



MCB Islamic Bank Ltd.



MCB Islamic Bank Ltd.

THE POWER OF PERSISTENCE



Annual Report 2024

Annual Report 2024



بابرکت بینکاری،
ہماری ذمہ داری

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Forging a Legacy Through Strength and Vision

We're not just building a bank; we're crafting a legacy. A legacy rooted in faith, guided by tradition, and shaped by innovation.

The image is a split-screen composition. The left half shows a hand holding a large quantity of golden-brown wheat grains, with some grains falling into a field of dark brown soil. The right half shows a hand holding a large quantity of green lentils, with some lentils falling onto a background of vibrant green foliage. The text is overlaid on the right side of the image.

Strengthening Foundation for Great Possibilities

We plant the seeds of prosperity, nurturing them with care. Our commitment to excellence is the foundation of our success.



Powering Perseverance

Success is a steep path, but with each step, we move closer to our goals. Our journey reflects the power of perseverance.



Onward with Purpose Forward with Progress

Our journey is an endless pursuit of excellence. We traverse new horizons, guided by the principles of Islamic finance.

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ABOUT US

MCB Islamic Bank Limited (the “Bank”) is the wholly owned subsidiary of MCB Bank Limited and commenced its operations in 2015 with a nation-wide network of branches.

The aim of MCB Islamic Bank Limited is to be the first choice Shari’ah compliant financial services provider for the customers and to carry out business purely in accordance with Shari’ah principles with full conviction and devotion.


Alhamdulillah, the Bank currently operates to provide Shari’ah compliant value added and innovative banking solutions for customers under the supervision of a Shari’ah Board chaired by the renowned Islamic scholar Professor Mufti Munib-Ur-Rehman.

The Bank focuses on building strong and lasting relationships as well as delivering an experience that satisfies all types of customers across Corporate, Commercial, SME, Consumer, Agriculture and Micro sectors. The Bank offers wide range of Riba Free and Shari’ah compliant products for both personal and business needs.

The Bank is using world’s renowned Core Banking Software solution. Different services and products offered by the bank are available to customers through a branch network of 300 plus branches backed by 290 ATMs (Onsite & Offsite). The Bank offers EMV enabled Debit Cards, IOS and Android based native Mobile Apps and Internet Banking services. Moreover, the Bank has also developed its suite of Cash Management services, including Payment upon Identification (PUI), Cash & Instrument Collection, Cash in Transit Services (CIT), Corporate Internet Banking by acquiring Oracle Banking Digital Experience (OBDX) and has also developed product suite of Employee Banking for our Corporate Customers.

The Bank is committed to share in the mutual benefits with the customers, staff and shareholders who participate in our business success under the highly skilled and seasoned management with the prime objective of ensuring our customers’ satisfaction.





What is Islamic Banking

Islamic banking is defined as a banking system, which is in consonance with the spirit, ethos and value system of Islam and governed by the principles laid down by the Shari'ah. Interest free banking is a narrow concept denoting a number of banking instruments or operations which avoid interest.

Islamic banking, the more general term, is based not only to avoid interest-based transactions prohibited in Shari'ah but also to avoid unethical and un-social practices. In practical sense, Islamic Banking is the transformation of conventional money lending into transactions based on tangible assets and real services.

The model of Islamic banking system leads towards the achievement of a system which helps achieve economic prosperity.

Mission Vision

- To provide innovative Shari'ah compliant financial solutions and quality services to our customers.
- To maximize returns in Halal manners for our shareholders.
- To nurture an internal environment of qualified professionals and cutting-edge technology.

To be the leading provider of Shari'ah Compliant Innovative financial products with a focus on service quality and providing superior value for our customers, shareholders, employees and the community.

Values

We are Shari'ah driven

Following the Shari'ah we will conduct our activity in a fair, ethical and socially responsible manner.

Dedicated and Dependable

We will build strong, enduring relationships, delivering an experience that delights our customers.

Aspirational

We will be professional and fulfil our commitments, delivering high quality products and services.

Corporate Strategy

MCB Islamic Bank's corporate strategy consists of the following multi-dimensional elements, which are being pursued concurrently:

- Customer oriented business growth with focus on Shari'ah based high tech innovative product development, service excellence to attain customer satisfaction, and prudent network expansion.
- Optimum capital utilization through effective risk management, developing quality asset portfolio and maximum return.
- Attain operational efficiency by effective cost management and ensuring compliance with all the applicable regulatory requirements.
- Development of motivated human resource having Islamic Banking skills, while ensuring the transparent market based remuneration practices.

Corporate Information

Board of Directors

Mr. Raza Mansha (Chairperson)	Non-Executive Director
Mr. Jawaid Iqbal	Independent Director
Ms. Nabeela Waheed	Independent Director
Mr. Ahmed Ebrahim Hasham	Non-Executive Director
Mr. Ibrahim Shamsi	Non-Executive Director
Mr. Hammad Khalid	Non-Executive Director
Mr. Omair Safdar	Non-Executive Director
Mr. Zargham Khan Durrani	President / CEO

Board Audit Committee

Mr. Jawaid Iqbal	Chairperson
Ms. Nabeela Waheed	Member
Mr. Ibrahim Shamsi	Member
Mr. Omair Safdar	Member
Mr. Hammad Khalid	Member

Human Resource & Remuneration Committee

Mr. Jawaid Iqbal	Chairperson
Mr. Raza Mansha	Member
Mr. Omair Safdar	Member

Risk Management & Portfolio Review Committee

Mr. Omair Safdar	Chairperson
Mr. Ahmed Ebrahim Hasham	Member
Ms. Nabeela Waheed	Member
Mr. Jawaid Iqbal	Member
Mr. Zargham Khan Durrani	Member

Board Evaluation Committee

Ms. Nabeela Waheed	Chairperson
Mr. Hammad Khalid	Member

Business Strategy & Service Quality Review Committee

Mr. Ahmed Ebrahim Hasham	Chairperson
Mr. Ibrahim Shamsi	Member
Mr. Hammad Khalid	Member
Mr. Omair Safdar	Member
Mr. Zargham Khan Durrani	Member

Board I.T. Committee

Mr. Ibrahim Shamsi	Chairperson
Mr. Jawaid Iqbal	Member
Mr. Hammad Khalid	Member
Mr. Zargham Khan Durrani	Member

Shari'ah Board

Prof. Mufti Munib-ur-Rehman	Chairperson
Mufti Syed Sabir Hussain	Resident Shari'ah Board Member
Mufti Nadeem Iqbal	Shari'ah Board Member

Chief Financial Officer

Syed Iftikhar Hussain Rizvi

Company Secretary

Ms. Maimoona Cheema

Head of Internal Audit

Mr. Muhammad Imran Siddique

Legal Advisor

M/s Imtiaz Siddiqui & Associates,
Advocates & Solicitor

Auditors

M/s A.F. Fergusons & Co. Chartered
Accountants

Registered Office

59-T Block, Phase-II, DHA, Lahore

Website

www.mcbislamicbank.com

A lush green field of tall grass or crops, with a single tree on the right side under a clear green sky.

Credit Rating

A field of pink flowers, possibly lavender, with a tree on the left side under a pink and orange sky.

Long
Term **A⁺**

Short
Term **A1**

Products & Services

MCB Islamic offers a wide array of Halal and RIBA free Islamic Banking products and services to meet the requirements of individuals and businesses alike.

Deposit Products
MCB Islamic Hidayat Current Account (PKR, USD, GBP, EUR & JPY)
MCB Islamic Exporter's Special Hidayat Current Account (USD, GBP, EUR & JPY)
MCB Islamic Basic Banking Current Account (PKR) Individuals Only
MCB Islamic Imaan Saving Account (PKR, USD, GBP, EUR & JPY)
MCB Islamic Barkat Saving Saving Account (PKR)
MCB Islamic Barkat Saving Plus Saving Account (PKR)
MCB Islamic Barkat Saving Premium Saving Account (PKR)
MCB Islamic Barkat Super Saving Saving Account (PKR)
MCB Islamic Rozana Bachat Saving Saving Account (PKR)
MCB Islamic Rozana Bachat Saving Plus Saving Account (PKR)
MCB Islamic Rozana Bachat Saving Premium Saving Account (PKR)
MCB Islamic Rozana Bachat Super Saving Saving Account (PKR)
MCB Islamic Juniors Club Saving Account (PKR) Kids / Minors Only
MCB Islamic Aasoodgi Saving Account (PKR) Senior Citizens, Widows & Persons With Disabilities Only
MCB Islamic Financial Institutions Saving Account (PKR) Financial Institutions Only
MCB Islamic Asaan Current & Saving Accounts (PKR) Individuals Only
MCB Islamic Asaan Remittance Current & Saving Accounts (PKR) Individuals Only
MCB Islamic Asaan Digital Current & Saving Accounts (PKR) Individuals Only
MCB Islamic Asaan Digital Remittance Current & Saving Accounts (PKR) Individuals Only
MCB Islamic Niswaan Current & Saving Accounts (PKR) Females Only
MCB Islamic Shandaar Current & Saving Accounts (PKR)
MCB Islamic Prime Current & Saving Accounts (PKR) High Net-Worth Individuals Only
MCB Islamic Parvaan Current & Saving Accounts (PKR) Youth Only
MCB Islamic Pensioner Current & Saving Accounts (PKR) Pensioners Only
MCB Islamic PayFlex Current & Saving Accounts (PKR) Salaried Individuals Under Employee Banking
MCB Islamic Freelancer Current & Saving Accounts (PKR) Freelancers Only
MCB Islamic Na'mat Term Deposit 1, 3 & 6 month(s) and 1, 2, 3 & 5 year(s)
MCB Islamic Na'mat Plus Term Deposit 1, 2, 3 & 6 month(s) and 1, 2, 3 & 5 year(s)
MCB Islamic Na'mat Premium Plus Term Deposit 1 & 3 year(s)
MCB Islamic Aasoodgi Term Deposit 1 year Senior Citizens, Widows & Persons With Disabilities Only
MCB Islamic Financial Institutions Term Deposit 1, 3 & 6 month(s) and 1 year Financial Institutions Only
MCB Islamic Na'mat Plus Foreign Currency Term Deposit 1, 3 & 6 month(s) and 1, 2 and 3 year(s) (USD, GBP & EUR)
MCB Islamic Niswaan Term Deposit 6 month(s), 1 and 3 year(s) Female Accountholders Only

Consumer and Micro Finance Products
MICAR Shariah Compliant Auto Financing
Rihayesh Finance Shariah Compliant Home Financing
Solar Financing Shariah Compliant Solar Financing Solution
Murabaha Microfinance Shariah Compliant Micro Financing facility for fulfilling crop input needs for small farmers backed up by corporate guarantees
Digital Channels
MCB Islamic Mobile Banking
MCB Islamic Internet Banking
MCB Islamic ATMs
SMS Alerts
MCB Islamic Debit Cards – UnionPay International
MCB Islamic Debit Card – PayPak
MCB Islamic Digital Onboarding
MCB Islamic Discounts & Alliances
MCB Islamic Phone Banking
FID & Home Remittance
Home remittance payout and account credit
Correspondent banking and Trade Advisory
Treasury & Liquidity Management Products
Mudarabah based Acceptance / Placement Short-term Treasury based Placement & Acceptance
Musharakah based Acceptance / Placement Short-term Treasury based Placement & Acceptance
Wakalah based Acceptance / Placement Short-term Treasury based Placement & Acceptance
Foreign Currency Transactions Ready & Forward based upon Wa'ad (unilateral promise)
Bai Muajjal Short-term Treasury based Conventional Bank Placement & Acceptance
SBP Refinancing Schemes
Islamic Export Refinance Scheme Short-term scheme to facilitate working capital requirements for export oriented businesses
Islamic Long Term Financing Facility for Plant and Machinery Long-term Scheme to facilitate exporters for purchase of plant and machinery for their export oriented projects
Islamic Financing Facility for Renewable Energy Long-term Scheme to develop renewable energy projects
Islamic Financing Facility for Storage of Agricultural Produce Long-term Scheme to construct & develop Warehouses & Cold Storage
Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises Short-term Scheme to offer local currency finance for working capital requirements of specified SMEs
Islamic Refinance Facility for Modernization of SMEs Long-term Scheme for purchase of new imported / local plant & machinery for BMR of existing units and, for setting up new SME units
Islamic Refinance and Credit Guarantee Scheme for Women Entrepreneurs Medium and Long-term Financing facilities to women entrepreneurs
Transaction & Employee Banking
Corporate Internet Banking Portal Corporate Internet Banking Solution
Employee Banking Payroll Management
Collections Customized collection services for customers

Financing Products for SME, Commercial & Corporate Customers
Murabaha – Local Purchase & Import Short, Medium and Long-term Working Capital financing for purchase of raw materials / goods / assets.
Finished Goods Murabaha Short, Medium and Long-term Financing Facility to meet working capital requirements for traders and exporters.
Murabaha – Advance Against Future Murabaha Short, Medium and Long-term Working Capital financing for purchase of raw materials / goods / assets.
Musawamah - Local Purchase & Import Short, Medium and Long-term Working Capital financing for purchase of raw materials / goods / assets.
Musawamah – Advance Against Future Murabaha (Local / Import) Short, Medium and Long-term Working Capital financing for purchase of raw materials / goods / assets.
Finished Goods Financing (Under Musawamah Mode) Short-term Facility to meet working capital requirements for traders and exporters.
Ijarah Medium and Long-term financing for CAPEX and BMR requirement
Diminishing Musharakah Medium and Long-term facility for CAPEX and BMR requirement
Musharakah Running Finance Short-term Shirkat-ul-Aqd based working capital financing
Musharakah Term Financing Short-term Shirkat-ul-Aqd based post shipment bill financing
Istisna Short-term Facility to meet working capital requirements for manufacturers, traders and exporters.
Commodity Salam Short-term Facility to meet working capital requirements for farmers, traders and exporters
Currency Salam Short-term Working Capital financing for post shipment
Bank Guarantee Short, Medium and Long-term Kafalah based performance guarantee and performance bonds
Supply Chain Financing Short-term Working Capital financing arrangement for Local corporates along with suppliers & distributors
Letter of Credit - Murabaha Non-Funded Murabaha based import arrangement
Letter of Credit - Musawamah Non-Funded Musawamah based import arrangement
Letter of Credit - Wakalah Non-Funded Wakalah based import arrangement
Government Schemes
Prime Minister's Youth Business & Agriculture Finance Scheme Short to Long-Term Poverty reducing GoP scheme to provide concessional financing for establishing or extending business opportunities / enterprises
Mark-up Subsidy and Risk Sharing Scheme for Farm Mechanization Medium and Long-term 'Mark-up Subsidy and Risk Sharing Scheme for Farm Mechanization' (MSRSSFM) for farmers / processors engaged in agriculture crop production
Wealth Management
1 - BANCATAKAFUL: a. Adamjee Life-WTO: Muhafiz Plus Takaful Plan Life coverage b. Adamjee Life-WTO: Munafa Plus Takaful Plan Life coverage c. Dawood Family Takaful: DFT Saleeqa Takaful Plan DFT Sarwat Takaful Plan d. Jubilee General Insurance-WTO Individual Health Plan e. Jubilee General Insurance-WTO Family Health Plan
2 - MUTUAL FUNDS: Shari'ah Compliant Investment Schemes/Funds (belong to MCB Funds/MCB Investment Management LTD (MCB-IML): a. Alhamra Islamic Income Fund Medium Risk b. Alhamra Daily Dividend Fund Medium Risk c. Alhamra Islamic Money Market Fund Low Risk d. Alhamra Cash Management Optimizer Low Risk e. Alhamra Islamic Asset Allocation Fund High Risk

Board of Directors

RAZA MANSHA

Chairman



JAWAID IQBAL

Director



NABEELA WAHEED

Director



AHMED EBRAHIM HASHAM

Director



IBRAHIM SHAMSI

Director



HAMMAD KHALID

Director



OMAIR SAFDAR

Director



ZARGHAM KHAN Durrani

President & CEO





Raza Mansha

Chairman

Mr. Raza Mansha has more than 28 years diversified professional experience in various business sectors including Banking, Textile, Power, Cement, Insurance, Hotels, Properties, Natural Gas, Agriculture, Dairy etc. He received his Bachelor degree from the University of Pennsylvania, USA. Currently he is acting as Chief Executive of D. G. Khan Cement Company Limited, Nishat Paper Products Co. Limited and Nishat Developers (Pvt.) Limited. He is on the Board of MCB Islamic Bank Limited, Nishat Hotels & Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat Dairy (Pvt.) Limited, Euronet Pakistan (Pvt.) Limited, Nishat Agriculture Farming (Pvt.) Limited, Hyundai Nishat Motor (Pvt.) Limited and Nishat Agrotech Farms (Pvt.) Limited.

Nabeela Waheed

Director

Ms. Nabeela Waheed has over 35 years of experience in the Banking sector working with esteemed organizations like MCB Bank where she served as Group Head Risk Management with oversight over Credit Review (both conventional and Islamic), Credit Policy, Market / Operational / Credit / Information Security Risk across the Bank's local and international operations.

Ms. Waheed has a Master's in Business Administration (MBA) from University of Punjab and currently holds directorships with Interloop Asset Management Ltd. & Security General Insurance Company Ltd. Ms. Nabeela's appointment to the Board of Directors of MCB Islamic Bank strengthens the Board's diversity and skillset, objective perspective and will enhance the Board's decision-making and oversight capabilities.



Mr. Jawaid Iqbal

Director

Mr. Jawaid Iqbal has been on the board of MCB Islamic Bank Limited since 2021. He has over 20 years of experience in Textile, Corporate Finance and Food & Allied Industries. He is currently Director on the Board of Metro Power Company Limited, Metro Wind Power Limited and Metro Solar Power Limited. He is the CEO of Metro Storage & Services (Pvt.) Limited. Mr. Iqbal is currently CEO of Haji Ali Muhammad foundation and manages the operations of Zubaida Medical center, an NPO hospital. He serves on the Board of Alliance Francaise Karachi, Pakistan, a Cultural Center and NPO.

He has previously served as Director on the Boards of Lalpir Power Limited, Fauji Cement Company Limited, Gul Ahmed Textile Mills Ltd, National Foods Limited & Mybank Limited.

Mr. Jawaid Iqbal holds a Bachelor degree from University of Pennsylvania, Philadelphia, USA and is a certified Director from the Institute of Chartered Accountants of Pakistan.



Omar Safdar

Director

Omar Safdar has more than 19 years of experience in the banking industry. He has been associated with MCB Bank for almost 17 years. At MCB Bank, Omar looks after Wholesale Banking business, which includes Corporate & Investment Banking, transaction banking and capital markets. Omar holds a Bachelor's Degree in Economics from LUMS and is also a CFA Charter holder. He has thorough understanding of business, risk and investment dynamics, having been involved in Retail, Corporate, Investment Banking and Capital Markets transactions across industrial sectors and national boundaries. He currently serves on a number of Management Committees in MCB Bank including Credit, Investment and Write-Off. On behalf of MCB Bank, Omar also serves, as a Director, on the Board of MCB Islamic Bank and MCB NBCO, CJSC, Azerbaijan.



Ahmed Ebrahim Hasham

Director

Mr. Ahmed Ebrahim Hasham has been an Executive Director of the Hasham Group since 25 years. He serves as the CEO of Mehran Sugar Mills Limited and is a Board Member of Unicol Ltd, PMC Ltd, Engro Holdings Limited and MCB Islamic Bank Limited.

During his leadership at Mehran the company was awarded as the Top 25 companies of the Pakistan Stock Exchange in 2020. Its associated company Unicol limited started a greenfield ethanol project and became one of the countries Top 100 exporters in 2019. He has played an instrumental role in the sale of an associated company Unifoods Ltd and in Unicol's acquisition of a sugar Mill in Punjab in 2022.

Ahmed is responsible for the Groups public equities and real estate portfolio which has a long term objective of compounding capital.

He has previously served as the Chairman of the PSMA Sind Zone as well as on the Board of Adamjee Insurance and YPO Pakistan.

He is actively involved in the family CSR activities through his Board contribution at UIT. UIT specialises in Electric Engineering and Computer Sciences and has recently got its own University charter which makes the responsibility more challenging yet exciting.

He serves on the Board of Usman Memorial Hospital where he was involved between 2018-2020 in the complete rebuilding of the Hospital into a 90 bed modernised secondary care hospital.

He is a Graduate in International Relations and Economics from Tufts University and a certified PICG Director. In his quest for continual education he remains an avid reader and continues to attend international courses and conferences with a focus on sugar, ethanol and value investing.



Ibrahim Shamsi

Director

Mr. Ibrahim Shamsi has strong experience of modern management and effective control management. He is Chief Executive of Joyland, Lahore and also Chairman of Cotton Web (Pvt.) Limited. He is also serving his responsibilities as the Director of on the Board of Adamjee Insurance Company Limited the largest insurance company of Pakistan. By qualification Mr. Shamsi is Master of Business Administration from LUMS Lahore. He Joined Siddiqsons Tin Plate Limited Board in 1997.



Hammad Khalid

Director

Mr. Hammad Khalid is a member of the Institute of Chartered Accountants of Pakistan ("ICAP") and carries quantifiable experience in the financial control environment. He carries over 15 years of experience with MCB Bank with Financial Reporting, Taxation, Budgeting & Strategy and Investor Relations falling under his purview. He has represented MCB Bank Limited at various national and global forums and has played an instrumental role in the growth of the institution. Before joining MCB Bank, he has worked with M/s A.F. Ferguson & Company, Chartered Accountants. Mr. Khalid has joined MCB Islamic Bank in June 2022 as a non-executive director. He also serves on the Board of 1Link Pvt. Limited and MCB NBCO, Azerbaijan.



Zargham Khan Durrani

President & CEO

Mr. Zargham Khan Durrani has an extensive banking career spanning over 30 years. Prior to joining MCB Islamic Bank, Mr. Durrani was Group Head Retail Banking (SEVP) in MCB Bank. Mr. Durrani has an impressive and successful track record of realizing visions into realities. He is an experienced banking professional having hands-on experience in branch banking, digital banking, SME / Commercial lending and building & managing highly successful large teams through coaching, motivation and leading from the front. Transformation of MCB Bank's retail franchise over the last 15 years is a testament to his success.

Apart from MCB Bank, he has worked with Standard Chartered Bank, Union Bank and other financial institutions both locally and internationally. He has also served as Director of MNET Service (PVT), a wholly owned subsidiary of MCB Bank (now merged into MCB Bank). MNET was the first company in Pakistan to provide a secure electronic inter-bank connectivity platform for online financial transactions.



Corporate Governance

Corporate Governance at MCB Islamic Bank Limited ("the "Bank") refers to the rights and responsibilities among different stakeholders of the Bank through a set of rules, policies and practices keeping focus on proper delegation, transparency and accountability in the organization as a whole. The success of the Bank relies on upholding high standards of corporate governance.

BOARD COMPOSITION

Category	Name of Directors
Independent Directors	Ms. Nabeela Waheed Mr. Jawaid Iqbal
Non-Executive Directors	Mr. Raza Mansha Mr. Ahmed Ebrahim Hasham Mr. Omair Safdar Mr. Ibrahim Shamsi Mr. Hammad Khalid
Director (President & CEO)	Mr. Zargham Khan Durrani
Female Director	Ms. Nabeela Waheed

CHANGE IN DIRECTORS

Independent Director Ms. Seema Aziz retired from the Board of Directors on 06-10-2024. Ms. Nabeela Waheed was appointed as female Independent director of the Bank on 25-11-2024 w.e.f. October 07, 2024.

DIRECTORS' PROFILE

Directors' profile has been incorporated in the "Board of Directors" section.

BOARD COMMITTEE

The Board of Directors has formed following six sub-committees to oversee relevant specialized functions of the Bank:

- Board Audit Committee (BAC)
- Human Resource and Remuneration Committee (HR&RC)
- Risk Management and Portfolio Review Committee (RM&PRC)
- Business Strategy and Service Quality Review Committee (BSSQRC)
- Board Information Technology Committee (BITC)
- Board Evaluation Committee (BEC)

BOARD AUDIT COMMITTEE

Meetings held 04

Composition

1. Mr. Jawaid Iqbal – Chairperson
2. Ms. Nabeela Waheed - Member
3. Mr. Ibrahim Shamsi - Member
4. Mr. Omair Safdar - Member
5. Mr. Hammad Khalid - Member

Terms of Reference

1. Facilitate Board in establishing an unambiguous & observable 'tone at the top' for strong and effective system of internal controls based on & supported by strong ethical practices, culture, comprehensive policies, procedures, processes and technological systems. Review and recommend for BOD approval, comprehensive policies, procedures, in line with International Auditing Standards.
2. Review and approve Internal Audit Charter (IAC) in accordance with SBP guidelines.
3. Determination of appropriate measures to safeguard the bank's assets.
4. Reviewing of quarterly, half-yearly and annual financial statements of the bank, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - The going concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards, regulatory requirements and Shari'ah rulings; and
 - All related party transactions.
5. Reviewing of preliminary announcements of results prior to publication.
6. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
7. Reviewing of Client Service Report / Management Letter issued by external auditors and management's response thereto.
8. Ensuring coordination between the internal and external auditors of the bank.
9. Making recommendation to the Board of Directors for the appointment of external auditors including External Shari'ah Auditor(s), their removal, audit fees, the provision by the external auditors of any permissible service to the bank in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations.
10. Reviewing of the scope and extent of internal audit/Shari'ah audit, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the bank.
11. Consideration of major findings of internal investigations of activities characterized by fraud, corruption

and abuse of power and management's response thereto.

12. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
13. Reviewing of the bank's statement on internal control systems prior to endorsement by the Board of Directors and Internal Audit and Shari'ah Audit Reports.
14. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and/or Shari'ah Board (if required) and to consider remittance of any matter to the external auditors or to any other external body.
15. Review of arrangement for staff and management to report to BAC in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures
16. Determination of compliance/Shari'ah compliance with relevant statutory requirements.
17. Monitoring compliance with the requirements of CCG regulations and identification of significant violations thereof.
18. Consideration of any other issue or matter as may be assigned by the Board of Directors.
19. Approval of Shari'ah audit Plan after review by the Shari'ah Board.
20. Approval of Internal Audit plan and budgets pertaining to Audit & RAR Group.
21. Receive and review summary of reported violations identified through internal audit activities and follow-up actions taken by management to ensure that audit observations/recommendations receive proper and timely attention by senior management. The BAC will also review the trends of audit observation from multiple dimensions to have deep insights into state of internal controls and must set specific, time bound action points/indicators to monitor improvements.
22. Report to board any significant matters identified by IAF/external auditors that warrant board's immediate attention.
23. Review effectiveness of whistle blowing procedures for receiving (through internal or external sources) complaints/concerns regarding business ethics/conduct practices, governance & risk management practices, controls over financial reporting, auditing practices etc. The BAC will ensure that such concerns are treated confidentially and that the reporting employee(s) are protected and not penalized in any manner whatsoever. The BAC will ensure that employees remain aware of i) existence of such procure of such procedures, ii) the procedure to utilize it and iii) are encouraged to be a 'whistleblower'.
24. Provide its fullest support to IAF and internal auditors to perform their mandated activities independently and in objective manner.
25. Approve the appointment/re-hiring/renewal of contract and removal of Group Head Audit & RAR; and approve his/her remuneration, allied benefits, promotion/demotion and other terms of employment.
26. Approve key performance indicators of GH Audit including but not limited to adherence to annual budget, completion of annual audit plan, reporting to BAC, training & capacity building of audit staff, and formulation and review of policies & procedures etc.
27. Review and approve appraisal of GH-Audit in line with bank's policies and procedures.

HUMAN RESOURCE & REMUNERATION COMMITTEE

Meetings held 04

Composition

1. Mr. Jawaid Iqbal - Chairperson
2. Mr. Raza Mansha - Member
3. Mr. Omair Safdar - Member

Terms of Reference

The main tasks of the Committee are to ensure that:

1. The human resource policies are reviewed periodically, and, if necessary are revised & recommended to the Board of Directors for its approval, in order to attract and retain highly qualified & skilled employees.
2. To ensure implementation of Bank's Remuneration Policy.
3. To ensure that appropriate criteria are adopted for annual performance appraisal of the President & his direct reports.
4. To ensure that key hierarchical organizational structure supports the business strategy & plan and, if deemed appropriate, approve any changes upon the recommendations of the President.
5. HRRC may periodically review MIB's HR Policies through peer analysis either through in house resource or any external consultant
6. To review selection, evaluation, compensation (including retirement benefits if any) and succession planning of the CEO and these will be recommended to the Board for approval.
7. The HRRC shall review and recommend Training and development budget (which is part of an overall budget document of the bank) to the BOD; and subsequently monitor the implementation of the same.
8. HRRC shall monitor implementation of approved training & development policy.
9. The selection, evaluation, compensation (including retirement benefits) and succession planning of the CFO, Company Secretary and Internal Audit and recommend to the Board.

RISK MANAGEMENT & PORTFOLIO REVIEW COMMITTEE

Meetings held 04

Composition

1. Mr. Omair Safdar - Chairperson
2. Mr. Ahmed Ebrahim Hasham - Member
3. Ms. Nabeela Waheed - Member
4. Mr. Jawaid Iqbal - Member
5. Mr. Zargham Khan Durrani - Member

Terms of Reference

1. Review the bank's risk related policies/ Strategy for management of financing, market, operational, Compliance and other risks, in light of internal developments, guidelines issued by the regulatory bodies and international best practices, on as and when required basis and recommend the same to Board for review and approval.

2. Monitor bank's progress towards risk management related projects on as and when required basis.
3. Review and recommend to Board, bank's Risk Appetite Statement and Compliance Program as and when required.
4. Review various reports pertaining to risk in the bank's portfolio prepared by the Risk Management Group. The Committee shall also consider comments of the relevant senior management while reviewing such reports and communicate the planned/executed corrective actions to the Board, if required.
5. Review Minutes of Compliance Committee of Management (CCM) to ascertain its effectiveness in Managing Compliance Risk
6. Review the Compliance Issues and information and progress in implementing remedial action taken with respect to instances of Non-Compliance /Control weaknesses identified by Compliance & Controls Group and evaluate the effectiveness of Bank's overall Management of Compliance Risk, including seeking assurances from Senior Management on implementation and effectiveness of Compliance Risk Controls.
7. To engage with CCO on Half Yearly basis, to discuss issues faced by the Compliance Function in the implementation of board approved Compliance Program.
8. To recommend the Appointment, any disciplinary action or termination of CCO and ensure that position of CCO does not remain vacant for more than 60 days.
9. To ensure that CCO has proper stature, authority, resources, support, independence and capacity to offer his objective opinions to Senior Management and Board on Compliance Risks.

