers welfare fund payable	20.2	6,904,089	5,478,333
Others		2,939,135	2,369,007
		<b>68,636,946</b>	<b>65,451,373</b>

### 20.1 Credit loss allowance / Provision against off-balance sheet obligations

	December 31, 2024	December 31, 2023
Opening balance	298,904	298,904
Impact of adoption of IFRS 9	153,374	-
Charge for the year	41,705	-
Reversals	-	-
Net reversal	41,705	-
Closing balance	493,983	298,904

The above provision includes provisions made against letters of guarantee issued by the Bank.

### 20.2 Workers Welfare Fund

Supreme Court of Pakistan vide order dated November 10, 2016 held that the amendments made in the law through Finance Act 2008, introduced by the Federal Government for the levy of Worker Welfare Fund (WWF) were unlawful. Federal Board of Revenue filed review petition against the subject order, which is currently pending for adjudication.

WWF provision from 2014 has been maintained conservatively based on tax advisor's opinion in view of provincial levy of WWF by the provinces with effect from 2014, including levy by Sindh which is under litigation.

Punjab Government promulgated Punjab Workers Welfare Fund Act 2019 (PWWF) with effect from December 13, 2019, therefore, provision related to Punjab and pertaining to the period from 2014 till the date of promulgation of PWWF was reversed.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 21 SHARE CAPITAL

#### 21.1 Authorized capital

	December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
No. of shares		Rupees in '000			
1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000	

#### 21.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each

	December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
No. of shares		Rupees in '000			
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801	
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452	
1,127,525,280	1,127,525,280		11,275,253	11,275,253	
		18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	91,486	91,486	
		8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modarabah with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	84,000	84,000	
8,400,000	8,400,000		84,000	84,000	
1,145,073,830	1,145,073,830		11,450,739	11,450,739	

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [2023: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

	Note	December 31, 2024	December 31, 2023
Rupees in '000			

### 22 SURPLUS ON REVALUATION OF ASSETS – NET OF TAX

	Note	December 31, 2024	December 31, 2023
Surplus / (deficit) arising on revaluation of:			
Property and equipment	22.1	49,818,521	50,187,068
Non-banking assets acquired in satisfaction of claims	22.2	1,265,363	1,043,502
Available-for-sale securities		-	(13,485,780)
Securities measured at FVOCI - Debt		6,798,233	-
Securities measured at FVOCI - Equity		13,856,043	-
		71,738,160	37,744,790
Deferred tax on surplus / (deficit) on revaluation of:			
Property and equipment	22.1	(4,291,070)	(4,200,202)
Non-banking assets acquired in satisfaction of claims	22.2	(73,305)	(66,251)
Available-for-sale securities		-	6,608,032
Securities measured at FVOCI - Debt		(3,535,081)	-
Securities measured at FVOCI - Equity		(7,205,142)	-
		(15,104,598)	2,341,579
		<b>56,633,562</b>	<b>40,086,369</b>



## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>22.1 Surplus on revaluation of fixed assets</b>			
Surplus as at January 1, 2024		50,187,068	24,350,352
Surplus on revaluation during the year		-	25,972,188
Surplus related to transfer / adjustments		33,397	-
Surplus realised on disposal during the year		(51,924)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year – net of deferred tax		(168,008)	(69,092)
Related deferred tax liability		(182,012)	(66,380)
	10.5	(350,020)	(135,472)
Surplus on revaluation as at December 31, 2024		49,818,521	50,187,068
Less: Related deferred tax liability on :			
Revaluation surplus as at January 1, 2024		(4,200,202)	(1,779,800)
Deferred tax liability on revaluation surplus / change in tax rate		(257,155)	(2,486,782)
Deferred tax liability related to transfer or adjustments		(17,367)	-
Deferred tax on surplus on disposal during the year		1,642	-
Deferred tax on incremental depreciation transferred to unappropriated profit		182,012	66,380
		(4,291,070)	(4,200,202)
		45,527,451	45,986,866
<b>22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims</b>			
Surplus as at January 1, 2024		1,043,502	901,797
Surplus on revaluation during the year		261,756	144,229
Surplus related to transfer or adjustments		(33,397)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year – net of deferred tax		(3,119)	(1,287)
Related deferred tax liability		(3,379)	(1,237)
		(6,498)	(2,524)
Surplus on revaluation as at December 31, 2024		1,265,363	1,043,502
Less: Related deferred tax liability on :			
Revaluation surplus as at January 1, 2024		(66,251)	(19,347)
Deferred tax liability on revaluation surplus / change in tax rate		(27,800)	(48,141)
Deferred tax liability related to transfer or adjustments		17,367	-
Deferred tax on surplus on disposal during the year		-	-
Deferred tax on incremental depreciation transferred to unappropriated profit		3,379	1,237
		(73,305)	(66,251)
		1,192,058	977,251
<b>23 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	64,704,701	66,315,450
Commitments	23.2	612,265,251	495,953,754
Other contingent liabilities	23.3	6,994,409	6,987,410
		683,964,361	569,256,614

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>23.1 Guarantees</b>			
Financial guarantees		6,049,698	5,603,283
Performance guarantees		14,299,840	13,503,642
Other guarantees		44,355,163	47,208,525
		64,704,701	66,315,450
<b>23.2 Commitments</b>			
Documentary credits and short term trade related transactions:			
letters of credit		130,961,089	153,136,140
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	288,283,583	322,127,301
- forward government securities transactions	23.2.2	182,141,150	11,439,221
- operating leases	23.2.3	211,271	298,754
Commitments for acquisition of:			
- property and equipment		9,737,945	8,054,382
- intangible assets		930,213	897,956
		612,265,251	495,953,754
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		181,173,349	180,292,360
Sale		107,110,234	141,834,941
		288,283,583	322,127,301
<b>23.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		182,141,150	10,053,843
Sale		-	1,385,378
		182,141,150	11,439,221
<b>23.2.3 Commitments in respect of operating leases</b>			
Not later than one year		105,165	112,416
Later than one year and not later than five years		89,799	162,545
Later than five years		16,307	23,793
		211,271	298,754
<b>23.3 Other contingent liabilities</b>			
23.3.1 Claims against the Bank not acknowledged as debt	23.1.1	6,994,409	6,987,410
<b>23.3.1.1</b> This represent certain claims by third parties against the Bank, which are being contested in Courts of law. The management is of the view that these relate to the normal course of the business and the possibility of an outflow of economic resource is remote.			
<b>23.3.2</b> The income tax assessments of the Group have been finalized upto and including tax year 2024 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2024, income tax authorities made certain add backs with aggregate tax impact of Rs. 38,549 million (2023: Rs.34,866 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has			

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been made by the Group on aggregate sum of Rs.38,549 million (2023: Rs.34,866 million). The management is confident that the outcome of these appeals / references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and tax year 2022 created an arbitrary demand of Rs. 2,039 million (2023: 2,029 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,039 million (2023: 2,029 million).

Tax authorities have also issued orders under Federal Excise Act, 2005/Sales Tax Act/Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2023: 1,144 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2023: 1,144 million).

**23.3.3** While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable Court was pleased to Order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated 15.01.2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Moreover, on 04.01.2023, the Appellate Board has ordered that ABL's appeals now stand adjourned sine die till the final disposal of ABL's constitutional petitions which are pending before the Sindh High Court. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

## 24 DERIVATIVE INSTRUMENTS

The Bank at present does not offer structured derivative products such as Interest Rate Swaps, Forward Rate Agreements or FX Options. However, the Bank buys and sells derivative instruments such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

### Forward Exchange Contracts

Forward Exchange Contract (FEC) is a product which is offered to the obligor who transact internationally. These obligor use this product to hedge themselves from unfavorable movements in a foreign currency, however, by agreeing to fix the exchange rate, they do not benefit from favorable movements in that currency.

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

If the relevant exchange rate moves un-favorably, Obligor will benefit from that movement because the Bank must exchange currencies at the FEC rate. In order to mitigate this risk of adverse exchange rate movement, the Bank hedges its exposure by taking opposite forward position in inter-bank FX.

### Foreign Exchange Swaps

A Foreign Exchange Swap (FX Swap) is used by the Bank if it has a need to exchange one currency for another currency on one day and then re-exchange those currencies at a later date. Exchange rates and forward margins are determined in the "inter-bank" market and fluctuate according to supply and demand.

An FX Swap prevents the Bank from gaining any benefit resulting from a favorable exchange rate movement in the relevant currency pair between the time Bank enters into the transaction deal and when settlement occurs. Cancellation of the swap may also result in exposure to market movements. The key advantage of an FX swap is that it provides the Bank with protection

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against unfavorable currency movements between the time it enters into the transaction and settlement. The term and amounts for FX Swap can also be tailored to suit the Bank's particular needs.

### Equity Futures

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

The Bank may use equity futures as a hedging instrument to hedge its equity portfolio, in both 'held-for-trading' and 'available-for-sale', against equity price risk. Only selected shares are allowed to be traded on futures exchange. Equity futures give flexibility to the Bank either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates. Maximum exposure limit to the equity futures is 10% of Tier I Capital of the Bank, based on prevailing SBP regulations.

The accounting policies used to recognize and disclose derivatives are given in Note 4.16.2. The risk management framework of derivative instruments is given in note 44.

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>25</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	Loans and advances	137,945,552	139,449,883
	Investments	234,056,224	211,082,510
	Lendings to financial institutions	3,889,625	5,275,814
	Balances with banks	1,015,986	1,200,761
		<b>376,907,387</b>	<b>357,008,968</b>
<b>26</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	193,001,964	169,398,878
	Borrowings	61,411,203	67,872,918
	Cost of foreign currency swaps against foreign currency deposits	5,780,829	5,627,980
	Interest expense on lease liability	1,349,257	1,196,683
		<b>261,543,253</b>	<b>244,096,459</b>
<b>27</b>	<b>FEE AND COMMISSION INCOME</b>		
	On:		
	Branch banking customer fees	2,542,095	2,344,003
	Asset management fees	2,096,318	1,201,270
	Consumer finance related fees	24,156	28,056
	Card related fees (debit and credit cards)	7,321,467	5,430,362
	Credit related fees	24,354	45,094
	Investment banking fees	597,744	599,387
	Commission on trade	706,640	616,940
	Commission on guarantees	176,508	167,752
	Commission on cash management	373,782	413,797
	Commission on remittances including home remittances	2,141,375	978,648
	Commission on bancassurance	14,144	17,237
	Card acquiring business	159,198	-
		<b>16,177,781</b>	<b>11,842,546</b>
<b>28</b>	<b>GAIN ON SECURITIES</b>		
	Realised - net	28.1	2,448,270
	Unrealised - held for trading		14,944
	Unrealised - forward government securities		981,145
			<b>3,444,359</b>
<b>28.1</b>	<b>Realised gain / (loss) on:</b>		
	Federal government securities		2,448,270
	Shares		-
	Non Government debt securities		-
			<b>2,448,270</b>
			<b>928,795</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>29 OTHER INCOME</b>			
Recovery of written off mark-up and charges		68	125,221
Gain on sale of property and equipment - net		938,910	23,924
Other assets disposal		52,063	16,701
Fee for attending Board meetings		1,172	1,557
Gain on disposal of Islamic financing and related assets		13,078	32,246
		<b>1,005,291</b>	<b>199,649</b>
<b>30 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	30.1	<b>20,958,387</b>	<b>19,221,520</b>
<b>Property expense:</b>			
Rent & taxes		406,797	375,296
Insurance		160,552	110,889
Utilities cost		3,123,477	2,571,122
Security (including guards)		1,941,530	1,672,869
Repair & maintenance (including janitorial charges)		1,911,339	1,648,930
Depreciation		6,439,303	5,070,263
		<b>13,982,998</b>	<b>11,449,369</b>
<b>Information technology expenses:</b>			
Software maintenance		2,329,288	2,302,538
Hardware maintenance		480,419	487,420
Depreciation		1,651,527	1,145,471
Amortisation		626,004	587,995
Network charges		942,216	890,938
Others		9,531	5,414
		<b>6,038,985</b>	<b>5,419,776</b>
<b>Other operating expenses:</b>			
Directors' fees and allowances		88,602	75,211
Fees and allowances to Shariah Board		12,224	8,913
Legal & professional charges		316,074	250,081
Outsourced service cost	36.1	1,714,874	1,303,938
Travelling & conveyance		488,508	389,212
NIFT clearing charges		219,657	182,323
Depreciation		445,875	322,751
Training and development		254,837	230,589
Postage & courier charges		221,097	202,610
Communication		1,713,244	1,176,002
Stationery & printing		810,778	718,209
Marketing, advertisement & publicity		3,348,090	1,252,963
Donations	30.3	105,251	84,104
Auditors Remuneration	30.2	38,049	29,478
Brokerage expenses		135,040	77,613
Card related expenses		2,635,978	2,139,728
CNIC verification		246,608	147,417
Entertainment		506,778	332,432
Clearing and settlement		278,942	240,250
Insurance		2,072,772	1,715,984
Cash In Transit Service Charge		471,071	458,322
Others		649,779	251,929
		<b>16,774,128</b>	<b>11,590,059</b>
		<b>57,754,498</b>	<b>47,680,724</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024	December 31, 2023
Rupees in '000		
<b>30.1 Total compensation expense</b>		
Salaries	13,565,261	11,967,018
Fees and allowances etc.	3,338,751	2,097,946
Bonus and awards		
Variable	952,642	2,149,556
Fixed	832,755	738,454
(Reversal) / Charge for defined benefit plan	(8,632)	182,978
Contribution to defined contribution plan	687,013	532,840
Conveyance expense	983,233	895,567
Medical expense	289,688	225,698
Insurance	84,928	92,648
Education subsidy	28,002	25,573
Haji Expenses	45,206	43,088
Staff uniform	10,566	10,399
Executive club membership	20,361	23,449
Verification charges educational documents	11,758	8,655
Recruitment charges	2,616	5,883
Social Security Contribution - China	3,646	4,381
Others	-	22
Sub-Total	<b>20,847,794</b>	<b>19,004,155</b>
Voluntary retirement scheme	110,593	217,365
<b>Grand Total</b>	<b>20,958,387</b>	<b>19,221,520</b>

**30.1.1** The Group announced the Voluntary Retirement Scheme (VRS) for its employees. Sixteen (16) employees (2023: 20) of the Bank opted for retirement under this scheme.

**30.1.2** Total cost for the year included in Other Operating Expenses relating to outsourced activities is Rs. 2,002.191 million (2023: Rs.1,599.215 million). 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 nil.

	December 31, 2024	December 31, 2023
Rupees in '000		
<b>30.2 Auditors' remuneration</b>		
Audit fee	17,230	11,401
Fee for other statutory certifications	6,330	6,745
Annual audit overseas business unit*	3,820	5,128
Half year review	5,184	4,050
Special certifications and miscellaneous services	494	203
Sales tax	1,854	960
Out-of-pocket expenses	3,137	2,100
	<b>38,049</b>	<b>30,587</b>

\*This includes audit fee amounting to Bahraini Dinar 5,000 (2023: 6,000) & Chinese Yuan 3,000 (2023: 3,000) relating to Wholesale Bahrain Branch & China Representative Office respectively.

**30.3** None of the directors, executives and their spouses had any interest in the donees, except Mr. Mohammad Naeem Mukhtar (Chairman and Non-Executive Sponsor Director) is director in National Management Foundation.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
Saleem Memorial Trust Hospital		10,000	-
Anjuman Himayat-i-Islam	30.3.1	442	1,968
Tamir Welfare Organization		3,500	-
Food Security Fund 18 Wing		500	-
Aziz Jehan Begum Trust For The Blind		2,500	2,500
Saylani Welfare International Trust	30.3.1	476	927
The Citizens Foundation		3,960	4,470
National Management Foundation (LUMS)		30,000	30,000
Jamia Ashrafia Lahore	30.3.1	1,948	1,355
Liver Foundation Trust		5,000	2,500
Abdul Sattar Edhi Foundation		3,272	2,180
Fatimid Foundation		1,000	1,000
Fortify Education Foundation		500	500
Hunza Public School & Degree College		-	94
Million Smiles Foundation (MSF)		6,336	1,980
The I Care Foundation		-	2,000
The Kidney Centre Post Graduate Training Institute		-	15,000
The Patients Behbud Society (PBS)		-	5,000
The Layton Rahmatulla Benevolent Trust		-	1,000
Al Shifa Trust		500	-
Shaukat Khanum Memorial Trust		10,000	-
Almarah Foundation		162	-
Fountain House MHA		2,500	-
Umpire Aleem Dar Foundation Society		2,000	-
Sukkur IBA University		-	1,630
Sundas Foundation		2,000	-
Namal Education Foundation		5,000	-
Idar Al Khair Welfare Society		1,000	-
The I-Care Foundation		1,000	-
Sarhad Rural Support Programme (SRSP)		1,000	-
The Noorani Foundation Trust		10,655	10,000
		<b>105,251</b>	<b>84,104</b>

30.3.1 This represents charitable contributions on account of sadqa & feeding to under privileged.

		December 31, 2024	December 31, 2023
Rupees in '000			
<b>31 OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		93,136	173,381
Education cess		201,668	50,004
Depreciation - non-banking assets		23,921	11,113
Other assets written off		135	7
Others		254	608
		<b>319,114</b>	<b>235,113</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>32 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>			
Credit loss allowance against lendings to financial institutions		22	-
Credit loss allowance against cash and bank balances		(328,439)	-
Credit loss allowance against nostro accounts		5,236	-
Credit loss allowance for diminution in the value of investments	8.4	(2,800,735)	2,064,691
Credit loss allowance against loans and advances	9.4	257,454	683,049
Credit loss allowance against other assets	13.2.1	122,161	246,338
Credit loss allowance against off balance sheet obligations	20.1	41,705	-
Bad debts written off directly		-	-
		<b>(2,702,596)</b>	<b>2,994,078</b>
		<b>(7,543)</b>	<b>(17,105)</b>
		<b>(2,710,139)</b>	<b>2,976,973</b>

### 33 TAXATION

Current - for the year including super tax		48,417,191	43,364,441
- for prior year		(2,443,812)	2,954,666
		<b>45,973,379</b>	<b>46,319,107</b>
Deferred - current		(648,729)	(811,512)
		<b>45,324,650</b>	<b>45,507,595</b>

### 33.1 Relationship between tax expense and accounting profit

Accounting profit for the year		89,713,871	86,808,959
Tax on income @ 44% (2023: 39%)		39,474,103	33,855,494
Super Tax @ 10%		9,020,698	8,761,435
Impact of tax rate change		169,500	-
Prior Year		(2,443,812)	2,954,666
Others		(895,839)	(64,000)
Tax charge for the year		<b>45,324,650</b>	<b>45,507,595</b>

	Note	December 31, 2024	December 31, 2023
Rupees in '000			

### 34 EARNINGS PER SHARE – BASIC AND DILUTED

Profit after taxation		44,389,221	41,301,364
<b>Number of Shares</b>			
Weighted average number of ordinary shares outstanding during the year		1,145,073,830	1,145,073,830
<b>Rupees</b>			
Earnings per share – basic and diluted		38.77	36.07

There is no dilution effect on basic earnings per share.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
Rupees in '000			
<b>35 CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	35.1	149,979,626	156,124,352
Balances with other banks		9,970,319	2,455,601
Overdrawn nostro accounts		(426,318)	(192,355)
		<u>159,523,627</u>	<u>158,387,598</u>

**35.1** This includes balances with SBP amounting to Rs.7,653.525 million (2023: Rs. 91,125.620 million) related to statutory cash reserve to comply with SBP requirements.