BUSINESS STRATEGY & SERVICE QUALITY REVIEW COMMITTEE

Meetings held 05

Composition

1. Mr. Ahmed Ebrahim Hasham - Chairperson
2. Mr. Ibrahim Shamsi - Member
3. Mr. Hammad Khalid - Member
4. Mr. Omair Safdar - Member
5. Mr. Zargham Khan Durrani - Member

Terms of Reference

1. Review the Bank's policies including but not limited to finance, treasury, compliance, Service Quality and other policies of the Bank (excluding Human Resource, Risk Management, Audit & IT related policies), in light of internal developments, guidelines issued by the regulatory bodies and international best practices, on as and when required basis and recommend the same to Board for approval.
2. Review the strategies, policy and procedures/frameworks related to the bank's strategic initiatives, service quality, customers' complaint management, and fair treatment of customers.
3. To review Bank's Annual Budget prepared by the management and recommend it for approval by the BOD.
4. To monitor the performance of the bank against approved strategy / budget on a quarterly basis.
5. Recommend policy changes to align service delivery with expectations of the customers, vision of the bank and innovations in the market.
6. Provide policy guidance (0 inculcate values those recognize the importance of customer orientation at all phases of product design and service lifecycle.

7. Provide strategic direction to instill a culture that recognizes the importance of complaints as an opportunity to improve and take corrective measures.
8. Monitor the bank's progress towards achieving its objectives in terms of service delivery and customer satisfaction.
9. Receive periodic reports on issues and achievement on Conduct Assessment Framework.
10. Receive annual assessment of Conduct Assessment Framework for review and approval, along with proposed as well as actual improvements introduced.
11. Receive periodic reports on service health of the bank, including:
 - a) Statistic on and analysis of customer complaints
 - b) Measurement of key service indicators and key processes
 - c) Summary of customer feedback received through surveys

BOARD IT COMMITTEE

Meetings held 04

Composition

1. Mr. Ibrahim Shamsi - Chairperson
2. Mr. Jawaid Iqbal - Member
3. Mr. Hammad Khalid - Member
4. Mr. Zargham Khan Durrani - Member

Terms of Reference

1. The Board IT Committee shall have a minimum of three (03) directors as its members, one of whom shall be an independent director and at least one member shall have relevant qualification or experience of IT.
2. The committee shall be responsible for formulation of IT strategy and its different framework, review and implementation of IT strategy and policy framework, guiding the management for necessary course of action, oversight of IT performance and aligning IT with business needs.
3. The committee shall receive appropriate information from IT, lines of business, and external sources. Additionally, it shall coordinate and monitor the institution's IT resources.
4. The committee shall be mainly responsible for advising and reporting to the board on the status of technology activities and digital initiatives in the Bank. These reports shall enable the board to make decisions without having to be involved in routine activities.
5. The committee shall review IT and Digital strategies and relevant policies before submission to the board.
6. The committee shall ensure that risk management strategies are designed and implemented to achieve resilience, such as the ability to effectively respond to wide-scale disruptions, including cyber-attacks and attacks on multiple critical infrastructures.
7. The committee may also review and determine the adequacy of the institution's training plan including cyber security training, for the staff.
8. The committee shall receive periodic updates from IT Steering Committee to monitor all technology related projects approved by the board.
9. The committee shall ensure that technology procurements are aligned with the IT strategy approved by the board.
10. If deem necessary, the committee may seek expert opinion from independent sources.

BOARD EVALUATION COMMITTEE

Meetings held 01

Composition

1. Ms. Nabeela Waheed - Chairperson
2. Mr. Hammad Khalid - Member

Terms of Reference

The Board Evaluation Committee shall undertake the following tasks:

1. Formulation of criteria for performance evaluation of overall Board, its Committees, Individual Directors, Independent Directors, Chairperson and the President in the form of a framework.
2. Carrying out performance evaluation of the overall Board, its Committees, Independent Directors, Individual Directors, Chairperson and the President.
3. Identifying weak areas required to improve Board's and Board Committee effectiveness.
4. Recommending to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge and skills (as and when required).
5. Reviewing (as and when required), the composition of the existing Board and its Sub-Committees and recommending amendment to the composition.
6. Assisting the Board of Directors by helping to identify individuals qualified to become members of the Board and its Committees.
7. Review nominations of potential director candidates who will strengthen the Board and remedy any perceived deficiencies in its fulfillment of the specific criteria identified above.
8. Ensuring that the specific criteria outlining the skills, experience, expertise, backgrounds and other characteristics identified by the State Bank of Pakistan in its Fit & Proper Test criteria are duly met before it recommends the proposed director for nomination.
9. The Committee will review candidate qualifications in light of the needs of the Board and the Company, considering the current mix of director attributes and other pertinent factors (specific qualities, skills and professional experience required will vary depending on the Company's specific needs at any point in time).
10. The Committee will consider the diversity of the existing Board, so that the Board maintains a body of directors from diverse professional and personal backgrounds.
11. Any nominee shall duly meet the requirements set forth by the State Bank of Pakistan for directorship.
12. Any nominee should be an individual of the highest character and integrity and have an inquiring mind, vision and the ability to work well with others.
13. Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director.
14. Any nominee should possess substantial and significant experience which would be of value to MIB in the performance of the duties of a director.
15. Any nominee should have sufficient time available to devote to the affairs of MIB in order to carry out the responsibilities of a director.

Following are the details of directors' status and membership of the above committees:

Directors	Status		Membership					
			BAC	HR & RC	RM & PRC	BITC	BEC	BSSQRC
Raza Mansha	Non-Executive	Male	-	Yes	-	-	-	-
Ibrahim Shamsi	Non-Executive	Male	Yes	-	-	Yes	-	Yes
Omais Safdar	Non-Executive	Male	Yes	Yes	Yes	-	-	Yes
Ahmed Ebrahim Hasham	Non-Executive	Male	-	-	Yes	-	-	Yes
Hammad Khalid	Non-Executive	Male	Yes	-	-	Yes	Yes	Yes
Jawaid Iqbal	Independent	Male	Yes	Yes	Yes	Yes	-	-
Nabeela Waheed	Independent	Female	Yes	-	Yes	-	Yes	-
Zargham Khan Durrani	President & CEO	Male	-	-	Yes	Yes	-	Yes

Directors' Participation/Attendance in Board and Committee Meetings Held During 2024

Details for the meetings of the BOD and sub-committees held during the Year 2024 along with attendance are as below:

Directors	Attendance						
	BOD*	BAC	HR & RC	RM & PRC	BITC	BEC	BS&SQRC
Raza Mansha	5/6	-	3/4	-	-	1/1(*)	-
Ibrahim Shamsi	6/6	4/4	-	-	4/4	1/1(*)	1/1****
Omais Safdar	6/6	4/4	4/4	4/4	-	1/1(*)	4/5
Ahmed Ebrahim Hasham	3/6	-	-	3/4	-	-	4/5
Hammad Khalid	6/6	4/4	-	-	4/4	1/1	5/5
Jawaid Iqbal	6/6	4/4	4/4	4/4	4/4	1/1(*)	-
Nabeela Waheed **	1/1	-	-	-	-	-	-
Seema Aziz***	0/4	0/3	0/3	-	-	1/1	-
Zargham Khan Durrani	6/6	4/4	4/4	4/4	4/4	1/1(*)	5/5

* Total 06 meetings of BOD were held during the year 2024.

** Ms. Nabeela Waheed appointed as independent Directors as on 25-11-2024 w.e.f. 07-10-2024

*** Ms. Seema Aziz retired as Independent Directors on 06-10-2024.

**** Mr. Ibrahim Shamsi appointed as member in BS&SQRC on dated 03-12-2024

(*) Special Invitation.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

The Board of Directors of MCB Islamic Bank Limited strive to ensure that the Bank is on track to achieve its long-term objectives while adhering to regulatory requirements. The Board of Directors and its Committees comprise of qualified and experienced members, having diverse experience whose contributions are invaluable in defining the overall direction of the organization.

The Board of Directors recognizes that along with numerous other functions and responsibilities, it also has a duty of care and loyalty towards the Bank, to act honestly in the interests of the Bank and exercise its role with complete integrity and care. The Board therefore constituted a Board Evaluation Committee in 2015 to evaluate the performance of the overall Board, its Committees, performance of the Chairperson, Independent Directors and Individual Directors and of the President once in a calendar year with the help of a detailed criteria formulated in line with the requirements of the State Bank of Pakistan and the Securities & Exchange Commission of Pakistan (SECP).

CRITERIA FOR PERFORMANCE EVALUATION

Evaluation is carried out through a structured questionnaire covering various aspects of the Board's functioning such as size, composition of the Board and Committees, adequacy of Independent Directors, frequency of meetings, mixture of diversity of knowledge, expertise & skills of directors, attendance at meetings, preparation for meetings and valuable contribution etc. All parameters set for evaluation are rated through a Rating Scale (1-5) against each question as follows:

- "1" represents as **Strong**
- "2" represents as **Satisfactory**
- "3" represents as **Fair**
- "4" represents as **Marginal**
- "5" represents as **Un-satisfactory**

EVALUATION BY BOARD EVALUATION COMMITTEE

As per the requirements of SBP Guidelines on Performance Evaluation of Board of Directors, evaluation of the overall Board, its Committees, individual directors, Independent directors, Chairperson and the President for the year 2024 was undertaken by an independent Evaluator M/s Malik Haroon Ahmed & Co., Chartered Accountants, appointed by the Board for the purpose.

Accordingly it was concluded that the overall performance of the Board, including effectiveness of the role played by the Board in achieving the Bank's objectives, was found to be satisfactory.

DIRECTOR'S TRAINING PROGRAM

Till Dec 31, 2024, the following directors on the Board of Directors of MCB Islamic Bank have attended the Director's Training Program from SECP approved institutions:

- Mr. Jawaid Iqbal
- Mr. Ahmed Ebrahim Hasham
- Mr. Omais Safdar
- Ms. Nabeela Waheed
- Mr. Hammad Khalid
- Mr. Zargham Khan Durrani

Mr. Raza Mansha & Mr. Ibrahim Shamsi are exempt from the requirements of the Director's Training Program in view of their experience.

ACCESSIBILITY OF ANNUAL REPORT 2024

Annual Report – 2024 and other information of the Bank are accessible on Bank's website: www.mcbislamicbank.com.

MANAGEMENT



Zargham Khan Durrani

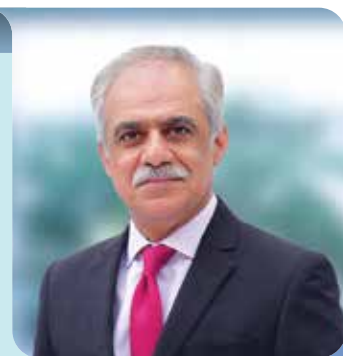
President & CEO

Mr. Zargham Khan Durrani has an extensive banking career spanning over 30 years. Prior to joining MCB Islamic Bank, Mr. Durrani was Group Head Retail Banking (SEVP) in MCB bank.

Mr. Durrani has an impressive and successful track record of realizing visions into realities. He is an experienced banking professional having hands on experience in branch banking, digital banking, SME / Commercial lending and building & managing highly successful large teams through coaching, motivation and leading from the front. Transformation of MCB Bank's retail franchise over the last 15 years is a testament to his success.

Apart from MCB Bank, he has worked with Standard Chartered Bank, Union Bank and other financial institutions both locally and internationally. He has also served as Director of MNET Service (PVT), a wholly owned subsidiary of MCB Bank (now merged into MCB Bank). MNET was the first company in Pakistan to provide a secure electronic inter-bank connectivity platform for online financial transactions.





OMER KHALID LASHARIE

Group Head – Corporate,
Investment Banking & FI

Mr. Omer Khalid's experience spans over 29 years in Corporate & Investment Banking, Cash management, Home remittances, FI etc. at major financial institutions of Pakistan. He has been instrumental in building asset's book and maximizing institution's profitability through effectively managing financing portfolio, actively participating/ handling investment banking, project finance and structured finance deals. Under his dynamic leadership with extensive experience and understanding of the international banking landscape, the bank has been able to establish relationships with leading Money Service Business providers and banks around the globe to nurture remittance and trade finance business according to the vision of the bank.

Prior to joining MCB Islamic Bank Limited; he has worked in leading institutions like MCB Bank Limited and UBL. His major assignment was with MCB Bank as Regional Corporate Head Central for 3 years. His last assignment was as Head of Transaction Banking Division for MCB Bank Limited where he efficiently led one of the largest cash management portfolio and vibrantly devised strategies to maximize remittance flows. He holds MBA from Lahore University of Management Sciences (LUMS).



SYED IFTIKHAR HUSSAIN RIZVI

Group Head - Finance / CFO

Syed Iftikhar Hussain Rizvi leads Bank's Strategic and Financial Management functions and responsible to develop, implement and control all financial-related activities of the bank in line with its business strategy.

Mr. Rizvi is a 'Certified Professional of Islamic Banking' and a 'Fellow Member of the Institute of Chartered Accountants of Pakistan' and has over 29 years of well diversified experience in the accounts and finance disciplines with added exposure in HR & corporate governance. Prior to joining the MCB Islamic, he worked with MCB Bank for 20 years in various capacities, lastly as Head – Centralized Accounts. His professional career began at Khalid Majid Hussain Rahman & Co., Chartered Accountants.



MUHAMMAD TARIQ GONDAL

Group Head - Compliance & Controls

Mr. Muhammad Tariq Gondal is a business graduate from Lahore University of Management Sciences (LUMS) along with Masters in Statistics from GC University Lahore. He is a Certified Internal Auditor (CIA), also holds Banking Diploma and Post graduate diploma in Islamic Banking & Insurance along with certification in Islamic Banking from NIBAF. Mr. Gondal has a diversified experience of more than 30 years in areas of audit & inspection, risk, compliance and operations both in Central and Commercial Banking.



MUHAMMAD SAEED RAJA

Group Head – Back Office Governance
& Special Projects

Mr. M. Saeed Raja leads the Back Office Governance & Special Projects Group of MCB Islamic Bank Ltd. Core responsibilities of the group include Centralized Account Opening & Maintenance, Centralized Trade Operations, Centralized Reconciliation, Vendor Management & Outsourcing arrangements, Cash Processing Centers, Centralized Inward Clearing, MCB Counter Operations, Business Continuity Management, Internal Control/ICFR Documentation, General Services and Contract Management.

Saeed has a diversified experience of over 34 years in the areas of Retail, Corporate and Islamic Banking. Prior to joining MCB Islamic Bank, he was associated with MCB Bank Ltd. and was serving as Country Head-Islamic Banking Operations, systems and controls. His 25 years of services and contribution towards achievement of MCB's strategic goals were recognized by the bank at the highest level and was conferred with the PRESIDENT EXCELLENCE AWARD twice.

Academically, he holds an EMBA degree in banking & finance and is a gold medalist. He is also a certified Islamic banker from National Institute of banking & finance (NIBAF).



ABRAR ALEEM

Group Head - IT / CIO

Abrar Aleem is a seasoned IT professional with a proven track record of developing and executing strategic IT initiatives while delivering high-impact projects. With over two decades of experience in the banking and financial sector, he brings deep expertise and industry insights to the table.

Abrar spent more than 28 years in the Information Technology industry, making significant contributions across various domains. He has excelled in planning, implementing, and managing large-scale IT infrastructure, Core Banking systems, Digital Banking platforms, and Middleware Applications, including data strategies. His forward-thinking approach ensures he stays at the forefront of emerging technologies, demonstrating a strong commitment to innovation.

In addition, Abrar possesses extensive knowledge of Cyber Security, Compliance, and IT Risk Management, ensuring robust and secure IT environments. With his vast experience and comprehensive skill set, he is well-positioned to drive transformative change as a CIO in the banking and financial sector.



MUHAMMAD HAMID YASIN

Group Head – Consumer Finance

Mr. Hamid is a business graduate from the Institute of Business Administration (IBA), Karachi and has over 30 years of banking experience in Retail and Corporate banking as well as Risk Management. Before joining MCB Islamic in 2018, he served Samba Financial Group (SFG) at the Head Office in Riyadh, Saudi Arabia for over eight years in the capacity of Assistant General Manager in the Risk Management Group. Prior to SFG, Hamid served MCB Bank for more than 14 years – starting as a Management Trainee in 1994 and progressively moving on to such diverse functions as Retail and Corporate credit risk management at branch and regional levels, branch operations, Basel II Project Management and bank-wide Operational and Credit risk management.



SALMAN QUTB

Group Head – Human Resource Management

Mr. Salman Qutb holds a Master's Degree in Business Administration from Lahore University of Management Sciences (LUMS) and a Bachelor of Engineering from the University of Engineering and Technology, Lahore. As the Group Head of Human Resource Management at MCB Islamic Bank, he spearheads human capital development, ensuring talent strategies align with the bank's strategic objectives and fostering a culture of leadership excellence.

With over a decade of experience as the Head of Credit Risk Management at MCB Bank Ltd., Mr. Qutb brings a wealth of expertise in risk and business dynamics. His deep understanding of the banking landscape enables him to build a resilient workforce, drive organizational growth, and cultivate future leaders at MCB Islamic Bank.

Mr. Qutb is an active member of several key committees, including the Bank's Management Committee, Service Council, Compliance Committee of Management, Purchase Committee, and Disciplinary Action Committee. His transition from risk management to human resources reflects the MCB Group's commitment to visionary leadership and internal talent development, ensuring sustained success in a competitive financial landscape.



MUHAMMAD SAQIB SAJJAD

Group Head – Treasury & FXG

Mr. Muhammad Saqib Sajjad is presently serving as the Group Head of Treasury & FXG at MCB Islamic Bank. He brings over two decades of progressive experience of working in Treasury, Capital Markets, Financial Institutions, Financial Inclusion, and International Banking. Mr. Sajjad has previously held key positions at prestigious organizations including BOP, KASB Securities (partners with BofA Merrill Lynch), and Invisor Securities.

Mr. Sajjad holds a BBA from the National University of Sciences and Technology (NUST). He has further honed his expertise in leadership, Treasury & Capital Markets, sustainable finance, credit, and ESG principles through advanced programs at Erasmus University, UOL, LUMS, and NED.



ASHAR IQBAL

Head Retail Banking Group - North

Mr. Ashar Iqbal is an accomplished banking professional with an extensive experience of 23 years of retail and commercial banking. He is currently working as Head Retail Banking (North). In this role, Ashar is jointly responsible for overseeing the Retail Banking, Commercial Banking, and Wealth Management business units, catering to mass market, commercial, and SME clients in Pakistan.

Before joining MCB Islamic, he served at MCB Bank in the capacity of Regional Head and General Manager – Karachi City. He has also worked at Habib Metropolitan Bank, Habib Bank, Bank Alfalah and Prime Bank, where he served in various leadership positions at different regional and functional levels. He is also a member of the MCB Islamic Management Committee.



OMAIR UL HAQUE

Head Retail Banking Group - South

Mr. Omair ul Haque serves as the Head of Retail Banking Group (South). In this role, he jointly oversees Retail Banking, Commercial Banking, and Business Units, catering to mass market, commercial, and SME clients across Pakistan. He also leads the Bank's Transaction & Employee Banking function.

Omair joined MCB Islamic Bank in 2021 as General Manager - Karachi & Interior Sindh. Prior to this, he held key leadership roles at MCB Bank Ltd., including Regional Head - Commercial Branch Banking Group, General Manager - Retail Banking Group, Head of Commercial Assets - Karachi, and Department Head of Institutional Sales - Retail Banking Group. He also gained extensive experience in Consumer Banking and Branch Banking management at Standard Chartered Bank.

With over 20 years of experience, Omair has a strong background in Retail & Commercial Branch Banking, Operations, Commercial & SME Lending, Trade Finance, Institutional Sales, and Wealth Management. He is also a member of MCB Islamic Bank's Management Committee.



AZHAR NAZIR

Group Head – Centralized Operations

Azhar is a seasoned professional with over 24 years of experience in a variety of fields, including information technology, digital banking, core banking implementation, banking operations and risk management. He is currently leading the Centralized Operations Group. He is graduate from International Islamic university, Cost & Management Accountant (ICMAP). Financial Risk Manager (FRM-GARP), DAIBP and CPIB (IIFII).



MUHAMMAD IMRAN SIDDIQUE

Group Head – Audit & RAR

Mr. Imran has an extensive experience spanning over 25 years in the fields of risk management processes, operations, and compliance with highly esteemed banks such as SBP, HBL, RBS, and ABL. He is an Associate Member of Institute of Financial Accountants of UK and possesses notable professional certifications, including Certified Internal Control Auditor (CICA), Certification in Risk Management Assurance (CRMA), Certified in Risk & IS Control (CRISC), Certified Shari'ah Auditor (CSA) and Certificate in Islamic Financial Reporting and Auditing (CIFRA); alongside academic qualifications such as MS-Islamic Banking & Finance, M.Com and Affiliate Financial Accountant (AFA)-Institute of Cost & Management Accountants, Pakistan. Additionally, Mr. Imran has obtained certification in Islamic Banking from NIBAF, further enriching his expertise in the banking sector.

SALMAN NASEER

Group Head – Risk Management / CRO



Mr. Salman Naseer has been part of MCB Islamic Bank since 2015. His experience spans 20 years in various areas covering the credit risk spectrum, and has managed corporate, commercial, SME, agriculture, consumer, and special assets portfolios. His leadership has been pivotal in steering the bank's asset growth over the last 9 years while ensuring the sustained quality and vitality of the financing portfolio.

Prior to joining MCB Islamic Bank Limited, he has worked in Faysal Bank Limited and the Bank of Punjab. He is a certified Islamic Banking professional from NIBAF, and also holds IBP's diploma for banking professionals. He is a Bachelor of Computer Sciences from FAST – NU.



MAIMOONA CHEEMA

Company Secretary & Head of Legal Affairs

Ms. Maimoona Cheema holds the charge of Company Secretary & Head of Legal Affairs at MCB Islamic Bank Limited. Ms. Cheema has over 18 years of diversified experience in the field of law and has worked with highly esteemed organizations including MCB Bank Limited, Telenor Pakistan (Pvt.) Limited and the Lahore Stock Exchange (G) Limited. Ms. Cheema has a Bachelor's degree in law (LL.B) and a Master's of Science in Finance & Financial Law from SOAS, University of London.

She is the Chairperson of the Bank's Committee on Protection against Harassment of Women at the Workplace and a member of the Management Committee, the Management Compliance Committee and the Disciplinary Action Committee.



MUFTI SYED SABIR HUSSAIN

Resident Shari'ah Board Member/
Head-Shari'ah Compliance Department

Mufti Syed Sabir Hussain, working with MCB Islamic Bank Ltd. since September 2015, is a prominent Sharī'ah Scholar and experienced Islamic Banker with 25 years of teaching, 18 years of Fatāwā and Islamic banking experience. He holds Shahadat-Al-Alimiyah & Takhassus-Fil-Fiqh, M.A Islamic Studies, M.Phil. in Islamic Banking & Finance and M.S (I.T) degrees. He is enrolled in PhD. in Islamic Banking and Finance from International Islamic University, Islamabad and his thesis is in foreign evaluation process.

He is ex-member of Sharī'ah Advisory Board of SECP, Member of the Committee on Accounting and Auditing Standards of ICAP, invitee participant of Sharī'ah Advisory Committee of State Bank of Pakistan and Member of several committees constituted by SBP on AAOIFI Sharī'ah standards. He is also the member of working group "Fast Track adoption of International Standards constituted under the Committee for Transformation of Conventional Banking into Islamic. Further, he was member of review committee for Urdu translation of AAOIFI Sharī'ah standards. He is author of 34 books on Islamic economics & banking and other social issues. Additionally, his research articles have been published in various HEC recognized journals. He also delivers lectures at various Dar-ul-Ulooms and universities, especially at the National Institute of Banking and Finance (NIBAF).

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KEY EXECUTIVES

ZARGHAM KHAN DURRANI
President & CEO

OMER KHALID LASHARIE
Group Head – Corporate, Investment Banking & FI

SYED IFTIKHAR HUSSAIN RIZVI
Chief Financial Officer

MUHAMMAD TARIQ GONDAL
Group Head – Compliance & Controls

MUHAMMAD HAMID YASIN
Group Head – Consumer Finance

MUHAMMAD SAEED RAJA
Group Head – Back Office Governance & Special Projects

SALMAN QUTB
Group Head – Human Resource Management

ABRAR ALEEM
Chief Information Officer / Group Head - IT

AZHAR NAZIR
Group Head - Centralized Operations

MUHAMMAD SAQIB SAJJAD
Group Head – Treasury & FXG

ASHAR IQBAL
Head Retail Banking Group - North

OMAIR UI HAQUE
Head Retail Banking Group - South

MUHAMMAD IMRAN SIDDIQUE
Group Head – Audit & RAR

SALMAN NASEER
Group Head – Risk Management

MUFTI SYED SABIR HUSSAIN
Resident Shari'ah Board Member / Head-Shari'ah Compliance Department

MAIMOONA CHEEMA
Company Secretary & Head of Legal

MCB Islamic Bank

Shari'ah Board



PROF. MUFTI MUNIB-UR-REHMAN
Chairperson Shari'ah Board



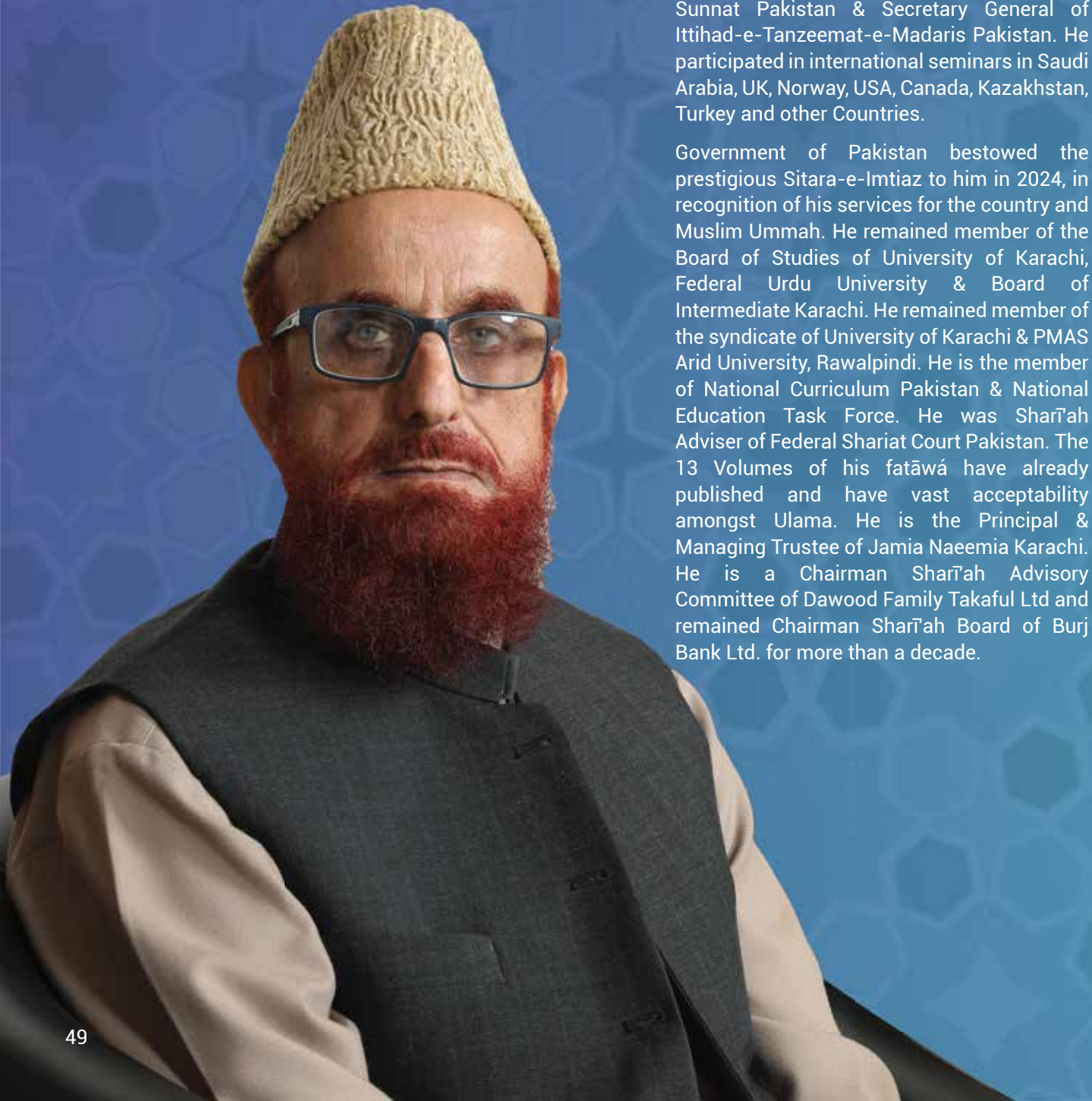
MUFTI SYED SABIR HUSSAIN
*Resident Shari'ah Board Member/
Head-Shari'ah Compliance Department*



MUFTI NADEEM IQBAL
Shari'ah Board Member

PROF. MUFTI MUNIB-UR-REHMAN

Chairperson Shari'ah Board



Prof. Mufti Munib-ur-Rehman, working with MCB Islamic Bank since September 2015, is a renowned Sharī'ah scholar with a vast 52 years' teaching and 37 years' fatāwā issuance experience. He remained the member of Sharī'ah Advisory Board of Securities and Exchange Commission of Pakistan (SECP) for three terms and the member of the Council of Islamic Ideology Pakistan (CIIP), he rendered voluntary services for the country since 2001 to 2020 as Chairman Central Moon Sighting Committee Pakistan. He served as a Director of Islamic Studies, Hong Kong in 1985. He is the president of Tanzeem-ul-Madaris Ahle Sunnat Pakistan & Secretary General of Ittihad-e-Tanzeemat-e-Madaris Pakistan. He participated in international seminars in Saudi Arabia, UK, Norway, USA, Canada, Kazakhstan, Turkey and other Countries.

Government of Pakistan bestowed the prestigious Sitara-e-Imtiaz to him in 2024, in recognition of his services for the country and Muslim Ummah. He remained member of the Board of Studies of University of Karachi, Federal Urdu University & Board of Intermediate Karachi. He remained member of the syndicate of University of Karachi & PMAS Arid University, Rawalpindi. He is the member of National Curriculum Pakistan & National Education Task Force. He was Sharī'ah Adviser of Federal Shariat Court Pakistan. The 13 Volumes of his fatāwā have already published and have vast acceptability amongst Ulama. He is the Principal & Managing Trustee of Jamia Naeemia Karachi. He is a Chairman Sharī'ah Advisory Committee of Dawood Family Takaful Ltd and remained Chairman Sharī'ah Board of Burj Bank Ltd. for more than a decade.

MUFTI SYED SABIR HUSSAIN

Resident Shari'ah Board Member/
Head-Shari'ah Compliance Department



Mufti Syed Sabir Hussain, working with MCB Islamic Bank Ltd. since September 2015, is a prominent Sharī'ah Scholar and experienced Islamic Banker with 25 years of teaching, 18 years of Fatāwā and Islamic banking experience. He holds Shahadat-Al-Alimiyah & Takhassus-Fil-Fiqh, M.A Islamic Studies, M.Phil. in Islamic Banking & Finance and M.S (I.T) degrees. He is enrolled in PhD. in Islamic Banking and Finance from International Islamic University, Islamabad and his thesis is in foreign evaluation process.

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under the Committee for Transformation of Conventional Banking into Islamic. Further, he was member of review committee for Urdu translation of AAOIFI Sharī'ah standards. He is author of 34 books on Islamic economics & banking and other social issues. Additionally, his research articles have been published in various HEC recognized journals. He also delivers lectures at various Dar-ul-Ulooms and universities, especially at the National Institute of Banking and Finance (NIBAF).

MUFTI NADEEM IQBAL

Shari'ah Board Member



Mufti Nadeem Iqbal is the Sharī'ah Board Member at MCB Islamic Bank since October, 2018. He is a senior teacher and Mufti at Dar-ul-Uloom Amjadia, Karachi and currently heading Dar-ul-Ifta. He has 33 years' experience of teaching Islamic Jurisprudence and 21 years' experience of issuing Fatāwā. He has 19 years' experience in Islamic Banking. He holds Master's Degree in Islamic Studies from University of Karachi, Takhassus-Fil-Fiqh from Dar-ul-Uloom Amjadia, Karachi, Fazil Dars-e-Nizami, and Fazil Shahadat-Al-Alimiyah. He gave his services as

Resident Sharī'ah Board Member/ Sharī'ah Advisor at Soneri Bank's Islamic Banking Division for 13 years. He has served as visiting faculty member at Sheikh Zayed Islamic Centre, University of Karachi and Hamdard University, Karachi. He is a writer of several books including Islamic Jurisprudence.

Role of Shari'ah Board

- i. The Sharī'ah Board (SB) shall advise the BOD and the executive management of the MCB Islamic Bank Ltd. (The Bank) on all Sharī'ah related matters. All the SB's Decisions/Rulings/Fatāwā shall be binding on the Bank whereas the Sharī'ah Board shall be responsible and accountable for all its Sharī'ah decisions and Fatāwā.
- ii. The SB shall cause to develop a comprehensive Sharī'ah compliance framework for all areas of operations of the Bank and shall approve all products/services to be offered and/or launched by the Bank.
- iii. The SB shall review and approve all the procedure manuals, product programs/structures, process flows, related agreements, broader parameters pertaining to sales/marketing so that they are in conformity with the rules and principles of Sharī'ah. The Executive Management while seeking the SB's decision on any proposal shall ensure provision of all necessary information, details and documents so as to enable the SB to have proper understanding of the product, its process flows, business and economic outcomes and Sharī'ah injunctions and legitimacy of the decisions.
- iv. The Sharī'ah Board shall have unhindered access to all records, documents and information from all sources including professional advisors and Bank's employees in discharge of its duties.
- v. Considering the importance of the SB's decisions and their binding nature, the SB shall rigorously deliberate on the proposals before giving any decision/ fatwā; all such deliberations and rationale for allowing or disallowing a particular product/service etc. shall be duly recorded and documented.
- vi. Summaries/key findings of the reports of Internal Sharī'ah Audit and Sharī'ah compliance reviews and complete report of External Sharī'ah Audit and SBP Sharī'ah compliance assessment shall be submitted to SB for consideration and prescribing appropriate corrective/enforcement actions. The SB shall take up the unresolved issues with management and shall include all significant outstanding issues in its annual report on the Sharī'ah compliance environment of the Bank. Moreover, the Head of SCD/ RSBM shall discuss both the significant and unresolved issues with SBP assessment team during their on-site assessment. .
- vii. The SB shall also specify the process/procedures for changing, modifying or revisiting Fatāwā/Rulings/Guidelines etc. already issued by SB.

MEETINGS OF SHARI'AH BOARD HELD IN 2024

Quarter	Date of Meeting	Meeting Attend (Yes / No)		
		Chairman	Member	RSBM
1	28-Mar-24	Yes	Yes	Yes
2	13-Jun-24	Yes	Yes	Yes
3	10-Sep-24	Yes	Yes	Yes
4	27-Dec-24	Yes	Yes	Yes

MEETINGS OF SHARI'AH BOARD-BOARD OF DIRECTORS HELD IN 2024

Sr. No	Half Year	Date of Meeting	Meeting Attend (Yes / No)		
			Chairman	Member	RSBM
1	1st	13-June-24	Yes	Yes	Yes
2	2nd	21-Oct-24	Yes	Yes	Yes

NUMBER OF OTHER BOARD MEMBERSHIPS

Sr. No	Name of Members	Date of Joining / Leaving the Board	Status of Member- Chairperson/Resident member/ Non Resident Member	Number of Other Board Memberships along with name of companies
1	Mufti Munib-ur-Rehman	15 Sep 2015	Chairperson	1) Chairman Shari'ah Supervisory Board ■ Dawood Family Takaful
2	Mufti Syed Sabir Hussain	16 Sep 2015	Resident Member	1) Shari'ah Supervisory Board Member /Consultancy ■ Dawood Family Takaful
3	Mufti Nadeem Iqbal	15 Oct 2018	Non Resident Member	No other engagement

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I am honored to present the Annual Report of MCB Islamic Bank Limited (the Bank) for the year 2024. The unwavering leadership of our Board of Directors has been instrumental in driving the Bank's strategic vision. Despite economic challenges, our management team demonstrated resilience, dedication resulting in successfully execution of business plan and achieved a remarkable pre-tax profit of Rs. 9.11 billion, Alhamdulillah.

The Board plays a vital role in shaping the Bank's strategic direction while upholding the highest standards of corporate governance. Its commitment to excellence ensures alignment with our vision, mission, and core values. In 2024, the Board Evaluation Committee conducted a comprehensive assessment, reaffirming the Board's effectiveness in guiding the Bank towards its objectives.

Governance and risk management remain top priorities. To safeguard shareholder interests, the Board has established specialized sub-committees overseeing critical functions such as business strategy, risk management, audit and information technology. This robust oversight framework strengthens our ability to navigate challenges and capitalize on opportunities.

Amid rising credit, operational and cyber risks, the Bank remains steadfast in its commitment to financial prudence. Guided by the Board's strategic direction, our management

continues to reinforce resilience, ensuring the Bank's sustained contribution to the growth of Islamic finance in Pakistan.

Despite macroeconomic challenges, the Bank maintained financial strength by driving business growth, optimizing balance sheet spreads and enhancing customer-centric services. A strong focus on digital transformation remains key to meeting evolving market demands.

The year 2024 was marked by resilience, excellence and the continued trust of our customers. On behalf of the Board, I extend my sincere gratitude to the State Bank of Pakistan, Securities & Exchange Commission of Pakistan, Federal Board of Revenue, other regulatory bodies and the Shari'ah Board for their invaluable guidance and support. I also deeply appreciate our shareholders for their confidence in our long-term vision and our customers for their trust in MCB Islamic Bank and their commitment to Islamic banking. Lastly, I extend my heartfelt thanks to the Bank's management and staff for their dedication, hard work and unwavering commitment, which have been instrumental in our continued success.

Looking ahead to 2025, we remain dedicated to innovation, sustainable growth and delivering lasting value to all stakeholders. With strong governance and a clear vision, MCB Islamic Bank is well-positioned for continued success, In Sha Allah.

RAZA MANSHA
Chairman

Chairman's Message



The global economy has experienced modest growth, supported by easing inflation and stable financial conditions, prompting a shift toward monetary policy easing. However, structural risks such as high debt levels, policy uncertainties, climate threats, geopolitical tensions and trade disruptions continue to challenge vulnerable economies. While growth remains insufficient to fully recover from recent global shocks, the banking sector has demonstrated resilience.

On the domestic front, Fitch Ratings highlights strong remittance inflows, robust agricultural exports and tight policy measures as key contributors to Pakistan's economic stability and foreign exchange reserve rebuilding. As we conclude the year, we take pride in our Bank's unwavering commitment to overcoming challenges while maintaining a customer-centric approach for all stakeholders.

MCB Islamic Bank (the Bank) posted an impressive profit before tax of Rs. 9.11 billion, despite a 9% decline in policy rates and challenges in meeting the Advances to Deposit Ratio (ADR), which impacted targeted deposit growth and profitability.

The Bank's total assets grew by 15% to Rs. 307.34 billion, with net financing increasing by 34% to Rs. 119.35 billion and Investments stood at Rs. 146.60 billion marking 11% growth. Operating income increased by 5% to Rs. 19.91 billion, benefiting from favorable yield curve movements. However, operating and other expenses increased by 34%, driven by business expansion, branch network growth and Information Technology (IT) infrastructure investments.

Key performance indicators remained strong with Return on Assets (ROA) at 1.48% and Return on Equity (ROE) at 18.62%. Additionally, the number of transactions grew by 42% in volume and 48% in value on a year-over-year basis, underscoring the Bank's growing customer engagement and operational efficiency. The Current and Savings Account (CASA) concentration reached 79%, while total deposits stood at Rs. 209.11 billion as of December 31, 2024.

Demonstrating its strong financial position, the

Pakistan Credit Rating Agency (PACRA) upgraded the Bank's long-term rating to "A+" from "A" and reaffirmed its short-term rating of "A-1" with a stable outlook. The Bank also received notable industry recognition, winning the "Best Emerging Islamic Retail Bank in Pakistan 2024" award at the Islamic Retail Banking Awards in Dubai. Additionally, PayPak acknowledged the Bank as one of the top issuers of PayPak debit cards in the "Win Gold with PayPak 2024" and Q4-2023 campaigns.

A significant milestone in 2024 was the acquisition of 39 branches from MCB Bank Limited, under a Scheme of Compromises, Arrangements and Reconstruction approved by the Honorable Lahore High Court. Following the Court Order, the banking business, assets, liabilities and operations of these branches were converted into Islamic banking branches and formally transferred to our Bank, effective from close of business on November 15, 2024.

The Bank's management remains committed to strengthening its position among Islamic banks through a comprehensive strategy centered on digital banking, customer-focused products and branch network expansion. This strategic direction reflects our dedication to innovation, customer satisfaction, market growth and operational excellence, driving the Bank toward its long-term vision and ambitious goals.

In the end, I extend my sincere gratitude to the Chairman and the Board of Directors for their leadership and continued guidance. I also express my appreciation to the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, other regulatory authorities and the Shari'ah Board for their unwavering support. A special acknowledgment goes to our dedicated team members, whose commitment and hard work drive the Bank's success and position it for substantial growth in the years ahead. Their dedication strengthens our resolve to serve our valued customers with excellence, innovation and passion. With a shared vision, teamwork and steadfast commitment, I am confident that we will continue to exceed expectations and create lasting value for our shareholders, customers, employees and regulators, In Sha Allah.

Zargham Khan Durrani
President / CEO

President's Message



Directors' Report

TO THE MEMBERS

On behalf of the Board of Directors (the Board) of MCB Islamic Bank Limited, we are pleased to present the Annual Report for the year ended December 31, 2024.

Rupees in Million

Statement of Financial Position	Dec 31, 2024	Dec 31, 2023	Growth
Deposits	209,109	204,460	2.3%
Total Assets	307,344	267,000	15%
Investments – net	146,596	132,544	11%
Islamic Financing – net	119,353	89,347	34%
Shareholders' Equity (including revaluations)	25,946	22,036	18%
Profit & Loss Account	Jan – Dec 2024	Jan – Dec 2023	Growth
Operating income	19,911	18,921	5%
Operating and other expenses	10,259	7,649	34%
Credit loss allowance and write offs – net	(543)	(704)	-77%
Profit before taxation	9,109	10,568	-14%
Profit after taxation	4,239	5,153	-18%
Basic / diluted earnings per share - Rs.	2.726	3.314	-18%

PERFORMANCE REVIEW

Pakistan's banking sector has demonstrated remarkable resilience and strong performance despite the challenges posed by climate change costs, economic stagnation and political instability.

In this dynamic environment, our Bank has strategically focused on sustained growth, Network & business volume expansion and technology investments. Through optimizing deposit mobilization, making timely investments and adhering to prudent financing practices, we have effectively navigated the economic landscape. Supported by an efficient organizational structure, robust risk management and strict regulatory compliance, the Bank achieved a commendable **profit before tax of Rs. 9.11 billion for the year ending December 31, 2024, Alhamdulillah.**

As of December 31, 2024, the Bank's **deposits grew to Rs. 209.11 billion**, up from Rs. 204.46 billion in 2023. The Current and Savings Account (CASA) mix remains healthy at 79%, with non-remunerative deposits comprising 31% of the total. Our commitment to Islamic banking remains strong, as we engage untapped non-banked customers with a diverse range of Islamic banking products, maintaining service excellence.

Total assets surged by 15%, reaching Rs. 307.34 billion by year-end, compared to Rs. 267 billion in 2023. The net financing position rose to Rs. 119.35 billion, up from Rs. 89.35 billion, reflecting prudent financial management, while investments totaled Rs. 146.60 billion. The Bank's capital adequacy ratio increased by 3.30 percentage points, closing at 20.49%. Our management remains focused on efficient capital management, superior asset quality and a high-yielding portfolio.

The Bank generated **operating income of Rs. 19.91 billion**, a 5% increase from the previous year, achieving a return on earning assets of 17.52% and a net spread of 6.80%. However, operating and other expenses increased by 34% due to higher business volumes, substantial branch network expansion and significant

investments in infrastructure. This increase is carefully monitored through effective management controls to ensure sustainable profitability.

The Bank reported a **profit after tax of Rs. 4.24 billion**, a slight decrease from Rs. 5.15 billion in the previous year. Earnings per share (EPS) after tax decreased to Rs. 2.73 from Rs. 3.31 in 2023.

A significant milestone during the year was the **Bank's acquisition of 39 branches** from MCB Bank Limited as part of a "Scheme of Compromises, Arrangements and Reconstruction" approved by the Honorable Lahore High Court. Following the Court Order, the banking business, including assets, liabilities and operations of these branches, was converted into Islamic banking branches and transferred to our Bank effective November 15, 2024.

CREDIT RATING

Pakistan Credit Rating Agency (PACRA) has upgraded the Bank's medium to long-term rating to 'A+' from 'A' and maintained the short-term rating as 'A1,' with stable outlook.

ECONOMIC REVIEW

The global economic landscape has shown modest improvement since June, with stable growth despite persistent challenges. Key structural risks such as high debt burdens, policy uncertainties, climate-related threats, geopolitical tensions, particularly in the Middle East and global trade disruptions continue to pose concerns. Inflationary pressures are easing without triggering a significant slowdown in major economies, leading to a broad shift towards monetary policy easing. The International Monetary Fund (IMF) projects a decline in global inflation from 6.7% in 2023 to 5.7% in 2024. However, economic growth remains insufficient to fully offset the prolonged impact of successive global shocks, particularly in vulnerable economies. Despite these headwinds, the global banking sector remains stable, benefiting from improved financial conditions. The IMF and World Bank forecast global GDP growth of 3.2% [2023: 3.3%] and 2.7% [2023: 2.7%], respectively, for 2024, reflecting a pattern of steady but modest expansion.

Shifting focus to the domestic economy, Pakistan has witnessed positive momentum in the first half of Fiscal Year (FY) 2025, marked by a stable exchange rate, declining inflation and positive real interest rates. The approval of a USD 7 billion Extended Fund Facility (EFF) by the IMF and the announcement of a 10-year Country Partnership Framework (CPF) by the World Bank Group on January 14, 2025, underscore international confidence in Pakistan's economic direction. Investor sentiment remains strong, as reflected in an 84% surge in the Pakistan Stock Exchange since December 2023. Further strengthening the economic stability are rising foreign exchange reserves, a surplus current account and increased private sector credit uptake. The IMF forecasts a GDP growth rate of 2.5% for FY 2024, a notable recovery from the negative 0.2% growth recorded in 2023.

In December 2024, the National Consumer Price Index (CPI) recorded a substantial decline, dropping to 4.1% year-on-year, compared to 29.7% in December 2023. This sharp reduction was primarily driven by lower food prices and favourable global oil trends. The State Bank of Pakistan (SBP) projects headline inflation for FY 2025 to average between 5.5% and 7.5%, indicating a more stable inflationary outlook. In response, from June 2024 to January 2025, the SBP undertook significant monetary easing, reducing the policy rate by 1,000 basis points, bringing it down to 12%, signalling a shift towards a more accommodative monetary stance.

In October 2024, Large-Scale Manufacturing (LSM) recorded a marginal year-on-year growth of 0.02%, marking a shift from the significant contraction of 5.79% observed in October 2023. The current account balance turned surplus at USD 1.21 billion during July–December FY 2025, compared to a deficit of USD 1.4 billion in the same period of the previous year. Exports increased by 7.2% to USD 16.23 billion, while imports rose by 9.3%, widening the trade deficit to USD 11.51 billion. Workers' remittances surged by 32.8%, reaching USD 17.8 billion, further supporting external account stability. As of December 31, 2024, foreign exchange reserves stood at USD 15.93 billion. Reflecting improved investor confidence, the KSE-100 Index closed at 115,127 points, marking an increase of 52,676 points since December 2023.

The Islamic banking industry demonstrated substantial growth in the first half of 2024, with total assets increasing by Rs. 695 billion and deposits rising by Rs. 614 billion. As a result, total assets reached Rs. 9,689 billion, capturing an 18.8% market share, reflecting a 7.7% growth during the period. Deposits totalled Rs. 7,363 billion, representing a 22.7% market share and 9.1% growth. Additionally, the branch network expanded to 5,196 branches by the end of June 2024, further strengthening the industry's outreach and financial inclusion.

RISK MANAGEMENT

The Bank's Risk Management Framework encompasses governance, organizational structure, policies, procedures, risk assessment methodologies, early warning systems and reporting mechanisms. Aligned with the Board's strategy, the independent Risk Management function adheres to international best practices and SBP's guidelines, ensuring comprehensive measurement, analysis and control and monitoring of all risks.

The Risk Management & Portfolio Review Committee, a subcommittee of the Board and Management Finance Committee, provides guidance on credit, market, operational and fraud risks. The Bank is confident in its capacity to absorb challenges and effectively navigate the dynamic business environment.

Market risk is managed through Basel ratios, the Internal Capital Adequacy Assessment, behavioural studies and stress testing. The Bank ensures full compliance with SBP's instructions for implementing International Financial Reporting Standard (IFRS) 9.

Our Asset Liability Management, Liquidity Strategy and Contingency Funding Plan guarantee timely liquidity while optimizing profitability. The Asset Liability Committee oversees the management of assets and liabilities.

Operational risk is mitigated through comprehensive data collection, including operational losses, near-miss events, control breaches and risk control exercises. Business continuity and disaster recovery plans are regularly reviewed, with staff training focused on enhancing risk awareness.

Fraud risk is proactively managed by a dedicated 24/7 fraud detection unit, monitoring digital banking transactions. IT security risks are addressed with automated solutions, regular risk assessments, access reviews and continuous monitoring through a 24/7 Security Operations Centre.

Shari'ah Non-Compliance Risk is carefully managed under the oversight of the Shari'ah Board, Shari'ah Compliance Department, Shari'ah Audit Department and the Shari'ah Non-Compliance Risk Management Committee, ensuring full adherence to Shari'ah principles.

STATEMENT ON INTERNAL CONTROL

The Board fully supports management's statement on internal controls, including the assessment of Internal Control over Financial Reporting (ICFR). Management's detailed Statement on Internal Control is included in the Annual Report.

STATEMENT UNDER CODE OF CORPORATE GOVERNANCE AND SECTION 227 OF COMPANIES ACT 2017

The Board is fully committed to ensuring compliance with the Corporate Governance requirements set forth by the Securities and Exchange Commission of Pakistan. The Bank adheres to sound governance practices and the Directors are pleased to report the following:

- The financial statements accurately represent the Bank's state of affairs, operations, cash flows and changes in equity.
- Proper books of accounts have been diligently maintained.
- Consistent application of appropriate accounting policies in financial statement preparation, with reasonable and prudent judgment in accounting estimates.

- Adherence to International Financial Reporting Standards applicable to banks in Pakistan, with any deviations adequately disclosed.
- No material departure from best practices of Corporate Governance.
- No significant doubts about the Bank's ability to continue as a going concern.
- Transfer of Rs. 847.73 million profit to Statutory Reserve for the year 2024.
- A soundly designed and effectively implemented Internal Control System.
- MCB Bank Limited (Parent Bank) holding 1,554,999,993 shares of the Bank as of December 31, 2024, with non-executive directors holding 07 shares each.
- Statement of Compliance with Code of Corporate Governance included in the Annual Report.
- Composition of the Board is detailed in the Corporate Governance Section.
- Committees of the Board and their Terms of Reference disclosed separately.
- Details of Board and committee meetings, including attendance by each Director, disclosed in the Corporate Governance Section.
- Names of individuals who were directors during the financial year disclosed in the Corporate Governance Section.
- Details of remuneration of Chairman, President/CEO and Non-Executive Directors, including independent Directors, disclosed in note 39 of the financial statements.
- Non-executive directors receive reasonable remuneration for attending meetings, ensuring independence.
- No fee is paid to Directors who do not attend meetings and no fee for resolutions considered through circulation.
- Details of directors' training programs outlined in the Statement of Compliance with the Code of Corporate Governance.
- Key operating and financial data for the last five years presented in the Annual Report.
- The Provident Fund's investment value, based on unaudited accounts as of December 31, 2024, stands at Rs. 854.7 million.
- No overdue statutory payments for taxes, duties, levies, or charges.

CHARITY FUNDS MANAGEMENT

Charity is a fundamental pillar in fostering a thriving society and the Bank remains committed to giving back, in line with the Islamic principle of Ihsan, both directly and indirectly.

To prevent misuse, customers are required to contribute to a charity account in the case of late payments. Furthermore, during Shari'ah audits, if any transaction deviates from the established Shari'ah compliance guidelines, the income from such transactions is directed to the charity account. In 2024, Rs. 21.5 million was disbursed from the charity account on behalf of customers to support various charitable organizations, as detailed in Note 21.2 of the Financial Statements.

TRADING OF SHARES OF THE BANK

The Bank is presently a non-listed entity; therefore, no transactions involving the shares of the Bank were executed by the Directors, executives, or their spouses and minor children during the year 2024.

AUDITORS

The outgoing auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, who are eligible for reappointment, have expressed their willingness to continue for the next term. Following the Audit Committee's recommendations, the Board endorses the reappointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as the statutory auditors for the financial year ending December 31, 2025.

FUTURE OUTLOOK

The global economy demonstrated resilience in 2024, with inflation easing globally, although at an uneven pace. While advanced economies are approaching their target inflation levels, several emerging markets and

developing economies (EMDEs) continue to face persistent inflationary pressures. However, downside risks remain, including heightened policy uncertainty, shifting trade policies, escalating geopolitical tensions, persistent inflationary pressures and climate-related challenges. These risks pose heightened vulnerabilities, particularly for low-income economies. Navigating these challenges will require decisive global and national policy measures, focusing on safeguarding trade, addressing debt vulnerabilities and promoting investments in human capital and infrastructure. The IMF projects a decline in global headline inflation to 4.2% in 2025, down from 5.7% in 2024. Meanwhile, global growth forecasts from the IMF and World Bank stand at 3.3% [2024: 3.2%] and 2.7% [2024: 2.7%] for 2025, indicating modest but stable economic expansion.

Pakistan's economic outlook remains cautiously optimistic, contingent on the timely resolution of key structural challenges. The declining inflation is expected to stimulate industrial activity, while reduced economic uncertainty could strengthen business and investor confidence, driving higher investment inflows. However, despite the continued stabilization of macroeconomic indicators, fiscal and monetary policies are expected to remain measured and prudent. The government's efforts to support farmers through modernization and innovative agricultural practices aim to enhance crop production levels, though weather-related risks remain a key concern. Comprehensive reforms in the energy sector, public institutions and climate resilience are critical for sustaining long-term economic stability. The IMF projects Pakistan's GDP growth to rise from 2.5% in 2024 to 3.0% in 2025, reflecting a gradual recovery.

The banking sector is facing increasing risks, particularly in the areas of credit, operations and cybersecurity, driven by the rapid growth of digital financial services. To mitigate these risks, the sector must adopt a robust and proactive approach to strategic risk management. In line with these evolving challenges, the SBP has recently revised its guidelines on Profit & Loss Distribution and Pool Management. The updated regulations mandate that Islamic banks must ensure a minimum profit of 75% on Rupees savings deposits (excluding those from financial institutions, public sector enterprises and public limited companies) relative to the weighted average gross yield of all pools. While these changes aim to improve transparency and better align depositors' returns with market performance, they present short-term profitability challenges for the Islamic banking sector.

Despite the challenges ahead, we remain steadfast in our commitment to sustainable growth. Our strategy focuses on enhancing profitability through the acquisition of cost-effective deposits, optimizing asset management and accelerating our digital transformation. We are also investing in robust IT infrastructure, prioritizing employee satisfaction and adopting best-in-class management practices. With a forward-thinking approach, we are well-equipped to navigate the evolving banking landscape, maintain our leadership position and continue thriving.

ACKNOWLEDGMENT

On behalf of the Board and management, we express our sincere gratitude to our valued customers, esteemed business partners and shareholders for their continued trust and support. We also appreciate the guidance provided by the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, other regulatory authorities and our Shari'ah Board. Furthermore, we commend the dedication of our staff, whose exceptional efforts have been instrumental in driving the growth of our franchise, even amidst challenging business conditions.