### 35.2 Reconciliation of movement of liabilities and equity to cash flows arising from financing activities

	December 31, 2024				December 31, 2023			
	Liabilities		Equity		Liabilities		Equity	
	Lease Liabilities	Dividend payable	Unappropriated Profit	Total	Lease Liabilities	Dividend payable	Unappropriated Profit	Total
Rupees in '000								
<b>Balance as at January 01,</b>	10,899,950	498,593	107,827,294	119,225,837	10,061,402	457,395	82,058,979	92,577,776
Changes from Financing cash flows								
Payment of lease liability against right-of-use-assets	(2,857,024)	-	-	(2,857,024)	(2,587,226)	-	-	(2,587,226)
Dividend Paid	-	(18,255,239)	-	(18,255,239)	-	(11,982,078)	-	(11,982,078)
Total changes from financing cash flows	(2,857,024)	(18,255,239)	-	(21,112,263)	(2,587,226)	(11,982,078)	-	(14,569,304)
<b>Liability related</b>								
Changes in Other liabilities								
- Dividend announced	-	18,321,180	(18,321,180)	-	-	12,023,276	(12,023,276)	-
- Lease liability recognised	2,318,042	-	-	2,318,042	3,425,774	-	-	3,425,774
Total liability related other changes	2,318,042	18,321,180	(18,321,180)	2,318,042	3,425,774	12,023,276	(12,023,276)	3,425,774
Total equity related other changes	-	-	38,197,640	38,197,640	-	-	37,791,591	37,791,591
Balance as at December 31, 2024	10,360,968	564,534	127,703,754	138,629,256	10,899,950	498,593	107,827,294	119,225,837

**35.3** Markup receipts and markup payments during the year amounted to Rs. 391,706.732 million and Rs. 258,977.960 million respectively. (2023: Rs. 361,768.543 million and Rs. 243,204.268 million respectively).

	Numbers	
<b>36 STAFF STRENGTH</b>		
Permanent	12,453	12,228
Temporary / on contractual basis / trainee	1,217	537
Bank's own staff strength at the end of the year	<u>13,670</u>	<u>12,765</u>
Average number of employees	13,218	12,451

**36.1** In addition to the above, 738 (2023: 800) 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. Further, 9 (2023: 7) employees were posted abroad. The rest were working domestically.

## 37 DEFINED BENEFIT PLANS

### 37.1 General description

The Group operates a funded gratuity scheme for all employees who opted for the staff retirement benefit scheme introduced by the management with effect from July 1, 2002. For those employees who did not opt for the new scheme, the Group continues to operate a funded pension scheme.

The Group also provides post retirement medical benefits (unfunded scheme) to eligible retired employees.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 37.2 Number of employees and beneficiaries under the schemes

The number of employees covered under the following defined benefit scheme or plans are:

	December 31, 2024	December 31, 2023
Numbers		
- Pension fund	92	141
- Gratuity fund	12,448	12,077
- Post retirement medical benefits	13,275	12,528
- Employees' compensated absences	13,275	12,524

In addition, the number of beneficiaries covered under the following defined benefit scheme or plans are:

- Pension fund	1,971	1,997
- Post retirement medical benefits	1,610	1,610

### 37.3 Principal actuarial assumptions

The actuarial valuations were carried out for December 31, 2024 based on the Projected Unit Credit Method, using the following significant assumptions:

Sources of estimation	December 31, 2024	December 31, 2023
<b>Withdrawal rate</b>		
Pension fund	Age Based	Age Based
Gratuity fund	Moderate	Moderate
Post retirement medical benefits	Age Based	Age Based
Employees' compensated absences	Age Based	Age Based
<b>Mortality rate</b>	Adjusted SLIC	Adjusted SLIC
	2001-2005	2001-2005
<b>Discount rate</b>	Yield on investments in Government Bonds	
	12.25%	15.50%
<b>Expected rate of return on plan assets</b>		
Pension fund	Yield on investments in Government Bonds	
	12.25%	15.5%
Gratuity fund	Yield on investments in Government Bonds	
	12.25%	15.5%
<b>Expected rate of salary increase</b>	Rate of salary increase	
	10.25%	13.5%

The expected return on plan assets is based on the market expectations and depends on the asset portfolio of the Bank, at the beginning of the period, for returns over the entire life of the related obligation.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 37.4 Reconciliation of (receivable from) / payable to defined benefit plans

Note	December 31, 2024				December 31, 2023				
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	
	Rupees in '000				Rupees in '000				
Present value of defined benefit obligations	37.6	1,049,460	5,292,068	1,575,050	1,248,767	879,630	4,896,472	1,473,496	1,200,318
Fair value of plan's and scheme's assets	37.7	(8,821,900)	(4,960,423)	-	-	(7,064,670)	(4,062,631)	-	-
Net (asset) and liability		(7,772,440)	331,645	1,575,050	1,248,767	(6,185,040)	833,841	1,473,496	1,200,318
Net (asset) and liability		(7,772,440)	331,645	1,575,050	1,248,767	(6,185,040)	833,841	1,473,496	1,200,318

### 37.5 Movement in (receivable from) / payable to defined benefit plans

Note	December 31, 2024				December 31, 2023				
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	
	Rupees in '000				Rupees in '000				
Opening balance	(6,185,041)	833,841	1,473,496	1,200,318	(4,943,030)	829,048	1,508,820	1,124,542	
(Reversal) / charge for the year	37.9	(877,579)	605,370	239,477	158,703	(539,516)	509,690	235,577	169,122
Other comprehensive (income) / losses		(709,820)	(564,111)	20,425	-	(702,494)	21,439	(148,845)	-
Contribution to the fund and benefits paid		-	(543,455)	(158,348)	(110,254)	-	(526,336)	(122,056)	(93,346)
Closing balance		(7,772,440)	331,645	1,575,050	1,248,767	(6,185,040)	833,841	1,473,496	1,200,318

### 37.6 Movement in defined benefit obligations

Note	December 31, 2024				
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	
	Rupees in '000				
Opening balance	879,630	4,896,472	1,473,496	1,200,318	
Current service cost	-	476,951	22,411	71,369	
Interest cost	116,085	707,087	216,120	177,505	
Past service cost	-	39,492	-	-	
Benefits paid	(261,383)	(669,234)	(158,348)	(110,254)	
VRS settlement loss / (gain)	37.6.1	81,103	1,800	946	399
Re-measurement loss / (gain)		234,025	(160,500)	20,425	(90,570)
Closing balance		1,049,460	5,292,068	1,575,050	1,248,767

Note	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	1,067,361	4,446,359	1,508,820	1,124,542
Current service cost	-	422,254	24,216	62,517
Interest cost	122,331	605,528	209,930	156,291
Benefits paid	(447,396)	(538,853)	(122,056)	(93,346)
VRS settlement loss	177,223	2,402	1,431	3,370
Re-measurement loss and (gain)	(39,889)	(41,218)	(148,845)	(53,056)
Closing balance	879,630	4,896,472	1,473,496	1,200,318

**37.6.1** During the year, the active pensioners and in-service pensionable employees were given a voluntary option to settle their monthly pension with a lump sum payment. Those who will not opt for the lump sum option, will continue to receive monthly pension (defined benefit scheme).

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 37.7 Movement in fair value of plan assets

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	7,064,671	4,062,631	-	-
Expected return on plan assets	1,074,767	619,960	-	-
Group's contribution	-	540,341	-	-
Benefits paid	(261,384)	(666,120)	-	-
Re-measurement loss	943,846	403,611	-	-
Closing balance	8,821,900	4,960,423	-	-

	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	6,010,391	3,617,311	-	-
Expected return on plan assets	839,071	520,494	-	-
Group's contribution	-	479,098	-	-
Benefits paid	(447,396)	(534,493)	-	-
Re-measurement loss	662,605	(19,779)	-	-
Closing balance	7,064,671	4,062,631	-	-

### 37.8 Composition of plan assets

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	2,702,888	-	-	-
Government securities	5,558,258	4,821,570	-	-
Cash and cash equivalents	560,630	138,853	-	-
CDC Advance Deposit	123	-	-	-
	8,821,899	4,960,423	-	-

	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	1,766,592	-	-	-
Government securities	5,067,523	3,549,409	-	-
Cash and cash equivalents	230,553	513,221	-	-
	7,064,668	4,062,630	-	-

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
<b>37.8.1 Fair value of Group's financial instruments included in plan assets</b>				
Government securities	5,558,258	4,821,570	-	-
Bank balances with ABL	560,630	138,853	-	-
	6,118,888	4,960,423	-	-
	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Term deposit receipts	-	406,844	-	-
Government securities	5,067,523	3,549,409	-	-
Bank balances with ABL	230,553	106,377	-	-
	5,298,076	4,062,630	-	-

**37.8.2** Investment in term deposit receipts are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Trustees of the employee funds.

### 37.9 Charge for defined benefit plan

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	476,951	22,411	71,370
Interest cost	-	-	-	-
Past service cost	-	39,492	-	-
Net interest	(958,682)	87,127	216,120	177,505
VRS loss	81,103	1,800	946	399
Re-measurement loss recognised	-	-	-	(90,570)
	(877,579)	605,370	239,477	158,704
	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	422,254	24,216	62,517
Interest cost	-	-	-	-
Net interest	(716,739)	85,034	209,930	156,291
VRS loss	177,223	2,402	1,431	3,370
Re-measurement loss recognised	-	-	-	(53,056)
	(539,516)	509,690	235,577	169,122

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 37.10 Re-measurements recognized in other comprehensive income

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations				
- Demographic assumptions	-	-	-	-
- Financial assumptions	(31,391)	(1,058,638)	-	-
- Experience adjustments	(202,634)	1,219,138	(20,425)	-
Re-measurement gain on assets	943,845	403,611	-	-
Re-measurement (loss) or gain in OCI	709,820	564,111	(20,425)	-
	December 31, 2023			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations				
- Demographic assumptions	-	-	-	-
- Financial assumptions	42,020	(27,490)	-	-
- Experience adjustments	(2,131)	68,225	148,845	-
Re-measurement gain / (loss) on assets	662,606	(19,779)	-	-
Re-measurement (loss) or gain in OCI	702,495	20,956	148,845	-
	December 31, 2024		December 31, 2023	
	Rupees in '000			

### 37.11 Actual / return on plan assets

- Pension fund	2,018,613	1,501,675
- Gratuity fund	1,023,571	500,715

### 37.12 Five year data of defined benefit plan and experience adjustments

	Pension fund				
	2024	2023	2022	2021	2020
	Rupees in '000				
Present value of defined benefit obligation	1,049,460	879,630	1,067,361	1,389,295	1,707,213
Fair value of plan assets	(8,821,900)	(7,064,671)	(6,010,391)	(5,769,269)	(5,493,653)
	(7,772,440)	(6,185,041)	(4,943,030)	(4,379,974)	(3,786,440)
<b>Experience adjustments on plan obligations and assets</b>					
Re-measurement (loss) / gain on obligation	(234,025)	39,889	24,380	259,608	(87,632)
Re-measurement (loss) / gain on assets	(943,846)	662,605	95,859	(35,118)	(1,063,774)

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	2024	2023	Gratuity fund		
			2022	2021	2020
Rupees in '000					
Present value of defined benefit obligation	5,292,068	4,868,996	4,421,505	4,083,960	3,655,868
Fair value of plan assets	(4,960,423)	(4,062,631)	(3,617,311)	(3,367,829)	(3,046,593)
	331,645	806,365	804,194	716,131	609,275
<b>Experience adjustments on plan obligations and assets</b>					
Re-measurement gain and (loss) on obligation	164,765	40,731	85,320	(76,096)	130,088
Re-measurement (loss) and gain on assets	(403,611)	(19,779)	(159,818)	(21,713)	(118,061)
<b>Post retirement medical benefit</b>					
	2024	2023	2022	2021	2020
Rupees in '000					
Present value of defined benefit obligation	1,575,050	1,473,496	1,508,820	1,515,000	1,514,300
Fair value of plan assets	-	-	-	-	-
	1,575,050	1,473,496	1,508,820	1,515,000	1,514,300
<b>Experience adjustments on plan obligations and assets</b>					
Re-measurement (loss) and gain on obligation	(20,425)	148,845	99,452	52,599	(95,729)
<b>Employees' compensated absences</b>					
	2024	2023	2022	2021	2020
Rupees in '000					
Present value of defined benefit obligation	1,248,767	1,200,318	1,124,542	923,138	774,381
Fair value of plan assets	-	-	-	-	-
	1,248,767	1,200,318	1,124,542	923,138	774,381
<b>Experience adjustments on plan obligations</b>					
Re-measurement (loss) and gain on obligation	90,570	53,056	(118,350)	(131,808)	(120,571)

### 37.13 Expected contributions to be paid to the funds in the next financial year

The Bank contributes to the gratuity fund as per actuarial expected charge for the next financial year. No contributions are being made to pension due to surplus of fair value of plan's assets over present value of defined obligation. Based on actuarial advice, management estimates that the charge or (reversal) in respect of defined benefit plans for the year ending December 31, 2025 would be as follows:

	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
Rupees in '000				
Expected (reversal) and charge for the next year	(952,229)	471,791	225,770	204,060

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 37.14 Sensitivity analysis

Description	+1% Discount Rate	-1% Discount Rate	+1% Salary Increase Rate	-1% Salary Increase Rate	+10% Withdrawal Rate	-10% Withdrawal Rate	1Year Mortality age set back	1Year Mortality age set forward
	Rupees in '000							
Pension fund	992,869	1,112,638	-	-	1,049,463	1,049,457	1,056,724	1,042,774
Gratuity fund	4,911,323	5,727,680	5,747,426	4,889,795	5,199,592	5,226,108	5,210,371	5,215,785
Post retirement medical	1,479,411	1,683,008	1,599,240	1,550,038	1,571,939	1,578,237	1,572,484	1,577,594
Leave compensated absences	1,175,626	1,331,357	1,332,148	1,173,737	1,241,584	1,256,131	1,246,720	1,250,806

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognized within the statement of financial position.

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
The weighted average duration of the obligation (in years)	5.71	7.73	6.46	6.24

### 37.15 Maturity Profile

### 37.16 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the Fund on any valuation date having regards to the various actuarial assumptions such as projected future salary increase, expected future contributions to the fund, projected increase in liability associated with future service and the projected investment income of the Fund.

### 37.17 Risk associated with defined benefit plans

The defined benefit plans may expose the bank to actuarial risks such as longevity risk, investment risk, salary increase risk and withdrawal rate risk as described below;

#### Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

#### Investment risks:

The risk arises when the actual performance level of investment levels is lower than expectation and thus creating a shortfall in the funding objectives.

#### Salary increase risk:

The most common type of retirement benefit is one where the final benefit is linked with final salary. The risk arises when the actual increases are higher than expectations and impact the liability accordingly.

#### Withdrawal Rate:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

### 38 DEFINED CONTRIBUTION PLAN

The Bank operates an approved contributory provident fund for 10,760 (2023: 9,471) employees where contributions are made by the Bank at 8.33% per annum (2023: 8.33% per annum), whereas employees have the option to contribute at 8.33%, 12% or 15% per annum (2023: 8.33%, 12% or 15% per annum) of the basic salary every month.



## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

#### 39.1 Total compensation expense

	December 31, 2024						
	Directors			Members Shariah Board	President / CEO*	Key Man- agement Personnel	Other Ma- terial Risk Takers / Controllers
	Chairman	Executive (other than CEO)*	Non- Executives				
	Rupees in '000						
Fees and allowances etc.	7,200	-	78,600	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	4,237	60,000	183,419	203,397
- Total Variable	-	-	-	600	50,000	182,395	103,867
of which							
a. Cash Bonus and awards	-	-	-	600	50,000	182,395	103,867
b. Bonus and awards in Shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	327	4,998	14,629	16,341
Rent and house maintenance	-	-	-	2,556	36,000	104,052	117,708
Utilities	-	-	-	786	12,000	34,684	39,236
Medical	-	-	-	786	12,000	35,006	39,236
Conveyance	-	-	-	1,354	5,400	93,070	77,436
Others	-	-	-	1,578	15,485	84,788	107,154
Total	7,200	-	78,600	12,224	195,883	732,043	704,375
Number of persons	1	-	10	3	1	19	65

\* CEO stands for Chief Executive Officer

	December 31, 2023						
	Directors			Members Shariah Board	President / CEO*	Key Man- agement Personnel	Other Ma- terial Risk Takers / Controllers
	Chairman	Executive (other than CEO)*	Non- Executives				
	Rupees in '000						
Fees and allowances etc.	4,200	-	70,400	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	3,947	30,000	143,794	209,435
- Total Variable	-	-	-	895	30,500	182,206	140,804
of which							
a. Cash Bonus and awards	-	-	-	895	30,500	182,206	140,804
b. Bonus and awards in Shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	303	2,499	11,221	16,019
Rent and house maintenance	-	-	-	2,186	18,735	80,827	121,585
Utilities	-	-	-	728	6,245	26,943	40,528
Medical	-	-	-	728	6,245	27,962	43,005
Conveyance	-	-	-	1,316	5,850	87,847	88,039
Others	-	-	-	743	1,717	27,638	91,500
Total	4,200	-	70,400	10,846	101,791	588,438	750,915
Number of persons	1	-	8	3	1	22	75

\* CEO stands for Chief Executive Officer

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	December 31, 2024						Total Amount Paid
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	
		Rupees in '000						
1	Mohammad Naeem Mukhtar	4,200	-	-	-	3,000	-	7,200
2	Sheikh Mukhtar Ahmad	4,200	-	-	1,800	-	-	6,000
3	Muhammad Waseem Mukhtar	4,200	-	2,400	-	3,000	7,200	16,800
4	Zafar Iqbal	4,200	1,800	1,200	600	1,800	2,400	12,000
5	Nazrat Bashir	4,200	3,000	-	2,400	-	7,200	16,800
6	Mian Ikram Ul Haq	1,200	1,200	600	-	-	-	3,000
7	Muhammad Kamran Shehzad	1,200	1,200	-	-	600	-	3,000
8	Mubashir A. Akhtar (Retired)	2,400	1,800	1,200	-	-	-	5,400
9	Abdul Aziz Khan (Retired)	2,400	-	1,200	1,800	-	4,800	10,200
10	Pervaiz Iqbal Butt	2,800	-	-	-	-	-	2,800
11	Kamran Nishat	2,600	-	-	-	-	-	2,600
		33,600	9,000	6,600	6,600	8,400	21,600	85,800

Sr. No.	Name of Director	December 31, 2023						Total Amount Paid
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	
		Rupees in '000						
1	Mohammad Naeem Mukhtar	1,800	-	-	-	2,400	-	4,200
2	Sheikh Mukhtar Ahmad	3,000	-	-	2,400	-	-	5,400
3	Muhammad Waseem Mukhtar	3,000	-	2,400	-	1,800	7,200	14,400
4	Abdul Aziz Khan	3,000	-	2,400	2,400	-	7,200	15,000
5	Zafar Iqbal	3,000	3,000	-	-	2,400	-	8,400
6	Mubashir A. Akhtar	3,000	3,000	2,400	-	-	-	8,400
7	Nazrat Bashir	3,000	3,000	-	2,400	-	7,200	15,600
8	Pervaiz Iqbal Butt	1,600	-	-	-	-	-	1,600
9	Muhammad Kamran Shehzad	1,600	-	-	-	-	-	1,600
		23,000	9,000	7,200	7,200	6,600	21,600	74,600

### 39.3 Remuneration paid to Shariah Board Members

Items	December 31, 2024			December 31, 2023		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
	Rupees in '000					
Salaries and allowances	6,597	2,895	2,732	6,042	2,544	2,260
Total Number of Persons	1	1	1	1	1	1

39.4 Deferred cash bonus and remuneration for MRTs for the year 2024 is Rs. 25,827,600 (2023: 23,607,733).

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 40 FAIR VALUE OF FINANCIAL INSTRUMENTS

#### 40.1 Fair value of financial assets

The fair value of traded investments is based on quoted market prices other than those classified as "hold to collect". Quoted securities classified as hold to collect are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.4 to these consolidated financial statements.

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. Financial instruments included in level 1 comprise of investments in Listed Ordinary Shares.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Financial instruments included in level 2 comprise of Sukuk Bonds, Units of Mutual Funds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance Certificates and Forward Government & Exchange Contracts.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Currently, no financial instruments are classified in level 3.

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:

#### Valuation Techniques used in determination of Fair Valuation of Financial Instruments within Level 2

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV & PKFRV rates.
Non-Government Debt Securities	Marked to Market on the basis of MUFAP rates.
Foreign Exchange Contracts	Marked to Market on the basis of SBP rates.
Open Ended Mutual Funds	Marked to Market on the basis of MUFAP rates.
Operating Fixed Assets (Land & Building) & NBA	The valuation is based on their assessment of market value of the properties.

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	December 31, 2024				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	963,647,675	-	963,647,675	-	963,647,675
Shares	27,533,021	23,835,166	3,697,855	-	27,533,021
Non-Government Debt Securities	13,322,779	-	13,322,779	-	13,322,779
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments (Federal government securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)					
	128,379,928	-	-	-	-
Cash and balances with treasury banks	146,812,714	-	-	-	-
Balances with other banks	9,964,224	-	-	-	-
Lendings	243,541,081	-	-	-	-
Advances	1,051,545,347	-	-	-	-
Other assets	78,161,477	-	-	-	-
<b>Non - Financial Assets measured at fair value</b>					
Operating fixed assets	98,005,540	-	98,005,540	-	98,005,540
Non-banking assets	1,947,598	-	1,947,598	-	1,947,598
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	181,173,349	-	181,173,349	-	181,173,349
Forward sale of foreign exchange	107,110,234	-	107,110,234	-	107,110,234
Forward purchase of government securities transactions	182,141,150	-	182,141,150	-	182,141,150
Forward sale of government securities transactions	-	-	-	-	-

	December 31, 2023				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	1,044,283,263	-	1,044,283,263	-	1,044,283,263
Shares	23,270,806	18,457,238	4,813,568	-	23,270,806
Non-Government Debt Securities	13,274,049	-	13,274,049	-	13,274,049
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments (Federal government securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)					
	73,769,085	-	-	-	-
Cash and balances with treasury banks	156,124,352	-	-	-	-
Balances with other banks	2,455,601	-	-	-	-
Lendings	9,418,003	-	-	-	-
Advances	780,296,455	-	-	-	-
Other assets	88,092,635	-	-	-	-
<b>Non - Financial Assets measured at fair value</b>					
Operating fixed assets	90,617,404	-	90,617,404	-	90,617,404
Non-banking assets	2,081,772	-	2,081,772	-	2,081,772
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	180,292,360	-	180,292,360	-	180,292,360
Forward sale of foreign exchange	141,834,941	-	141,834,941	-	141,834,941
Forward purchase of government securities transactions	10,053,843	-	10,053,843	-	10,053,843
Forward sale of government securities transactions	1,385,378	-	1,385,378	-	1,385,378

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 41 SEGMENT INFORMATION

#### 41.1 Segment Details with respect to Business Activities

December 31, 2024								
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	ABL Exchange Company	Others	Total
Rupees in '000								
<b>Profit &amp; Loss Account</b>								
Net mark-up, return, profit	119,655,553	(180,319,079)	164,541,966	11,124,092	(24,532)	165,539	220,595	115,364,134
Inter segment revenue - net	(105,553,765)	278,855,473	(153,841,091)	-	-	-	(19,460,617)	-
Non mark-up / return / interest income	6,705,023	9,542,864	9,862,566	710,592	3,182,355	10,884	1,146,147	31,160,431
<b>Total Income</b>	<b>20,806,811</b>	<b>108,079,258</b>	<b>20,563,441</b>	<b>11,834,684</b>	<b>3,157,823</b>	<b>176,423</b>	<b>(18,093,875)</b>	<b>146,524,565</b>
Segment direct expenses	1,704,162	25,463,491	357,935	2,482,619	1,490,150	148,610	27,873,866	59,520,833
Total expenses	1,704,162	25,463,491	357,935	2,482,619	1,490,150	148,610	27,873,866	59,520,833
Credit loss allowance	(1,388,174)	(15,862)	(328,420)	564,660	-	-	(1,542,343)	(2,710,139)
<b>Profit before tax</b>	<b>20,490,823</b>	<b>82,631,629</b>	<b>20,533,926</b>	<b>8,787,405</b>	<b>1,667,673</b>	<b>27,813</b>	<b>(44,425,398)</b>	<b>89,713,871</b>
<b>Statement of Financial Position</b>								
Cash & Bank balances	53,670	45,352,478	98,379,423	10,642,246	101,484	268,484	1,979,153	156,776,938
Investments	56,408,623	-	966,771,524	105,193,809	3,662,878	846,569	-	1,132,883,403
Net inter segment lending	(978,378,560)	1,774,976,738	(944,636,797)	(7,565,690)	-	-	155,604,309	-
Lendings to financial institutions	883,004	-	243,541,105	-	-	-	(883,028)	243,541,081
Advances - performing	983,462,886	30,483,881	-	32,101,884	231,454	-	7,939,566	1,054,219,671
Advances - non-performing	706,739	378,129	-	295,246	-	-	10,979,619	12,359,733
Credit loss allowance against advances	(3,033,458)	(600,576)	-	(267,440)	-	-	(11,132,583)	(15,034,057)
Advances - net	981,136,167	30,261,434	-	32,129,690	231,454	-	7,786,602	1,051,545,347
Operating fixed assets, ROU assets and intangibles	166,367	84,402,623	62,838	3,119,284	1,023,614	90,777	50,856,634	139,722,137
Others	12,616,671	1,231,131	23,626,779	4,504,888	929,070	22,616	54,302,404	97,233,559
<b>Total assets</b>	<b>72,885,942</b>	<b>1,936,224,404</b>	<b>387,744,872</b>	<b>148,024,227</b>	<b>5,948,500</b>	<b>1,228,446</b>	<b>269,646,074</b>	<b>2,821,702,465</b>
Borrowings	64,136,867	2,624,973	386,815,578	9,329,144	-	-	(883,004)	462,023,558
Deposits & other accounts	3,209,902	1,901,632,001	-	109,842,436	-	-	3,385,306	2,018,069,645
Others	5,539,173	31,967,430	929,294	3,340,340	1,141,045	208,698	60,234,691	103,360,671
<b>Total liabilities</b>	<b>72,885,942</b>	<b>1,936,224,404</b>	<b>387,744,872</b>	<b>122,511,920</b>	<b>1,141,045</b>	<b>208,698</b>	<b>62,736,993</b>	<b>2,583,453,874</b>
Equity and Reserves	-	-	-	25,512,307	4,807,455	1,019,748	206,909,081	238,248,591
<b>Total equity and liabilities</b>	<b>72,885,942</b>	<b>1,936,224,404</b>	<b>387,744,872</b>	<b>148,024,227</b>	<b>5,948,500</b>	<b>1,228,446</b>	<b>269,646,074</b>	<b>2,821,702,465</b>
<b>Contingencies and Commitments</b>	<b>168,695,593</b>	<b>19,108,538</b>	<b>470,424,733</b>	<b>7,811,978</b>	<b>375,429</b>	<b>-</b>	<b>17,548,090</b>	<b>683,964,361</b>

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

December 31, 2023							
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
<b>Profit &amp; Loss Account</b>							
Net mark-up, return, profit	119,873,099	(156,066,479)	140,324,432	8,561,047	(366,804)	587,214	112,912,509
Inter segment revenue - net	(117,178,022)	281,976,540	(146,027,805)	-	-	(18,770,713)	-
Non mark-up, return, interest income	6,179,654	7,465,828	9,492,779	641,564	2,183,009	600,161	26,562,995
<b>Total Income</b>	<b>8,874,731</b>	<b>133,375,889</b>	<b>3,789,406</b>	<b>9,202,611</b>	<b>1,816,205</b>	<b>(17,583,338)</b>	<b>139,475,504</b>
Segment direct expenses	812,765	22,269,329	251,608	1,905,712	764,416	23,685,742	49,689,572
Total expenses	812,765	22,269,329	251,608	1,905,712	764,416	23,685,742	49,689,572
Provisions	(3,171,735)	(574,914)	(287,719)	(3,451)	-	1,060,846	(2,976,973)
<b>Profit before tax</b>	<b>4,890,231</b>	<b>110,531,646</b>	<b>3,250,079</b>	<b>7,293,448</b>	<b>1,051,789</b>	<b>(40,208,234)</b>	<b>86,808,959</b>
<b>Statement of Financial Position</b>							
Cash & Bank balances	63,911	52,567,988	87,420,356	7,981,515	21,442	10,524,741	158,579,953
Investments	56,323,830	-	1,055,128,295	38,360,057	4,779,114	5,907	1,154,597,203
Net inter segment lending	(637,179,804)	1,431,073,960	(920,483,266)	(427,931)	-	127,017,041	-
Lendings to financial institutions	-	-	16,191,116	-	-	(6,773,113)	9,418,003
Advances - performing	658,585,879	32,393,352	-	79,621,981	199,225	8,997,696	779,798,133
Advances - non-performing	296,254	174,347	-	5,729	-	12,562,699	13,039,029
Provision against advances	(226,742)	(129,247)	-	(7,338)	-	(12,177,380)	(12,540,707)
Advances - net	658,655,391	32,438,452	-	79,620,372	199,225	9,383,015	780,296,455
Operating fixed assets	152,919	74,579,541	5,707	887,783	412,017	49,773,926	125,811,893
Others	8,271,993	15,956,020	40,787,167	5,126,241	530,232	33,674,813	104,346,466
<b>Total Assets</b>	<b>86,288,240</b>	<b>1,606,615,961</b>	<b>279,049,375</b>	<b>131,548,037</b>	<b>5,942,030</b>	<b>223,606,330</b>	<b>2,333,049,973</b>
Borrowings	80,418,586	3,160,687	279,576,794	17,276,361	-	(6,758,386)	373,674,042
Deposits & other accounts	3,332,467	1,573,043,102	-	95,333,605	-	4,880,503	1,676,589,677
Others	2,537,187	30,412,171	(527,419)	3,904,191	2,295,319	46,838,767	85,460,216
<b>Total liabilities</b>	<b>86,288,240</b>	<b>1,606,615,960</b>	<b>279,049,375</b>	<b>116,514,157</b>	<b>2,295,319</b>	<b>44,960,884</b>	<b>2,135,723,935</b>
Equity and Reserves	-	-	-	15,033,880	3,646,711	178,645,447	197,326,038
<b>Total Equity and Liabilities</b>	<b>86,288,240</b>	<b>1,606,615,960</b>	<b>279,049,375</b>	<b>131,548,037</b>	<b>5,942,030</b>	<b>223,606,331</b>	<b>2,333,049,973</b>
<b>Contingencies and Commitments</b>	<b>192,589,491</b>	<b>20,824,987</b>	<b>333,566,522</b>	<b>5,984,115</b>	<b>-</b>	<b>16,291,499</b>	<b>569,256,614</b>

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

41.2 GEOGRAPHICAL SEGMENT ANALYSIS

	December 31, 2024			
	Domestic Operations	Middle East	China	Total
	Rupees in '000			
<b>Profit &amp; Loss Account</b>				
Net mark-up, return, profit	113,950,057	1,414,077	-	115,364,134
Inter segment revenue - net	102,703	(102,703)	-	-
Non mark-up / return / interest income	30,334,527	205	-	30,334,732
Total Income	144,387,287	1,311,579	-	145,698,866
Segment direct expenses	(58,446,665)	(214,175)	(34,294)	(58,695,134)
Total expenses	(58,446,665)	(214,175)	(34,294)	(58,695,134)
Credit loss allowance	2,145,457	564,682	-	2,710,139
Profit / (loss) before tax	88,086,079	1,662,086	(34,294)	89,713,871
<b>Statement of Financial Position</b>				
Cash & Bank balances	156,772,864	4,074	-	156,776,938
Investments	1,119,822,994	13,060,409	-	1,132,883,403
Net inter segment lendings	6,716,740	-	-	6,716,740
Lendings to financial institutions	236,824,341	-	-	236,824,341
Advances – performing	1,048,013,434	5,571,000	-	1,053,584,434
Advances - non-performing	12,994,970	-	-	12,994,970
Credit loss allowance against advances	(14,777,727)	(256,330)	-	(15,034,057)
Advances - net	1,046,230,677	5,314,670	-	1,051,545,347
Operating fixed assets	139,685,136	37,001	-	139,722,137
Others	96,523,199	710,360	-	97,233,559
<b>Total Assets</b>	<b>2,802,575,951</b>	<b>19,126,514</b>	<b>-</b>	<b>2,821,702,465</b>
Borrowings	455,569,554	6,128,100	-	461,697,654
Subordinated debt	-	-	-	-
Deposits & other accounts	2,014,859,742	3,209,903	-	2,018,069,645
Net inter segment borrowing	-	325,904	-	325,904
Lease liabilities	10,360,968	-	-	10,360,968
Others	92,924,130	75,573	-	92,999,703
<b>Total liabilities</b>	<b>2,573,714,394</b>	<b>9,739,480</b>	<b>-</b>	<b>2,583,453,874</b>
Equity	228,799,080	9,449,511	-	238,248,591
<b>Total Equity &amp; liabilities</b>	<b>2,802,513,474</b>	<b>19,188,991</b>	<b>-</b>	<b>2,821,702,465</b>
<b>Contingencies and commitments</b>	<b>683,964,361</b>	<b>-</b>	<b>-</b>	<b>683,964,361</b>

Notes to the Consolidated Financial Statements  
for the year ended December 31, 2024

	December 31, 2023			
	Domestic Operations	Middle East	China	Total
	Rupees in '000			
<b>Profit &amp; Loss Account</b>				
Net mark-up, return, profit	111,367,090	1,545,419	-	112,912,509
Inter segment revenue - net	483,113	(483,113)	-	-
Non mark-up, return, interest income	26,556,965	6,030	-	26,562,995
Total Income	138,407,168	1,068,336	-	139,475,504
Segment direct expenses	(49,454,427)	(202,793)	(32,352)	(49,689,572)
Total expenses	(49,454,427)	(202,793)	(32,352)	(49,689,572)
Provisions	(1,633,639)	(1,343,334)	-	(2,976,973)
Profit or (loss) before tax	87,319,102	(477,791)	(32,352)	86,808,959
<b>Statement of Financial Position</b>				
Cash & Bank balances	158,577,138	2,815	-	158,579,953
Investments	1,140,920,205	13,676,998	-	1,154,597,203
Net inter segment lendings	6,716,740	-	-	6,716,740
Lendings to financial institutions	2,701,263	-	-	2,701,263
Advances - performing	778,576,737	1,221,396	-	779,798,133
Advances - non-performing	13,039,029	-	-	13,039,029
Provision against advances	(12,396,149)	(144,558)	-	(12,540,707)
Advances - net	779,219,617	1,076,838	-	780,296,455
Operating fixed assets	125,728,991	82,902	-	125,811,893
Others	103,935,126	411,340	-	104,346,466
<b>Total Assets</b>	<b>2,317,799,080</b>	<b>15,250,893</b>	<b>-</b>	<b>2,333,049,973</b>
Borrowings	364,279,625	2,677,677	-	366,957,302
Subordinated debt	-	-	-	-
Deposits & other accounts	1,673,257,210	3,332,467	-	1,676,589,677
Net inter segment borrowing	-	6,716,740	-	6,716,740
Others	85,267,504	192,713	-	85,460,217
<b>Total liabilities</b>	<b>2,122,804,339</b>	<b>12,919,597</b>	<b>-</b>	<b>2,135,723,936</b>
Equity	194,194,694	3,131,343	-	197,326,037
<b>Total Equity &amp; liabilities</b>	<b>2,316,999,033</b>	<b>16,050,940</b>	<b>-</b>	<b>2,333,049,973</b>
<b>Contingencies and commitments</b>	<b>569,256,614</b>	<b>-</b>	<b>-</b>	<b>569,256,614</b>

42 RELATED PARTY TRANSACTIONS

The Group has related party relationships with its parent, subsidiaries, companies with common directorship, directors, employee benefit plans and key management personnel including their associates.