For and on behalf of the Board of Directors



ZARGHAM KHAN DURRANI
President / CEO

Date: February 04, 2025



RAZA MANSHA
Chairman

ممبران کے لیے ڈائریکٹرز کی رپورٹ

ایم سی بی اسلامک بینک لمیٹڈ (بینک) کے بورڈ آف ڈائریکٹرز (بورڈ) کی جانب سے، ہم انتہائی مسرت کے ساتھ 31 دسمبر 2024 کو اختتام پذیر سال کی سالانہ رپورٹ آپ کے سامنے پیش کر رہے ہیں۔

ملین روپے			
مالیاتی اسٹیٹمنٹس کی حیثیت (پوزیشن)	31 دسمبر 2024	31 دسمبر 2023	نمو
ڈیپازٹس	209,109	204,460	2.3%
کل اثاثہ جات	307,344	267,000	15%
سرمایہ کاری۔ خالص	146,596	132,544	11%
اسلامی فنانسنگ۔ خالص	119,353	89,347	34%
حصص یافتگان کی ایکویٹی (سرمایہ) بشمول تخمینہ نو	25,946	22,036	18%
نفع و نقصان کا اکاؤنٹ	جنوری۔ دسمبر 2024	جنوری۔ دسمبر 2023	نمو
آپریٹنگ (کاروباری) آمدنی	19,911	18,921	5%
آپریٹنگ (کاروباری) ودیگر اخراجات	10,259	7,649	34%
کریڈٹ لاس الاؤنس اور رائٹ آف۔ خالص	(543)	(704)	-77%
نفع قبل از ٹیکس	9,109	10,568	-14%
نفع بعد از ٹیکس	4,239	5,153	-18%
بنیادی/تحلیل شدہ نفع فی شیئر (حصص) روپے	2.726	3.314	-18%

کارکردگی کا جائزہ:

پاکستان کی بینکنگ کے شعبے نے موسمیاتی تبدیلیوں سے جڑی لاگتوں، معاشی جمود اور سیاسی عدم استحکام جیسے چیلنجز کے باوجود، مضبوط ترقی اور شاندار کارکردگی کا مظاہرہ کیا ہے۔

اس تیزی سے بدلتے ماحول میں ہمارے بینک نے پائیدار نمو، نیٹ ورک اور کاروباری مقداریت میں وسعت اور ٹیکنالوجی میں سرمایہ کاری پر خصوصی توجہ مرکوز رکھی۔ ڈیپازٹس کے حصول میں مثبت رویے، سرمایہ کاری کے بروقت فیصلوں اور دانشمندانہ مالیاتی طریقہ کار پر عملدرآمد کے ذریعے، ہم اس معاشی منظر نامے میں اپنا سفر جاری رکھے ہوئے ہیں۔ ایک مضبوط انتظامی ڈھانچے، خدشات کے تدارک کے توانا نظام اور کڑی ضوابطی تعلیمات کی مدد سے بینک نے الحمد للہ، 31 دسمبر 2024ء کو اختتام پذیر سال کے لیے 9.11 ملین روپے کا قابل رہنمائی منافع قبل از ٹیکس حاصل کیا۔

31 دسمبر 2024ء تک بینک کے ڈیپازٹس سال 2023ء کے 204.46 ملین روپے کے حجم کی نسبت بڑھتے ہوئے 209.11 ملین روپے پر پہنچ گئے۔ کرنٹ اور سیونگ اکاؤنٹ (کاسا) کی ترکیب 79 فیصد کی مضبوط شرح پر درج ہوئی۔ جبکہ، غیر پیداواری ڈیپازٹس کل شرح کے 31 فیصد پر جا پہنچے۔ بینکاری سے محروم صارفین کو اسلامی بینکاری کی متنوع مصنوعات کو، انکا اعلیٰ معیار برقرار رکھتے ہوئے، فراہم کرنے کے بارے میں ہمارا عزم غیر متزلزل ہے۔

کل اثاثہ جات سال کے اختتام تک 2023ء کے 267 بلین روپے کے حجم کے مقابلے میں 15 فیصد کے اضافے کے ساتھ 307.34 بلین روپے پر درج ہوئے۔ خالص قرضہ جات، دانشمندانہ مالیاتی انتظام کے اظہار کے ساتھ 89.35 بلین روپے سے بڑھ کر 119.35 بلین روپے پر پہنچ گئے، جبکہ، سرمایہ کاری کا حجم 140.60 بلین روپے رہا۔

بینک کے سرمائے کی معقولیت کی شرح 3.30 فیصد پوائنٹس کے اضافے کے ساتھ 20.49 فیصد پر بند ہوئی۔ ہماری انتظامیہ سرمائے کے موزوں انتظام، اثاثہ جات کے بہترین معیار اور بلند شرح آمدنی کے حامل پورٹ فولیو پر اپنی توجہ برقرار رکھے ہوئے ہے۔

بینک نے گزشتہ سال سے 5 فیصد کے اضافے کے ساتھ 19.91 بلین روپے کی کاروباری آمدنی حاصل کی جس کے باعث پیداواری اثاثہ جات کی آمدنی کی شرح 17.52 فیصد رہی اور خالص سپریڈ کی شرح 6.80 فیصد پر درج کی گئی۔ تاہم کاروباری مقداریت میں اضافے، برانچ نیٹ ورک میں نمایاں فروغ اور انتظامی ڈھانچے میں قابل ذکر سرمایہ کاری کے باعث کاروباری اور دیگر اخراجات میں 34 فیصد کا اضافہ ہوا۔ پائیدار منافع کو یقینی بنانے کے لیے اس اضافے کی، موثر انتظامی کنٹرول کے ذریعے کڑی نگرانی کی جاتی ہے۔

بینک نے گزشتہ سال کے 5.15 بلین روپے حجم سے معمولی کمی کے ساتھ 4.24 بلین روپے کا منافع بعد از ٹیکس رپورٹ کیا۔ فی حصص آمدنی بعد از ٹیکس سال 2023ء کی 3.31 روپے کی سطح سے کم ہوتے ہوئے 2.73 روپے فی حصص پر رہی۔

اس سال کے دوران معزز لاہور ہائیکورٹ کی جانب سے منظور کردہ سمجھوتوں اور تعمیر نو کی اسکیم تحت ایم سی بی بینک لمیٹڈ سے 39 برانچوں کے حصول کا نمایاں سنگ میل بھی عبور کیا گیا۔ عدالت کے حکم کے تحت ان برانچوں کے بینکنگ کے کاروبار، بشمول اثاثہ جات، واجبات اور آپریشنز کو اسلامی بینکنگ برانچوں میں منتقل کیا گیا اور 15 نومبر 2024 سے موثر، ہمارے بینک میں ٹرانسفر کیا گیا۔

کریڈٹ ریٹنگ:

پاکستان کریڈیٹ ریٹنگ ایجنسی (پاکرا) نے، مستحکم پیش بینی کے ساتھ، بینک کی درمیانی سے طویل المدت کی ریٹنگ کو اے A سے بہتر بناتے ہوئے اسے اے پلس A+ اور قلیل المدت کی ریٹنگ کو اے ون A1) کی سطح پر برقرار رکھا ہے۔

معاشی جائزہ:

عالمی معاشی منظر نامے خود کو درپیش چیلنجز کے باوجود، جون سے اب تک معمولی بہتری کے ساتھ، استحکام کا مظاہرہ کر رہا ہے۔ قرضوں کے بلند دباؤ، غیر یقینی پالیسوں، موسم سے متعلق خدشات، جغرافیائی تنازعات، خاص طور پر مشرق وسطیٰ میں، اور عالمی تجارتی تعطل جیسے اہم خدشات تشویش کا باعث بنے ہوئے ہیں۔ بڑی معیشتوں میں قابل ذکر سست روی کو رونما کیے بغیر افراط زر کے دباؤ میں کمی دیکھی جا رہی ہے۔ جس سے مالیاتی پالیسی میں آسانی کی وسیع بنیاد تبدیلی کی راہ ہموار ہوئی ہے۔ عالمی مالیاتی فنڈ (آئی ایم ایف) نے عالمی افراط زر کی شرح میں کمی کی توقع کرتے ہوئے سال 2023ء کے لیے 6.7 فیصد اور سال 2024ء کے لیے 5.7 فیصد پر تجویز کیا ہے۔ تاہم، یہ اقتصادی نمو، تعمیر پذیری کے تسلسل کے اثرات کو، خاص طور پر کمزور معیشتوں میں، کئی طور پر زائل کرنے سے قاصر رہی ہے۔ ان مشکلات کے باوجود عالمی بینکاری کے شعبے، اس بہتر ہوتے مالیاتی صورتحال سے مستفید ہوتے ہوئے، استحکام کو برقرار رکھے ہوئے ہیں۔ آئی ایم ایف اور عالمی بینک نے عالمی معاشی نمو کا تخمینہ سال 2024ء کے لیے بالترتیب 3.2 فیصد (سال 2023ء - 3.3 فیصد) اور 2.7 فیصد (سال 2023ء - 2.7 فیصد) پر اندازہ کیا ہے جو کہ مستحکم مگر معمولی وسعت کے نمونے کی عکاس ہے۔ داخلی معیشت کو موضوع بحث بناتے ہوئے، پاکستان میں مالی سال 2025ء کی پہلی ششماہی میں مستحکم شرح تبادلہ، گرتے افراط زر اور مثبت حقیقی انٹرسٹ ریٹ کے ساتھ پاکستان میں ایک مثبت تحریک دیکھی گئی۔ آئی ایم ایف کی جانب سے 7 بلین امریکی ڈالرز کی ایکسیڈیٹڈ فنڈ فیسیلیٹی کی منظوری

رسک مینجمنٹ اینڈ پورٹ فولیو رپورٹ کی ایک ذیلی کمیٹی ہے کریڈٹ، مارکیٹ، آپریشنل اور فراڈ کے خدشات کے بارے رہنمائی کے اصول وضع کرتی ہے۔ بینک چیلنجز کا سامنا کرنے کے لیے خدشات کو برداشت و جذب کرنے اور اس بدلتے کاروباری ماحول سے موثر طور پر نمٹنے کی اپنی صلاحیت کے بارے میں پر اعتماد ہے۔

مارکیٹ رسکو کا انتظام، باز (BASEL) کے تناسب، سرمائے کی معقولیت کی داخلی جانچ، طرز عمل کے مطالعہ اور اسٹریٹجی ٹیسٹنگ کے ذریعے کیا جاتا ہے۔ بینک، عالمی مالیاتی رپورٹنگ اسٹینڈرڈ نمبر 9 کے نفاذ کے لیے اسٹیٹ بینک آف پاکستان کی جاری کردہ ہدایات کی مکمل تعمیل کو یقینی بنانے کے لیے مستعدی سے گامزن ہے۔

ہمارے اثاثہ جات و واجبات کے انتظام، سیالیت کی حکمت عملی اور کونٹینجی (Contingency) فنڈنگ پلان بروقت سیالیت کو یقینی بناتے ہوئے منافع میں اپنی شراکت کا کردار ادا کرتے ہیں۔ ایسٹ لیبیلیٹی کمیٹی (Asset Liability Committee) اثاثہ جات اور واجبات کے انتظام کی نگرانی کرتی ہے۔ کاروباری خدشات کا، ڈیٹا کو اکٹھے کرنے کے جامع نظام جس میں کاروباری نقصانات، حالیہ ضائع کیے گئے مواقع، کنٹرول میں ہونے والی کوتاہیوں اور خدشات پر قابو پانے کی مشقیں شامل ہیں، کے ذریعے تدارک کیا جاتا ہے۔ کاروبار کو جاری رکھنے اور کسی بھی مشکل و تباہی سے بچنے کے منصوبوں کی تواتر سے جانچ کی جاتی ہے اور بڑھتے خدشات سے آگاہی پر خصوصی توجہ کے لیے اسٹاف کی ٹریننگ کا اہتمام بھی اس کے ساتھ دیکھا جاتا ہے۔

فراڈ کے خدشات کے پیش قدم تدارک کے لیے ایک ڈیپارٹمنٹ مختص ہے جس میں ایک 24/7 فراڈ ڈیکشن یونٹ (Fraud Detection Unit) شامل ہے تاکہ ڈیجیٹل بینکنگ کے لین دین کی نگرانی کی جاسکے۔ آئی ٹی سکیورٹی کے خدشات کا تدارک خود کار نظام، خدشات کی باقاعدہ تشخیص، رسائی کے جائزے اور ایک سکیورٹی آپریشنز سینٹر، جو 24/7 کام کرتا ہے، کے ذریعے کیا جاتا ہے۔

شریعہ کی عدم تعمیلات کے خدشات کا انتظام شریعہ بورڈ، شریعہ کمپلائنس کے ڈیپارٹمنٹ، شریعہ آڈٹ ڈیپارٹمنٹ اور شریعہ نا انکوائرنس رسک مینجمنٹ کمیٹی کی مختص شدہ نگرانی کے ذریعے کیا جاتا ہے تاکہ شرعی اصولوں سے مکمل ہم آہنگی کو یقینی بنایا جاسکے۔

انٹرئل کنٹرول (اندرونی انضباط) کا بیانیہ:

بورڈ، اندرونی انضباط سے متعلق انتظامیہ کے بیانیہ بشمول فنانشل رپورٹنگ پرائزنل کنٹرول کے جائزے (آئی سی ایف آر ICFR) کی مکمل توثیق کرتا ہے۔ انتظامیہ کے اندرونی انضباط کا تفصیلی بیانیہ سالانہ رپورٹ میں شامل ہے۔

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017ء کے سیکشن 227 کے تحت بیانیہ:

بورڈ آف ڈائریکٹرز اس امر کو یقینی بنانے کے لیے مکمل پرعزم ہیں کہ سکیورٹی اینڈ ایکسیجنگ کمیشن آف پاکستان کی جانب سے وضع کردہ کارپوریٹ گورننس کے مطلوبات کو مکمل طور پر پورا کیا جائے۔ بینک نے گورننس کے بہترین اصولوں کو اختیار کیا ہے اور ڈائریکٹرز نہایت مسرت سے مندرجہ ذیل بیان کرتے ہیں:

- فنانشل اسٹیمنس بینک کے معاملات، کارکردگی، نقدی کے بہاؤ (کیش فلو) اور ایکویٹی میں تبدیلیوں کا نہایت درستگی سے اظہار کرتی ہیں۔
- بینک کے اکاؤنٹس کی مکمل دستاویزات بھرپور تہی اور توجہ سے تیار کی گئی ہیں۔
- فنانشل اسٹیمنس کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کا یکساں اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے موزوں اور محتاط اندازوں پر مبنی ہیں۔
- فنانشل اسٹیمنس کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز کو مد نظر رکھا گیا ہے اور اس سے کسی بھی انحراف کو وضاحت کے ساتھ بیان کیا گیا ہے۔

اور ورلڈ بینک گروپ کی جانب سے 14 جنوری 2025ء کو 10 سالہ کنٹری پارٹنرشپ فریم ورک کا اعلان پاکستان کے معاشی رُخ پر بین الاقوامی اعتماد کا اظہار ہے۔ سرمایہ کاروں کے اعتماد میں مضبوطی کا عنصر بھی برقرار ہے جس کی عکاسی پاکستان اسٹاک ایکسچینج میں دسمبر 2023ء سے اب تک 84 فیصد کی بڑھوتی سے ہوتا ہے۔ مزید برآں، غیر ملکی زرمبادلہ کے ذخائر میں اضافے، کرنٹ اکاؤنٹ میں سرپلس اور نجی شعبے میں قرض کے حصول میں اضافے کے رجحان سے معاشی استحکام کو مزید مضبوطی اور تقویت حاصل ہوئی ہے۔ آئی ایم ایف نے، مالی سال 2024ء کے لیے جی ڈی پی کی نمو کی شرح 2.5 فیصد پر تجویز کی ہے جو کہ مالی سال 2023ء میں درج شدہ منفی 0.2 فیصد کی شرح سے قابل ذکر بحالی کا مظہر ہے۔

دسمبر 2024ء کے دوران، صارف قیمتوں کے قومی جدول (کنزیومر پرائس انڈیکس) میں نمایاں کمی دیکھی گئی۔ جو کہ دسمبر 2023ء کی 29.7 فیصد کی شرح کی نسبت، سال بہ سال کی بنیاد پر، کمی کا اندراج کرتے ہوئے 4.1 فیصد کی شرح پر ریکارڈ ہوا۔ اس تیز ترین کمی میں اشیاء خورد و نوش کی قیمتوں میں کمی اور تیل کی عالمی قیمتوں کے مثبت رجحان کا بنیادی کردار رہا۔

اسٹیٹ بینک آف پاکستان نے مزید مستحکم افراط زر کی پیش بینی کو ظاہر کرتے ہوئے مالی سال 2025ء کے لیے سرخیلی افراط زر کی شرح کی اوسط 5.5 فیصد سے 7.5 فیصد کی حد میں رہنے کی توقع کی ہے۔ اس کے رد عمل کے طور پر جون 2024ء سے جنوری 2025ء کے دوران، اسٹیٹ بینک آف پاکستان نے مالیاتی آسانی کے نمایاں اقدامات اٹھاتے ہوئے پالیسی ریٹ میں 1000 بیس پوائنٹس کی کمی کرتے ہوئے اس کی شرح کو 12 فیصد پر مقرر کیا ہے۔ جو کہ ایک مفاہمانہ مالیاتی بیانیہ کی طرف منتقلی کے رجحان کی جانب اشارہ کرتا ہے۔

اکتوبر 2024ء میں بڑے پیمانے کی پیداواری صنعت میں، اکتوبر 2023ء میں درج شدہ 5.79 فیصد کے سکڑاؤ سے نمایاں بہتری کے ساتھ، سال بہ سال کی بنیاد پر، 0.02 فیصد کی معمولی نمو ریکارڈ ہوئی۔ کرنٹ اکاؤنٹ کا توازن، مالی سال 2025ء کے جولائی تا دسمبر کی مدت میں گزشتہ سال کے مماثلٹی عرصہ کے حاصل شدہ 1.4 بلین امریکی ڈالر کے خسارے کے مقابلے میں 1.21 بلین امریکی ڈالر کے سرپلس پر درج ہوا۔ برآمدات 7.2 فیصد کے اضافے کے ساتھ 16.23 بلین امریکی ڈالر پر پہنچ گئیں۔ جبکہ درآمدات میں 9.3 فیصد کا اضافہ ہوا۔ جس کے باعث تجارتی خسارہ 11.51 بلین امریکی ڈالر تک شمار ہوا۔ افرادی ترسیلات زر 32.8 فیصد کے اضافے کے ساتھ 17.8 بلین امریکی ڈالر پر جا پہنچیں جس سے بیرونی اکاؤنٹ کو مزید استحکام حاصل ہوا۔ 31 دسمبر 2024 تک غیر ملکی زرمبادلہ کے ذخائر 15.93 بلین امریکی ڈالر پر درج ہوئے۔ سرمایہ کاروں کے اعتماد میں بہتری کے رجحان کو ظاہر کرتے ہوئے کے ایس ای 100 - انڈیکس دسمبر 2023ء سے 52,676 پوائنٹس کے اضافے کے اندراج کے ساتھ 115,127 پوائنٹس پر بند ہوا۔ اسلامی بینکاری کی صنعت نے سال 2024ء کی پہلی ششماہی میں گُل اثاثہ جات میں 695 بلین روپے کے اضافے اور ڈیپازٹس میں 614 بلین روپے کی بڑھوتی کے ساتھ، قابل قدر نمو کا مظاہرہ کیا۔ جس کے نتیجے میں گُل اثاثہ جات، اس مدت میں 7.7 فیصد کی نمو ظاہر کرتے ہوئے 9,689 بلین روپے پر جا پہنچے اور اس طرح مارکیٹ کا 18.8 فیصد حصہ حاصل کیا۔ ڈیپازٹس کا گُل حجم 7,363 بلین روپے رہا جو کہ مارکیٹ کے 22.7 فیصد حصے اور 9.1 فیصد کی نمو کو ظاہر کرتا ہے۔ مزید برآں، جون 2024ء کے اختتام پر برانچ نیٹ ورک 5,196 تک وسیع ہو گئی۔ جس سے صنعت کے پھیلاؤ اور مالی شمولیت کو مزید تقویت حاصل ہوئی۔

خدشات کا انتظام (رسک مینجمنٹ)

بینک کے خدشات کے انتظام کا فریم ورک؛ گورننس، انتظامی ڈھانچے، پالیسیوں اور طریقہ کار، خدشات کی تخصیص کے طریقہ کار، سسٹمز (نظام)، خطرات و خدشات کے فوری اور جلد انتباہ کے نظام اور رپورٹنگ میکانزم کا احاطہ کرتا ہے۔ بورڈ کی حکمت عملی سے مکمل ہم آہنگ، ایک خود مختار اور آزاد رسک مینجمنٹ فنکشن، بین الاقوامی بہترین پریکٹس اور اسٹیٹ بینک آف پاکستان کے فراہم کردہ رہنمائی کے اصولوں پر عمل پیرا ہو کر تمام خدشات کے تعین، تجزیے، تدارک اور انکی نگرانی کے عمل کو یقینی بناتا ہے۔

آڈیٹرز:

بینک کے ریٹائر ہونے والے آڈیٹرز میسرز اے۔ ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس جو کہ دوبارہ تعیناتی کے اہل ہیں، نے اگلی مدت کے لیے بھی اپنی دستیابی اور رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی کی سفارشات کے مطابق، بورڈ، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو 31 دسمبر 2025ء کو اختتام پذیر سال کے لیے قانونی (Statutory) آڈیٹرز کے طور پر بھی دوبارہ تعیناتی کی منظوری دیتا ہے۔

مستقبل کی پیش بینی:

سال 2024ء میں، عالمی معیشت نے دنیا بھر میں افراط زر میں کمی، جس کی رفتار اگرچہ قدرے ناہموار رہی، کے ساتھ بھرپور چلک کا مظاہرہ کیا۔ جبکہ ترقی یافتہ معیشتیں افراط زر کے اپنے معین کردہ ہدف کی سطح کے قریب پہنچ رہی ہیں اور دیگر متعدد ابھرتی منڈیوں اور ترقی پذیر معیشتوں (ای ایم ڈی ایز) کو افراط زر کے دباؤ کا مسلسل سامنا ہے۔ تاہم، منفی خدشات بھی اپنی جگہ برقرار ہیں، جن میں پالیسی کی بڑھتی غیر یقینی، تجارتی پالیسیوں میں تبدیلی، بڑھتے جغرافیائی و سیاسی تنازعات، افراط زر کے مسلسل دباؤ اور موسمیاتی تبدیلی سے متعلقہ چیلنجز شامل ہیں۔ یہ خدشات، خاص طور پر کم آمدنی والی معیشتوں کے لیے زیادہ خطرے کا باعث ہیں۔ ان خدشات کا سامنا کرنے کے لیے عالمی اور قومی سطح پر فیصلہ کن پالیسی اقدامات کی ضرورت ہوگی۔ جن میں تجارت کے تحفظ، قرضہ جات کے دباؤ کے تدارک اور انسانی سرمائے اور انتظامی ڈھانچے میں سرمایہ کاری کے فروغ جیسے عوامل پر خصوصی توجہ مرکوز ہو۔ آئی ایم ایف نے عالمی سرخیلی افراط زر کی شرح سال 2024ء کی 5.7 فیصد کی سطح سے کمی کے ساتھ سال 2025ء کے لیے 4.2 فیصد پر تخمینہ کی ہے۔ دریں اثناء، آئی ایم ایف اور عالمی بینک کی جانب سے سال 2025ء میں عالمی پیش بینی کی شرح بالترتیب 3.3 فیصد (سال 2024: 3.2 فیصد) اور 2.7 فیصد (سال 2024: 2.7 فیصد) پر توقع کی گئی ہے جو کہ معتدل مگر مستحکم معاشی وسعت کا مظہر ہے۔

پاکستان کی معیشت کی پیش بینی میں محتاط طور پر مثبت رجحان برقرار ہے جس کا دارومدار نمایاں ڈھانچہ جاتی چیلنجز کے بروقت حل پر مبنی ہے۔ گرتا افراط زر، صنعتی ترقی اور کاروبار کے فروغ کا باعث بن سکتا ہے۔ جبکہ، معاشی غیر یقینی میں کمی کاروبار اور سرمایہ کاروں کی اعتماد سازی میں اضافے کی غماز ہے۔ جس کی بدولت سرمایہ کاری کے بہاؤ میں بڑھوتی ہوگی۔ تاہم، کلاں معاشی اشاریوں میں جاری استحکام کے باوجود، مالیاتی اور انضباطی پالیسیوں کو منظم اور دانشمندانہ رخ پر رکھنے کی توقع ہے۔ حکومت کے اقدامات، جدیدیت اور منفرد زرعی پریکٹسز کے ذریعے اپنے کسانوں کو مدد فراہم کرنے میں اضافے کے مقصد سے مزین ہیں۔ اگرچہ، موسمی خدشات بھی اپنی جگہ پر برقرار ہیں۔ توانائی کے شعبے میں جامع اصلاحات، سرکاری ملکیتی ادارے اور موسمیاتی تبدیلی کا تدارک، پائیدار اور طویل المدت معاشی استحکام کے لیے ناگزیر ہے۔ آئی ایم ایف نے، پاکستان کی جی ڈی پی کی نمو کی شرح سال 2024ء کی 2.5 فیصد کی سطح سے بتدریج بحالی ظاہر کرتے ہوئے سال 2025ء کے لیے 3.0 فیصد پر تجویز کی ہے۔

بینکاری کا شعبہ، بڑھتے خطرات سے نبرد آزما ہے۔ خاص طور پر کریڈٹ آپریشنز اور سائبر سیکورٹی کے حوالے سے، جو کہ ڈیجیٹل مالیاتی خدمات میں ہونے والی تیز ترین ترقی کا شاخصانہ ہے۔ ان خدشات سے نمٹنے کے لیے اس شعبے کو اپنے اسٹریٹجک رسک مینجمنٹ کو مضبوط اور پیش قدم نقطہ نظر اختیار کرنے کی ضرورت ہے۔ ان ارتقائی خطرات کی مطابقت میں اسٹیٹ بینک آف پاکستان نے حال ہی میں نفع و نقصان کی تقسیم اور پول مینجمنٹ کے بارے اپنی رہنمائی کے اصولوں پر نظر ثانی کی ہے۔ اس ترمیم شدہ ہدایت کی روشنی میں اسلامی بینکوں کو اپنے پاکستانی روپے کے سیونگ ڈیپازٹس پر 75 فیصد کاکم از کم منافع ادا کرنے کی پابندی عائد کی گئی ہے (ماسوائے مالیاتی اداروں، حکومتی ملکیتی اداروں اور پبلک لمیٹڈ کمپنیوں کے) جو کہ تمام پول کی کل آمدنی کی ویٹید اوسط (Weighted Average) سے متعلقہ ہیں۔ جہاں یہ تبدیلیاں شفافیت میں بہتری اور مارکیٹ میں اپنی کارکردگی کے ذریعے ڈیپازٹرز کی آمدنی میں اچھی ہم آہنگی پیدا کرنے کا مقصد رکھتی ہیں، وہیں یہ اسلاک بینکنگ کے شعبے میں قلیل مدتی منافع کے خدشات کا باعث بھی ہیں۔

- کارپوریٹ گورننس کے بہترین معیار اور ضابطہ عمل سے کوئی قابل ذکر انحراف نہیں کیا گیا ہے۔
- بطور ادارہ بینک کے کام جاری رکھنے کی اہلیت میں کسی شک و شبہ کی گنجائش نہیں ہے۔
- 847.73 ملین روپے کا منافع سال 2024ء کے قانونی (statutory) ریزرو میں منتقل کیا گیا ہے۔
- اندرونی انضباط کا نظام مضبوط خدوخال پر استوار کیا گیا ہے اور نہایت موثر انداز میں نافذ اور جانچا جاتا ہے۔
- 31 دسمبر 2024ء تک ایم سی بی بینک لمیٹڈ (ملکیتی کمپنی) کے پاس 1,554,999,993 حصص، جبکہ نان ایگزیکٹو ڈائریکٹرز کی ملکیت میں فی کس کے حساب سے 7 حصص رہے۔
- کوڈ آف کارپوریٹ گورننس کی تعمیلات کا بیانیہ سالانہ رپورٹ میں شامل ہے۔
- بورڈ کی تشکیل کارپوریٹ گورننس کے سیکشن میں درج کی گئی ہے۔
- بورڈ کی کمیٹیوں اور اسکے دائرہ کار و اختیار کو علیحدہ طور پر تحریر کیا گیا ہے۔
- بورڈ اور کمیٹی کے منعقد شدہ اجلاسوں بشمول ہر ڈائریکٹر کی شرکت کی تفصیل کو سالانہ رپورٹ کے کارپوریٹ گورننس کے سیکشن میں تحریر کیا گیا ہے۔
- ایسے اشخاص جو مالی سال کے دوران کسی بھی مدت کے لیے بینک کے ڈائریکٹر رہے ہیں، انکی تفصیل کو کارپوریٹ گورننس کے سیکشن میں تحریر کیا گیا ہے۔
- چیئرمین، پریزیڈنٹ/چیف ایگزیکٹو آفیسر (سی ای او) اور نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کے معاوضہ کی تفصیل نوٹ 39 میں مہیا کی گئی ہے۔
- نان ایگزیکٹو ڈائریکٹرز تمام اجلاسوں میں شرکت کے عوض نہایت معقول اور مناسب معاوضہ وصول کرتے ہیں تاکہ انکی آزاد حیثیت کو یقینی بنایا جاسکے۔
- ایسے ڈائریکٹر جو کسی اجلاس میں شرکت نہیں کرتے انکو کسی معاوضے کی ادائیگی نہیں کی جاتی اور سرکولیشن کے ذریعے منظور کی گئی قراردادوں کے لیے بھی کوئی معاوضہ ادا نہیں کیا جاتا۔
- ڈائریکٹرز کے ٹریننگ پروگرام کی تفصیل، کوڈ آف کارپوریٹ گورننس کی تعمیلات کے بیانیہ میں درج کی گئی ہے۔
- گزشتہ 5 سال کا نمایاں کاروباری اور مالیاتی ڈیٹا سالانہ رپورٹ میں پیش کیا گیا ہے۔
- 31 دسمبر 2024ء تک پروویڈینٹ فنڈ کی سرمایہ کاری کی قدر بطابق غیر آڈیٹڈ اکاؤنٹس 854.7 ملین روپے رہی۔
- بینک کے ذمہ کسی طرح کا کوئی ٹیکس/محصول، ڈیوٹی یا اس سے متعلقہ دیگر اخراجات واجب الادا نہیں ہیں۔

خیراتی فنڈز کا انتظام:

خیرات معاشرے کی ترقی و بود و باش کے فروغ میں بنیادی ستون کی حیثیت کی حامل ہے اور بینک بلا واسطہ یا بلا واسطہ دونوں طریقوں سے احسان کے اصول سے مکمل ہم آہنگی کے ساتھ اس عزم کا اعادہ کرتا ہے کہ معاشرے میں اس امر کو تقویت حاصل ہو۔

نظام کے غلط استعمال سے بچنے کی خاطر صارفین کو تاخیر سے ادائیگیاں کرنے کی صورت میں ایک خیراتی اکاؤنٹ میں مالی شمولیت اختیار کرنا پڑتی ہے۔ مزید برآں، شریعہ آڈٹ کے دوران، اگر کسی ایسی ٹرانزیکشن کی نشاندہی ہو جائے جو کہ مروجہ شریعہ کمپلائنس کے اصولوں سے ہٹ کر کی گئی ہو یا متصادم ہو تو ایسی ٹرانزیکشنز سے حاصل ہونے والی تمام آمدنی خیراتی اکاؤنٹ میں منتقل کر دی جاتی ہے۔ سال 2024ء کے دوران، صارفین کی جانب سے، 21.5 ملین روپے کی خیرات رقم خیراتی اکاؤنٹ سے مختلف خیراتی اداروں کو انکی مدد کے لیے منتقل کی گئی۔ جیسا کہ فنانشل اسٹیٹمنٹس کے نوٹ نمبر 21.2 میں واضح کیا گیا ہے۔

بینک کے حصص کی ٹریڈنگ / کاروبار:

بینک فی الوقت ایک غیر لسٹڈ ادارہ ہے۔ لہذا اس کے ڈائریکٹرز، عہدہ داران اور ان کے شریک حیات اور نابالغ بچوں میں سے کسی نے بھی سال 2024ء کے دوران شیئرز کی خرید و فروخت سے متعلق کوئی لین دین نہیں کیا۔

آنے والے چیلنجز کے باوجود، ہم پائیدار نمو کے حصول کے اپنے عزم پر کاربند ہیں۔ ہماری حکمت عملی کا محور مؤثر لاگت کے ڈیپازٹس کے حصول، اثاثہ جات کے انتظام میں موزونیت اور اپنی ڈیجیٹل ہیٹ سازی کے عمل میں تیزی کے ذریعے، اپنے منافع کو بڑھانے پر ہے۔ ہم، ایک مضبوط آئی ٹی ڈھانچے، اپنے ملازمین کے اطمینان کو فوقیت اور اعلیٰ ترین پیمانے کی انتظامی سرگرمیوں کو اختیار کرنے میں مسلسل سرمایہ کاری کر رہے ہیں۔ ایک دوراندیش نقطہ نظر کے ساتھ ہم، اس ارتقاء پذیر بینکنگ کے منظر نامے سے نبرد آزما ہونے کے لیے سرکردہ پوزیشن کو برقرار رکھنے اور اپنی مسلسل محنت کے ساتھ مکمل طور پر مزین اور پر عزم ہیں۔

تسلیم و تحسین:

بورڈ آف ڈائریکٹرز اور مینجمنٹ کی جانب سے ہم اپنے معزز صارفین، قابل احترام کاروباری شراکت داروں اور سرگرم شینر ہولڈرز کا اسے مسلسل اعتماد اور تعاون پر تہ دل سے مشکور ہیں۔ ہم اسٹیٹ بینک آف پاکستان، سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان، دیگر انضباطی اداروں اور شریعہ بورڈ کی جاری معاونت اور رہنمائی کی بھی حوصلہ افزائی کرتے ہیں۔ علاوہ ازیں، ہم اپنے ملازمین کی خدمات کا پُر خلوص اعتراف کرتے ہیں جنکی ان تھک محنت اور عزم کی بدولت ادارے نے مشکل کاروباری ماحول میں بھی شاندار ترقی کی ہے۔

منجانب و برائے بورڈ آف ڈائریکٹرز:

محمد طاہر

ضرغام خان درانی
پریزیڈنٹ / اسی ای او

4 فروری 2025

رضا منشاء

چیرمین

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FINANCIAL SUMMARY

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FINANCIAL DATA	Rupees in thousands			Rupees in thousands						
STATEMENT OF FINANCIAL POSTION										
Total assets - net	307,343,628	266,999,705	199,039,573	161,267,393	141,170,886	105,017,261	94,894,435	51,745,997	28,564,193	26,887,541
Cash and balances with treasury banks	18,114,511	19,529,055	13,906,238	11,309,285	9,872,197	10,252,547	6,990,369	3,390,753	1,509,804	698,123
Balances with other banks	962,093	2,803,425	1,238,320	3,696,073	4,996,602	8,822,985	1,422,701	2,703,251	2,750,998	6,347,459
Due from financial institutions	2,000,000	2,500,000	6,170,000	1,650,000	828,790	5,851,664	4,675,000	1,400,000	-	-
Investments - net	146,596,201	132,544,302	72,668,657	33,475,816	27,617,997	16,309,800	12,713,954	9,186,213	5,769,675	5,995,470
Islamic financing and related assets - net	119,353,143	89,347,415	90,301,709	96,308,562	84,896,191	51,309,967	62,907,204	31,472,935	16,172,727	12,473,797
Operating fixed assets and others	20,317,680	20,275,508	14,754,649	14,827,657	12,959,109	12,470,298	6,185,207	3,752,376	2,404,803	1,372,692
Total liabilities - net	281,397,622	244,963,453	182,692,691	150,662,838	130,443,114	94,550,460	84,824,921	42,115,218	18,298,320	16,904,789
Bills payable	11,594,493	2,175,473	3,737,482	1,896,801	2,470,821	973,627	1,303,992	314,210	447,776	89,864
Due to financial institutions	48,422,293	25,813,546	14,670,759	16,472,906	20,596,773	4,127,526	7,800,628	7,926,790	2,785,650	631,520
Deposits and other accounts	209,108,581	204,460,158	154,001,460	122,747,778	99,253,161	81,853,511	73,307,185	32,690,808	14,279,436	9,450,072
Other liabilities	12,272,255	12,514,276	10,282,990	9,545,353	8,122,359	7,595,796	2,413,116	1,183,410	744,934	6,733,333
Net assets	25,946,006	22,036,252	16,346,882	10,604,555	10,727,772	10,466,801	10,069,514	9,630,779	10,265,873	9,982,752
Share capital	15,550,000	15,550,000	15,550,000	11,550,000	11,550,000	11,550,000	11,200,000	10,000,000	10,000,000	10,000,000
Shareholders' equity	24,428,277	21,101,608	15,946,052	10,356,191	10,254,456	10,044,475	9,937,242	9,832,379	10,094,531	10,014,614
PROFIT AND LOSS ACCOUNT										
Profit / return earned	45,874,654	35,942,266	18,553,458	9,202,716	9,616,051	9,848,819	4,208,875	2,060,927	1,526,778	376,295
Profit / return expensed	27,934,135	18,758,603	10,031,975	5,008,845	5,280,989	5,855,061	2,304,950	1,005,671	576,544	101,057
Net spread earned	17,940,519	17,183,663	8,521,483	4,193,871	4,335,062	3,993,758	1,903,925	1,055,256	950,234	275,238
Fee and commission income	955,789	741,288	508,147	408,113	331,002	294,491	162,245	46,325	34,678	9,874
Dividend income and gain / (loss) on sale of securities - net	304,582	31,107	28,946	71,199	47,703	(34,600)	75,769	352,356	196,172	10,439
Income from dealing in foreign currencies	418,991	735,118	429,289	113,571	209,888	63,685	148,228	29,846	17,322	3,968
Other income	290,716	229,820	153,235	200,473	161,322	19,743	13,020	10,483	10,992	787
Total income	19,910,597	18,920,996	9,389,904	4,393,291	5,099,251	4,337,077	2,303,187	1,494,266	1,209,398	300,306
Operating and other expenses	10,259,275	7,649,451	6,046,215	4,815,361	4,690,902	4,503,022	3,087,754	1,845,247	1,189,562	202,774
Profit / (loss) before provisions	9,651,322	11,271,545	3,343,689	(422,070)	408,349	(165,945)	(784,567)	(350,981)	19,836	97,532
Provision / (reversal of provision)	542,989	704,007	141,149	(647,121)	15,270	199,814	895,646	(54)	(94,137)	39,901
Profit / (loss) before taxation	9,108,333	10,567,538	3,202,540	225,051	393,079	(365,759)	(1,680,213)	(350,927)	113,973	57,631
Taxation	(4,869,661)	(5,414,203)	(1,654,411)	(124,619)	(184,763)	122,147	584,231	87,930	(34,056)	(5,324)
Profit / (loss) after taxation	4,238,672	5,153,335	1,548,129	100,432	208,316	(243,612)	(1,095,982)	(262,997)	79,917	52,307
OTHERS										
Imports	104,638,095	100,716,024	99,280,888	76,051,925	42,267,418	37,916,224	46,289,721	23,416,703	13,259,000	2,018,706
Exports	83,537,601	76,964,260	34,663,644	15,268,921	16,037,417	15,517,775	5,762,144	1,971,928	1,807,700	100,169
KEY RATIOS										
Capital adequacy ratio	20.49%	23.79%	20.41%	12.09%	12.01%	13.82%	13.19%	23.81%	39.74%	46.50%
Profit / (loss) before tax ratio	19.85%	29.40%	17.26%	2.45%	4.09%	-3.71%	-39.92%	-17.03%	7.46%	15.32%
Profit / (loss) after tax ratio	9.24%	14.34%	8.34%	1.09%	2.17%	-2.47%	-26.04%	-12.76%	5.23%	13.90%
Income / expense ratio	125.91%	144.10%	121.29%	108.92%	103.79%	96.54%	73.28%	87.69%	106.82%	116.77%
Return of average equity (ROE)	18.62%	27.70%	11.77%	0.97%	2.05%	-2.44%	-11.09%	-2.64%	0.79%	0.52%
Return of average assets (ROA)	1.48%	2.31%	0.86%	0.07%	0.17%	-0.24%	-1.49%	-0.65%	0.45%	0.77%
Return of average earning assets	17.52%	17.69%	11.62%	7.96%	9.83%	11.55%	6.70%	6.99%	6.79%	6.34%
Cost of deposit	11.10%	9.82%	6.53%	3.70%	4.82%	6.28%	3.37%	3.15%	3.34%	3.17%
Cost of fund	10.70%	9.18%	6.24%	3.84%	4.88%	6.39%	3.87%	3.60%	3.54%	3.26%
Gross Financing to Deposit ratio	58.63%	44.33%	59.02%	78.61%	85.60%	62.73%	85.83%	96.28%	113.27%	133.01%
Infection ratio	2.11%	2.16%	1.85%	0.73%	0.89%	0.74%	0.02%	0.00%	0.01%	0.01%
CASA to Deposit ratio	79.14%	74.07%	72.47%	74.50%	78.37%	76.86%	86.06%	79.19%	58.67%	60.68%
Book value per share including revaluation surplus	16.69	14.17	10.51	9.18	9.29	9.06	8.99	9.63	10.27	9.98
Basic / diluted earnings / (loss) per share after tax - Rupees	2.726	3.314	1.125	0.087	0.180	(0.211)	(0.987)	(0.263)	0.080	0.052
NON-FINANCIAL DATA										
No. of employees (excluding outsourced)	2,644	2,132	2,057	1,855	1,633	1,619	1,493	795	601	328
No. of financing customers (excluding staff)	6,932	6,821	7,318	7,147	5,746	5,351	1,953	179	71	31
No. of deposit accounts	483,486	386,235	334,933	313,446	290,535	281,307	280,977	48,492	31,250	22,498

Service Quality



We at MCB Islamic Bank are Shariah driven and conduct our activity in a fair, ethical and responsible manner. Our Bank's vision and mission statement revolves around providing quality services and superior value to our customers.

Ensuring the fair treatment of customers remains a top priority for the Bank, aligned with both Shariah principles and the guidelines set by the State Bank of Pakistan (SBP). Through employee training and customer awareness initiatives, the Bank aims to identify service gaps and drive ongoing improvements in this area.

To support this commitment, the Bank has implemented a comprehensive scorecard system at multiple levels, focusing on customer fairness and embedding service excellence into all customer-facing processes. These processes are consistently reviewed and enhanced using a well-established framework that leverages design thinking, process optimization, and performance measurement against defined benchmarks.

In pursuit of service excellence, the Service Quality Department works in close coordination with various departments to promote a culture of continuous improvement. This collaboration, facilitated through workshops, forums, and regular engagement, ensures that customer feedback is actively incorporated and that the principles of Service Excellence are upheld throughout the organization.

The Bank has a Service Quality Review Committee, chaired by the President & CEO along with senior management of the Bank to assess the branch network, phone banking and complaint management functions of the Bank. The committee offers supervision, direction and leadership to address and improve service delivery.

Fair Treatment of Customer (FTC) is also core function of Service Quality. Through FTC, we ensure that our customers enjoy a great degree of trust and confidence while dealing with MCB Islamic Bank. Our aim is to be recognised as a fair, honest and ethical Shari'ah Compliant Financial Institution and to nurture a culture of practicing fair treatment towards our customers to enable them to make the right decisions based on better financial knowledge. Service Quality is responsible for capturing customer experience through various service initiatives and improve bank's processes/policies in conjunction with industry norms and SBP requirements. By amassing and analysing all this information, we attempt to periodically improve our customer services which was done by revamping our Service Quality manual based on RATER model. This comprehensive approach aims to enhance SQ through strategic initiatives, ensuring our well rounded understanding and commitment to exceptional service delivery.

A dedicated specialized Complaint Management Unit is in place to resolve grievances of our valued consumers. All our customers have the option of registering their complaints and providing their feedback at any of our branches across the country, via 24/7 phone banking centre, website, letter/fax and email. Moreover the newly added complaint lodgement/feedback channels are Social Media, Internet Banking and Mobile App. We focus heavily on staff training and emphasize the importance of recording complaints through all available mediums in the Bank, mainly (but not limited to) ATM screens, website & through awareness SMS and emails; along with brochures available in our branches.

MCB Islamic Bank actively engages with stakeholders to ensure timely resolution of customer concerns and dissatisfaction. Dedicated departments are responsible for managing complaints, disputes, and fraud-related matters. The Complaint Management Unit within the Service Quality Department (SQD) handles and responds to inquiries and complaints received via info@mcbislamicbank.com and service.quality@mcbislamicbank.com.

Complaint management process at the Bank is kept as transparent as possible through registration, acknowledgement, and interim response where applicable, resolution and root cause analysis of recurring complaints. Our Bank has a complaint escalation Mechanism as well whereby all complaints are escalated to the senior management if not resolved within the stipulated timeline. Further, 17,058 complaints were received by the Bank in 2024 and total 17,098 complaints were resolved as of 31 December 2024 and the average time taken to resolve those complaints was 4 working days thereby resulting in an improvement in CAF rating.

Delivering exceptional service is a core value embedded in the Bank's culture, alongside Shariah-compliance and integrity. The Bank strives to position itself as a leading customer-centric financial institution, with a strong focus on ensuring service excellence across all touchpoints.

To uphold and monitor this commitment, a Service Board—chaired by the President & CEO and comprising senior leadership from key business and support functions—holds regular sessions to evaluate service delivery across the organization. This board is responsible for implementing strategic initiatives aimed at elevating the overall banking experience.

A specialized Service Quality (SQ) team conducts regular assessments of branch performance in line with defined service benchmarks. The evaluation includes service quality audits, customer satisfaction surveys, and mystery shopping exercises, all designed to gather actionable feedback for enhancing the Bank's offerings.

Furthermore, the Bank has instituted a comprehensive Complaint Management Framework in alignment with the regulatory guidelines set by the State Bank of Pakistan (SBP). This includes a dedicated complaints resolution team operating under a board-approved Customer Grievance Handling Policy. Following the resolution of each complaint, customer feedback is gathered, and thorough Root Cause Analysis (RCA) is conducted to support continuous improvement and drive preventative measures.

In addition, service excellence is reinforced through ongoing staff training and public awareness initiatives. These efforts enable the Bank to proactively identify service gaps and promote fairness in customer dealings. To ensure service delivery accountability, a robust scorecard system is in place at various levels, measuring adherence to customer service standards and reinforcing a culture of continuous enhancement.



Product Knowledge Catalogue

Product knowledge catalogue was designed and rolled for the entire bank to get easy access to product information instantly. A printed version of the handbook was sent to each branch.

Creation of Knowledge Repository

The knowledge repository was developed to house all MCB Islamic bank products and services and be placed both on the intranet portal and on all bank desktops. updated versions of the manual dispatched to branches are also housed here with revised content circulated digitally through corporate communications.



48 Hours Account Opening Process

Process implemented and analysis conducted daily, remarkable effort to achieve 48 hour TAT: 53,095 individual accounts opened 95% of the debit cards and 100% of the cheque books applied we're dispatched within TAT.

E2E Account Opening

Own a branch

Where Sq field team was enhanced to minimize logistics and lodging and be able to visit Branches at an increased Frequency in order to enhance communication, conduct role plays, help identify to close the gap by demonstrating real life scenarios. Besides Karachi , Lahore and Islamabad field visit officers deployed in Multan, Faisalabad , Gujranwala, Peshawar, Hyderabad and Bahawalpur.



CSO Refresher Orientation

CSO's Refresher orientation program has been initiated too in this regard.



CSO Refresher Orientation



Customer Services Handbook

Minimilistic yet comprehensive Guide to Empowering Customer Service by branch staff. The handbook is a well thought through depiction of how to deliver personalized customer services seamlessly.



Back Office Highlights

Additional visit of SQ for Back office health check with GSD to improve office premises.

Live Watch



Currently more than 50% of the branches are monitored centrally by a team to evaluate branches and staff covering Branch Exterior, Security, ATM Vestibule, Branch Ambiance , Customer Experience & SQ Programs.



Samjho Kahani

Unveiling impactful case studies to share valuable learnings for improved customer experience.



Masha'Allah Story

The initiative applauds outstanding efforts, aiming to position MCB Islamic Bank as a sustainable and customer oriented institution.



Shukriya

Recognizing Our employees who have gone an extra mile in taking ownership to extend and build the image of the bank are recognized and appreciated for their dedication.

Marhaba Customer week



An entire week of celebrating customers with each day having a different activity to express a warm welcome.



AAJ Ka Mezbaan

The entire branch is groomed to champion branch outlook and host customers in line with the scheduled roster for branch staff to manage the floor at all times.

Khush Amdeed Muhim!



An initiative introduced to enhance and inculcate "Greeting Culture" in the branch. This endorsement has ensured that customers are acknowledged and welcomed from the minute they arrive in the parking premises of the branch.



CSS & MSP Revised Frequency

Enhancing the frequency of Customer Satisfaction Surveys and Mystery shopping. Extract results and individually share with the network for them to gauge their performance through the videos recorded during the research. Periodically share overall performance through corporate communications to help recognize and appreciate existing position.



H2H 'Happy to Help Hour'

Ensuring top-notch customer service.



MCB Counters

Robust mechanism of handling customer complaint and addressing the concern instantly of customers being facilitated at MCB Bank counters. This helpdesk is active 9 to 5 to facilitate customers for their transactions and services processing.

ABEP Checklist

A modified new detailed ABEP Checklist has been initiated covering (Branch exterior, ATM Area, Lobby Area, Locker, Cash Counter, Mandatory electronic amenities, washroom & kitchen security controls, Staff related, Shariah Requirements & PWD/ senior citizen requirements) before opening a new branch



ABEP Checklist

Join the Club

Start Saving Today



Branded
Cheque Book



Exciting Gift on
Account Opening



Monthly
Profit Payout



Open Your Account

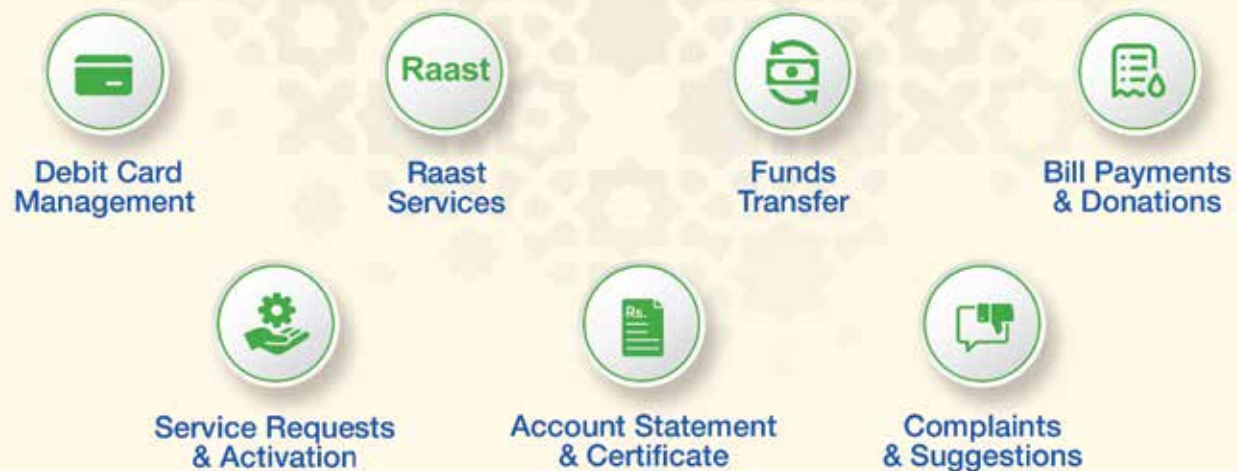
OUTSOURCING ARRANGEMENTS

To meet new & complex challenges like innovation in technology, increasing competition, economies of scale and improvement in quality of service to its customers, MCB Islamic Bank has outsourced following activities/functions.

- **SWIFT Connectivity from EastNets**
(GWCP-Gateway Connectivity Pack with DR)
- **Statement Rendition & Dispatch of Customers Intimation Letters**
(Printing, Stuffing, Distribution of Account Statements, Customer Intimation Letters {Dormancy & CNIC expiry} & Other Correspondence)
- **Staff Hiring**
(Tea Boys/Office boys/Business Development Services)
- **Guarding/Monitoring/Patrolling Services**
(Provision of Security Guards/Electronic Monitoring with response for all & Patrolling Services for Guard less Branches)
- **IT Support & Services**
(Hardware/Software Support for Branches & Regional Offices)
- **Co-Managed SOC L2,L3/CERT**
(L2/L3 Security Operation Centre/Cyber Emergency Response Threat)
- **RAAST Services**
(Instant Payment System for Electronic Payments to Facilitate and Promote Digital Payments)
- **MCB Counter Project**
(MCB Islamic Bank's Customers Facilitation through MCB Bank's Counters)

Material Outsourcing Arrangement - MCB Islamic Bank Ltd						
Sr. No.	Nature of Services		Name of Service Provider	Country of 3rd Party Service Provider	Estimated Cost	
	System/Process/Activity Name	System Description			One-Time	Annual Recurring (2024)
1	SWIFT Connectivity through EastNet (GWCP-Gateway Connectivity Pack with DR)	SAG, HSM, SNL & VPN	EastNets FZ-LLC	UAE - Dubai	N/A	USD 12,254.35
2	Statement Rendition & Dispatch of Customers Intimation Letters (CNIC Expiry & Dormancy etc)	N/A	TCS Private Limited	Pakistan	N/A	PKR 17,491,708.00
			Leopards Courier Services (Pvt) Ltd	Pakistan	N/A	PKR 0.00
3	Co-Managed SOC L2,L3/CERT (L2/L3 Security Operation Centre/Cyber Emergency Response Threat)	N/A	Ebryx Pvt Ltd	Pakistan	PKR 1,784,750.00	PKR 4,560,600.00
4	RAAST Services (Instant Payment System for Electronic Payments to Facilitate and Promote Digital Payments)	N/A	Paysys Labs Pvt Ltd	Pakistan	PKR 945,241.00	PKR 15,355,131.00
5	MCB Counter Project MCB Islamic Bank's Customers Facilitation through MCB Bank's Counters.	N/A	MCB Bank Ltd.	Pakistan	N/A	PKR 2,545,921.00

Banking Simplified Wherever You Are



GREEN BANKING INITIATIVES

- Frequent communiques are circulated bank wide, emphasizing the staff to meet their responsibilities for the protection of the environment and adapt to environmentally and socially responsible banking practices that promotes Green Banking Culture across the organization.
- The Bank contributes to the economic system by conscious efforts to avoid Environmental and Social Impacts via environmentally and socially responsible financing. Conducting an environmental and social due diligence (ESDD) of all financing cases is a critical component of the bank's environmental and social risk management system.
- The Bank ardently believes in providing financing to transform the economy into a resource efficient and climate resilient one, consequently reducing the vulnerability of the bank from risks arising from the environment. In this regard green products have been introduced to promote green financing.
- Periodic trainings for sensitizing the staff are also organized for capacity building of staff to develop a better sense of Green Banking, and inculcating awareness among customers regarding environmental and social risks.



YOUR COMFORT IS OUR PRIORITY

Saving Account for Senior Citizens



Cheque Book



Debit Card



E-statements



Free Internet &
Mobile Banking



Higher Profit For
Higher Deposits

Product



Open Your Account

REMUNERATION POLICY

MCB Islamic Bank is committed to fair and effective human resource and compensation strategies that align with its strategic objectives, organizational needs, and aspirations.

The Bank's Remuneration Policy is designed to foster a sound risk-aligned compensation culture in a transparent manner, ensuring the acquisition and retention of talent while achieving economic viability in line with stakeholder expectations. This Policy applies to all staff and strengthens the Bank's compensation practices by formalizing a system that promotes a pay-for-performance culture, and in addition it also complies with the State Bank of Pakistan's "Revised Guidelines on Remuneration Practices of Banking Companies – 2017" as well as with international best practices. The framework is objective, transparent, and designed to encourage performance, motivation, employee engagement, and retention. It also covers the identification of Material Risk Takers (MRTs) and Material Risk Controllers (MRCs), performance assessment through balanced scorecards, compensation structure, and deferral mechanisms.

The Board of Directors holds the responsibility for approving the Remuneration Policy. To support this, the Board has established the Human Resource and Remuneration Committee (HRRC), which recommends the structure, mechanisms, composition, and related aspects of the remuneration policy. At the management level, the HR function oversees the implementation of the overall remuneration policy.

Total staff compensation comprises fixed and variable remuneration. Fixed remuneration, which includes Basic Salary, allowances, perks and other benefits. It is determined by factors such as qualifications, experience, position criticality, organizational needs, functional titles, and market compensation benchmarks for similar roles. Variable remuneration, on the other hand, is performance-based and linked to pre-determined qualitative and quantitative factors, including but not limited to the Bank's strategy, business growth, financial targets, profitability, annual performance ratings, and cost minimization. Variable compensation includes Performance Bonuses, commissions, incentives, and allowances.

The Bank has identified specific functions and designations as MRTs and MRCs. MRTs include the President/CEO, Key Executives, direct reports of the President/CEO, and select senior functional positions. MRCs are responsible for identifying and mitigating risks undertaken by the Bank. They operate with suitable autonomy and authority, ensuring independent performance of their duties without influence from the functions they review. To maintain independence, the performance appraisal of MRC staff is not conducted by the business or risk-taking MRT functions they oversee.

Variable pay differentiation across employees or groups is based on individual performance ratings, categories (MRT/MRC/etc.), and grade hierarchy. These factors ensure that variable pay serves as a reliable indicator of performance and role contribution.

Balanced Scorecards are established for all MRTs and MRCs to facilitate objective and transparent performance evaluations. These scorecards include Goals, Key Performance Indicators (KPIs), and financial and non-financial targets. Progress against KPIs is reviewed and discussed between the President and his direct reports. Merit-based increases in fixed salary are determined using a matrix formula, while variable compensation is derived from individual performance scores based on the achievement of KPIs, goals, and targets.

As part of the remuneration mechanism, a portion of variable pay is subject to mandatory deferrals—two years for MRCs and three years for MRTs. This aligns employee interests with those of stakeholders and reinforces the principle of linking long-term sustainable performance to individual compensation.

Shari'ah Board Report

FOR THE YEAR ENDED
DECEMBER 31, 2024

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ وَالصَّلَاةُ وَالسَّلَامُ عَلَى خَاتَمِ الْأَنْبِيَاءِ وَالْمُرْسَلِينَ وَعَلَى آلِهِ وَصَحْبِهِ أَجْمَعِينَ أَمَّا بَعْدُ

The Shari'ah Board hereby present its annual report on the affairs of MCB Islamic Bank Ltd.

The Shari'ah Board (SB) of MCB Islamic Bank Ltd. (the Bank) was constituted in September, 2015. Currently Shari'ah Board comprises of respected Prof. Mufti Munib-ur-Rehman as a Chairperson Shari'ah Board, Mufti Syed Sabir Hussain as a Resident Shari'ah Board Member (RSBM) and Mufti Nadeem Iqbal as a Member Shari'ah Board. All Shari'ah Board members remained available year-round, and several meetings were conducted via audio and video conferencing. Additionally, four formal meetings of the SB were held during the year 2024 on the following dates to review various matters, which include new products and services, product modifications, transactions, structures, processes and other Shari'ah issues, referred to them:

- First Shari'ah Board Meeting – March 28, 2024
- Second Shari'ah Board Meeting – June 13, 2024
- Third Shari'ah Board Meeting – September 10, 2024
- Fourth Shari'ah Board Meeting – December 27, 2024

SHARI'AH GOVERNANCE AND COMPLIANCE

The key factor that distinguishes the governance of Islamic banking institutions with conventional system is the SB, which plays an additional role in the governance of these institutions. Furthermore, Shari'ah Compliance & control mechanism ensures the implementation of SB's instructions and guidelines not only in products and services but also in overall environment of the Islamic bank, which could have a positive impact on performance of it. All decisions, rulings, instructions & guidelines and fatāwā of the SB are binding on the Bank.

In order to assist the SB to supervise all these matters throughout the year, the Shari'ah Compliance Department (SCD), apart from the SB meetings, closely coordinated with it. Shari'ah Compliance is a backbone of any Islamic Financial Institution. It is an ongoing process carried out throughout the year. Through SCD, SB continuously involves in the Shari'ah affairs of the Bank and enabling them to approve various matters in a timely manner. It also helps minimize Shari'ah non-compliance risk and ensures that the bank's income is not directed to the charity account.

ROLE OF BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

While the Board of Directors and Executive Management are solely responsible to ensure that the operations of the Bank are conducted in a manner that comply with Shari'ah principles at all times. Board of Directors should also have a thorough understanding of its fiduciary responsibilities, especially towards Investment Account Holders/ Profit and Loss Sharing Depositors, who assume risks similar to those of shareholders. The Executive Management of the Bank is also responsible for implementation of the SGF. To keep the BOD informed regarding Shari'ah compliance, the Shari'ah Board is required to submit a report on the overall Shari'ah compliance environment of the Bank. During the year 2024, Shari'ah Board – Board of Directors' Meetings held on the following dates:

- First Shari'ah Board – Board of Directors' Meeting – June 13, 2024
- Second Shari'ah Board – Board of Directors' Meeting – October 21, 2024

Shari'ah Board praises and encourages the continuous, comprehensive & profound efforts and commitment of the Bank's Board of Directors and the Management regarding implementation of all Fatāwā and instructions & guidelines issued by the Shari'ah Board. It is also assumed that the BOD and management will increase their efforts in the future to ensure Shari'ah compliance.

SHARI'AH COMPLIANCE DEPARTMENT

To form our opinion as expressed in this report, the Shari'ah Compliance Department (SCD) of the Bank carried out reviews of each type of transactions on sample basis, products, process flows/ modus operandi and concepts under the supervision of RSBM/Head Shari'ah Compliance. SCD kept Shari'ah Board informed regarding Shari'ah compliance review of branches and back offices of the Bank. In this regard, 142 branches have been reviewed for Shari'ah compliance and compliance has been observed regarding non-branch entities as per Shari'ah Compliance

Program approved by SB. To ensure the compliance of IBD Circular No. 02 of 2018, RSBM/Head-SCD and SCD's staff made surprise visits to 27 branches at South and North regions to ensure regulatory and Shari'ah compliance. Subsequently, report presented to Board of Directors and Shari'ah Board.