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

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

	December 31, 2024						December 31, 2023					
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
Rupees in '000												
<b>Balances with other banks</b>												
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Lendings to financial institutions</b>												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investments</b>												
Opening balance	-	-	-	4,779,114	-	-	-	-	-	4,099,423	-	-
Investment made during the year	-	-	-	4,302,729	-	-	-	-	-	36,608,802	-	-
Investment redeemed and disposed off during the year	-	-	-	(5,904,972)	-	-	-	-	-	(36,688,574)	-	-
Share of profit/(loss) from associate	-	-	-	825,699	-	-	-	-	-	965,906	-	-
Dividend income	-	-	-	(339,693)	-	-	-	-	-	(206,443)	-	-
Closing balance	-	-	-	3,662,877	-	-	-	-	-	4,779,114	-	-
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advances</b>												
Opening balance	-	116,784	394,496	1	-	1,125	-	66,875	416,615	961,477	-	2,935
Addition during the year	-	177,896	107,214	90,095,479	-	238,752	-	90,791	202,400	81,408,541	-	17,284
Repaid during the year	-	(150,308)	(105,327)	(90,073,191)	-	(163,136)	-	(40,882)	(224,519)	(82,370,017)	-	(19,074)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	144,372	396,383	22,289	-	76,741	-	116,784	394,496	1	-	1,125
Provision held against advances	-	-	-	-	-	-	-	-	-	-	-	-

	December 31, 2024						December 31, 2023					
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
Rupees in '000												
<b>Other Assets</b>												
Interest or mark-up accrued	-	26,631	104,117	9,869	-	-	-	13,464	94,881	8,660	-	-
Receivable from staff retirement fund	-	-	-	-	-	7,114,833	-	-	-	-	-	5,238,086
Other receivable	-	-	-	-	-	40,702	-	-	-	-	-	222,164
Provision against other assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowings</b>												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	-	-	-	-	-	-	-
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subordinated debt</b>												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Issued or Purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-
Redemption and Sold during the year	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>												
Opening balance	12,963	46,894	35,100	37,125	-	7,839,463	1,716	53,731	51,333	111,965	-	2,128,234
Received during the year	18,118,441	2,359,496	1,704,479	13,091,224	-	618,177,846	21,582,782	510,062	1,116,106	9,933,381	-	292,662,647
Withdrawn during the year	(18,128,987)	(2,333,115)	(1,682,401)	(13,126,259)	-	(591,388,212)	(21,571,535)	(516,899)	(1,132,339)	(10,008,221)	-	(286,951,418)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,417	73,275	57,178	2,090	-	34,629,097	12,963	46,894	35,100	37,125	-	7,839,463
<b>Other Liabilities</b>												
Interest or mark-up payable	-	-	-	-	-	-	-	2,165	1,089	50	-	209,873
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Contingencies and Commitments</b>												
Other contingencies	-	-	-	292,162	-	-	-	-	-	1,842,309	-	-



# Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

## 44 RISK MANAGEMENT

The principal risks associated with the Bank's business are Credit Risk, Market Risk, Liquidity Risk, Reputational Risk, Operational Risk, Information Security & Governance Risk and Shariah Non-Compliance Risk. The Risk Management Framework (henceforth to be referred to as 'The Framework') provides principles for identifying, assessing, and monitoring risk within the Bank. The Framework specifies the key elements of the risk management process in order to maximize opportunities, minimize adversities and to achieve improved outputs based on informed decision making.

The Bank performs risk measurement, monitoring and control functions through use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board and relevant management committees.

### Categories of Risk

**Credit Risk** This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a business partner.

Credit Risk includes Country Risk i.e., the risks that counterparty is unable to meet its foreign currency obligations as a result of adverse economic conditions or actions taken by governments in the relevant country.

**Market Risk** The risk that the value of on and off-balance sheet positions of the Bank will be adversely affected by movements in market rates or prices such as interest rates / rate of returns, foreign exchange rates, equity prices, credit spreads and / or commodity prices, resulting in a loss to earnings and capital.

**Liquidity Risk** The risk that the Bank is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn without incurring unacceptable cost or losses.

**Operational Risk** Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. The definition includes legal risk but excludes strategic risk and reputational risk.

**Reputational Risk** The Reputational risk arises from the negative perception on the part of stakeholders that can adversely affect a bank's ability to maintain existing, or establish new, business relationships and continued access to sources of funding.

**Information Security & Governance Risk** Information Security and Governance Risk Management involves the identification of an organization's information assets and the development, documentation, and implementation of policies, standards, procedures and controls that ensure confidentiality, integrity and availability of the information.

**Strategic Risk** Risk of an adverse impact on strategic goals. Strategic risk mainly arises from strategic decisions, improper implementation of those decisions, or lack of responsiveness of Bank to industry, economic or technological changes.

**Shariah Non-Compliance Risk** Shariah Non Compliance Risk arises from the failure to comply with shariah rules and principles determined by the Shariah Board of the Bank and the Regulator.

### Risk Responsibilities

- The Board of Directors shall oversee the risk management process. The Board of Directors is responsible for determining the manner in which risk authorities are set, as well as the approval of all risk policies and ensuring that these are properly implemented. Further, the Board of Directors shall also seek appointment of senior management personnel capable of managing the risk activities conducted by the Bank.
- The Board Risk Management Committee (BRMC) is responsible for ensuring that the overall risk strategy and risk acceptance criteria of the Bank is appropriately defined in the Strategic Plan and recommend the same to the Board of Directors.
- The Chief Executive Officer and Group Chiefs shall be responsible for the management of risk collectively through their membership of various committees i.e. Management Committee (MANCO), Asset & Liability Committee (ALCO), Compliance Committee (CC) and Risk Management Committee (RMC). Independent supervision of risk management activities is provided by the Audit Committee of the Board.
- The Risk Management Group is headed by a Group Chief responsible for set-up and implementation of the Risk Management Strategy of the Bank.

# Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

## Risk Management Group Organization

Risk management functions have been segregated by business specialization, i.e., Credit Risk, Credit Administration, Technical Appraisal, Information Security and Enterprise Risk which interalia includes Policy and Procedures, Risk Architecture, Operational Risk and Market & Liquidity Risk. All these functions are operating in tandem to monitor the health of assets and liabilities, while ensuring risk mitigants against cyber and information system threats.

### 44.1 Credit Risk

Credit risk, the potential default of one or more debtors, is a major source of risk for the Bank. The Bank is exposed to credit risk through its lending and investment activities. The Bank's credit risk function is divided into Corporate and Financial Institutions and Risk Shariah and Commercial, SME and Consumer Risk. The functions operate within an integrated framework of credit policies, guidelines and processes. The credit risk management activities are governed by the Credit Policy of the Bank that defines the respective roles and responsibilities, the credit risk management principles and the Bank's credit risk strategy. The policy is supported by a comprehensive Credit Procedures Manual.

The Bank manages three principal sources of credit risk:

- i) Sovereign credit risk on its public sector advances
- ii) Counterparty credit risk on its private sector advances
- iii) Counterparty credit risk on interbank limits

#### Sovereign Credit Risk

When the Bank lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GOP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model, based on which the lending is secured through collaterals other than GOP guarantee.

#### Counterparty credit risk on private sector advances

Each borrower's credit worthiness is analyzed on the Credit Application Package that incorporates a formalized and structured approach for credit analysis and directs the focus of evaluation towards a balanced assessment of credit risk with identification of proper mitigants. These risks include Industry Risk, Business Risk, Financial Risk, Security Risk and Account Performance Risk.

Financial analysis is further strengthened through use of separate financial spread sheet templates that have been designed for manufacturing / trading concerns, financial institutions and insurance companies.

#### Counter Party Credit Risk on Interbank Limits

In the normal course of its business, the Bank's Treasury utilizes products such as Reverse Repo and Call Lending to meet the needs of interbank borrowers and manage its exposure to fluctuations in market, interest and currency rates. Further, these products are also used to temporarily invest Bank's liquidity prior to disbursement.

All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Bank. Reflecting a preference for minimizing exposure to counterparty credit risk, the Bank maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies.

#### A. Country Risk

The Bank has in place a Country Risk Management Framework which has been approved by the Board. This framework focuses on providing detailed roles and responsibilities with respect to country risk assessment as well as limit setting, exposure management and reporting of cross border exposure undertaken by the Bank. The Bank utilizes S&P, Fitch and Moody's country ratings as well as other macroeconomic and external risk factors in assigning a country risk limit. The Financial Institutions Division is responsible for monitoring of country exposure limits.

#### Credit Administration

The Credit Administration department plays a crucial role in minimizing, reducing and mitigating potential losses that could result from inadequacies in security and documentation. This department consistently evaluates the risks associated with security and documentation within the current credit portfolio, operating through four regional credit administration offices in major metropolitan cities. Moreover, the Credit Monitoring Division ensures that all post-disbursement activities are carried out in accordance with bank policies, thereby safeguarding the Bank's interests through its three specialized units: Classification & Monitoring, Vigilance, and Warehouse Management.

## Notes to the Consolidated Financial Statements

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### 44.1.1 Lendings to financial institutions

#### Credit risk by public and private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees in '000					
Public / Government	44,059,437	3,502,103	-	-	-	-
Private	199,551,668	5,985,900	70,000	70,000	70,013	70,000
	<u>243,611,105</u>	<u>9,488,003</u>	<u>70,000</u>	<u>70,000</u>	<u>70,013</u>	<u>70,000</u>

### 44.1.2 Investment in debt securities

#### Credit risk by industry sector

	Gross Investments		Non-performing Investments		Credit loss allowance held	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees in '000					
Basic metals (iron, steel)	340,000	340,000	-	-	223,083	-
Financial	10,759,326	14,184,080	-	-	138	-
Hotel, restaurant and clubs	300,339	386,150	-	-	197,060	-
Power, gas, water and sanitary	330,000	910,000	-	-	94	-
Sugar	10,343	10,487	10,487	10,487	10,343	10,487
Textile - Spinning	51,345	51,345	51,345	51,345	51,345	51,345
Textile - Weaving	200,000	200,000	200,000	200,000	200,000	200,000
Government	1,088,030,850	1,137,405,450	22,827,109	19,392,275	1,956,777	2,429,689
Others	44,442	62,159	44,442	62,159	44,442	62,159
	<u>1,100,066,645</u>	<u>1,153,549,671</u>	<u>23,133,383</u>	<u>19,716,266</u>	<u>2,683,282</u>	<u>2,753,680</u>

	Gross Investments		Non-performing Investments		Credit loss allowance held	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees in '000					
	Credit risk by public and private sector					
Public and Government	1,088,030,850	1,137,405,450	22,827,109	19,392,275	1,956,777	2,429,689
Private	12,035,795	16,144,221	306,274	323,991	726,505	323,991
	<u>1,100,066,645</u>	<u>1,153,549,671</u>	<u>23,133,383</u>	<u>19,716,266</u>	<u>2,683,282</u>	<u>2,753,680</u>

## Notes to the Consolidated Financial Statements

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	Gross advances		Non-performing advances		Credit loss allowance held	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees in '000					

### 44.1.3 Advances

#### Credit risk by industry sector

	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Agriculture, Forestry and Hunting	38,260,358	178,932,397	501,112	1,141,052	616,875	917,675
Basic metals (iron, steel)	2,812,035	3,466,684	837,627	671,679	460,601	287,160
Cement, clay and ceramics	44,426,206	37,021,595	124,933	69,791	142,521	69,791
Chemical and pharmaceutical	26,677,434	31,855,433	336,741	308,487	372,610	308,487
Construction	11,739,046	15,198,147	144,338	167,168	186,942	167,168
Education	128,191	119,231	123	1,445	636	1,445
Financial	447,600,543	99,964,826	5,554	12,154	306,536	12,154
Footwear and leather garments	4,795,725	3,202,145	25,450	8,472	80,213	8,473
Furniture and sports goods	947,383	716,601	114,747	116,147	137,589	116,147
Grains, food and beverages	48,270,093	20,900,865	1,553,326	1,726,564	1,614,353	1,726,564
Health and social welfare	129,238	33,614	2,975	599	5,236	599
Hotel, restaurant and clubs	9,986	4,500	6,686	6,686	6,689	6,686
Individuals	42,731,778	20,033,249	586,208	677,014	744,344	649,375
Machinery and equipment	1,628,100	2,594,385	45,659	9,399	52,191	9,399
Manufacture of transport equipment	2,072,845	6,188,907	126,162	133,073	130,489	130,003
Paper and paper boards	27,684,642	20,642,488	16,552	199,906	437,499	199,906
Petroleum products	25,442,623	55,953,186	7,465	8,366	8,997	8,366
Power, gas, water and sanitary	108,035,860	137,742,145	-	-	28,995	-
Printing, publishing and allied	74,083	80,560	198	378	666	378
Real estate, renting, and business activities	7,126,752	4,567,044	456,535	-	473,569	-
Rubber and plastic	836,374	795,219	164,927	205,413	165,226	176,596
Sugar	5,414,589	6,747,863	-	-	97,843	-
Mining and quarrying	8,062,839	4,334,842	3,039	-	3,926	-
Textile - Manufacture of made up and ready made garments	74,368,360	44,776,101	4,380,540	2,492,454	4,501,264	2,492,454
Textile - Finishing	25,048,510	18,590,819	652,993	2,629,435	755,304	2,629,435
Textile - Spinning	23,796,664	25,702,953	569,604	933,855	716,505	933,855
Textile - Weaving	2,715,365	2,456,362	1,002,716	443,280	1,009,222	443,280
Transport, storage and communication	50,650,222	40,873,418	46,642	46,392	682,665	30,150
Wholesale and retail trade	5,329,543	4,624,396	997,795	589,761	1,008,240	574,748
Others - Services	27,953,895	1,844,884	3,638	6,730	5,132	6,730
Others	1,810,122	4,173,078	280,685	433,329	281,179	428,664
	<u>1,066,579,404</u>	<u>794,137,937</u>	<u>12,994,970</u>	<u>13,039,029</u>	<u>15,034,057</u>	<u>12,335,688</u>

#### Credit risk by public and private sector

Public and Government	515,886,522	418,389,947	377,026	377,026	36,656	-
Private	550,692,882	375,747,990	12,617,944	12,662,003	14,997,401	12,335,688
	<u>1,066,579,404</u>	<u>794,137,937</u>	<u>12,994,970</u>	<u>13,039,029</u>	<u>15,034,057</u>	<u>12,335,688</u>



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	December 31, 2024	December 31, 2023
	Rupees in '000	
<b>44.1.4 Contingencies and Commitments</b>		
<b>Credit risk by industry sector</b>		
Agribusiness	2,565,068	1,625,127
Automobile & transportation equipment	45,782,880	91,646,813
Cement	4,128,004	5,880,882
Chemical & Pharmaceuticals	16,660,526	12,074,183
Construction	6,099,908	6,035,868
Electronic & electrical appliances	807,309	5,231,217
Exports/Imports	167,267	110,744
Financial	493,510,707	356,580,032
Gas, water, sanitary	857,042	1,464,789
Individuals	7,521,497	6,472,528
Insurance	25,819	25,819
Mining and quarrying	444,136	91,642
Other Leather Garments	2,118,205	16,955
Production & transmission of energy	43,116,769	26,924,683
Services	25,075,378	1,638,716
Shoes & leather garments	250,649	1,560,886
Sugar	1,019,618	1,540,675
Textile - Others	1,105,142	1,553,192
Textile - weaving	2,019,724	1,201,162
Textile - composite	4,264,186	4,778,297
Textile - spinning	446,634	2,262,568
Transport, storage and communication	5,260,825	6,630,863
Wholesale and retail trade	14,471,074	26,223,915
Others	6,245,994	7,685,058
	<b>683,964,361</b>	<b>569,256,614</b>
<b>Credit risk by public and private sector</b>		
Public and Government	313,171,790	175,409,296
Private	370,792,571	393,847,318
	<b>683,964,361</b>	<b>569,256,614</b>

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**44.1.5 Concentration of Advances**

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregating to Rs. 558,066.09 million (December 31, 2023: Rs. 428,530.37 million) are as following:

	December 31, 2024	December 31, 2023
	Rupees in '000	
Funded	524,470,248	361,618,685
Non Funded	33,595,847	66,911,684
Total Exposure	<b>558,066,095</b>	<b>428,530,369</b>

The sanctioned limits against these top 10 exposures aggregated to Rs. 678,578 million (December 31, 2023: Rs. 472,100 million).