Islamic Banks are fundamentally very different from their traditional counterparts out of a variety of angles. The basic rule for Islamic bank is adherence to Shari'ah, and in case of divergence from it, raises the probability of Shari'ah Non-Compliance that is very important besides observance of banking regulations. Therefore, to maintain and increase the confidence of customers, Shari'ah compliance plays a vital role in this regard. So far, to ensure the overall environment of the bank in terms of Shari'ah rulings, Seven (7) Instructions & Guidelines and Nine (9) Fatāwā have been issued by the Shari'ah Board of the Bank. These are being implemented in the Bank in true letter and spirit.

SCD with the coordination of management and under the supervision of RSBM/Head Shari'ah Compliance has reviewed various Product documents. The SCD conducted review of surprise visit of different branches. Additionally, SCD conducted Shari'ah compliance review of back offices to ensure that the Bank's operations are in line with Shari'ah principles. SB has reviewed and approved 99 modus operandi pertain to Corporate Commercial and SME Banking. Main modes of financing are Diminishing Mushārakah, Murābahah, Ijārah, Istisnāh and Mushārakah Running Finance.

SCD has taken all necessary required actions in order to comply with the SBP-IBD Circular No. 01 of 2021, Dated: June 14, 2021, Shari'ah Non-Compliance Risk Management (SNCRM). It has ensured that SNCRM should be an essential element of Bank's overall Risk Management Framework. Further, it shall report all Shari'ah Non-Compliance events and transactions to the Risk Management & Portfolio Review Committee of the Board & Shari'ah Non-Compliance Risk Management Committee as well as to the Shari'ah Board on a quarterly basis. Shari'ah Non-Compliance Risk Management Committee of the Bank is responsible for close monitoring of Shari'ah Non-Compliance Risk at the operational/management level. Regular meetings of all committees are being conducted and SCD reported all Shari'ah Non-Compliance events and transactions to the said committees.

CAPACITY ENHANCEMENT AND AWARENESS SESSIONS

SCD has also facilitated Islamic Banking training sessions for the front and back offices staff of the Bank in order to comply with regulatory instructions. In order to enhance the level of knowledge on Islamic Banking and Finance of Bank's staff; Shari'ah trainings were made mandatory for entire staff of the Bank with the coordination of Learning & Development Department (L&D – HRG). L&D not only arranged classroom sessions but also arranged virtual sessions through different available modes. Online Islamic Banking training modules were also available at Learning Management Systems (LMS) for the easy access of Islamic Banking knowledge to staff. L&D found determined to adhere with the regulatory requirement on training of staff on Islamic Banking & Finance. Therefore, number of session were arranged for the capacity enhancement of staff with the facilitation of SCD. A combination of both Classroom & Virtual sessions were adopted to fulfill the need of outreach branches for Islamic Banking trainings.

Moreover, L&D-HRG has taken initiatives to establish an effective and comprehensive Islamic Banking training mechanism in compliance with IBD Circular No. 02 of 2018, Dated: Jun 29, 2018, "Enhanced Training & Capacity Building Measures for Islamic Banking Institutions (IBIs)" issued by Islamic Banking Department, State Bank of Pakistan, for the Bank's front and back offices staff at all levels. SCD's staff facilitated as internal trainers on the Shari'ah related training initiatives during the year. Furthermore, alongside regulatory requirements of executive management's Shari'ah trainings, L&D and SCD have jointly developed Islamic Banking & Finance Module and AAOIFI Shari'ah Standards Module for capacity building of Executive Management.

Additionally, SCD facilitated multiple awareness seminars for the public to enhance understanding and remove misconceptions regarding Islamic banking. This activity is performed with the coordination of L&D and Marketing Department. A total of 34 sessions were organized across various small and large cities nationwide for scholars, professors and students from colleges and universities, as well as for the customers. The role of RSBM and SCD is praised in this regard.

CHARITY

As far as Charity fund is concerned, separate liability account (non-chequing) is opened in separate General Ledgers for each type of Charity Fund Collection:

- a. Charity due to late payment,
- b. Charity against other Non-Shari'ah compliant income

- c. Dividend purification amount.

Funds cumulated in above mentioned each type of "Charity Collection Fund Account" is maintained in Shari'ah Compliant remunerative account at the discretion of Shari'ah Board/Resident Shari'ah Board Member.

Charity Fund is utilized for charitable, social welfare, religious, educational or any other purposes approved by Charity Committee / Shari'ah Board.

In the year 2024, the addition in the amount of Charity was PKR 24.572 million from different heads which was instructed to transfer to the Charity Account.

Additions in Charity account during the year	Rupees in Thousands
Received from customers against late payment	23,269
Dividend purification amount	
Charity against other Non-Shari'ah compliant income	
Profit on charity saving account	1,303
Total additions in Charity account during the year	24,572

The Bank has disbursed the Charity amount to Shari'ah approved charitable organizations as per Bank's charity policy and SBP's guidelines. Details of Charity account are available in the note # 19.2.1. Shari'ah Board appreciates the maintenance of a strong Shari'ah compliance environment by SCD. Shari'ah Board would like to praise Shari'ah Compliance Department/RSBM for efforts made by SCD during the year.

RECOMMENDATIONS

Based on the observations made through Shari'ah review reports and Shari'ah Compliance checks, it is recommended that:

- i. Considering the Federal Shariat Court's verdict of 28th of April 2022 on Riba and the 26th Amendment to the Constitution of Pakistan 1973, it is recommended to actively contribute to the Islamization of the economy and banking system as a whole.
- ii. Shari'ah Board suggests the offering of Shari'ah advisory services to non-banking financial institutions and other entities including government institutions to Islamize their operations to contribute in Islamization of whole economy.
- iii. In future, the focus on Shari'ah training should be increased to ensure compliance with regulatory requirements. Additionally, the Shari'ah Board recommends classroom-based and job oriented Shari'ah training sessions for all staff members to enhance their understanding of Islamic Banking. The arrangement of purpose built training locations should be ensured so that participants could get more benefits.
- iv. More focus is needed on the practical aspects and document execution of products in the Treasury, Corporate, Commercial & SME, and Trade Operations of the Bank. It is also strongly recommended to ensure mandatory Product & Shari'ah trainings of the back office.
- v. Increase general public awareness programs like, Seminars, Workshops and Question & Answer Sessions from the Bank's platform for building up the true image of Islamic Banking & Finance as well as creating awareness/removing misconception about Islamic banking.
- vi. Shari'ah Board recommends the participation of representatives of all groups of Bank including Shari'ah Board in national & international conferences which will be beneficial for the Bank's brand image and capacity enhancement of the Bank's staff.
- vii. Continuity of Shari'ah trainings of the Bank's higher management.
- viii. Continue with Microfinance activities and the Bank should encourage the Islamic Microfinance due to its requirement in the country. Through Islamic Microfinance, Islamic Banking Industry can penetrate at grass-root level to facilitate micro level traders. It will increase the level of awareness about Islamic banking at micro level.

- ix. As far as internal environment of the Bank is concerned, all staff members of front and back offices are strongly recommended to follow the proper dress code strictly, which should be in line with the Bank Dress Code Policy, cultural norms, and reflect due modesty as required by the dictates of Shari'ah. It is recommended to take disciplinary action in case of violation of Dress Code Policy.
- x. It is suggested to consider transitioning the significant customer portfolio to Takāful, which adheres the Islamic principles.
- xi. We encourage for the broader implementation of Green Banking practices across the bank.
- xii. It is recommended to have more focus on social and environmental sustainability by supporting charitable activities and projects that align with Islamic values, and providing financial support for underprivileged part of society.
- xiii. Collect the outstanding charities with different customers or obtain formal Shari'ah Board approval in case of exemption and deferral as per approved charity policy of the bank.

CONCLUSION

Shari'ah Board has reviewed & advised corrective measures on SBP Inspection Report. The External & Internal Shari'ah Audit & Shari'ah Compliance Inspection reports and is of the view that:

- i. The Bank has adhered to Shari'ah rules and principles, in accordance with the fatwās, instructions, and guidelines provided by the Shari'ah Board.
- ii. The Bank has complied with SBP Inspection report in true letter and spirit.
- iii. The Bank has complied with directives, regulations, instructions and guidelines related to Shari'ah compliance issued by SBP in accordance with the rulings of SBP's Shari'ah Advisory Committee.
- iv. The Bank has a comprehensive mechanism in place to ensure Shari'ah Compliance in their overall operations.
- v. The Bank has complied with the SBP instructions on profit and loss distribution and pool management.
- vi. The Bank is actively making efforts to organize awareness seminars for students, Ulema, customers, and the general public to increase awareness about Islamic banking. The role of Learning & Development and Marketing Departments is appreciated.
- vii. Improvement is required to enhance the level of awareness and knowledge regarding Islamic Banking among the staff, management and the BOD through enhanced training mechanism for each level. Top management and the BOD have made sincere efforts and appreciated the importance of Shari'ah compliance in overall operations of the Bank.
- viii. The Shari'ah Board has been provided adequate resources enabling it to discharge duties effectively.

Shari'ah Board praises and acknowledges the efforts of Shari'ah Compliance Department/RSBM of the Bank that besides Shari'ah Compliance environment of the bank in regulatory inspection there was no instance regarding Non-compliance of regulatory requirements as far as Shari'ah Governance Framework is concerned.

Shari'ah Board would like to take this opportunity to offer praise to Almighty Allah and seek His guidance and Tauwfeeq, and to express its wishes for further progress, development and prosperity of Islamic Banking, under the sincere efforts of senior management, and Islamic Banking Industry in Pakistan as a whole.

وَاللّٰهُ سُبْحَانَهُ وَتَعَالٰی اَعْلَمُ



Professor Mufti Munib-ur-Rehman
Chairperson Shari'ah Board



Mufti Syed Sabir Hussain
Resident Shari'ah Board Member



Mufti Nadeem Iqbal
Member Shari'ah Board

Date of Report: February 12, 2025

شریعیہ بورڈ رپورٹ (مالی سال اختتام 31 دسمبر 2024ء)

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اَلْحَمْدُ لِلّٰهِ رَبِّ الْعَالَمِیْنَ وَالصَّلَاةُ وَالسَّلَامُ عَلٰی خَاتَمِ الْاَنْبِیَاءِ وَالْمُرْسَلِیْنَ وَعَلٰی اٰلِهِ وَصَحْبِهِ اَجْمَعِیْنَ اَمَّا بَعْدُ

شریعیہ بورڈ ایم سی بی اسلامک بینک لمیٹڈ کے امور سے متعلق اپنی سالانہ رپورٹ پیش کرتا ہے۔
ایم سی بی اسلامک بینک کا شریعیہ بورڈ ستمبر 2015ء کو تشکیل پایا، موجودہ شریعیہ بورڈ پروفیسر مفتی منیب الرحمن چیئر پرسن شریعیہ بورڈ، مفتی سید صابر حسین ریزیڈنٹ شریعیہ بورڈ ممبر اور مفتی ندیم اقبال، ممبر شریعیہ بورڈ پر مشتمل ہے۔ 2024 میں پورا سال شریعیہ بورڈ کی خدمات ادارے کو حاصل رہیں، بینک کے معاملات کے حوالے سے شریعیہ بورڈ نے ٹیلی فون اور ویڈیو کانفرنس کالز کے ذریعے بھی کئی غیر رسمی ملاقاتیں کیں۔ علاوہ ازیں 2024ء میں شریعیہ بورڈ کے 4 رسمی اجلاس درج ذیل تاریخوں میں منعقد ہوئے، جن میں دیگر امور کے علاوہ نئی پراڈکٹس اور خدمات کے ساتھ ساتھ موجودہ پراڈکٹس اور خدمات میں ترامیم کا شرعی جائزہ لیا گیا۔

شریعیہ بورڈ کا پہلا اجلاس	28 مارچ 2024ء
شریعیہ بورڈ کا دوسرا اجلاس	13 جون 2024ء
شریعیہ بورڈ کا تیسرا اجلاس	10 ستمبر 2024ء
شریعیہ بورڈ کا چوتھا اجلاس	27 دسمبر 2024ء

شریعیہ گورننس اینڈ کمپلائنس

شریعیہ بورڈ ایک ایسا بنیادی میکانزم ہے جو اسلامی اور روایتی بینکوں کی گورننس میں امتیاز قائم کرتا ہے، علاوہ ازیں شریعیہ کمپلائنس میکانزم اس چیز کو یقینی بناتا ہے کہ بینک کے معاملات شریعیہ بورڈ کے فتاویٰ جات اور ہدایات کے مطابق ہوں۔ اسلامی بینک میں معاملات شریعت کے مطابق ہونے سے اس کی کارکردگی پر مثبت اثرات مرتب ہوتے ہیں۔ لہذا کسی بھی اسلامی بینک کے لئے لازم ہے کہ وہ شریعیہ بورڈ کے فراہم کردہ تمام فتاویٰ جات اور ہدایات پر سختی کے ساتھ کاربند ہو۔
مندرجہ بالا شریعیہ بورڈ کی مجالس کے علاوہ سال بھر تمام امور کی نگرانی میں شریعیہ کمپلائنس ڈیپارٹمنٹ نے اس کے ساتھ ہم آہنگی کو یقینی بنایا۔ شریعیہ کمپلائنس کسی بھی اسلامی مالیاتی ادارے کی ریڈھ کی ہڈی ہے۔ مزید برآں شریعیہ کمپلائنس کو پورے سال مد نظر رکھا جاتا ہے، جس کے نتیجے میں شریعیہ بورڈ کی بینک کے شرعی امور میں مستقل شمولیت اور مواصلاتی طریقہ کار کو بروئے کار لاتے ہوئے بینک کے مختلف النوع معاملات کی بروقت منظوری کو یقینی بنایا گیا۔ شریعیہ کمپلائنس ڈیپارٹمنٹ، شریعیہ نان کمپلائنس کے خطرات کو کم کرنے میں بھی مدد کرتا ہے اور یہ یقینی بناتا ہے کہ بینک کی آمدنی چیرٹی اکاؤنٹ میں نہ جائے۔

بورڈ آف ڈائریکٹرز اور ایگزیکٹو مینجمنٹ کا کردار

چونکہ بورڈ آف ڈائریکٹرز اور ایگزیکٹو مینٹین اس امر کے ذمہ دار ہیں کہ ایم سی بی اسلامک بینک کے جملہ معاملات شریعت کے اصولوں کے عین مطابق ہوں۔ بورڈ آف ڈائریکٹرز کو انویسٹمنٹ اکاؤنٹ ہولڈرز کے متعلق اپنی مستحکم اور با اعتماد ذمہ داریوں کا مکمل اور جامع فہم حاصل ہونا چاہیے، جو شیئر ہولڈرز کی طرح مالی خطرات کا سامنا کرتے ہیں۔ اس کے علاوہ، بینک کی ایگزیکٹو مینجمنٹ شریعیہ گورننس فریم ورک (SGF) کے مکمل اور موثر نفاذ کی ذمہ دار ہے، تاکہ شریعت کے اصولوں اور ہدایت کی تعمیل یقینی بنائی جاسکے۔ لہذا ہم (شریعیہ بورڈ) ایم سی بی اسلامک بینک کے شریعیہ کمپلائنس کی مجموعی صورت حال کے بارے میں ایک رپورٹ جمع کرانے کے پابند ہیں۔ 2024ء میں شریعیہ بورڈ کے بورڈ آف ڈائریکٹرز کے ساتھ رسمی اجلاس درج ذیل تاریخوں میں منعقد ہوئے:

شریعیہ بورڈ - بورڈ آف ڈائریکٹرز کا پہلا اجلاس	13 جون 2024ء
شریعیہ بورڈ - بورڈ آف ڈائریکٹرز کا دوسرا اجلاس	21 اکتوبر 2024ء

شریعہ بورڈ اپنی جاری کردہ ہدایات و لائحہ عمل پر عملدرآمد کے اعتبار سے بینک کے منتظمین کی مسلسل اور جامع کوششوں کی تعریف اور حوصلہ افزائی کرتا ہے۔

شریعہ کمپلائنس ڈیپارٹمنٹ

رپورٹ میں ظاہر کردہ امور کے مطابق اپنی رائے دیتے ہوئے عرض یہ ہے کہ ایم سی بی اسلامک بینک کے شریعہ کمپلائنس ڈیپارٹمنٹ نے ریزیدنٹ شریعہ بورڈ ممبر/ہیڈ شریعہ کمپلائنس ڈیپارٹمنٹ کی زیر نگرانی تمام قسم کے مالی معاملات، اُن کے جملہ مراحل، پراڈکٹس، اور اختیار کئے گئے نظریات کا نمونے کی بنیاد پر جائزہ لیا ہے۔ شریعہ کمپلائنس ڈیپارٹمنٹ نے شریعہ بورڈ کو بینک کے فرنٹ اور بیک آفسر کی شرعی تعمیل کا جائزہ لینے کے معاملات سے آگاہ رکھا۔ اس سلسلے میں 142 برانچوں کا شرعی معائنہ کیا گیا ہے اور جہاں تک بینک آفسر کی شرعی تعمیل کے جائزے کا تعلق ہے، تو اس کے لیے شریعہ بورڈ کی منظور شدہ فہرست کی تعمیل کو یقینی بنایا گیا ہے۔ مزید برآں آرائس بی ایم/ہیڈ-شریعہ کمپلائنس ڈیپارٹمنٹ اور اس کے سٹاف نے ریگولیٹری اور شرعی تقاضوں کی تعمیل کو یقینی بنانے کے لیے جنوبی اور شمالی ریجن کی 27 شاخوں کا چانک دورہ کیا۔ اور اس کی باقاعدہ رپورٹ شریعہ بورڈ اور بورڈ آف ڈائریکٹرز کو پیش کی گئی۔

اسلامی بینکس بنیادی طور پر مختلف جہتوں سے روایتی بینکوں سے جدا ہیں، ان کا بنیادی اصول شریعت پر کاربند ہونا ہے۔ اگر وہ شریعت پر کاربند نہیں ہوتے تو غیر شرعی معاملات کا احتمال بڑھ جاتا ہے۔ چنانچہ کسٹمر کے اعتماد کو بحال رکھنے کے لئے مضبوط و مستحکم بنیادوں پر شریعہ کمپلائنس کی موجودگی ضروری ہے۔ اسی چیز کو مد نظر رکھتے ہوئے ایم سی بی اسلامک بینک کے شریعہ بورڈ کی جاری کردہ سات ہدایات و لائحہ عمل اور نو فتاویٰ حیات بھی موجود ہیں۔ ایم سی بی اسلامک بینک میں شریعہ بورڈ کی جاری کردہ تمام ہدایات و لائحہ عمل اور فتاویٰ حیات پر عملدرآمد کو ان کی اصل روح کے مطابق یقینی بنایا گیا ہے۔

بینک کے منتظمین کے تعاون سے شریعہ کمپلائنس ڈیپارٹمنٹ نے ریزیدنٹ شریعہ بورڈ ممبر/ہیڈ-شریعہ کمپلائنس ڈیپارٹمنٹ کی زیر نگرانی 2024ء میں تمام پراڈکٹس کی دستاویزات کا جائزہ لیا۔ شریعہ کمپلائنس ڈیپارٹمنٹ نے شریعہ کمپلائنس کو یقینی بنانے کے لئے مختلف برانچز اور بیک آفسر کا معائنہ کیا تاکہ بینک کے معاملات کو شریعہ کے اصولوں کے مطابق بنایا جائے۔ شریعہ بورڈ نے 99 فائنل سٹنگ کے لائحہ عمل کی دستاویزات، جن میں کارپوریٹ کمرشل، اور ایس ایم ای بینکاری شامل ہیں، کے لائحہ عمل کا جائزہ لیا اور ان کی منظوری دی۔ جہاں تک پراڈکٹس کا تعلق ہے، تو شریعہ بورڈ نے شرکت متناقصہ، تیار شدہ مال پر مرابحہ اور مرابحہ ملائمر بالشراء، اجارہ، 1 استقنناع، اور مشارکہ رنگ فائنل کی پراڈکٹس کی اس سال منظوری دی۔

شریعہ کمپلائنس ڈیپارٹمنٹ نے اسلامک بینک آف پاکستان کے اسلامی بینکاری ڈیپارٹمنٹ کی جانب سے جاری کردہ سرکلر (نمبر 1/2021، تاریخ 14 جون 2021)، شریعہ نان کمپلائنس رسک مینجمنٹ SNCRM کی تعمیل کے لیے تمام ضروری اقدام کئے ہیں۔ ڈیپارٹمنٹ نے یقینی بنایا ہے کہ SNCRM بینک کے مجموعی رسک مینجمنٹ فریم ورک کا ایک لازمی عنصر ہونا چاہیے۔ مزید برآں ڈیپارٹمنٹ تمام شرعی عدم تعمیل کے معاملات اور لین دین کی رپورٹ بورڈ کی رسک مینجمنٹ اور پورٹ فولیو ریویو کمیٹی اور شریعہ نان کمپلائنس رسک مینجمنٹ کمیٹی کے ساتھ ساتھ شریعہ بورڈ کو سہ ماہی بنیادوں پر کرے گا۔ شریعہ نان کمپلائنس رسک مینجمنٹ کمیٹی آپریشنل/انتظامی سطح پر شرعی عدم تعمیل کے رسک کی کڑی نگرانی کے لیے ذمہ دار ہے۔ تمام کمیٹیوں کی باقاعدہ میٹنگز کا انعقاد کیا جا رہا ہے اور شریعہ کمپلائنس ڈیپارٹمنٹ تمام شرعی عدم تعمیل کے معاملات اور لین دین کی رپورٹ مذکورہ کمیٹیوں کو دیتا ہے۔

کمپیسیٹی انہاسمنٹ اینڈ اوپیریشنس

شریعہ کمپلائنس ڈیپارٹمنٹ (SCD) نے بینک کے فرنٹ اور بیک آفس کے عمل کے لیے اسلامی بینکاری کے تربیتی سیشنز کا اہتمام کیا، تاکہ ریگولیٹری ہدایات کی تعمیل کی جاسکے۔ لرننگ اینڈ ڈیولپمنٹ ڈیپارٹمنٹ (L&D – HRG) کے تعاون سے بینک کے عملے کی اسلامی بینکاری اور مالیات کے بارے میں آگاہی کو بڑھانے کے لیے، شریعہ ٹریننگز کو بینک کے تمام عملے کے لیے لازمی قرار دیا گیا۔

شریعہ کمپلائنس ڈیپارٹمنٹ نے اسلامک بینک آف پاکستان کے اسلامی بینکاری ڈیپارٹمنٹ کی جانب سے جاری کردہ ہدایات پر عملدرآمد کو یقینی بنانے کے لئے بینک کے فرنٹ اور بیک آفس سٹاف کے لئے اسلامی بینکاری کی ٹریننگ کے کئی پروگرامز منعقد کئے۔ L&D نے اسٹاف کی اسلامی بینکاری اور مالیاتی نظام کی معلومات تک آسان رسائی کے لئے کلاس روم سیشنز کا انعقاد کیا، اس کے ساتھ ساتھ لرننگ مینیجمنٹ سسٹم (LMS) کے تحت آن لائن اسلامک بینکنگ ٹریننگ ماڈیولز

بھی آپ لوڈ کیے۔ L&D نے اپنے اسٹاف کی اسلامی بینکاری میں تربیت کا عزم مضبوط کیا ہوا ہے، لہذا اس سال بھی L&D نے شریعہ کمپلائنس ڈیپارٹمنٹ کے تعاون سے عملے کی استعداد کار میں اضافے کے لیے تمام رجسٹر میں سیشنز منعقد کئے۔ شریعہ ٹریننگ سیشنز کلاس روم اور ورچوئل سیشنز دونوں کا مجموعہ تھے، جس کی وجہ سے جغرافیائی رکاوٹوں سے نکل کر اسٹاف کے لئے سیکھنے کے بہترین مواقع میسر ہوئے۔

اسٹیٹ بینک آف پاکستان کے اسلامی بینکاری ڈیپارٹمنٹ کی جانب سے جاری کردہ سرکلر (نمبر 2/2018، تاریخ 29 جون 2018) پر عملدرآمد کو یقینی بنانے کے لئے بینک کی جانب سے مؤثر اور جامع اقدامات کئے گئے۔ لہذا ایک مؤثر اور جامع پروگرام L&D – HRG کی طرف سے ترتیب دیا گیا، جس کے تحت بینک کے ہر درجہ کے فرنٹ اور بیک آفس سٹاف کو اسلامی بینکاری کی ٹریننگ دی گئی۔ شریعہ کمپلائنس ڈیپارٹمنٹ کے اسٹاف ممبرز نے شریعہ ٹریننگز کے لئے پورا سال اپنی خدمات پیش کیں۔ مزید برآں، ایگزیکٹو مینجمنٹ کی شریعہ ٹریننگ کی ریگولیٹری ضروریات کے ساتھ ساتھ، شریعہ کمپلائنس ڈیپارٹمنٹ اور L&D نے ایگزیکٹو مینجمنٹ کی مہارت کو مزید بڑھانے کی غرض سے اسلامی بینکاری اور شرعی معیارات، اکاؤنٹنگ اینڈ آرگنائزیشن برائے اسلامی مالیاتی ادارے AAOIFI کے کورسز تیار کئے، جنہیں شروع کر دیا گیا ہے۔

اس کے علاوہ، ایس سی ڈی نے عوام میں اسلامی بینکنگ کے بارے میں آگاہی کو فروغ دینے اور غلط فہمیوں کو دور کرنے کے لیے متعدد سیمینارز کے انعقاد میں کردار ادا کیا۔ یہ سرگرمی ایل اینڈ ڈی اور مارکیٹنگ ڈیپارٹمنٹ کے باہمی تعاون سے انجام دی گئی۔ ملک بھر کے مختلف چھوٹے بڑے شہروں میں علماء کرام، کالج یونیورسٹیز کے پروفیسرز و طلباء کرام اور عام کسٹمرز کے لیے مجموعی طور پر 43 سیشنز کا اہتمام کیا گیا۔ ان سیمینارز کے انعقاد میں ایس سی ڈی کے تمام ممبران بالخصوص آرائس بی ایم کے کردار سہرا جاتا ہے۔

چیریٹی

جہاں تک چیریٹی فنڈ کا تعلق ہے، ہر طرح کے چیریٹی فنڈ جمع کرنے کے لئے علیحدہ نان چیکنگ، لائسینسڈ اکاؤنٹ کھولے جاتے ہیں۔

- ادائیگی میں تاخیر کی وجہ سے چیریٹی
- باطل معاملات کی وجہ سے چیریٹی
- منافع (ڈیویڈنڈ Dividend) میں سے غیر شرعی منافع منہا کرنے کی وجہ سے چیریٹی۔

عام طور پر مذکورہ بالا تمام مدت میں جمع کی گئی رقوم اپنے اپنے "شریعہ کمپلائنس نفع بخش چیریٹی کو لیکشن فنڈ اکاؤنٹ" میں شریعہ بورڈ/ریزیدنٹ شریعہ بورڈ ممبر کی صوابدید پر جمع کی جاتی ہیں، چیریٹی فنڈ، چیریٹی کمیٹی/شریعہ بورڈ کے منظور شدہ کسی خیراتی، معاشرتی بہبود، مذہبی یا تعلیمی مقاصد کے لئے استعمال ہوتا ہے۔ سال 2024ء میں چیریٹی فنڈ کی مختلف مدت میں جمع کی گئی رقوم میں کل اضافہ 24.572 ملین رہا، جس کو چیریٹی اکاؤنٹ میں منتقل کرنے کی ہدایت کی گئی۔

اس سال چیریٹی فنڈ میں اضافہ	روپے (000) میں
صارف کی طرف سے ادائیگی میں تاخیر کی وجہ سے	23,269
منافع (ڈیویڈنڈ, Dividend) میں سے غیر شرعی منافع منہا کرنے کی وجہ سے	-
باطل معاملات کی وجہ سے	-
چیریٹی سیونگ اکاؤنٹ پر منافع	1,303
اس سال چیریٹی فنڈ میں کل اضافہ	24,572

بینک نے چیریٹی کی رقم شریعہ سے منظور شدہ خیراتی اداروں کو ایم سی بی اسلامک بینک کی چیریٹی پالیسی اور اسٹیٹ بینک کی ہدایات و لائحہ عمل کے مطابق فراہم کی ہے۔ چیریٹی اکاؤنٹ کی تفصیلات نوٹ نمبر 19.2.1 میں دستیاب ہیں۔ شریعہ بورڈ بینک کے شریعہ کمپلائنس ڈیپارٹمنٹ کی طرف سے ایک مضبوط شریعہ کمپلائنس ماحول کو برقرار رکھنے کے عمل کو سراہتا ہے۔ شریعہ بورڈ سال 2024ء کے دوران شریعہ کمپلائنس ڈیپارٹمنٹ/RSBM کی طرف سے کی گئی کوششوں کی تعریف کرتا ہے۔

خلاصہ کلام

شریعہ بورڈ نے ایس بی پی معائنہ رپورٹ، بیرونی اور داخلی شریعہ آڈٹ اور شریعہ کمپلائنس کی رپورٹس کو دیکھنے کے بعد اصلاحی اقدامات کے لئے ہدایات دیں، لہذا شریعہ بورڈ کے مطابق:

- ایم سی بی اسلامک بینک نے شریعہ بورڈ کے جاری کردہ فتاویٰ جات اور ہدایات و لائحہ عمل کے مطابق شرعی اصول و ضوابط کو پورا کیا ہے۔
- ایم سی بی اسلامک بینک نے حقیقی معنوں میں اصل روح کو مد نظر رکھتے ہوئے ایس بی پی الیکسیشن رپورٹ پر عملدرآمد کیا ہے۔ ایم سی بی اسلامک بینک،
- اسٹیٹ بینک آف پاکستان کے احکامات، قوانین و ہدایات اور لائحہ عمل (جوائنٹ بینک آف پاکستان کے شریعہ ایڈوائزری کمیٹی کے احکام کے مطابق ہیں) سے ہم آہنگ ہے۔
- بینک کے پاس اپنے مجموعی آپریشنز میں شریعہ کمپلائنس کو یقینی بنانے کے لیے ایک جامع طریقہ کار موجود ہے۔
- ایم سی بی اسلامک بینک کے نفع و نقصان کی تقسیم اور پُول کی انتظام کاری اسٹیٹ بینک آف پاکستان کی ہدایات کے مطابق ہے۔
- ایم سی بی اسلامک بینک، اسلامک بینکنگ کے بارے میں آگاہی بڑھانے کے لیے طلباء، علماء، کسٹمرز اور عوام الناس کے لیے آگاہی سیمینارز کے انعقاد کے لیے فعال کوششیں کر رہا ہے۔ اس ضمن میں لرننگ اینڈ ویلپمنٹ اور مارکیٹنگ ڈیپارٹمنٹس کے کردار کو بھرپور سراہا جاتا ہے۔
- اسلامی بینکنگ کے بارے میں اسٹاف، انتظامیہ اور بورڈ آف ڈائریکٹرز میں آگاہی اور علم کی سطح کو بہتر بنانے کے لیے تربیتی نظام کو مزید مستحکم کرنے کی ضرورت ہے۔ مزید برآں اعلیٰ انتظامیہ اور بورڈ آف ڈائریکٹرز نے شریعہ کمپلائنس کے حوالے سے سنجیدہ کوششیں کی ہیں اور بینک کے مجموعی معاملات میں اس کی اہمیت کو بخوبی تسلیم کیا ہے۔
- شریعہ بورڈ کو اپنی ذمہ داریوں سے عہدہ برآ ہونے کے لئے خاطر خواہ وسائل فراہم کئے گئے ہیں۔

شریعہ بورڈ، ایم سی بی اسلامک بینک لمیٹڈ کے شریعہ کمپلائنس ڈیپارٹمنٹ / ریزینڈنٹ شریعہ بورڈ ممبر کی کاوشوں کا اعتراف کرتے ہوئے اس قابل ذکر آمر کی تعریف کرتا ہے کہ شریعہ کمپلائنس ڈیپارٹمنٹ / ریزینڈنٹ شریعہ بورڈ ممبر نے بینک کے شریعہ کمپلائنس ماحول کو برقرار رکھتے ہوئے شریعہ گورننس فریم ورک کی تعمیل کو یقینی بنایا ہے۔

شریعہ بورڈ اللہ تعالیٰ کی بارگاہ میں اُس کی تعریف پیش کرنے، اُس کی ہدایت و توفیق اور سینئر منتظمین و اسلامی بینکاری انڈسٹری کی مخلصانہ کوششوں سے اسلامی بینکاری نظام کی مزید پیشرفت، ترقی اور خوشحالی کا مستحق ہے۔

وَاللّٰهُ سُبْحَانَهُ وَتَعَالٰی اَعْلَمُ

Muhammad Arham

مفتی ندیم اقبال
شریعہ بورڈ ممبر

Muhammad Arham

پروفیسر مفتی منیب الرحمن
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تاریخ اجراء: 12 فروری 2025ء

سفارشات

شریعہ بورڈ شرعی اعتبار سے کئے گئے جائزوں کی جانچ پڑتال کے بعد درج ذیل سفارشات پیش کرتا ہے:

- اٹھائیس اپریل 2022 کو وفاقی شرعی عدالت کے ربا (سود) پر فیصلے اور 1973 کے آئین میں چھبیسویں ترمیم کو مد نظر رکھتے ہوئے، یہ تجویز دی جاتی ہے کہ معیشت اور بینکاری کے نظام کی مکمل اسلامائزیشن میں فعال طور پر حصہ لیا جائے۔
- شریعہ بورڈ یہ تجویز کرتا ہے کہ غیر مالیاتی اداروں اور دیگر اداروں بشمول حکومتی اداروں کو ان کے امور کو اسلامائز کرنے کے لیے شریعہ ایڈوائزری کی خدمات فراہم کی جائیں تاکہ معیشت کی مکمل اسلامائزیشن میں حصہ ڈالا جاسکے۔
- مستقبل میں، ریگولیٹری تقاضوں کی تعمیل میں مزید شریعہ ٹریننگز ہونی چاہئیں۔ مزید برآں شریعہ بورڈ کلاس روم شریعہ ٹریننگ سیشنز کی بھرپور سفارش کرتا ہے۔ تربیتی مقصد کے تحت بنائے گئے مقامات کا انتظام بہتر سے بہتر بنایا جائے تاکہ شرکاء ایک علمی اور تربیتی ماحول میں زیادہ سے زیادہ فوائد حاصل کر سکیں۔
- کارپوریٹ، ٹریڈری، کمرشل، ٹریڈ، ایس ایم ای بینکاری کی پراڈکٹس اور شریعہ کی ٹریننگز پر زیادہ توجہ دینے کی ضرورت ہے، لہذا بھرپور سفارش کی جاتی ہے کہ عملے کی شرعی اصولوں کے تناظر میں پراڈکٹس کی تربیت کو یقینی بنایا جائے۔
- اسلامی بینکاری اور مالیات کی اصل روح کے مطابق تشہیر اور عام لوگوں کو آگاہی دینے کے ساتھ ساتھ اسلامی بینکاری کے بارے میں حقیقی شعور پیدا کرنے اور غلط فہمیوں کو دور کرنے کے لئے، ایم سی بی اسلامک بینک کے پلیٹ فارم سے سیمینارز، ورکشاپس اور سوال و جواب کی نشست کا مزید اہتمام کرنے کی سفارش کی جاتی ہے۔
- شریعہ بورڈ قومی اور بین الاقوامی کانفرنسز میں نہ صرف شریعہ بورڈ کے ممبران کی بلکہ دیگر شعبوں کے نمائندگان کی شرکت کی سفارش کرتا ہے، یہ بینک کے برانڈ امیج اور بینک کے عملے کی صلاحیت میں اضافے کے لیے فائدہ مند ثابت ہوگا۔
- ایم سی بی اسلامک بینک کے اعلیٰ منتظمین کی بھی شریعہ ٹریننگز کی بھرپور سفارش کی جاتی ہے۔
- مزید برآں مائیکروفنانس سرگرمیوں کو جاری رکھنے کی سفارش کی جاتی ہے۔ ایم سی بی اسلامک بینک کو ملک میں مائیکروفنانس کی ضرورت کے سبب اسلامی مائیکروفنانس کی حوصلہ افزائی کرنی چاہئے۔ اسلامی مائیکروفنانس کے ذریعے، اسلامی بینکاری کی صنعت کم سرمایہ کے ساتھ کام کرنے والے تاجروں کی سہولت کے لئے ابتدائی درجہ پر کام کر سکتی ہے۔ اس سے اسلامی بینکاری کی عام تاجروں اور لوگوں میں مقبولیت میں اضافہ ہوگا۔
- جہاں تک بینک کے داخلی ماحول کا تعلق ہے، تو فرنٹ اور بیک آفسز کے تمام عملے کو ڈریس کوڈ کی سختی سے پیروی کرنے کی بھرپور تاکید کی جاتی ہے۔ اسٹاف کا لباس ایم سی بی اسلامک بینک ڈریس کوڈ پالیسی، ثقافتی اصولوں اور شرعی تقاضوں کے مطابق شرم و حیا کی عکاسی کرتا ہو۔ اس کی خلاف ورزی کی صورت میں تادیبی کارروائی کی سفارش بھی کی جاتی ہے۔
- یہ تجویز دی جاتی ہے کہ زیادہ سے زیادہ کسٹمر پورٹ فولیو کو تکافل میں منتقل کیا جائے، جو کہ اسلامی اصولوں کے مطابق ہے۔
- ہم بینک کے اندر گرین بینکنگ کے طریقوں کے وسیع تر نفاذ کی بھرپور حوصلہ افزائی کرتے ہیں۔
- یہ سفارش کی جاتی ہے کہ اسلامی اقدار سے ہم آہنگ چیریٹی کی سرگرمیوں اور منصوبوں کی حمایت کے ذریعے سماجی اور ماحولیاتی پائیداری پر مزید توجہ مرکوز کی جائے، اور معاشرے کے غریب طبقے کے لیے مالی معاونت فراہم کی جائے۔
- تاخیر سے ادائیگی کی وجہ سے عائد چیریٹی فنڈ کو وصول کیا جائے یا اس میں مستثنیٰ (exempt) اور مؤخر (deferrer) کی درخواست پر بینک کی چیریٹی پالیسی کے مطابق شریعہ بورڈ سے منظور لی جائے۔

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NOTICE OF 11TH ANNUAL GENERAL MEETING OF MCB ISLAMIC BANK LIMITED

Notice is hereby given that the 11th Annual General Meeting of MCB Islamic Bank Limited (the 'Bank') will be held on Thursday, March 27, 2025 at 10:00 AM at 14-A Jail Road, Lahore and through Video Conferencing Facility to transact the following businesses:

Ordinary Business:

1. To confirm the minutes of the 10th Annual General Meeting held on March 26, 2024.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Bank for the year ended December 31, 2024 together with Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To appoint auditors of the Bank and to fix their remuneration. The Audit Committee has suggested the re-appointment of M/s. A.F. Ferguson & Company, Chartered Accountants, as auditors of the Bank. The Board on the suggestion of the Audit Committee has recommended to the shareholders the re-appointment of M/s. A.F. Ferguson & Company, Chartered Accountants as auditors of the Bank.

By Order of the Board

Maimoona Cheema

Ms. Maimoona Cheema
Company Secretary

Date: March 06, 2025
Lahore

NOTES:

1. Members whose names appear in the register of members on March 27, 2025 shall be entitled to attend, speak and vote at the meeting.
2. A member is entitled to appoint another member as his/her proxy to attend, speak and vote instead of him/her at the meeting. Corporate entities can appoint a person who is not a member in terms of Section 138 of the Companies Act, 2017.
3. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity, its official stamp should be affixed on the instrument.
4. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, shall be deposited, with the Company Secretary, MCB Islamic Bank Limited, 59, T-Block, DHA Phase II, Lahore not less than 48 hours before the time of holding the meeting.
5. If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
6. The Bank has placed its audited financial statements for the year ended 31 December, 2024 along with directors' report and other relevant material on its website: www.mcbislamicbank.com

STATEMENT ON INTERNAL CONTROLS - YEAR 2024

The Management of MCB Islamic Bank (the "Bank") under the guidance of the Board of Directors, acknowledges its responsibility for establishing and maintaining an adequate and effective Internal Controls System with the main objectives of ensuring effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Internal Control System is a set of processes designed to identify, evaluate and mitigate the risk of failures and to help achieve overall business objectives of the Bank. All significant policies and procedural manuals are in place, which are reviewed, revised and improved to keep them current with latest activities and challenges. As a part of effective Internal Control System, the Board has established a formalized organizational structure within the Bank that provides clear demarcation of reporting and responsibility for ensuring proper assignment of authorities, segregations of duties and accountability towards the Bank. Defined authority limits have been established for each level within the Bank to approve acquisition and disposal of assets, approval of credit limits, writing-off items as well as approving expenses.

The Internal Control System evolves continuously and hence its evaluation is an ongoing process. This statement on internal controls is based on the management's assessment towards various aspects of the same. The said system of the Bank is designed to minimize and manage risks rather than eliminate the risk of failure to achieve the desired objectives; hence it can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

Implementing State Bank of Pakistan (the "SBP") Guidelines on Internal Control has been the Bank's top priority, with concerted efforts made by every Group to improve the control environment at grassroot level by regularly reviewing and streamlining procedures, as well as imparting training. The Bank has completed all stages of Internal Controls over Financial Reporting (ICFR) roadmap. External Auditor's Long Form Reports (LFR) on the assessment of Bank ICFR for the years 2017, 2018 and 2019 have been submitted to SBP. For the year 2020 and onward, SBP has granted the Bank exemption from the requirement of ICFR assessment by External Auditors. We have followed the said SBP guidelines for management of significant risks and will continue further improvements.

Board's Audit Committee (BAC) has the authority and is empowered by the Board of Directors to review the adequacy and effectiveness of the Internal Controls System implemented by the Bank. Further, all significant and material finding of the Internal and external auditors as well as observations of the regulators are addressed on priority by the management and their status periodically reported to the BAC.

The BAC is supported by the Audit & RAR Group, independent from management, which forms an integral part of the governance processes. The Audit & RAR Group provides reasonable assurance through systematic and disciplined approach along with value-added recommendations on the adequacy and effectiveness of the Internal Controls System, and compliance with internal policies, procedures and applicable regulatory laws and regulations. Periodic updates on its activities and significant issues are submitted by the Audit & RAR Group to the BAC.

Back Office Governance and Special Projects Group (BOG & SPG) is entrusted with the responsibility to maintain the internal control documentation of significant areas, covering financial, operational, and compliance risks along with their mitigating controls, in coordination with all stakeholders. Business continuity planning is also being carried out by Back Office Governance and Special Projects Group (BOG & SPG) in coordination with all stakeholders to ensure smooth business operations without disruption.

Concerted efforts are made by every Group to improve the control environment at grassroot level by regularly reviewing and streaming procedures to prevent and rectify control lapses as well as imparting training for improvement at various levels. Compliance & Control Group (CCG) of the Bank through its specialized teams and centralized automated solutions, also oversees adherence to the regulatory requirements, with specific emphasis on Anti-Money Laundering (AML) / Combating Financing to Terrorism (CFT)/ Countering Proliferation Financing (CPF). Compliance and Control Group conducts on-site and off-site reviews of various entities and also facilitates training sessions on Anti-Money Laundering (AML), Combating Financing to Terrorism (CFT) & Countering Proliferation Financing (CPF) for staff through various tools. Further CCG has implemented various dimensions of Compliance Risk Management Guidelines issued by the regulator including automated system to manage to Compliance Risk of the Bank. In addition, "Compliance Committee of Management" oversees the handling of Compliance Risk of the Bank and facilitate in implementing policies, processes and procedures to manage this risk. Furthermore, based on the observations and weakness identified by the Internal and External Auditors, CCG and Shari'ah Compliance teams, remediation of the control deficiencies are brought about by the management.

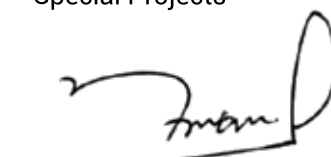
Bank's Risk Management function also plays its role in ongoing strengthening of the Bank's Internal Controls System, through operational risk data collection and conducting Risk and Control Self-Assessment exercise on bank wide basis and cyber security controls. The Bank has adopted top down approach for Risk Assessment. Further, the bank has also adopted the integrated Framework on Internal Controls issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO) for implementation in light of the SBP's Internal Control Guidelines. Risk Management Function is also actively engaged in creating risk awareness through staff training sessions in the areas of Operational Risk and Fraud Risk.

Based upon the results derived through ongoing testing of financial reporting controls and internal audits carried out during the year, the management considers that the Bank's existing Internal Control System is adequate and has been effectively implemented and monitored. The management will continue enhancing its coverage and compliance with the SBP Guidelines on Internal Control and further strengthening its control environment on an ongoing basis.

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




Muhammad Saeed Raja
Group Head - Back Office Governance and
Special Projects



Muhammad Imran Siddique
Group Head – Audit & RAR



Syed Iftikhar Hussain Rizvi
Group Head - Finance / CFO



Salman Naseer
Group Head - Risk Management



Muhammad Tariq Gondal
Group Head – Compliance & Controls

Date: January 24, 2025

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REPORT OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee comprises of experienced and qualified directors. The directors have diversified experience of banking and industry. The Chairman of Board Audit Committee is an independent director.

The Head of Internal Audit has direct access to the Board Audit Committee. The Board Audit Committee ensures staffing of the internal audit function with personnel of sufficient internal audit acumen, and that the function is equipped with the necessary resources and authority to execute their responsibilities independently and objectively.

Board Audit Committee remained actively engaged in the review of the Bank's financial statements as well as audit activities in accordance with the requirements of Code of Corporate Governance and that of Charter of the Board Audit Committee, duly approved by the Board of Directors. Board Audit Committee held four meetings, during the year 2024. Significant agenda items of the meetings were:

- Review of the Bank's periodic financial statements, including disclosure of related party transactions prior to their approval by the Board of Directors (BOD).
- Review of status of compliance against observations highlighted by internal and external auditors, including regular updates on the rectification actions taken by the management in response to the audit findings.
- Review of significant issues highlighted by internal auditors during audits / reviews of branches and other functions of the Bank.
- Review of the Bank's Internal Audit Charter.
- Review, approval and oversight of Annual Audit Plan and budget along with resource requirements of Audit & RAR Group.
- Performance appraisal of Head of Internal Audit & RAR.
- Review of Management Letter issued by External Auditors along with management response.
- Recommendation of scope and appointment of external auditors, including finalization of audit and consultancy fee.
- Review of Statement on Internal Controls, prior to endorsement by the BOD.

Lahore
Date: February 04, 2025

Chairman Board Audit Committee
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STATEMENT OF COMPLIANCE

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

MCB Islamic Bank Limited

For The Year Ended December 31, 2024

This statement is being presented in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") issued by the Securities and Exchange Commission of Pakistan (the "Commission"), as required under Regulation No. G-I of the Prudential Regulations for Corporate / Commercial Banking issued by the State Bank of Pakistan (SBP).

MCB Islamic Bank Limited ("the Bank") has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 8 as per the following: 1.

A	Male	7
B	Female	1

2. The composition of the Board is as follows:

Sr. No.	Category	Name of Directors
A	Independent Directors*	Mr. Jawaid Iqbal Ms. Nabeela Waheed
B	Non-Executive Directors	Mr. Raza Mansha Mr. Ahmed Ebrahim Hasham Mr. Ibrahim Shamsi Mr. Omair Safdar Mr. Hammad Khalid
C	Executive Director (President & CEO)	Mr. Zargham Khan Durrani
D	Female Director	Ms. Nabeela Waheed

* The Board has appointed two independent directors and the fraction one-third number was not rounded up to one as the two independent directors had requisite competencies, skills, knowledge and experience to fulfil their obligations as per the requirements of the applicable laws and regulations and hence, appointment of third independent director was not warranted.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Bank.
- The Bank has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Bank. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating has been maintained by the Bank.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and the Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. The following Board Members have attained Directors' Training Program till date:

- Mr. Hammad Khalid (Non-Executive Director)
- Mr. Omair Safdar (Non-Executive Director)
- Mr. Ahmed Ebrahim Hasham (Non-Executive Director)
- Ms. Nabeela Waheed (Independent Director)
- Mr. Jawaid Iqbal (Independent Director)

The following directors are exempt from the Director's Training Program on the basis of their education and experience:

- Mr. Raza Mansha (Chairman)
- Mr. Ibrahim Shamsi (Non-executive Director)

10. The Board has approved appointment of the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.

11. The CFO and the President & Chief Executive Officer ("CEO") duly endorsed the financial statements before approval of the Board.

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

A Board Audit Committee		
Mr. Jawaid Iqbal	Chairperson	
Ms. Nabeela Waheed	Member	
Mr. Omair Safdar	Member	
Mr. Ibrahim Shamsi	Member	
Mr. Hammad Khalid	Member	
B Human Resource & Remuneration Committee		
Mr. Jawaid Iqbal	Chairperson	
Mr. Raza Mansha	Member	
Mr. Omair Safdar	Member	
C Business Strategy & Service Quality Review Committee		
Mr. Ahmed Ebrahim Hasham	Chairperson	
Mr. Ibrahim Shamsi	Member	
Mr. Omair Safdar	Member	
Mr. Hammad Khalid	Member	
Mr. Zargham Khan Durrani	Member	
D Risk Management & Portfolio Review Committee		
Mr. Omair Safdar	Chairperson	
Ms. Nabeela Waheed	Member	
Mr. Ahmed Ebrahim Hasham	Member	
Mr. Jawaid Iqbal	Member	
Mr. Zargham Khan Durrani	Member	

E Board Information Technology Committee		
Mr. Ibrahim Shamsi	Chairperson	
Mr. Jawaid Iqbal	Member	
Mr. Hammad Khalid	Member	
Mr. Zargham Khan Durrani	Member	
F Board Evaluation Committee		
Ms. Nabeela Waheed	Chairperson	
Mr. Hammad Khalid	Member	

13. The Terms of Reference ("TORs") of the aforesaid Committees have been formed, documented and advised to the respective committee for compliance.

14. The number of meetings of the below committees held during the year were as per the following table:

Name of Committee	No. of Meetings
Board Audit Committee	Four
Human Resource & Remuneration Committee	Four
Business Strategy & Service Quality Review Committee	Five
Risk Management & Portfolio Review Committee	Four
Board IT Committee	Four
Board Evaluation Committee	One

15. The Board has set up an effective Internal Audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Bank.

16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("ICAP") and registered with Audit Oversight Board of Pakistan, that they and all of their partners are in compliance with International Federation of Accountants ("IFAC") guidelines on code of ethics as adopted by the ICAP 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 President & CEO, CFO, Head of Internal Audit, Company Secretary or Director of the Bank.

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

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



Zargham Khan Durrani
President / CEO
MCB Islamic Bank Limited

February 04, 2025



Raza Mansha
Chairman
MCB Islamic Bank Limited

February 04, 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

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

As 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 December 31, 2024.

A. F. Ferguson & Co.

Chartered Accountants

Lahore

Date: March 6, 2025

UDIN: CR202410092uEKn47ODW

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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INDEPENDENT AUDITOR'S REPORT

To the members of MCB Islamic Bank Limited
Report On The Audit Of The Financial Statements

OPINION

We have audited the annexed financial statements of MCB Islamic Bank Limited (the Bank), which comprise the statement of financial position as at December 31, 2024, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, along with the unaudited certified returns received from the branches except for 28 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 statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2024 and of the profit and 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.

INFORMATION OTHER THAN THE 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 auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk

■ KARACHI ■ LAHORE ■ ISLAMABAD



A.F. FERGUSON & CO.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, the requirements of the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as 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 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 skepticism 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- 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;
- the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- 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
- 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 percent of the total Islamic financing and related assets of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is **Hammad Ali Ahmad**.

A. F. Ferguson & Co.

A. F. Ferguson & Co.

Chartered Accountants

Lahore

Date: March 06, 2025

UDIN: AR202410092Hvwl9RAxK

ہوم ریمٹینس سروس

اپنے پیاروں کی طرف سے بھیجی گئی رقم کسی بھی
ایم سی بی اسلامک بینک برانچ سے باآسانی وصول کریں



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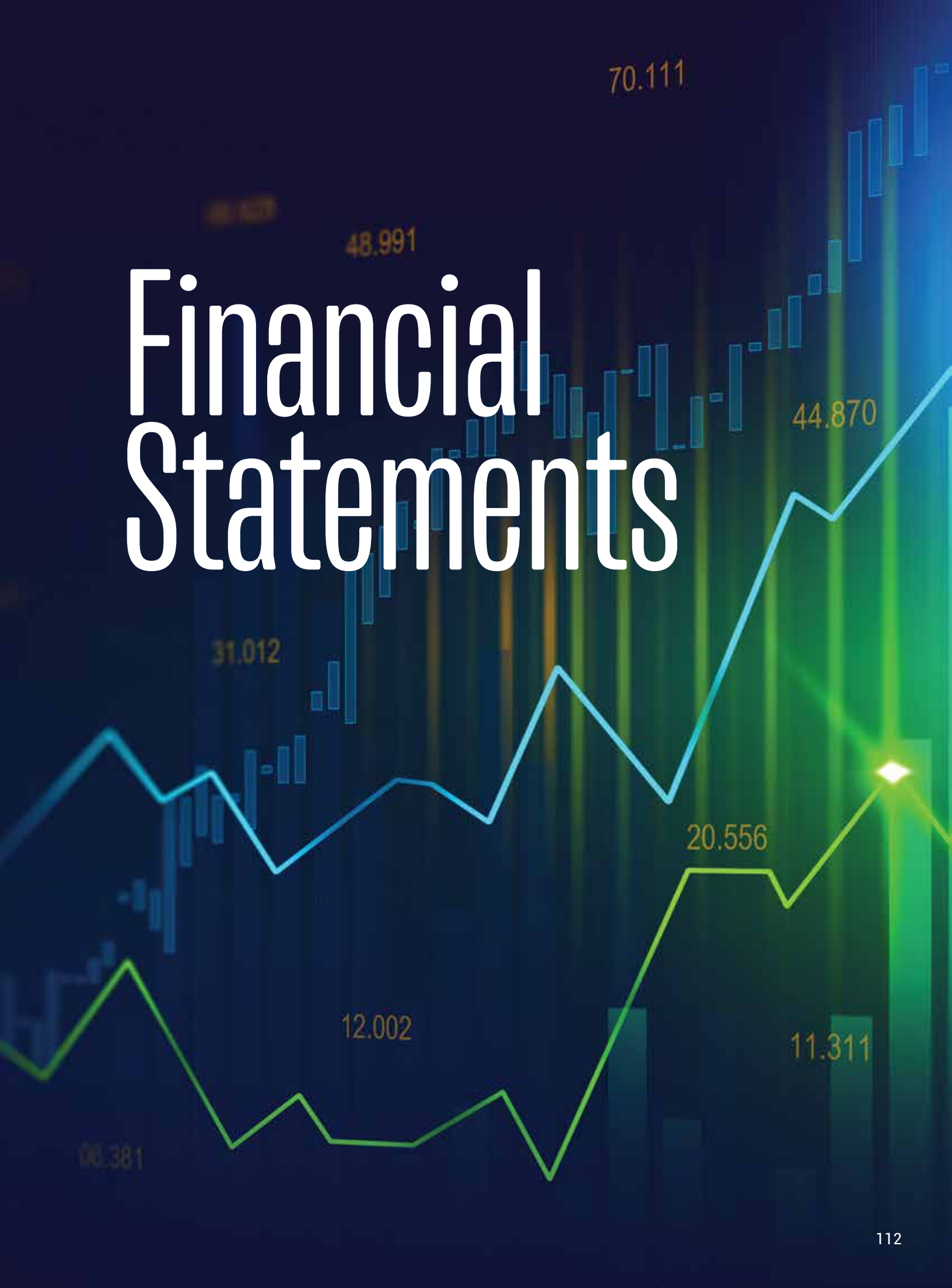
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Islamic Principles

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Balance
Requirement
-  Unlimited
Deposits &
Withdrawals
-  Free
Online
Banking



Open Your Account

Financial Statements



STATEMENT OF FINANCIAL POSITION


AS AT DECEMBER 31, 2024


	Note	2024	2023
Rupees in thousands			
ASSETS			
Cash and balances with treasury banks	6	18,114,511	19,529,055
Balances with other banks	7	962,093	2,803,425
Due from financial institutions	8	2,000,000	2,500,000
Investments - net	9	146,596,201	132,544,302
Islamic financing and related assets - net	10	119,353,143	89,347,415
Property and equipment	11	5,191,117	3,755,402
Right-of-use of assets	12	2,355,818	2,027,791
Intangible assets	13	1,044,088	532,846
Deferred tax assets	14	30,797	-
Other assets	15	11,695,860	13,959,469
		307,343,628	266,999,705
LIABILITIES			
Bills payable	17	11,594,493	2,175,473
Due to financial institutions	18	48,422,293	25,813,546
Deposits and other accounts	19	209,108,581	204,460,158
Lease liabilities	20	3,018,262	2,636,096
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities	14	-	445,291
Other liabilities	21	9,253,993	9,432,889
		281,397,622	244,963,453
NET ASSETS		25,946,006	22,036,252
REPRESENTED BY			
Share capital	22	15,550,000	15,550,000
Reserves	23	2,276,220	1,428,486
Surplus on revaluation of assets-net	24	1,517,729	934,644
Accumulated profit		6,602,057	4,123,122
		25,946,006	22,036,252


CONTINGENCIES AND COMMITMENTS


25


The annexed notes 1 to 47 form an integral part of these financial statements.


SYED IFTIKHAR HUSSAIN RIZVI
 Chief Financial Officer


ZARGHAM KHAN DURRANI
 President / Chief Executive


NABEELA WAHEED
 Director


HAMMAD KHALID
 Director


OMAIR SAFDAR
 Director

STATEMENT OF PROFIT AND LOSS ACCOUNT


FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
Rupees in thousands			
Profit / return earned	26	45,874,654	35,942,266
Profit / return expensed	27	27,934,135	18,758,603
Net Profit / return		17,940,519	17,183,663
OTHER INCOME			
Fee and commission income	28	955,789	741,288
Dividend income		-	13,451
Foreign exchange income		418,991	735,118
Gain on securities - net	29	304,582	17,656
Other income	30	290,716	229,820
Total other income		1,970,078	1,737,333
Total income		19,910,597	18,920,996
OTHER EXPENSES			
Operating expenses	31	10,064,465	7,390,269
Workers welfare fund		191,519	217,510
Other charges	32	3,291	41,672
Total other expenses		10,259,275	7,649,451
Profit before credit loss allowance		9,651,322	11,271,545
Credit loss allowance and write offs - net	33	542,989	704,007
PROFIT BEFORE TAXATION		9,108,333	10,567,538
Taxation	34	4,869,661	5,414,203
PROFIT AFTER TAXATION		4,238,672	5,153,335
Rupees			
Basic and diluted earnings per share	35	2,726	3,314

The annexed notes 1 to 47 form an integral part of these financial statements.


SYED IFTIKHAR HUSSAIN RIZVI
 Chief Financial Officer


ZARGHAM KHAN DURRANI
 President / Chief Executive


NABEELA WAHEED
 Director


HAMMAD KHALID
 Director


OMAIR SAFDAR
 Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
Rupees in thousands		
Profit after taxation for the year	4,238,672	5,153,335
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of debt investments through FVTOCI - net of tax	587,666	548,019
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of property and equipment - net of tax	(5,861)	(11,984)
Total comprehensive income	4,820,477	5,689,370


The annexed notes 1 to 47 form an integral part of these financial statements.