**44.1.6 Advances – Province/Region-wise Disbursement & Utilization**

Province/Region	During the year ended December 31, 2024						
	Disbursements		Utilization				
	Punjab	Sindh	Khyber Pakhtunkhwa including FATA	Balochistan	Islamabad	Azad Jammu and Kashmir including Gilgit- Baltistan	
	Rupees in '000						
Punjab	1,365,984,656	1,034,443,275	326,048,307	4,274,850	7,656	1,200,894	9,674
Sindh	2,069,021,978	32,818,628	2,036,203,350	-	-	-	-
KPK including FATA	2,782,810	-	-	2,782,810	-	-	-
Balochistan	1,564,711	-	-	-	1,564,711	-	-
Islamabad	702,270,994	169,018,345	17,664,050	-	-	515,588,599	-
AJK including Gilgit-Baltistan	435,344	-	-	-	-	-	435,344
Total	<b>4,142,060,493</b>	<b>1,236,280,248</b>	<b>2,379,915,707</b>	<b>7,057,660</b>	<b>1,572,367</b>	<b>516,789,493</b>	<b>445,018</b>
Province/Region	During the year ended December 31, 2023						
	Disbursements		Utilization				
	Punjab	Sindh	Khyber Pakhtunkhwa including FATA	Balochistan	Islamabad	Azad Jammu and Kashmir including Gilgit- Baltistan	
	Rupees in '000						
Punjab	1,314,725,318	1,013,930,187	288,909,408	9,429,631	183,977	1,761,673	510,442
Sindh	1,688,018,427	27,829,287	1,660,189,140	-	-	-	-
KPK including FATA	3,796,745	-	-	3,796,745	-	-	-
Balochistan	1,605,872	-	-	-	1,605,872	-	-
Islamabad	746,899,662	166,822,965	23,368,139	-	-	556,708,558	-
AJK including Gilgit-Baltistan	414,912	-	-	-	-	-	414,912
Total	<b>3,755,460,936</b>	<b>1,208,582,439</b>	<b>1,972,466,687</b>	<b>13,226,376</b>	<b>1,789,849</b>	<b>558,470,231</b>	<b>925,354</b>

## Notes to the Consolidated Financial Statements

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### 44.1.7 Sensitivity of ECL to Future Economic Conditions

The Group performs sensitivity analysis on the ECL recognized on each of its segments. The following table outline the impact of ECL from applying a 100% weighting to each scenario.

Description	Agriculture	Corporate / Commercial	Medium Enterprise	Small Enterprise	Others	Overseas	Total
Rupees in '000							
Total ECL	220,638	11,340,022	1,290,222	1,187,645	739,199	256,330	15,034,056
ECL (Upside)	213,915	9,773,404	1,270,537	1,150,943	697,619	230,697	13,337,116
ECL (Central)	220,500	11,073,056	1,283,916	1,176,929	733,913	256,330	14,744,645
ECL (Downside)	228,006	14,152,478	1,339,336	1,274,352	805,446	281,963	18,081,581
ECL % Inc. / (Dec.)							
ECL (Upside)	-3.05%	-13.81%	-1.53%	-3.09%	-5.63%	-10.00%	-11.29%
ECL (Central)	-0.06%	-2.35%	-0.49%	-0.90%	-0.72%	0.00%	-1.93%
ECL (Downside)	3.34%	24.80%	3.81%	7.30%	8.96%	10.00%	20.27%

### 44.2 Market Risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates / rate of return, foreign exchange rates, equity prices and market conditions. Thus market risk can be further described into Interest Rate Risk / Rate of Return Risk, Foreign Exchange Risk and Equity Position.

Market Risk performs risk measurement, monitoring and control functions through the use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board of Directors and the relevant management committees.

The Bank uses three types of risk management tools to measure the Bank's Market Risk: Value-at Risk (VaR), Expected Shortfall (ES) and Stress Testing. In addition, control limits are utilized to maintain the risks within acceptable levels.

The Bank maintains adequate regulatory capital to cover all interest rate risks falling under the "Trading Book" as well as "Banking Book", as defined by Basel capital accord. The Bank uses Standardized Approach in determining credit risk, market risk and operational risk exposures in the capital adequacy calculation. In Market risk exposures, Maturity method is used to calculate charge on Interest rate risk and FX risk.

In its pursuit of automation, the Bank has successfully implemented Oracle Financial Services Analytical Application (OFSA) Market Risk Module to automate the risk monitoring and reporting activities pertaining to Market Risk, which allows for more efficient risk monitoring and increased focus on risk analysis to help in making more informed decisions.

#### 44.2.1 Market Risk Pertaining to the Trading Book

##### Trading Book

The Trading Book of the Bank consists of positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book. To be eligible for trading book, financial instruments must be held with the intent of trading and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively monitored and managed accordingly.

The Bank's trading book includes securities classified in Fair Value through Profit and Loss (FVTPL), 'Open Ended Mutual Fund' and non-strategic listed equity placed in Fair Value through Other Comprehensive Income (FVOCI) category. These positions are exposed to all forms of market risk and are managed actively.

##### Risk Pertaining to Banking Book Investment Portfolio

All investments excluding trading book are considered as part of banking book. Banking book includes:

- Fair Value through Other Comprehensive Income (FVOCI) - (other than non-strategic listed equity)
- At Amortized Cost

Treasury investments parked in the banking book include:

- Government securities
- Capital market investments
- Investments in bonds, debentures, etc.

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### Stress Testing

The Bank also conducts Stress Testing of the Bank's investment portfolio to ascertain the impact of various scenarios on the capital adequacy and sustainability of the Bank. The exercise assumes various stress conditions, with respect to Interest Rate Risk, Equity Price Risk, FX Risk and Liquidity Risk. Stress testing is also conducted on various macro-economic scenarios to test the resilience of the Bank.

#### 44.2.2 Balance sheet split by trading and banking books

	December 31, 2024			December 31, 2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in '000						
Cash and balances with treasury banks	146,812,714	-	146,812,714	156,124,352	-	156,124,352
Balances with other banks	9,964,224	-	9,964,224	2,455,601	-	2,455,601
Lendings to financial institutions	243,541,081	-	243,541,081	9,418,003	-	9,418,003
Investments	1,106,192,412	26,690,991	1,132,883,403	1,114,269,066	40,328,137	1,154,597,203
Advances	1,051,545,347	-	1,051,545,347	780,296,455	-	780,296,455
Property and equipment	128,284,200	-	128,284,200	114,065,779	-	114,065,779
Right-of-use assets	7,787,741	-	7,787,741	8,329,462	-	8,329,462
Intangible assets	3,650,196	-	3,650,196	3,416,652	-	3,416,652
Deferred tax assets	-	-	-	3,781,881	-	3,781,881
Other assets	97,233,559	-	97,233,559	100,564,585	-	100,564,585
	2,795,011,474	26,690,991	2,821,702,465	2,292,721,836	40,328,137	2,333,049,973

#### 44.2.3 Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates.

The majority of the Bank's net foreign currency exposure is in US\$ and the Bank uses system-based monitoring of its intra-day Net Open Position for effective risk management.

The Bank's FX Risk is largely mitigated by following a matched funding policy, whereas, for any mismatched exposures, the Bank utilizes appropriate derivative instruments such as Forwards and Swaps. The Bank maintains adequate regulatory capital to cover against foreign exchange risk.

	December 31, 2024				December 31, 2023			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
Rupees in '000								
Pakistani Rupee	2,729,735,537	2,434,606,782	(73,610,984)	221,517,771	2,235,992,387	2,007,913,584	(38,717,163)	189,361,641
United States Dollar	88,898,497	135,763,361	63,475,957	16,611,093	94,220,315	114,802,807	28,468,225	7,885,734
Great Britain Pound Sterling	1,417,150	7,401,436	5,987,650	3,364	1,603,410	7,402,006	5,805,160	6,564
Japanese Yen	56,410	402,773	345,980	(383)	65,116	563	(59,685)	4,867
Euro	1,305,042	5,279,522	3,974,097	(383)	1,009,639	5,456,835	4,449,161	1,965
Other currencies	289,829	-	(172,700)	117,129	159,106	148,140	54,301	65,267
	91,966,928	148,847,092	73,610,984	16,730,820	97,057,586	127,810,351	38,717,163	7,964,397
	2,821,702,465	2,583,453,874	-	238,248,591	2,333,049,973	2,135,723,935	-	197,326,038

	December 31, 2024		December 31, 2023	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
After tax Impact of 1% change in foreign exchange rates on:				
- Profit and loss account	-	-	-	609,276
- Other comprehensive income	-	(167,308)	-	-
	-	(167,308)	-	609,276

42.2.4 Equity position Risk

Equity Price Risk is risk to earnings or capital that results from adverse changes in stock prices (single stocks, or a basket of stocks, or overall stock market). ABL holds a diversified portfolio of equity investments in order to minimize non-systematic risk while retaining acceptable systematic risk. ALCO ensures that equity price risk is mitigated through prudent portfolio management.

The Bank maintains adequate regulatory capital to cover against equity price risk. Equity investments classified in Fair Value through Profit and Loss (FVTPL), as well as, listed non-strategic equity investments classified as Fair Value through Other Comprehensive Income (FVOCI) are part of the "Trading Book" and are subject to market risk change as specified by the Basel Framework. Un-listed and listed strategic equity investment are part of the "Banking Book" and are subject to credit risk charge as specified by the Basel Framework.

	December 31, 2024		December 31, 2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
After tax Impact of 5% change in equity prices on				
- Profit and loss account	-	-	-	-
- Other comprehensive income	(192,550)	(1,004,327)	(76,309)	(517,096)
	(192,550)	(1,004,327)	(76,309)	(517,096)

44.2.5 Yield and Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate and Rate of return risk is the current or prospective risk of losses, to both the Bank's capital and earnings, arising from movements in interest rates and rates of return. The Bank has a robust system in place to monitor Interest rate risk and ALCO regularly analyses the interest rate scenario and devises strategies to minimize adverse impact of interest rate risk on the Bank's equity and profits.

Interest rate risk is measured through "duration" of an instrument. To assess the interest rate risk at Balance Sheet and Income Statement level, gap analysis on "re-pricing schedule" is utilized. Re-pricing schedule is a distribution of interest-sensitive assets, liabilities, and Off-Balance Sheet positions into a number of predefined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floating-rate), and is calculated in compliance with SBP instructions. For non-contractual assets and liabilities, an ALCO approved methodology is utilized to place these assets and liabilities in the re-pricing schedule. This methodology is based on the results of a behavioural analysis which statistically models the historical trends of the last 5 years.

Government securities (PIBs & T-Bills, Sukuks), Bonds, Debentures, etc. and other money market investments are subject to interest rate / rate of return risk. To capture the risk associated with these securities, extensive modeling is being done with respect to duration analysis. Stress testing and scenario-based models are also in place to capture the sensitivity of the portfolio to adverse movement in interest rates. For prudent risk management, all money market investments are marked to market to assess changes in the market value of investments due to interest rate movements. Yield/ Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

In accordance with BSD Circular No.03 of 2011, issued by the SBP, Bank is required to report interest rate sensitivity gap of assets and liabilities on the basis of an objective and systematic behavioural study which is approved by ALCO.

	December 31, 2024		December 31, 2023	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in interest rates on				
- Profit and loss account	(4,835,348)	-	-	-
- Other comprehensive income	3,370,010	36,391	(3,050,921)	(89,924)

44.2.6 Mismatch of Interest Rate Sensitive Assets and Liabilities

	December 31, 2024										Non-interest bearing financial instruments	
	Exposed to Yield/Interest risk											
Effective Yield/Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
												Rupees in '000
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	146,812,714	11,743,494	-	-	-	-	-	-	-	-	-	135,069,220
Balances with other banks	9,964,224	9,964,224	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	243,541,081	243,441,089	99,982	-	-	-	-	-	-	-	-	-
Investments	1,132,883,403	168,348,705	233,204,776	398,155,932	197,192,458	23,274,264	25,802,970	31,759,988	27,267,173	27,877,137	-	27,877,137
Advances	1,051,545,447	354,311,109	335,486,818	151,397,224	149,909,857	3,656,117	2,837,027	17,261,422	27,281,108	3,497,794	-	5,906,871
Other assets	88,848,012	-	-	-	-	-	-	-	-	-	-	88,848,012
	2,673,594,781	787,808,621	588,791,586	549,553,156	347,102,315	26,930,381	28,639,997	49,021,410	54,548,281	3,497,794	-	257,701,240
<b>Liabilities</b>												
Bills payable	14,502,237	-	-	-	-	-	-	-	-	-	-	14,502,237
Borrowings	462,023,558	394,403,406	3,872,294	27,198,211	4,249,028	7,451,066	6,678,589	10,688,368	7,453,385	29,191	-	561,227,783
Deposits and other accounts	2,018,069,645	213,433,248	398,955,753	757,126,229	65,392,669	21,251,798	142,137	445,531	94,497	-	-	10,360,968
Lease Liabilities	10,360,968	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	64,991,018	-	-	-	-	-	-	-	-	-	-	64,991,018
	2,569,947,426	607,836,654	402,828,047	784,324,440	69,641,697	28,702,884	6,820,726	11,133,899	7,547,882	29,191	-	651,082,006
<b>On-balance sheet gap</b>	103,647,355	179,971,967	165,963,539	(234,771,284)	(277,460,618)	(1,772,503)	(21,819,271)	(37,887,511)	(47,000,399)	(3,468,603)	-	(393,380,766)
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions	195,665,790	25,037,779	20,163,929	87,325,334	17,457,572	32,271,542	4,508,503	97,925	110	8,803,096	-	-
Commitments in respect of purchase of:												
- forward foreign exchange contracts	181,173,249	97,470,661	70,780,564	12,679,189	242,935	-	-	-	-	-	-	-
- forward government securities transactions	182,141,150	151,291,229	30,849,921	-	-	-	-	-	-	-	-	-
- derivatives	-	-	-	-	-	-	-	-	-	-	-	-
- forward lending	363,314,469	248,761,890	101,630,485	12,679,189	242,935	-	-	-	-	-	-	-
Commitments in respect of sale of:												
- forward foreign exchange contracts	107,110,234	79,910,233	22,935,549	4,264,462	-	-	-	-	-	-	-	-
- forward government securities transactions	-	-	-	-	-	-	-	-	-	-	-	-
- derivatives	-	-	-	-	-	-	-	-	-	-	-	-
- forward lending	107,110,234	79,910,233	22,935,549	4,264,462	-	-	-	-	-	-	-	-
Other commitments	17,488,410	1,458,201	2,916,402	4,374,602	8,749,205	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>	469,388,465	195,347,637	101,775,267	100,114,673	26,449,712	32,271,542	4,508,503	97,925	110	8,803,096	-	-
<b>Total Yield and Interest Risk Sensitivity Gap</b>	573,015,820	375,319,604	375,319,604	267,738,806	(134,656,611)	303,910,330	30,499,039	26,327,774	37,985,436	47,000,509	12,271,699	(393,380,766)
<b>Cumulative Yield and Interest Risk Sensitivity Gap</b>	573,015,820	375,319,604	643,058,410	508,401,799	812,312,129	842,811,168	869,138,942	907,124,378	954,124,887	966,396,586	573,015,820	-

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	December 31, 2023								Non-interest bearing financial instruments			
	Effective Yield/Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years		Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks		156,124,352	11,695,327	-	-	-	-	-	-	-	-	144,429,025
Balances with other banks		2,455,601	-	-	-	-	-	-	-	-	-	2,455,601
Lending to financial institutions	16.23%	9,418,003	9,418,003	-	-	-	-	-	-	-	-	-
Investments	18.80%	1,154,597,203	325,183,736	264,218,798	278,566,146	124,950,563	46,255,958	20,828,688	37,303,174	33,677,582	-	23,612,558
Advances	18.31%	780,296,455	368,711,941	25,224,840	48,640,591	76,983,235	58,664,843	58,825,919	78,562,616	52,780,171	10,298,952	1,603,347
Other assets		95,060,366	-	-	-	-	-	-	-	-	-	95,060,366
		2,197,951,980	715,009,007	289,443,638	327,206,737	201,933,798	104,920,801	79,654,607	115,865,790	86,457,753	10,298,952	267,160,897
<b>Liabilities</b>												
Bills payable		9,322,405	-	-	-	-	-	-	-	-	-	9,322,405
Borrowings	16.90%	373,674,042	303,794,850	25,747,205	9,315,624	108,908	976,050	1,693,268	5,217,638	24,749,949	2,070,550	-
Deposits and other accounts	10.98%	1,676,589,677	209,955,594	387,537,760	430,235,565	123,185,620	20,543,026	278,898	112,337	226,035	-	504,514,842
Liabilities against assets subject to finance lease		-	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		75,838,908	-	-	-	-	-	-	-	-	-	75,838,908
		2,135,425,032	513,750,444	413,284,965	439,551,189	123,284,528	21,519,076	1,972,166	5,329,975	24,975,984	2,070,550	689,676,155
		62,526,948	201,258,563	(123,841,327)	(112,344,452)	78,639,270	83,401,725	77,682,441	110,535,815	61,481,769	8,228,402	(322,515,258)
<b>On-balance sheet gap</b>												
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions		219,451,590	21,624,350	40,083,125	106,547,001	24,968,342	13,940,846	1,074,789	2,560,048	26,484	8,626,605	-
Commitments in respect of purchase of:												
- forward foreign exchange contracts		290,946,460	83,314,378	83,304,827	122,948,998	1,378,257	-	-	-	-	-	-
- forward government securities transactions		10,054,607	10,054,607	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		301,001,067	93,368,985	83,304,827	122,948,998	1,378,257	-	-	-	-	-	-
Commitments in respect of sale of:												
- forward foreign exchange contracts		141,834,941	51,661,105	47,713,484	41,295,657	1,164,695	-	-	-	-	-	-
- forward government securities transactions		1,385,378	1,385,378	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		143,220,319	53,046,483	47,713,484	41,295,657	1,164,695	-	-	-	-	-	-
Other commitments		16,237,946	1,353,162	2,706,324	4,059,487	8,118,973	-	-	-	-	-	-
		393,470,284	63,300,014	78,380,792	192,259,829	33,300,877	13,940,846	1,074,789	2,560,048	26,484	8,626,605	-
<b>Off-balance sheet gap</b>												
<b>Total Yield and Interest Risk Sensitivity Gap</b>		455,997,232	284,558,577	(45,460,635)	79,915,377	111,940,147	97,342,571	78,757,230	113,095,863	61,508,253	16,855,007	(322,515,258)
<b>Cumulative Yield and Interest Risk Sensitivity Gap</b>		455,997,232	595,643,062	289,376,167	375,117,397	305,088,958	370,358,698	415,118,762	463,121,852	551,961,347	567,839,971	-

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Reconciliation to total assets	December 31, 2024	December 31, 2023	Reconciliation to total liabilities	December 31, 2024	December 31, 2023
	(Rupees in '000)	(Rupees in '000)		(Rupees in '000)	(Rupees in '000)
<b>Balance as per balance sheet</b>	2,821,702,465	2,333,049,973	<b>Balance as per balance sheet</b>	2,583,453,874	2,135,723,936
<b>Less: Non financial assets</b>					
Property and equipment	128,284,200	125,811,893	Deferred tax liabilities	9,860,520	-
Right-of-use assets	7,787,741	-	Other liabilities	-	-
Intangible assets	3,650,196	-			
Deferred Tax Assets	-	3,781,881			
Other assets	8,385,547	5,504,219	<b>Total financial liabilities</b>	3,645,928	298,904
	148,107,684	135,097,993		13,506,448	298,904
	2,673,594,781	2,197,951,980		2,569,947,426	2,135,425,032

44.3 Operational Risk

The Bank, like all financial institutions, is exposed to different types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and the execution of legal, fiduciary and agency responsibilities.

In accordance with the BoD approved Operational Risk Management Policy (ORM), Bank maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the bank's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to industry best practices.

The Bank has implemented workflow based system "Risk Nucleus" for Operational Risk Loss Data Collection & Reporting, Risk Control & Self Assessment (RCSA) and Key Risk Indicators (KRIs) monitoring. Further, major Operational Risk events are also analyzed from the control breaches perspective and mitigating controls are assessed on design and operating effectiveness. Quarterly updates on Operational Risk events are presented to senior management and Board's Risk Management Committee & BoD.

The Bank has a BoD approved BCP policy and Business Continuity Plan applicable to all its functional areas. The Bank updates functional BCPs on annual basis or at any process change.

The Bank is also implementing internationally accepted Integrated Framework on Internal Control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), with a view to consolidate and enhance the existing internal control processes.

The Bank is reporting Operational Risk Capital Charge on Basic Indicator Approach. Also calculating impact under Alternate Standardized Approach (ASA) of Basel II. The Bank shall adopt "The Standardized Approach" under Basel-III once implemented by the Regulator.

44.4 Liquidity Risk

Liquidity Risk is the risk that the Bank is unable to fund its current obligations and operations in the most cost efficient manner. The Bank's Board of Directors has delegated the responsibility to Asset and Liability Committee (ALCO) for ensuring that Bank's policy for liquidity management is adhered to on a continual basis. ALCO uses gap analysis based on "maturity schedule" to assess the Bank's liquidity risk and devise strategy accordingly. The Bank has various limits and triggers in place to monitor liquidity risk on a periodic basis, while it also utilizes stress testing to assess adequacy of Bank's liquid assets. The Bank complies with State Bank of Pakistan's instructions on Liquidity Standards as prescribed under the Basel III Framework.

Liquidity Management Framework

Daily liquidity management is carried out centrally by the Asset and Liability Management (ALM) Desk in Treasury Group which manages the day to day liquidity needs of the Bank. Funding and liquidity management strategies are regularly discussed during Asset and Liability Committee (ALCO) meetings. The discussions include analysis on composition of deposits and tenure, funding gaps and concentration, monitoring of short and long-term liquidity ratios (including Liquidity Coverage Ratio and Net Stable Funding Ratio). The Bank utilizes internal Management Action Triggers and Limits which act as early warning indicators and safeguards to ensure sufficient liquidity buffers at all times. Additionally, stress tests are performed to evaluate available liquidity under a range of adverse scenarios and to identify potential vulnerabilities in portfolios. The Bank also has in place contingency funding plan that identifies specific management actions that can be invoked in times of liquidity crisis.

Liquidity Risk Management

The Bank has in place a robust Recovery Plan in place to deal with any liquidity crisis in the most efficient and effective manner. SBP initiatives such as deferral of principal and rescheduling and restructuring of loans may have an adverse effect on liquidity and maturity profile of the Bank, however the Bank holds sufficient liquidity buffer to absorb any unforeseen shocks during the prevailing situation. Moreover, the Asset and Liability Committee (ALCO) of the Bank continues to regularly monitor the liquidity position of the Bank in view of emerging risks.

Liquidity Risk Mitigation Techniques

The Group uses the following tools to identify and mitigate Liquidity Risk:

- Gap Analysis
- Liquidity Ratios
- Liquidity Stress Testing
- Contingency Funding Plan
- Risk Control Limits (RCLs)

44.4.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Group

December 31, 2024										
Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 Month	Upto 2 Months	Upto 3 Months	Over 3 to 6 Months	Upto 1 year	Upto 2 years	Over 3 to 5 years
Rupees in '000										
<b>Assets</b>										
Cash and balances with treasury banks	146,812,714	-	-	-	-	-	-	-	-	-
Balances with other banks	9,964,224	1,928,675	2,250,121	5,463,382	-	-	-	-	-	-
Lendings to financial institutions	243,541,081	222,741,097	699,992	20,000,000	99,592	-	-	-	-	-
Investments	1,132,883,403	-	44,264	189,547	471,606	6,062,455	144,857,126	179,853,964	226,609,974	283,622,708
Advances	1,051,545,347	1,463,162	3,918,697	7,832,136	188,086,215	144,830,372	83,092,474	114,744,086	95,894,072	85,629,512
Property and equipment	128,294,200	46,993	281,957	328,950	798,878	1,456,777	4,370,331	4,370,331	6,491,265	4,734,332
Right-of-use assets	7,787,741	4,187	25,122	29,309	71,178	129,796	389,387	389,387	1,557,548	3,115,096
Intangible assets	3,650,196	1,401	8,407	9,808	23,820	43,437	130,312	130,312	521,248	1,042,496
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	97,233,559	1,191,566	7,149,394	8,340,960	21,060,109	16,291,586	21,154,957	3,143,790	798,353	4,027,693
<b>Total</b>	<b>2,821,702,465</b>	<b>149,841,469</b>	<b>236,053,349</b>	<b>19,535,540</b>	<b>245,683,729</b>	<b>152,128,848</b>	<b>107,196,517</b>	<b>285,446,199</b>	<b>337,465,725</b>	<b>382,171,837</b>
<b>Liabilities</b>										
Bills payable	14,502,237	-	-	-	-	-	-	-	-	-
Borrowings	462,023,558	426,320	15,220,600	195,000	378,551,485	1,402,733	2,469,261	2,145,416	7,451,066	6,676,589
Deposits and other accounts	2,016,089,645	1,730,467,613	3,753,133	17,234,275	22,904,776	22,615,548	70,732,641	104,891,382	323,621	142,137
Lease Liabilities	10,360,968	2,785	16,711	19,496	47,349	86,341	86,341	259,024	1,036,097	2,072,194
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	9,860,520	(16,755)	(100,530)	(117,285)	(284,835)	(630,961)	(619,554)	224,635	388,305	2,143,183
Other liabilities	68,636,946	1,599,766	9,596,596	11,198,362	27,195,022	1,702,326	1,509,264	1,398,730	5,325,327	1,170,073
<b>Total</b>	<b>2,563,453,874</b>	<b>1,746,981,966</b>	<b>28,498,510</b>	<b>28,529,648</b>	<b>428,414,797</b>	<b>24,975,987</b>	<b>74,278,353</b>	<b>133,371,982</b>	<b>16,279,314</b>	<b>9,925,745</b>
<b>Net assets</b>	<b>238,248,591</b>	<b>(1,597,140,497)</b>	<b>207,554,839</b>	<b>(8,994,308)</b>	<b>(182,721,068)</b>	<b>127,152,861</b>	<b>32,918,164</b>	<b>151,474,217</b>	<b>327,945,085</b>	<b>176,361,425</b>
Share capital	11,450,739	-	-	-	-	-	-	-	-	-
Reserves	42,460,556	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets	56,633,562	-	-	-	-	-	-	-	-	-
Unappropriated profit	127,703,754	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>238,248,591</b>	-	-	-	-	-	-	-	-	-

December 31, 2023										
Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 Month	Upto 2 Months	Upto 3 Months	Over 3 to 6 Months	Upto 1 year	Upto 2 years	Over 3 to 5 years
Rupees in '000										
<b>Assets</b>										
Cash and balances with treasury Groups	156,124,352	-	-	-	-	-	-	-	-	-
Balances with other Banks	2,455,601	-	-	-	-	-	-	-	-	-
Lending to financial institutions	9,415,003	-	1,967,200	2,000,000	492,659	-	-	-	-	-
Investments - net	1,154,397,203	-	13,916	13,916	492,659	25,008,535	3,025,203	214,463,544	305,577,388	149,235,263
Advances - net	780,296,455	49,585	19,046,459	32,921,659	25,495,149	83,364,375	79,344,330	20,134,143	114,184,031	115,352,873
Fixed assets	122,395,241	40,333	242,000	282,333	685,666	1,250,332	3,750,995	3,750,995	5,148,045	5,075,660
Intangible assets	3,416,662	1,312	7,869	9,181	22,296	40,668	40,668	121,975	487,888	975,796
Deferred tax assets	3,781,681	5,560	33,358	38,918	94,515	168,695	554,271	1,052,522	1,543,701	677,657
Other assets - net	100,564,585	1,349,556	8,097,349	9,446,907	22,942,469	7,634,170	13,403,661	2,155,938	5,482,254	9,591,198
<b>Total</b>	<b>2,333,049,973</b>	<b>160,026,301</b>	<b>32,877,836</b>	<b>44,680,314</b>	<b>51,792,774</b>	<b>117,716,628</b>	<b>100,200,435</b>	<b>295,939,632</b>	<b>432,423,317</b>	<b>301,712,706</b>
<b>Liabilities</b>										
Bills payable	9,322,405	-	-	-	-	-	-	-	-	-
Borrowings	373,674,042	210,005	15,054,652	2,233,142	286,297,062	5,129,658	20,617,547	9,515,624	29,385	6,217,638
Deposits and other accounts	1,676,589,677	1,423,304,302	9,696,130	10,957,841	28,811,017	15,669,953	25,915,012	58,257,692	28,643,971	278,898
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	-	-	-	-	-	-	-	-	-	-
Other liabilities	76,137,811	1,326,681	7,860,092	9,286,774	22,567,406	2,503,038	3,381,894	3,381,858	5,611,477	3,458,397
<b>Total</b>	<b>2,135,723,935</b>	<b>1,434,163,393</b>	<b>32,912,874</b>	<b>22,477,757</b>	<b>337,675,475</b>	<b>49,035,697</b>	<b>70,955,210</b>	<b>32,055,224</b>	<b>6,895,460</b>	<b>4,101,470</b>
<b>Net assets</b>	<b>197,326,038</b>	<b>(1,274,137,092)</b>	<b>(85,036)</b>	<b>22,202,557</b>	<b>(285,942,701)</b>	<b>68,681,231</b>	<b>29,245,225</b>	<b>96,735,742</b>	<b>425,527,857</b>	<b>292,324,334</b>
Share capital	11,450,739	-	-	-	-	-	-	-	-	-
Reserves	37,961,636	-	-	-	-	-	-	-	-	-
Unappropriated profit	40,086,369	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	107,827,294	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>197,326,038</b>	-	-	-	-	-	-	-	-	-

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

December 31, 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 in '000										
<b>Assets</b>										
Cash and balances with treasury banks	146,812,714	42,753,657	9,007,454	10,197,199	7,413,262	5,389,517	8,531,397	-	63,520,228	
Balances with other banks	9,964,224	9,964,224	-	-	-	-	-	-	-	
Lending to financial institutions	243,541,081	243,441,089	99,992	-	-	-	-	-	-	
Investments	1,132,883,403	233,812	6,554,061	144,657,126	304,175,368	226,609,974	91,369,116	283,622,708	2,223,439	
Advances	1,051,545,347	209,878,119	226,340,757	114,174,894	179,229,255	95,894,072	86,046,694	85,629,512	4,727,501	
Property and equipment	128,284,200	1,456,777	2,913,554	4,370,331	8,740,662	6,491,285	6,431,462	4,734,332	5,244,187	
Right-of-use assets	7,787,741	129,796	259,591	389,387	778,774	1,557,548	3,115,097	-	-	
Intangible assets	3,650,196	43,437	86,875	130,312	280,624	521,248	1,042,496	1,043,956	-	
Deferred tax assets	-	-	-	-	-	-	-	-	-	
Other assets	97,233,559	37,742,028	21,488,446	21,154,957	5,728,920	798,353	364,102	4,027,693	5,929,060	
	2,821,702,465	545,642,939	266,750,730	295,074,206	506,326,665	337,261,977	194,621,567	382,171,838	158,377,798	
<b>Liabilities</b>										
Bills payable	14,502,237	14,502,237	-	-	-	-	-	-	-	
Borrowings	462,023,558	394,403,406	3,872,294	27,196,211	4,249,028	7,451,086	6,678,589	10,688,368	7,453,365	
Deposits and other accounts	2,018,069,645	213,433,248	197,906,304	224,046,661	162,879,679	118,738,808	187,588,812	445,531	94,497	
Lease Liabilities	10,360,968	86,341	172,683	259,024	518,048	1,036,097	2,072,194	5,180,464	-	
Subordinated debt	-	-	-	-	-	-	-	-	-	
Deferred tax liabilities - net	9,860,520	(519,405)	(1,350,515)	224,635	802,690	2,143,183	901,849	2,747,376	775,076	
Other liabilities	68,636,946	49,592,745	3,211,690	1,398,730	2,661,656	5,325,327	1,170,073	1,507,635	3,769,090	
	2,583,453,874	671,498,572	203,812,456	253,127,261	171,111,101	134,694,501	197,375,420	17,461,104	17,272,532	
<b>Net assets</b>	<b>238,248,591</b>	<b>(125,855,633)</b>	<b>62,938,274</b>	<b>41,946,945</b>	<b>335,215,764</b>	<b>202,567,476</b>	<b>(2,553,855)</b>	<b>364,710,734</b>	<b>118,002,013</b>	<b>(758,723,129)</b>
Share capital	11,450,739	-	-	-	-	-	-	-	-	
Reserves	42,460,536	-	-	-	-	-	-	-	-	
Unappropriated profit	56,633,562	-	-	-	-	-	-	-	-	
Surplus on revaluation of assets net of tax	127,703,754	-	-	-	-	-	-	-	-	
	238,248,591	-	-	-	-	-	-	-	-	

December 31, 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 in '000										
<b>Assets</b>										
Cash and balances with treasury banks	156,124,352	46,501,594	8,701,418	7,704,789	9,090,311	3,494,877	7,064,531	-	73,566,832	
Balances with other banks	2,455,601	2,455,601	-	-	-	-	-	-	-	
Lending to financial institutions	9,416,003	9,418,003	-	-	-	-	-	-	-	
Investments - net	1,154,597,203	506,575	25,068,535	3,025,203	314,448,957	305,577,388	197,064,195	149,235,263	157,425,243	
Advances - net	780,296,455	77,513,062	93,895,876	79,344,330	93,852,304	114,184,031	115,352,873	136,830,986	69,323,003	
Fixed assets	122,395,241	1,250,332	2,500,664	3,750,995	7,501,990	5,148,045	5,075,660	4,401,806	6,024,728	
Intangible assets	3,416,662	40,658	81,316	121,975	243,950	487,898	487,898	975,796	977,161	
Deferred tax assets	3,781,881	172,351	527,453	554,271	2,801,541	1,543,701	930,703	677,657	609,497	
Other assets - net	100,564,565	41,836,303	11,376,787	13,403,661	5,881,856	5,482,254	5,522,378	9,591,198	7,143,579	
	2,333,049,973	179,694,469	142,152,049	107,905,224	433,820,909	435,918,194	331,518,238	301,712,706	241,503,211	
<b>Liabilities</b>										
Bills payable	9,322,405	9,322,405	-	-	-	-	-	-	-	
Borrowings	373,674,042	303,794,850	25,747,205	9,315,624	108,908	976,050	1,693,268	5,217,638	24,749,949	
Deposits and other accounts	1,676,589,677	209,955,594	160,097,617	141,760,607	167,252,865	64,610,271	130,259,391	112,337	226,035	
Subordinated debt	-	-	-	-	-	-	-	-	-	
Deferred tax liabilities - net	-	-	-	-	-	-	-	-	-	
Other liabilities	76,137,811	41,140,953	5,006,076	3,381,894	6,763,716	5,611,477	2,129,304	3,458,397	8,645,994	
	2,135,723,935	564,213,802	190,850,898	154,458,125	174,125,489	71,197,798	134,061,963	8,788,372	33,621,978	
<b>Net assets</b>	<b>197,326,038</b>	<b>(384,519,333)</b>	<b>(48,698,849)</b>	<b>(46,552,901)</b>	<b>259,695,420</b>	<b>364,720,396</b>	<b>197,436,275</b>	<b>292,924,334</b>	<b>207,881,233</b>	<b>(645,560,537)</b>
Share capital	11,450,739	-	-	-	-	-	-	-	-	
Reserves	37,961,636	-	-	-	-	-	-	-	-	
Unappropriated profit	40,086,369	-	-	-	-	-	-	-	-	
Surplus on revaluation of assets net of tax	107,827,294	-	-	-	-	-	-	-	-	
	197,326,038	-	-	-	-	-	-	-	-	

## Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

### 44.5 Derivative Risk

Market & Liquidity Risk Division under Risk Management Group is responsible for assessing and monitoring the derivative risk emanating from Bank's exposures.

The Bank buys and sells derivative instruments, for hedging and market making purposes, such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

The Bank's Risk Management Group, Asset and Liability Committee (ALCO) and Board Risk Management Committee monitor the derivative risk and utilize Off-Balance Sheet gap analysis to implement prudent asset liability management of the Bank's derivative exposures.

### 45 NON ADJUSTING EVENT AFTER THE REPORTING DATE

**45.1** The Board of Directors of the Bank in its meeting held on February 04, 2025 has proposed a final cash dividend in respect of 2024 of Rs. 4.00 per share (2023: cash dividend Rs. 4.00 per share). This appropriation will be approved in the forthcoming Annual General Meeting. The consolidated financial statements of the Bank for the year ended December 31, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

### 46 GENERAL

**46.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

**46.2** Corresponding figures have been rearranged, reclassified or additionally incorporated where considered necessary, for the purpose of better presentation.

### 47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 04, 2025 by the Board of Directors of the Bank.

Muhammad Atif Mirza  
Chief Financial Officer

Azid Razzaq Gill  
President and Chief Executive

Muhammad Kamran Shehzad  
Director

Mian Ikram Ul Haq  
Director

Mohammad Naeem Mukhtar  
Chairman

## Pattern of Shareholding

As at December 31, 2024

### 1 Issued, Subscribed and Paid-up Capital

Ordinary Shares	As on December 31, 2024		As on December 31, 2023	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Fully paid in Cash	406,780,094	4,067,800,940	406,780,094	4,067,800,940
Increase in Share Capital	-	-	-	-
Issued as Bonus Shares	720,745,186	7,207,451,860	720,745,186	7,207,451,860
Issued for consideration other than cash	17,548,550	175,485,500	17,548,550	175,485,500
	<b>1,145,073,830</b>	<b>11,450,738,300</b>	<b>1,145,073,830</b>	<b>11,450,738,300</b>

### 2 Major Shareholding

Holding more than 5% of the total paid-up capital

Name of Shareholder	No. of Shares	Percentage
Ibrahim Holdings (Private) Limited	1,030,566,368	90.0000
<b>Total</b>	<b>1,030,566,368</b>	<b>90.0000</b>

### 3 Pattern of Shareholding

No. of Shareholders	Shareholdings' Slab			Total Shares
	From		To	
6,450	1	to	100	241,413
8,960	101	to	500	2,484,905
1,101	501	to	1,000	808,793
1,939	1,001	to	5,000	4,142,994
329	5,001	to	10,000	2,443,069
252	10,001	to	25,000	4,080,047
90	25,001	to	50,000	3,218,912
42	50,001	to	100,000	3,030,494
22	100,001	to	200,000	3,192,340
15	200,001	to	500,000	4,505,581
5	500,001	to	1,000,000	4,405,826
7	1,000,001	to	3,000,000	9,909,902
2	3,000,001	to	5,000,000	8,011,041
3	5,000,001	to	10,000,000	22,473,804
2	10,000,001	to	50,000,000	41,558,341
1	50,000,001	&	Above	1,030,566,368
<b>19,220</b>				<b>1,145,073,830</b>

## Categories of Shareholders

As at December 31, 2024

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES	PERCENTAGE
<b>DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN</b>			
MOHAMMAD NAEEM MUKHTAR	1	2,500	0.0002
MUHAMMAD WASEEM MUKHTAR	1	2,500	0.0002
SHEIKH MUKHTAR AHMAD	1	2,500	0.0002
MIAN IKRAM UL HAQ	1	2,500	0.0002
MUHAMMAD KAMRAN SHEHZAD	1	500	0.0000
ZAFAR IQBAL	1	2,500	0.0002
NAZRAT BASHIR	1	100	0.0000
<b>SUB-TOTAL</b>	<b>7</b>	<b>13,100</b>	<b>0.0011</b>
<b>PARENT, ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>			
IBRAHIM HOLDINGS (PRIVATE) LIMITED	1	1,030,566,368	90.0000
TRUSTEES OF ABL EMPLOYEES SUPERANNUATION (PENSION) FUND A/C	1	10,558,341	0.9221
<b>SUB-TOTAL</b>	<b>2</b>	<b>1,041,124,709</b>	<b>90.9221</b>
<b>EXECUTIVES*</b>	1	10,035	0.0009
<b>EMPLOYEES</b>	267	315,178	0.0275
<b>SUB-TOTAL</b>	<b>268</b>	<b>325,213</b>	<b>0.0284</b>
<b>NIT AND ICP</b>	3	14,438	0.0013
<b>BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS</b>			
	10	7,728,122	0.6749
<b>INSURANCE COMPANIES</b>	<b>6</b>	<b>10,259,055</b>	<b>0.8959</b>
<b>MODARABAS AND MUTUAL FUNDS</b>			
M/S. FIRST TAWAKKAL MODARABA	1	347	0.0000
M/S. MODARABA AL MALI	1	116	0.0000
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	38,259	0.0033
CDC - TRUSTEE NBP STOCK FUND	1	237,000	0.0207
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1,067,614	0.0932
CDC - TRUSTEE NBP FINANCIAL SECTOR FUND	1	93,971	0.0082
<b>SUB-TOTAL</b>	<b>6</b>	<b>1,437,307</b>	<b>0.1255</b>
<b>GENERAL PUBLIC</b>			
LOCAL	18,754	41,549,272	3.6285
FOREIGN	26	102,900	0.0090
<b>SUB-TOTAL</b>	<b>18,780</b>	<b>41,652,172</b>	<b>3.6375</b>
<b>FOREIGN COMPANIES</b>	1	1	0.0000
<b>OTHERS</b>	137	42,519,713	3.7133
<b>GRAND TOTAL</b>	<b>19,220</b>	<b>1,145,073,830</b>	<b>100.0000</b>

\*CEO, all Chiefs and Group Heads are termed as Executives

There was no trade in shares carried out by the Sponsors, Directors, Executives, their Spouses and Minor Children during the year 2024.

## NOTICE OF 79<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that 79th Annual General Meeting ("AGM") of Allied Bank Limited ("ABL" or the "Bank") will be held physically as well virtually (through Zoom) on Monday, March 24, 2025 at 11:00 a.m. at Palace Hall, Pearl Continental Hotel, Lahore, Pakistan to transact the following business:

### Ordinary Business:

- To confirm the minutes of Extraordinary General Meeting of Allied Bank Limited held on August 27, 2024.
- To receive, consider and adopt Annual Audited Financial Statements of the Bank (consolidated and unconsolidated) for the year ended December 31, 2024 together with the Auditors' Report, Directors' Report and Chairman's Review Report thereon.

Financial Statements of ABL are uploaded on corporate website of the Bank and can be downloaded from the following Weblink / QR Code:

<https://www.abl.com/investor-relations/financials/financial-reports/?consumernumber=>



- To consider and approve Final Cash Dividend @ 40% (i.e. Rs. 4.00 per share) as recommended by the Board of Directors. This Final Cash Dividend would be in addition to 120% Interim Cash Dividend (i.e., Rs. 12.00 per share) already paid to the shareholders for the year ended December 31, 2024.
- To appoint Statutory Auditors of the Bank for the year ending December 31, 2025 and fix their remuneration. The retiring Auditors, M/s. EY Ford Rhodes Chartered Accountants have completed their term. The Board of Directors of the Bank has recommended appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants for the year ending December 31, 2025. The audit firm appointed will hold office till conclusion of the next Annual General Meeting to be held in the year 2026.

### Other Business:

- To transact any other business with the permission of the Chair.

Date: March 03, 2025  
(Lahore)

By Order of the Board  
**Adeel Javaid**  
Company Secretary

### NOTES:

- Minutes of Extraordinary General Meeting held on August 27, 2024 can be downloaded from following Weblink / QR Code. The minutes are sent to members at their registered email (if any) and are also available for inspection at registered office of the Bank.

<https://www.abl.com/wp-content/uploads/2025/02/EOGM-Minutes-of-the-Meeting-27.08.2024.pdf>



- Share Transfer Books of the Bank will remain closed from Monday, March 17, 2025 to Monday, March 24, 2025 (both days inclusive). Share transfer requests received at Bank's Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi before the close of business on Friday, March 14, 2025 will be treated in time for the purpose of transfer of shares, for determining entitlement of the dividend, and to attend & vote in the AGM.

- All members are entitled to attend and vote at the Meeting.

- A member entitled to attend and vote at the Meeting may appoint another member as a proxy to attend, speak and vote on his/her behalf and the proxy appointed should be a member of Allied Bank Limited.

A corporate entity, being a member, may authorize through resolution of its Board / Power of Attorney or other governing body, an individual to act as its representative and the individual so authorized shall be entitled to exercise the same powers on behalf of the corporate entity which he represents.

- CDC Account Holders will follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP").

- Requirements for attending AGM are as below:


- 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 Central Depository Company of Pakistan Limited ("CDC") Regulations, shall authenticate their identity by showing original valid Computerized National Identity Card ("CNIC") or original Passport at the time of attending the Meeting.
- In case of corporate entity, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee shall be produced (if not provided earlier) at the time of attending the Meeting.

- Requirements for appointing proxies are as below:

- 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 CDC's Regulations, shall submit proxy form.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of valid CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his / her original CNIC or original Passport at the time of the Meeting.
- In case of corporate entity, the resolution of Board of Directors / Power of Attorney with specimen signature shall be produced along with the proxy form of the Company.



# NOTICE OF 79<sup>th</sup> ANNUAL GENERAL MEETING

8. Proxy Form is being sent to the Members along with Notice of AGM. The form of proxy can also be downloaded from the following weblink / QR Code on bank's website: [https://www.abl.com/wp-content/uploads/2025/02/Proxy-Form-of-79th-AGM-dated-March-24-2025\\_21-02-25\\_03-14-53.pdf](https://www.abl.com/wp-content/uploads/2025/02/Proxy-Form-of-79th-AGM-dated-March-24-2025_21-02-25_03-14-53.pdf)
- 
9. The instrument of proxy duly completed and signed as per above mentioned requirements must be deposited at the Registered Office of the Bank i.e. Allied Bank Limited, 3-Tipu Block, New Garden Town, Lahore not less than 48 hours before the start time of the Meeting. In calculating the 48 hours, no account shall be taken of any part of the day that is not a working day.
10. If a member appoints more than one proxy, all such instruments of proxy shall be rendered invalid.
11. Members are requested to immediately notify changes in their registered addresses, if any, to the Bank's Shares Registrar before start of the book closure period.
12. As per guidelines issued by SECP, arrangements have also been made by the Bank to facilitate maximum participation of the shareholders in the Meeting through online platform/facility (i.e., zoom). Those shareholders who are interested to participate in the meeting virtually are requested to forward their following particulars along with snapshot of their valid CNIC (both sides) by March 20, 2025 at WhatsApp # +92 321 9472547 / +92 300 0458140 or email at [Shahbaz.ahmed@abl.com](mailto:Shahbaz.ahmed@abl.com) / [Farhan.ali2@abl.com](mailto:Farhan.ali2@abl.com):

Name	CNIC Number (Please attach snapshot of valid CNIC)	Folio Number / CDC Account Number	Cell Number	Email Address

On receipt of the request, link/credentials to join the meeting through zoom will be sent to the said shareholders on the given email address or through WhatsApp messages.

13. In accordance with the Companies (Postal Ballot) Regulation, 2018, ("Regulations"), if required, the right to vote through electronic voting facility ("e-Voting") and voting by Post ("Postal Ballot") shall be provided to members of the Bank for "Special Business" in the manner and subject to the conditions contained in the Regulations.

## FOR SHAREHOLDERS' ATTENTION:

### Transmission of Annual Report 2024:

In compliance with the Section 223(6) of Companies Act, 2017 (the "Act") the Bank has transmitted the Annual Report 2024 through email to those shareholders whose email addresses are available with the Bank's Share Registrar. Besides, in accordance with the shareholders' approval accorded in 78th Annual General Meeting held on March 28, 2024, shareholders may scan above mentioned QR Code or click on Weblink for downloading/ reviewing Annual Report 2024 of the Bank. However, the Bank would provide hard copies of the Annual Report to the shareholders on their demand at their registered addresses, free of cost,

within one week of such request received. In this regard, a standard request form has been placed on the Bank's website which can be downloaded directly from the link: <https://www.abl.com/wp-content/uploads/2023/04/Request-for-Hard-Copy-of-Annual-Report.pdf>

### Deposit/Conversion of Physical Shares into Book-Entry Form:

SECP through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised listed companies to adhere with the provisions of the Section 72 of the Act, requiring all companies to replace shares issued by them in Physical Form with shares into Book-Entry Form from the date notified by SECP but not exceeding four years from the date of the promulgation of the Act. Therefore, the Shareholders having physical shareholding are requested to open Investor Account directly with CDC or CDC Sub-account with any of the brokers to place their physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, no loss of shares, and avoidance of formalities required for the issuance of duplicate shares and readily availability for sale / purchase in stock market at better rates. The Shareholders may contact the Share Registrar and Transfer Agent of the Bank, i.e., CDC Share Registrar Services Limited (address given above) for the conversion of Physical shares into Book-Entry Form.

### Mandatory Requirement for Provision of Registration details, IBAN and CNIC (Withholding of Dividend):

In accordance with Section 119 of the Act and Regulation 47 of the Companies Regulations 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact details (Mobile/telephone numbers), International Bank Account Number ("IBAN") etc., to our Share Registrar at the above given address immediately to avoid any inconvenience in future.

Further, in compliance with the requirements of the Act and Companies (Distribution of Dividends) Regulations, 2017, the Bank has withheld dividend(s) of those shareholders who have not yet provided their CNIC(s) along with correct and complete bank account details including valid IBAN of their own bank accounts.

In order to receive cash dividend(s) withheld by the Bank, shareholders are requested to contact the Bank's Share Registrar at the below given address or Participant/ Investor Account Services of CDC (as the case may be) along with a legible copy of their respective valid CNIC(s) and provide their complete and correct bank account details including valid IBAN by filling the form available at the Bank's website link: [https://www.abl.com/wp-content/uploads/2025/02/Bank-Mandate-Form\\_20-02-25\\_12-26-31.pdf](https://www.abl.com/wp-content/uploads/2025/02/Bank-Mandate-Form_20-02-25_12-26-31.pdf)

M/s. CDC Share Registrar Services Limited  
 CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi  
 Customer Support Service 0800-23275 (Toll Free) Fax: +92-21-34326053

### Deduction of Withholding Tax:

Please note that withholding tax will be deducted on the basis of latest "Active Taxpayers List" (ATL) available at FBR website as per following rates:

Persons appearing in Active Taxpayers List (ATL):	15%
Persons not appearing in Active Taxpayers List (ATL):	30%

Further, in respect of joint shareholders tax will be deducted as per their respective ratio / share (if any) intimated by the shareholder to the Bank's Share Registrar, otherwise their shareholding will be treated as equal.

# NOTICE OF 79<sup>th</sup> ANNUAL GENERAL MEETING

### Requirement of Valid Tax Exemption Certificate for Claim of Exemption U/S 150 of the Income Tax Ordinance, 2001:

If the entity is available with valid exemption certificate issued u/s 159 of the 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 Friday, March 14, 2025 in lieu of valid exemption certificate for non-deduction of withholding tax. In case of non-availability of valid tax exemption certificate or relevant court order, tax under the relevant sections shall be deducted accordingly.

### Zakat Declaration (CZ-50):

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under the Zakat and Usher Ordinance, 1980 & Rule 4 of the Zakat (Collection and Refund) Rules, 1981, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in Book-Entry Form) or to Bank's Share Registrar and Transfer Agent (in case the shares are held in Physical Form) at above mentioned address.

### Consent for Video Conference Facility:

In accordance with Section 132(2) of the Act, video-link facility for the meeting shall be provided to those members in their residing city, on their request, who hold at least 10% of the total paid up capital of the Bank. To avail this facility, please provide following information and submit to the Share Registrar office (address mentioned above) at least 7 days before meeting date:

I/We _____ of _____ being member of Allied Bank Limited, holder of _____ ordinary share(s) as per Registered Folio / CDC Investor / Participant Account No. _____ hereby opt for video conference facility at _____ (please specify name of the city).	
Date _____	Signature of Member _____

This Notice along-with Proxy Form has been sent to all members of the Bank in accordance with Section 134(1) of the Companies Act, 2017.

### Claiming of Unclaimed / Unpaid Dividends and Share Certificates:

In compliance of Section 244 of the Act, the Bank has already requested through individual letters to shareholders who have not yet claimed their outstanding cash dividends, right and bonus shares. (Detail available at: <https://www.abl.com/investor-relations/shareholder-information/unclaimed-shares-dividends-and-tfcs/>)

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.

### Merger of Different Folios into one Folio:

As per Member's Register, some of the shareholders are maintaining more than one folio under the same particulars. Carrying two or more different folios may be hassle for the shareholders to reconcile and receiving different benefits in the shape of dividends / bonus etc. In order to provide better services and convenience such shareholders are requested to send requests to the Bank's Share Registrar to merge their folios into one folio.

## Glossary of Financial & Banking Terms

### Accrual Basis

Recognizing the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

### Automated Teller Machine (ATM)

ATM is an e-banking delivery channel that enables the customers to perform financial transactions 24/7.

### Alternate Delivery Channels (ADCs)

ADCs are those access points that expand the reach of banking services beyond the traditional over the counter banking and traditional over the counter banking and includes internet banking, mobile banking, Point of Sale (POS) transactions, ATM, SMS and Phone banking.

### Basis point

One hundredth of a per cent i.e. 0.01 percent. 100 basis points is 1 per cent. Used when quoting movements in interest rates or yields on securities.

### Bonus Issue (Scrip Issue)

The issue of new shares to existing shareholders in proportion to their shareholdings. It is a process for converting a company's reserves (in whole or part) into issued capital and hence does not involve an infusion of cash.

### Cash Equivalents

Short-term highly liquid investments that are readily convertible to known amounts of cash.

### Capital Adequacy Ratio

The relationship between capital and risk weighted assets as defined in the framework developed by the State Bank of Pakistan and Basel Committee.

### Call Money Rate

Interbank clean (without collateral) lending and borrowing rates are called Call Money Rates.

### Common Equity Tier (CET)

Capital CET capital is sum of fully paid share capital, reserves and un-appropriated profit adjusted by regulatory adjustments as specified in Basel III.

### Consumer Price Index (CPI)

The CPI measure changes in the cost of buying a representative fixed basket of goods and generally indicates inflation rate in the country. (Source: Pakistan Bureau of Statistics)

### Coupon Rate

Coupon rate is interest rate payable on bond's par value at specific regular periods. In PIBs they are paid on bi-annual basis.

### Call Deposits

These include short notice and special notice deposits

### Current Deposits

Non-remunerative Chequing account deposits wherein withdrawals and deposit of funds can be made frequently by the account holders.

### Contingencies

A condition or situation existing at date of Statement of Financial Position where the outcome will be confirmed only by occurrence of one or more future events.

### CAGR

An abbreviation for Compound Annual Growth Rate.

### Corporate Governance

It is "the system by which companies are directed and controlled" by the Securities and Exchange Commission of Pakistan. It involves regulatory and market mechanisms, which govern the roles and relationships between a company's management, its board, its shareholders and other stakeholders.

### Defined Contribution

A post-employment benefit plan under which entity and employee pays fixed contribution into a separate entity (a fund) and will have no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all the employee benefits relating to employee service in the current and prior periods.

### Derivatives

A financial instrument or a contract where;

- Its value is dependent upon or derived from one or more underlying assets.
- Requires no or very little initial net investment
- It is settled at a future date.

### Defined Benefits

In a defined benefit plan, an employer typically guarantees a worker a specific lifetime annual retirement benefit, based on years of service, final rate of pay, age and other factors. The risks of paying for the plan rest entirely with the plan.

### Deferred Taxation

Sum set aside for tax in financial statements that will become payable or receivable in a financial year other than current financial year due to differences in accounting policies and applicable taxation legislations.

### Discount rate

Discount is the rate at which SBP provides three-day Repo facility to banks, acting as the lender of last resort.

### Effective Tax Rate

Provision for taxation excluding deferred tax divided by the profit before taxation.

### Euro-pay, Master-card and Visa (EMV)

EMV is a global standard for cards equipped with computer chips and the technology used to authenticate chip-card transactions.

### Finance Lease

Finance lease is the one in which risk and rewards incidental to the ownership of the leased asset is transferred to lessee but not the actual ownership.

### Financial Capital

Financial Capital represent shareholder's equity.

### Fixed Deposits

Deposits having fixed maturity dates and a rate of return.

### Forced Sale Value (FSV)

Forced Sale Value means the value which fully reflects the possibility of price fluctuations and can currently be obtained by selling the mortgaged or pledged assets in a forced or distressed sale conditions.

### Forward Exchange Contract

Forward contracts are agreements between two parties to exchange two designated currencies at a specific time in the future.

### Gross Domestic Product (GDP)

GDP is a monetary value of all the finished goods and services produced in a country in a specified time period. GDP includes all private and public consumption, government outlays, investments and exports minus imports that occur within a country.

### Guarantees

A promise to answer for the payment of some debt, or the performance of some duty, in case of the failure of another person, who is, in the first instance, liable to such payment or performance.

### Historical Cost Convention

Recording transactions at the actual value received or paid.

### Human Capital

The collective skills, knowledge, and other intangible assets of individuals that can be used to create economic value for our customers.

### Impairment

Impairment of an asset is an abrupt decrease of its fair value and measured in accordance with applicable regulations.

### Intellectual Capital

Brand value, research and development, innovation capacity, reputation and strategic partnerships.

### Interest Rate Swap (IRS)

An Interest Rate Swap (the swap) is a financial contract between two parties exchanging or swapping a stream of interest payments

## Glossary of Financial & Banking Terms

for a 'Notional Principal' amount on multiple occasions during a specified period. The swap is usually "fixed to floating" or "floating to floating" exchanges of interest rate. As per the contract, on each payment date during the swap period, the cash payments based on difference in fixed or floating or floating and floating rates are exchanged by the parties from one another. The party incurring a negative interest. The party incurring a negative interest rate differential for that leg pays the other counter-party.

### Interest Spread

Represents the difference between the average interest rate earned and the average interest rate paid on funds.

### Interest in Suspense

Interest suspended on non-performing loans and advances.

### KIBOR – (Karachi Interbank Offered Rate)

KIBOR is the interbank lending rate between banks in Pakistan and is used as a benchmark for lending.

### LIBOR (London Interbank Offered Rate)

An interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The LIBOR is fixed on a daily basis by the British Bankers' Association.

### Liquid Assets

An asset that can be converted into cash quickly and with minimal impact to the price received.

### Market Capitalization

Number of ordinary shares in issue multiplied by the market value of share as at any cutoff date.

### Market Treasury bills (MTBs)

MTBs are negotiable debt instrument issued by State Bank of Pakistan on behalf of Government of Pakistan with tenors available in 3 months, 6 months and one year maturities.

### Manufactured Capital

It includes business structure and operational processes, including physical, digital and IT Infrastructure, Product and Services that provides the framework and mechanics of how the bank does business and create values.

### Materiality

The relative significance of a transaction or an event the omission or misstatement of which could influence the economic decisions of users of financial statements.

### Natural Capital

Impact on natural resources through operations and business activities.

### Non-Performing Loan

A non-performing loan is a loan that is in default or close to being in default. Loans become non-performing in accordance with provision of prudential regulations issued by SBP.

### Non-Performing Loan Substandard Category

Where mark-up or interest or principal is overdue by 90 days or more from the due date. Non-Performing Loan-Doubtful Category Where mark-up or interest or principal is overdue by 180 days or more from the due date.

### Non-Performing Loan-Loss Category

Where mark-up or interest or principal is overdue by one year or more from the due date and Trade Bill (Import or Export or Inland Bills) are not paid or adjusted within 180 days of the due date.

### Nostro Account

An account held with a bank outside Pakistan.

### Net Interest Income

The difference between what a bank earns on interest bearing assets such as loans and securities and what it pays on interest bearing liabilities such as deposits, refinance funds and inter-bank borrowings.

### Off Balance Sheet Transactions

Transactions that are not recognized as assets or liabilities in the statement of financial position but which give rise to contingencies and commitments.

### Organization of the Petroleum Exporting Countries (OPEC)

OPEC is a permanent intergovernmental Organization whose objective is to coordinate and unify petroleum policies among member Countries.

### Pakistan Investment Bonds (PIBs)

They are the long term coupon yielding instruments of the Government of Pakistan with tenors available in 3, 5, 10, 15 and 20 years.

### Prudence

Inclusion of degree of caution in the exercise of judgment needed in making the estimates required under conditions of uncertainty, so that assets or income are not overstated and liabilities or expenses are not understated.

### Risk Weighted Assets

On Balance Sheet assets and the credit equivalent of off Balance Sheet assets multiplied by the relevant risk weighting factors.

### Repurchase Agreement

Contract to sell and subsequently repurchase securities at a specified date and price.

### Reverse Repurchase Agreement

Transaction involving the purchase of securities by a bank or dealer and resale back to the seller at a future date and specified price.

### Related Parties

where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

### Revenue Reserve

Reserves set aside for future distribution and investment.

### Subsidiary Company

A company is a subsidiary of another company if the parent company holds more than 50% of the nominal value of its equity capital or holds some share in it and controls the composition of its Board of Directors.

### Shareholders' Funds

Total of Issued and fully paid share capital and revenue reserves.

### Statutory Reserve Funds

A capital reserve created as per the provisions of the Banking Companies Ordinance, 1962.

### Social & Relationship Capital

Strong stakeholder relationships, including the communities in which we operate. Building a strong and thriving society as well as financial and digital ecosystem.

### YOY

Year on Year (2024 vs 2023)

### Glossary – Acronyms

AGM	Annual General Meeting
BCP	Business Continuity Planning
BOD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
ERP	Enterprise Resource Planning
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
AFS	Available for Sale
HFT	Held for Trading
HTM	Held to Maturity
FVTP	Fair Value Through Profit and Loss
FVOCI	Fair Value Through Other Comprehensive Income
FBR	Federal Board of Revenue
KYC	Know Your Customer
MTM	Mark to Market
PACRA	Pakistan Credit Rating Agency

## Financial Ratios Formulas

Profit before Tax Ratio	=	$\frac{\text{Profit before Tax}}{\text{Interest Income} + \text{Non-Interest Income}}$
Gross Spread Ratio	=	$\frac{\text{Net markup Income}}{\text{Gross Markup Income}}$
Cost / Income Ratio	=	$\frac{\text{Operating expenses}}{\text{Gross Income}}$
Return on Equity	=	$\frac{\text{Net Income}}{\text{Shareholder's Equity-CET1}}$
Profit Margin	=	$\frac{\text{Net Profit}}{\text{Markup} + \text{Non Markup Income}}$
Advances to Deposits Ratio (Net)	=	$\frac{\text{Loans \& Advances (Net)}}{\text{Deposits}}$
Total Asset to Shareholder Fund (Tier 1)	=	$\frac{\text{Total Assets}}{\text{Shareholder's Equity-CET1}}$
NPL Ratio	=	$\frac{\text{Non-Performing Loans}}{\text{Gross Advances}}$
Net Infection Ratio	=	$\frac{\text{Non-performing Loans} - \text{Provision on NPL's}}{\text{Net Advances}}$
Earnings Per Share (EPS)	=	$\frac{\text{Profit after Tax}}{\text{Weighted Average Number of Ordinary Shares}}$
Price Earnings Ratio	=	$\frac{\text{Market value of share at Year End}}{\text{EPS}}$
Dividend Yield Ratio	=	$\frac{\text{Annual Dividends per Ordinary Share}}{\text{Market Price of Share at Year End}}$
Dividend Payout Ratio	=	$\frac{\text{Dividend per Share}}{\text{EPS}}$
Dividend Cover Ratio	=	$\frac{\text{Basic EPS}}{\text{Annual Total Dividend per Share}}$
Break-up Value per share without Surplus	=	$\frac{\text{Total Equity} - \text{Revaluation Surplus}}{\text{Total Ordinary Shares Outstanding}}$
Break-up Value per share including Surplus	=	$\frac{\text{Total Shareholders' Equity}}{\text{Total Ordinary Shares Outstanding}}$
Capital Adequacy Ratio	=	$\frac{\text{Tier One Capital} + \text{Tier Two Capital}}{\text{Risk Weighted Assets}}$
Earning Assets to Total Assets Ratio	=	$\frac{\text{Earning Assets}}{\text{Total Assets}}$
Net Assets per Share	=	$\frac{\text{Net Assets}}{\text{Number of Shares outstanding}}$
Assets Turnover	=	$\frac{\text{Mark-up Income} + \text{Non mark-up Income}}{\text{Total Assets}}$
Price to Book Ratio	=	$\frac{\text{Market value of share at Year End Net Assets}}{\text{No of Shares}}$
NPL Coverage Ratio	=	$\frac{\text{Provision against NPL's}}{\text{Non-performing Loans}}$

## Form of Proxy

79<sup>th</sup> Annual General Meeting  
Allied Bank Limited

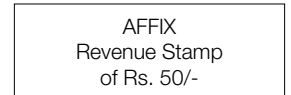


I/We \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_  
resident of \_\_\_\_\_ being a member of **Allied Bank Limited** and holder of \_\_\_\_\_  
ordinary shares as per Folio/CDC Account No. \_\_\_\_\_ do hereby appoint Mr./Ms. \_\_\_\_\_  
Folio No./ CDC Account No. \_\_\_\_\_ having CNIC \_\_\_\_\_ failing him/her, Mr./Ms. \_\_\_\_\_  
Folio No./ CDC Account No. \_\_\_\_\_ having CNIC \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy  
and to attend, act and vote on my / our behalf at the 79<sup>th</sup> Annual General Meeting of the Bank to be held on **Monday, the March 24, 2025**, at 11:00 a.m. at **Palace Hall, Pearl Continental Hotel, Lahore, Pakistan** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

### Witness

1. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC# \_\_\_\_\_  
Address \_\_\_\_\_



Signature of Member (s) \_\_\_\_\_  
[The signature should agree with the specimen registered with the Company]

### Witness

2. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC# \_\_\_\_\_  
Address \_\_\_\_\_

### NOTES:

- A member entitled to attend and vote at the Meeting may appoint another member as a proxy to attend, speak and vote on his/her behalf; and the proxy appointed should be a member of Allied Bank Limited.
- A corporate entity, being a member, may authorize through resolution of its Board / power of attorney or other governing body, an individual to act as its representative and the individual so authorized shall be entitled to exercise the same powers on behalf of the corporate entity which he represents.
- Requirements for appointing proxies are as below:
  - 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 CDC's Regulations, shall submit proxy form.
  - The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - Attested copies of valid CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - The proxy shall produce his / her original CNIC or original Passport at the time of the Meeting.
  - In case of corporate entity, the resolution of Board of Directors / Power of Attorney with specimen signature shall be produced along with the proxy form of the Company.
- The instrument of proxy duly completed and signed as per above mentioned requirements must be deposited at the Registered Office of the Bank i.e., **Allied Bank Limited, 3-Tipu Block, New Garden Town, Lahore** not less than 48 hours before the start time of the Meeting. In calculating the 48 hours, no account shall be taken of any part of the day that is not a working day.
- If a member appoints more than one proxy, all such instruments of proxy shall be rendered invalid.
- Members are requested to immediately notify changes in their registered addresses, if any, to the Bank's Shares Registrar M/s. CDC Share Registrar Services Limited at **CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi** before start of the book closure period

میں / ہم \_\_\_\_\_ ولد / زوجہ \_\_\_\_\_ ساکن \_\_\_\_\_  
 بحیثیت ممبر الائیڈ بینک لمیٹڈ اور ملکیتی \_\_\_\_\_ عام حصص برطابق فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ محترم / محترمہ \_\_\_\_\_  
 فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ اور قومی شناختی کارڈ نمبر \_\_\_\_\_ عدم دستیابی کی صورت میں محترم / محترمہ \_\_\_\_\_  
 فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ اور قومی شناختی کارڈ نمبر \_\_\_\_\_ ساکن \_\_\_\_\_ کو پراکسی مقرر کرتا / کرتی / کرتے ہیں  
 تاکہ وہ میری / ہماری جگہ میری / ہماری طرف سے بینک کے 79 ویں سالانہ اجلاس عام جو مورخہ 24 مارچ 2025ء بروز پیر، بوقت 11 بجے صبح، بمقام پیپلس ہال، پرل کانسٹیبل ہوٹل، لاہور، پاکستان منعقد ہو رہا ہے میں اور / یا اس کے کسی ملٹوی شدہ اجلاس میں شرکت کرے، بات کرے اور رائے دہی استعمال کرے۔

AFFIX  
CORRECT  
POSTAGE

**Company Secretary  
Allied Bank Limited**

Head Office / Registered Office  
3 Tipu Block, Main Boulevard  
New Garden Town  
Lahore – Pakistan.  
Postal Code: 54000  
Phone: +92 42 35880043  
Website: www.abl.com

گواہ نمبر 1  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 کمپیوٹرائزڈ شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_  
 میرے دستخط بتاریخ \_\_\_\_\_ 2025ء

پچاس روپے کار یونیوسٹیپ

دستخط ممبر \_\_\_\_\_  
 دستخط بینک میں رجسٹرڈ نمونے  
 سے مطابقت رکھنے چاہیے۔

گواہ نمبر 2  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 کمپیوٹرائزڈ شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_

اہم نوٹ:-

- 1) اجلاس میں شرکت کرنے، ووٹ دینے کا اہل رکن کسی اور کو اپنی جگہ پراکسی مقرر کر سکتا ہے، جس کو شرکت کرنے، بولنے اور ووٹ دینے کا حق حاصل ہوگا۔ مقرر پراکسی کو الائیڈ بینک لمیٹڈ کا ممبر ہونا چاہیے۔
- 2) ایک کارپوریٹ ادارہ، رکن ہونے کے ناطے، اپنے بورڈ / پاور آف اٹارنی یا دیگر گورننگ باڈی کی قرارداد کے ذریعے کسی ایک فرد کو اختیار دے سکتا ہے کہ وہ اس کے نمائندے کے طور پر کام کرے اور مجاز فرد کارپوریٹ ادارے کی جانب سے وہی اختیارات استعمال کرنے کا حقدار ہوگا، جس کی وہ نمائندگی کرتا ہے۔
- 3) پراکسی کے تقرر کے لئے تقاضے درج ذیل ہیں:
  - 1- ایس اف ڈی، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا ایسے شخص کو، جس کے حصص گروپ اکاؤنٹ کی شکل میں ہوں اور ان کی رجسٹریشن کی تفصیلات، CDC کے ضوابط کے مطابق جمع کروائی گئی ہوں، اجلاس میں شرکت کے لئے پراکسی فارم جمع کرانا ہوگا۔
  - 2- پراکسی فارم پر دو گواہوں کے دستخط مع نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر شرت ہونا چاہیے۔
  - 3- پراکسی فارم کے ساتھ بینیفیشیل آڈر اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا سپورٹ کی تصدیق شدہ نقول بھی منسلک ہونا چاہیے۔
  - 4- اجلاس کے وقت پراکسی کو اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
  - 5- کارپوریٹ ادارے کی صورت میں مکتبی کے پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع اس کے دستخط کے نمونے (Specimen) بھی منسلک ہونا چاہیے۔
- 4) مذکورہ بالا تقاضوں کے مطابق مکمل اور دستخط شدہ پراکسی لازمی طور پر بینک کے رجسٹرڈ آفس الائیڈ بینک لمیٹڈ، 3 ٹیپو بلاک، نیو گارڈن ٹاؤن، لاہور میں میننگ کے آغاز کے وقت سے کم از کم 48 گھنٹے پہلے جمع کرایا جائے۔ واضح رہے کہ 48 گھنٹوں میں چھٹی کا دن شامل نہیں ہوگا۔
- 5) اگر ایک رکن ایک سے زیادہ پراکسی مقرر کرتا ہے تو پراکسی کی ایسی تمام دستاویزات کا عدم تصور ہوگی۔
- 6) ممبران سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتہ میں تبدیلی سے متعلق بینک کے شیئر رجسٹرار، میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک B، S.M.C.H.S، مین شاہراہ فیصل، کراچی، کو فوری طور پر کتب کی بندش سے قبل مطلع کریں۔







# Allied Bank

3 - Tipu Block, New Garden Town, Lahore  
Tel 92 42 3588 0043



[www.abl.com](http://www.abl.com)