STATEMENT OF CHANGES IN EQUITY


FOR THE YEAR ENDED DECEMBER 31, 2024


	Share Capital	Statutory Reserve	Surplus / (deficit) on revaluation of		Accumulated (Loss) / Profit	Total
			Investments	Fixed Assets		
Rupees in thousands						
Balance as at January 01, 2023	15,550,000	397,819	(79,928)	480,758	(1,767)	16,346,882
Profit after taxation for the year ended December 31, 2023	-	-	-	-	5,153,335	5,153,335
Other comprehensive income / (loss) - net of tax	-	-	548,019	(11,984)	-	536,035
	-	-	548,019	(11,984)	5,153,335	5,689,370
Transfer to statutory reserve	-	1,030,667	-	-	(1,030,667)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(2,221)	2,221	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
Balance as at December 31, 2023	15,550,000	1,428,486	468,091	466,553	4,123,122	22,036,252
Impact of adopting IFRS-9						
Expected Credit Loss - net of tax	-	-	3,371	-	(914,094)	(910,723)
Restated Balance under IFRS 9 as at December 31, 2023	15,550,000	1,428,486	471,462	466,553	3,209,028	21,125,529
Profit after taxation for the year ended December 31, 2024	-	-	-	-	4,238,672	4,238,672
Other comprehensive income / (loss) - net of tax	-	-	587,666	(5,861)	-	581,805
	-	-	587,666	(5,861)	4,238,672	4,820,477
Transfer to statutory reserve	-	847,734	-	-	(847,734)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(2,091)	2,091	-
Balance as at December 31, 2024	15,550,000	2,276,220	1,059,128	458,601	6,602,057	25,946,006


The annexed notes 1 to 47 form an integral part of these financial statements.



 SYED IFTIKHAR HUSSAIN RIZVI
 Chief Financial Officer



 ZARGHAM KHAN DURRANI
 President / Chief Executive



 NABEELA WAHEED
 Director



 HAMMAD KHALID
 Director



 OMAIR SAFDAR
 Director


 SYED IFTIKHAR HUSSAIN RIZVI
 Chief Financial Officer


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 President / Chief Executive


 NABEELA WAHEED
 Director



 HAMMAD KHALID
 Director



 OMAIR SAFDAR
 Director


CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024


	Note	2024	2023
Rupees in thousands			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		9,108,333	10,567,538
Less: Dividend income		-	13,451
		9,108,333	10,554,087
Adjustments			
Net Profit / return		(18,313,564)	(17,492,995)
Depreciation on fixed assets	11.2	650,122	466,176
Depreciation on right-of-use assets	12	631,479	527,299
Depreciation on ijarah assets under IFAS 2	10.4.1	370,047	552,153
Amortisation	13.1	178,573	187,463
Unwinding of lease liability against right-of-use assets	27	373,045	309,332
Credit loss allowances and write offs - net	33	542,989	704,007
Unrealized loss on forward foreign exchange contracts - net		156,882	27,819
Gain on sale of fixed assets - net	30	(22,863)	(1,112)
Gain on termination of lease liability against right-of-use asset	30	(7,804)	(6,319)
Gain on conversion of Ijarah agreements	30	(9,762)	(21,391)
Unrealised loss / (gain) on revaluation of FVTPL securities	29	4,181	(4,181)
Unrealised loss on revaluation of FVTPL securities	29	8,867	-
Gain on sale of securities - net	29	(317,630)	(13,475)
		(15,755,438)	(14,765,224)
		(6,647,105)	(4,211,137)
(Increase) / decrease in operating assets			
Due from financial institutions		500,000	3,670,000
Securities classified as FVPL		1,326,619	(1,996,619)
Islamic financing and related assets		(30,917,162)	(280,475)
Other assets (excluding advance taxation)		(2,071,027)	(93,979)
		(31,161,570)	1,298,927
Increase / (decrease) in operating liabilities			
Bills payable		9,419,020	(1,562,009)
Due to financial institutions		22,608,747	11,142,787
Deposits and other accounts		4,648,423	50,458,698
Other liabilities (excluding current taxation)		638,752	28,556
		37,314,942	60,068,032
		(493,733)	57,155,822
Profit / return received		48,175,766	31,449,504
Profit / return paid		(27,317,295)	(17,429,421)
Income tax paid		(6,139,998)	(5,060,151)
Net cash generated from operating activities		14,224,740	66,115,754
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVTOCI		(21,789,448)	(37,778,770)
Net divestments / (investments) in amortised cost securities		8,004,203	(19,024,550)
Dividend received		-	13,451
Investments in property and equipment		(2,095,501)	(1,234,271)
Disposal of property and equipment		32,526	1,766
Investments in intangible assets		(689,815)	(143,555)
Net cash used in investing activities		(16,538,035)	(58,165,929)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	-
Payment of lease liability against right-of-use asset		(942,581)	(761,903)
Net cash used in financing activities		(942,581)	(761,903)
(Decrease) / increase in cash and cash equivalents during the year		(3,255,876)	7,187,922
Cash and cash equivalents at the beginning of the year		22,332,480	15,144,558
Cash and cash equivalents at the end of the year	36	19,076,604	22,332,480


The annexed notes 1 to 47 form an integral part of these financial statements.


SYED IFTIKHAR HUSSAIN RIZVI
Chief Financial Officer


ZARGHAM KHAN DURRANI
President / Chief Executive


NABEELA WAHEED
Director


HAMMAD KHALID
Director


OMAIR SAFDAR
Director

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1 STATUS AND NATURE OF BUSINESS

- 1.1 MCB Islamic Bank Limited (the Bank) was incorporated in Pakistan as an unlisted public limited company on May 15, 2014 under the Companies Ordinance, 1984 (repealed after the enactment of the Companies Act, 2017) to carry out the business of an Islamic Commercial Bank in accordance and in conformity with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. The Securities and Exchange Commission of Pakistan granted "Certificate of Commencement of Business" to the Bank on January 30, 2015. The Bank is a wholly owned subsidiary of MCB Bank Limited (MCB).
- 1.2 The State Bank of Pakistan (SBP) granted a "Certificate of Commencement of Banking Business" to the Bank on September 14, 2015 under Section 27 of the Banking Companies Ordinance, 1962. The Bank formally commenced operations as a Scheduled Islamic Commercial Bank with effect from October 15, 2015 upon receiving notification in this regard from SBP under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, micro finance, investment and retail banking activities.
- 1.3 The Bank is operating through 303 branches including two sub branches in Pakistan as at December 31, 2024 (December 31, 2023: 226 branches including two sub branches in Pakistan). The Registered Office of the Bank is situated at 59 Block T, Phase II, DHA, Lahore Cantt and Principal Office is situated at 14-A Main Jail Road, Gulberg, Lahore.
- 1.4 Pakistan Credit Rating Agency (PACRA) has upgraded our the Bank's medium to long-term rating from "A" to "A+" and maintained the short-term rating as "A-1" with stable outlook.
- 1.5 The Board of Directors in their meeting held on April 24, 2024 had approved the Scheme of Compromises, Arrangements and Reconstruction (the "Scheme") between the Bank and MCB Bank Ltd. (MCB). The Scheme envisages transfer of banking business of thirty nine (39) branches of MCB subject to the approval of the shareholders of the banks and sanction by the Honourable Lahore High Court, where the assets, rights, liabilities, operations, systems, staff, assets of back office functions and obligations of MCB relating to the banking business of these branches will be transferred and vested in the Bank. The banking business of these branches will also stand converted into Islamic banking business on the effective date pursuant to the compliance of applicable regulatory permissions.

Both the banks filed a petition before the Honourable Lahore High Court for sanction of, and for other orders facilitating implementation of the Scheme under Section 279 to 283 and 285 read with other enabling provisions of the Companies Act, 2017. The shareholders approved the Scheme in the Extra Ordinary General Meeting (EOGM) held on July 06, 2024. The Honourable Lahore High Court has sanctioned the Scheme on October 03, 2024. The business of these 39 branches have been transferred from MCB with effect from the Effective date i.e. close of the business on November 15, 2024.

The carrying amount of assets and liabilities acquired are as follows:

Assets	Rupees in thousands
Cash in hand	323,834
Property and equipment	148,365
Other assets	1,509
	473,708

Liabilities

Bills payable	117,601
Deposits and other accounts	5,432,428
Other liabilities	2,643
	5,552,672
Net liabilities transferred from MCB Bank	(5,078,964)

2 BASIS OF PRESENTATION

- 2.1
- The Bank provides Islamic financing and related assets mainly through Shari'ah compliant financing products mainly through Murabaha, Istisna, Salam, Ijarah, Diminishing Musharaka and Running Musharaka. The Bank also provides refinance facilities under various refinance schemes of the State Bank of Pakistan including Islamic Export Refinance Scheme.
- 2.2
- The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such Islamic financing is recognised in accordance with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. However, income, if any, received which does not comply with the principles of Islamic Shari'ah is recognised as charity payable if so directed by the Shari'ah Board of the Bank.

2.3 Adoption of new forms for the preparation of annual financial statements

The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of the annual financial statements of the Banks. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the annual financial statements. Right of use assets and corresponding lease liability are now presented separately on the face of the Statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the annual financial statements in terms of recognition and measurement of assets and liabilities.

3 STATEMENT OF COMPLIANCE

- 3.1
- These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

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

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

The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002 and International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' (IAS 39) through BSD Circular Letter No. 10, dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) /2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

3.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these financial statements except for IFRS 9 'Financial Instruments', the impact of which is disclosed under note 5.2.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following other standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after January 1, 2024:

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 - Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027

4 BASIS OF MEASUREMENT

- 4.1
- These financial statements have been prepared under the historical cost convention, except that certain classes of fixed assets are stated at revalued amounts and certain investments, foreign currency balances and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value in accordance with the requirements of the SBP. In addition, obligations in respect of lease liabilities are carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liability and depreciated over the respective lease terms.

Measurement of fair values

The Bank has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable and unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. The valuation of financial assets and financial liabilities are categorized and disclosed in note 40.

- 4.2
- These financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are consistent with those of the previous financial year.

5.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences, 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 the 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. Critical accounting estimates and judgements applied in application of IFRS 9 have been disclosed under note 5.2. Other major areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in the application of accounting policies are as follows:

a) Taxation

In making the estimates for income taxes currently payable by the Bank, the management considers the current income tax laws. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

b) Depreciation, amortization and revaluation of fixed assets

In making estimates of the depreciation / amortization method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the changed pattern. Such change is accounted for as change in accounting estimates in accordance with International Accounting Standard (IAS) 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 valuations carried out by independent professional valuers under the market conditions.

c) Lease term

The Bank applies judgment 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 recognised.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year.

5.2 IFRS 9 - 'Financial Instruments'

As per the SBP BPRD Circular Letter No. 07 dated April 13, 2023, IFRS 9 'Financial Instruments' is applicable on banks with effect from January 01, 2024. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard also introduces a new impairment model for financial assets which requires recognition of impairment charge based on a forward looking 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as previously followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk.

The State Bank of Pakistan (SBP), through BPRD Circular Letter No. 16 dated July 19, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025, has introduced amendments and provided clarifications on the implementation timelines of IFRS 9 to address industry concerns and ensure compliance. These circulars offer guidance on the measurement of unquoted equity securities, modification accounting and the maintenance of general provisions beyond Expected Credit Losses (ECL).

In accordance with the directives outlined in the aforementioned circulars, the Bank has incorporated the prescribed treatment in these financial statements. Furthermore, SBP has permitted Islamic Banking Institutions (IBIs) to continue applying Islamic Financial Accounting Standards (IFAS) 1 and 2 for revenue recognition where applicable, while maintaining the existing accounting methodology for other Islamic products until further instructions are issued. Had IFRS 9 been fully adopted, the financial impact on the Bank would have amounted to Rs. 496 million.

Income on performing loans and debt securities is recognized on a time proportion basis or using the effective interest rate (EIR) method, in accordance with contractual terms and as permitted by SBP. However, through letter No. BPRD/RPD/822456/25 dated January 22, 2025, SBP has granted specific approval to the Bank for a deferred implementation of the EIR methodology.

In preparation of these financial statements, the Bank has applied requirements of IFRS 9 and instructions issued by SBP, through various circulars, from the date of initial application of January 01, 2024 with a modified retrospective approach for restatement. As permitted by the transitional provisions of IFRS 9, the Bank has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

5.2.1 Classification

Financial Assets

Under IFRS 9, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at fair value through profit or loss account (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortised cost

Financial Liabilities

Under IFRS 9, the accounting for financial liabilities remains largely the same as before adoption of IFRS 9 and thus financial liabilities are being carried at amortised cost except for derivatives which are being measured at FVTPL.

5.2.2 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:

- The objectives for the portfolio, in particular, whether the management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- 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; and

- The expected frequency, value and timing of sale are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Eventually, the financial assets fall under either of the following three business models:

- i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows
- ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets
- iii) Other business models: Resulting in classification of financial assets as FVTPL

5.2.3 Assessments whether contractual cash flows are solely payments of principal and profit (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. '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 (for example, if there are repayments of principal or amortisation of the premium / discount). The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as, but not limited to, the currency in which the financial asset is denominated, and the period for which the profit rate is set. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic lending arrangement, the related financial asset is classified and measured at FVTPL.

5.2.4 Application to the Bank's financial assets

Debt based financial assets

Debt based financial assets held by the Bank include: advances, lending to financial institutions, investment in federal government securities, corporate bonds and other private sukuks, cash and balances with treasury banks, balances with other banks, and other financial assets.

- a) These are measured at amortised cost if they meet both of the following conditions and are not designated as FVTPL:
 - the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.
- b) Debt based financial assets are measured at FVOCI only if these meet both of the following conditions and are not designated as FVTPL:
 - the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

- c) Debt based financial assets if these are held for trading purposes are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The application of these policies also resulted in classifications and consequent remeasurements of certain investments in Ijarah Sukuk held under available for sale portfolio as of December 31, 2023 to hold to collect based on the business model assessment. The following table reconciles their carrying amounts as reported on December 31, 2023 to the carrying amounts under IFRS 9 on transition to IFRS 9 on January 01, 2024:

Investment type and category	Balances as of December 31, 2023 (Audited)	IFRS 9 Classification	Balances as of December 31, 2023	Remeasreuments	Balances as of January 01, 2024 - before ECL
Rupees in thousands					
Non Government Securities					
- Ijarah Sukuk - AFS	770,000	FVTPL	770,000	-	770,000
	770,000		770,000	-	770,000

Equity based financial assets

An equity instrument held by the Bank for trading purposes is classified as measured at FVTPL. On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. The Bank has decided to classify Rs. NIL out of its its available for sale equity investment (listed shares) portfolio as of December 31, 2023 as FVTPL.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. Accordingly, the Bank has reclassified impairment of Rs. NIL on listed equity investments and Rs. NIL for unlisted equity investment held as at December 31, 2023 to surplus / deficit on revaluation of investments through remeasurements.

The measurement category and carrying amount of financial assets in accordance with the accounting and reporting standards as applicable in Pakistan before and after adoption of IFRS 9 as at January 1, 2024 are compared as follows:

Financial assets	Before adoption of IFRS 9*		After adoption of IFRS 9	
	Measurement category	Carrying amount as at December 31, 2023	Measurement category	Carrying amount as at December 31, 2023
Rupees in thousands				
Cash and balances with treasury banks	Loans and receivables	19,529,055	Amortised cost	19,511,127
Balances with other banks	Loans and receivables	2,803,425	Amortised cost	2,799,400
Due from financial institutions	Loans and receivables	2,500,000	Amortised cost	2,499,999
Investments - net	Held-for-trading	2,000,800	Fair value through profit or loss	2,000,800
	Available-for-sale	94,326,572	Fair value through profit or loss	763,390
			Fair value through other comprehensive income	93,563,182
			Amortised cost	-
	Held-to-maturity	36,216,930	Amortised cost	36,216,930
Other assets		13,959,469	Amortised cost	14,546,030
Islamic finance - net	Loans and receivables	89,347,415	Amortised cost	85,769,791
		260,683,666		257,670,649

5.2.5 Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

a) Amortised cost (AC)

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the statement of profit and loss account. Interest income / profit / expense on these assets / liabilities are recognised in the statement of profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the statement of profit and loss account.

b) Fair value through other comprehensive income (FVOCI)

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction cost. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for debt based financial assets in the statement of profit and loss account. Interest / profit / dividend income on these assets are recognised in the statement of profit and loss account. On derecognition of debt based financial assets, capital gain / loss will be recognised in the statement of profit and loss account. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

c) Fair value through profit or loss (FVTPL)

Financial assets under FVTPL category are initially recognised at fair value. Transaction cost will be directly recorded in the statement of profit and loss account. These assets are subsequently measured at fair value with changes recorded in the statement of profit and loss account. Interest / dividend income on these assets are recognised in the statement of profit and loss account. On derecognition of these financial assets, capital gain / loss will be recognised in the statement of profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

5.2.6 Derecognition

Financial assets

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial assets

The Bank enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit and loss account.

5.2.7 Modification

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Bank recalculates the gross carrying amount of the financial asset to recognise a modification gain or loss in the statement of profit and loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

5.2.8 Expected Credit Loss (ECL)

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt based financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Bank recognises a credit loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk (SICR) 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. Both LTECLs and 12mECLs are calculated at facility level.

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 uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations. 'Based on the level of increase in credit risk, the Bank shall calculate 12mECL for assets which did not have a SICR i.e., stage 1 or a LTECL for the life of the asset (for assets which demonstrated a SICR) i.e., stage 2.

Based on the above process, the Bank groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1:	When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as 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. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.
Stage 2:	When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.
Stage 3:	For financial instruments considered credit-impaired, the Bank recognises the LTECLs for these instruments. The Bank uses a PD of 100% and LGD as computed for each portfolio / segment. When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the LTECLs.
Guarantee and letter of credit contracts	The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

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

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Bank uses an approximation e.g. contractual rate (at reporting date).

As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No.16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

The Bank's management has only considered cash, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Definition of default

The concept of 'impairment or default' is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD. The Bank has defined that an exposure with regards to a particular obligor will be treated as having defaulted when either one or both of the following two events have taken place:

- If a customer fails to service mark-up and / or principal within days past due (dpd) criteria as prescribed by SBP from time to time;
- The Bank considers that the obligor is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realizing security (if held).

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

5.2.9 Adoption impacts

The Bank has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 910.723 million has been recorded as an adjustment to equity at the beginning of the current accounting period. The details of the impacts of initial application are tabulated below:

5.2.5.1

Balances as of December 31, 2023 (Audited)	Impact due to:				Reversal of provisions held	Total impact - gross of tax	Taxation (current + deferred)	Total impact - net of tax	Balances as of January 01, 2024	IFRS 9 Category
	Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS 9	Classifications due to business model and SPPI assessments	Remeasurements						
Rupees in thousands										
Cash and balances with treasury banks	19,529,055	-	-	-	-	(17,928)	-	(17,928)	19,511,127	Amortised Cost
Balances with other banks	2,803,425	-	-	-	-	(4,025)	-	(4,025)	2,799,400	Amortised Cost
Due from financial institutions	2,500,000	-	-	-	-	(1)	-	(1)	2,499,999	Amortised Cost
Investments										
- Classified as available for sale	94,326,572	-	-	-	-	(94,326,572)	-	(94,326,572)	-	-
- Classified as fair value through other comprehensive income	-	94,326,572	(6,610)	-	-	94,319,962	-	94,319,962	94,319,962	Fair Value Through Other Comprehensive Income
- Classified as held to maturity	36,216,930	(36,216,930)	-	-	-	(36,216,930)	-	(36,216,930)	-	-
- Classified as amortised cost	-	36,216,930	-	-	-	36,216,930	-	36,216,930	36,216,930	Amortised Cost
- Classified as held for trading	2,000,800	(2,000,800)	-	-	-	(2,000,800)	-	(2,000,800)	-	-
- Classified as fair value through profit or loss	-	2,000,800	6,610	-	-	2,007,410	-	2,007,410	2,007,410	Fair Value Through Profit and Loss
- Associates	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
- Subsidiaries	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
Advances	132,544,302	-	-	-	-	-	-	-	132,544,302	-
- Gross amount	90,635,616	-	-	(2,170,448)	-	(2,170,448)	-	(2,170,448)	88,465,168	-
- Provisions	(1,288,201)	(1,407,176)	-	-	-	(1,407,176)	-	(1,407,176)	(2,695,377)	Amortised Cost
	89,347,415	(1,407,176)	-	(2,170,448)	-	(3,577,624)	-	(3,577,624)	85,769,791	-
Property and equipment										
Right-of-use assets	3,755,402	-	-	-	-	-	-	-	3,755,402	Outside the scope of IFRS 9
Intangible assets	2,027,791	-	-	-	-	-	-	-	2,027,791	Outside the scope of IFRS 9
Deferred tax asset	532,846	-	-	-	-	-	-	-	532,846	Outside the scope of IFRS 9
Other assets	-	-	-	-	-	-	(881,620)	881,620	881,620	Outside the scope of IFRS 9
	13,959,469	(87,483)	-	674,044	-	586,561	-	586,561	14,546,030	Amortised Cost
	266,999,705	(1,516,613)	-	(1,496,404)	-	(3,013,017)	(881,620)	(2,131,397)	264,868,308	-
LIABILITIES										
Bills payable	2,175,473	-	-	-	-	-	-	-	2,175,473	Amortised Cost
Due to financial institutions	25,813,546	-	-	(1,298,349)	-	(1,298,349)	-	(1,298,349)	24,515,197	Amortised Cost
Deposits and other accounts	204,460,158	-	-	-	-	-	-	-	204,460,158	Amortised Cost
Lease liability against right-of-use assets	2,636,096	-	-	-	-	-	-	-	2,636,096	Amortised Cost
Subordinated debt	-	-	-	-	-	-	-	-	-	Amortised Cost
Deferred tax liabilities	445,291	-	-	-	-	-	-	-	445,291	Outside the scope of IFRS 9
Other liabilities	9,432,889	77,675	-	-	-	77,675	-	77,675	9,510,564	Amortised Cost
	244,963,453	77,675	-	(1,298,349)	-	(1,220,674)	-	(1,220,674)	243,742,779	-
NET ASSETS										
	22,036,252	(1,594,288)	-	(198,055)	-	(1,792,343)	(881,620)	(910,723)	21,125,529	-
REPRESENTED BY										
Share capital	15,550,000	-	-	-	-	-	-	-	15,550,000	-
Reserves	1,428,486	-	-	-	-	-	-	-	1,428,486	-
Surplus on revaluation of assets - net of tax	934,644	-	6,610	-	-	6,610	3,239	3,371	938,015	-
Unappropriated profit	4,123,122	(1,594,288)	(6,610)	(198,055)	-	(1,798,953)	(884,859)	(914,094)	3,209,028	-
	22,036,252	(1,594,288)	-	(198,055)	-	(1,792,343)	(881,620)	(910,723)	21,125,529	-

5.3 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks in current (net of overdrawn Nostro balances) and deposit accounts.

5.4 Funds due to / from financial institutions

Bai Mu'ajjal

In Bai Mu'ajjal, the Bank sells sukuk on deferred basis to other financial institutions. The deferred price is agreed at the time of sale and such proceeds are received at the end of the deferral period. Bai Muajjal with the Federal Government is classified as investment.

Musharaka / Mudaraba / Wakala

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

Musharaka from the SBP under Islamic Export Refinance Scheme (IERS)

Under IERS, the Bank accepts funds from the SBP under Shirkat-ul-Aqd to constitute a pool for investment in Export Refinance portfolio of the Bank under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed profit sharing ratio between the partners.

Mudaraba investment from the SBP under various long term Islamic refinance schemes

Under various long term Islamic refinance schemes of the SBP, the Bank accepts funds from the SBP which are received on Mudaraba basis for investment in general pool of the Bank. The profit of the pool is shared as per the announced profit sharing ratio of the pool and the weightages assigned to these investments.

5.5 Investments

Investments include Federal Government securities and non-Government securities. Classification and measurement of investments has been detailed in note 5.2

5.6 Islamic financing and related assets

5.6.1 These are financial products offered by the Bank and are stated net of specific and general provision against non performing Islamic financing and related assets, if any. A brief description of the products are given below:

Murabaha

In Murabaha transactions, the Bank purchases the goods through its agent or client and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

Under Murabaha financing, funds disbursed for purchase of goods are recorded as 'Advance against Murabaha finance'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financing are recorded at the deferred sale price. Goods purchased but remained unsold at the statement of financial position date are recorded as inventories. Deferred income on Murabaha financing is adjusted against Murabaha receivable.

The Bank values its inventories at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. Cost of inventories represents actual purchases made by the Bank / customers as the agent of the Bank for subsequent sale.

Istisna

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

Salam

In Salam financing, the Bank pays full in advance to its customer for buying specified goods / commodities to be delivered to the Bank within an agreed time. The goods are then sold and the amount financed is received back by the Bank along with profit.

Ijarah

In Ijarah financing, the Bank provides the asset on pre-agreed rentals for specific tenors to the customers. Ijarah assets are stated at cost less depreciation and are disclosed as part of 'Islamic financing and related assets'.

The rental on Ijarah under Islamic Financial Accounting Standard - 2 Ijarah (IFAS 2) are recorded as income / revenue. The Bank charges depreciation from the date of recognition of Ijarah of respective assets to Mustajir. Ijarah assets are depreciated over the period of Ijarah using the straight line method.

Impairment of Ijarah assets is determined in accordance with the Prudential Regulations issued by the SBP. The provision for impairment of Ijarah assets is shown as part of 'Islamic financing and related assets'.

The significant Ijarah contracts entered into by the Bank are with respect to vehicles, plant and machinery and equipment and are for periods ranging from 1 to 7 years.

Diminishing Musharaka

In Diminishing Musharaka based financing, the Bank enters into Musharaka based on Shirkat-ul-Milk for financing and agreed share of fixed assets (example: house, land, plant, machinery or vehicle) with its customers and enters into period profit payment agreement for the utilization of the Bank's Musharaka share by the customer.

Running Musharaka

In Running Musharaka based financing, the Bank enters into financing with the customer based on Shirkat-ul-Aqd or Business Partnership in the customer's operating business where the funds can be withdrawn or refunded during the Musharaka period.

Bai Mu'ajjal

In Bai Mu'ajjal, the Bank sells goods on deferred basis to customers. The deferred price is agreed at the time of sale and such proceeds are received at the end of the deferral period.

5.6.2 Provision

Islamic Financing is stated net of credit loss allowance and general reserves / provisions. Credit loss allowance against islamic financing have been made in accordance with the requirements of Prudential Regulations, IFRS 9 application instructions and various circulars issued by the SBP from time to time. The Bank also maintains a general reserve against loans and advances, over and above the IFRS 9 based ECL, in accordance with the stipulations of SBP's BPRD Circular Letter No. 01 dated January 22, 2025 and details have been disclosed in note 10.

5.7 Fixed and Intangible assets

5.7.1 Fixed assets

5.7.1.1 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. These are transferred to specific assets as and when assets become available for use.

5.7.1.2 Property and equipment

Property and equipment, other than land are stated at cost or revalued amount less accumulated depreciation and accumulated impairment losses, if any. Land is carried at revalued amount.

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

Depreciation on all fixed assets is charged using the straight line method in accordance with the rates specified in note 11.2 to these financial statements and after taking into account residual value, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

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.

Surplus on revaluation of land and buildings is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of land and buildings (net of deferred taxation) is transferred directly to unappropriated profit.

Gains / losses on sale of property and equipment are credited / charged to the profit and loss account, except the related surplus on revaluation of land and buildings (net of deferred taxation) which is transferred directly to unappropriated profit.

5.7.2 Intangible assets

5.7.2.1 Advance against purchase of software

Advance against purchase of software is stated at cost less accumulated impairment losses, if any. These are transferred to computer software as and when the related asset is received.

5.7.2.2 Computer software

Computer software are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible assets are amortized over its estimated useful lives over which economic benefits are expected to flow to the Bank. The useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

5.8 Impairment

The carrying amount of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. Recoverable amount is the greater of fair value and value in use. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.9 IFRS 16 - Lease liability and right-of-use assets

The liability in respect of Ijarah (leases) of Musta'jir (lessee) are initially measured at the present value of the remaining Ijarah payments, discounted using the Banks's incremental borrowing rate. The Bank (being an Islamic bank) may acquire funds, if required, from other financial institution(s) under Shari'ah compliant modes. The Ijarah liability is subsequently measured at amortised cost using the effective borrowing rate and charged to profit and loss account. 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 Ijarah liability, adjusted for, as applicable, any Ujrah (lease) payments made at or before the commencement date. On subsequent measurement, right-of-use assets are stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of the Ijarah liability.

Right-of-use assets are depreciated on a straight line basis over the Ijarah term as this method closely reflects the expected pattern of consumption of future economic benefits and charged to profit and loss account. Carrying amount of the Ijarah liability is derecognised upon termination of the Ijarah contract with corresponding adjustment to right-of-use asset. Gain or loss on termination of Ijarah contract is recognised in the profit and loss account. The right-of-use assets are presented within note 12 and are subject to impairment in line with the Bank's policy as described in note 5.8.

The Bank has elected not to recognize a right-of-use asset and the corresponding Ijarah liability for short-term Ijarahs with terms of 12 months or less and Ijarahs of low-value assets. Payments associated with these Ijarah are recognized as an expense in the profit or loss account on a straight-line basis.

However, accounting for Ijarah of Muj'ir (lessors) remains the same as required under IFAS 02 i.e. Muj'ir continue to present assets subject to Ijarah according to the nature of the asset, distinguished from the assets in own use.

5.10 Deposits

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba. Deposits are recorded at the proceeds received. The cost of deposits is recognized as an expense in the period in which this is incurred.

Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Savings deposits' or 'Fixed deposits'. No profit or loss is passed to current account depositors. however the funds of current accounts are treated as equity for the purpose of profit calculation and any profit earned / loss incurred on those funds are allocated to the equity of the Bank. While the product features of each product differ, there is usually no restriction on withdrawals or number of transactions in current and saving accounts. In case of fixed deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realized in investment pools are distributed in pre-agreed profit sharing ratio between Rab-ul-Maal and Mudarib. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib can distribute its share of profit to Rab-ul-Maal upto a maximum of 60% of their profit as Incentive profits (Hiba).

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

Asset pools may be created at the Bank's discretion and the Bank may add, amend, and transfer an asset to any other pool in the interests of the deposit holders.

5.11 Pool Management

The Bank operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudaraba, Musharaka and Wakala modes.

Under the general deposits pool, the Bank accepts funds on Mudaraba basis from depositors (Rabb-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in the Shari'ah Compliant modes of financings, investments and placements. When utilising investing funds, the Bank prioritizes the funds received from depositors over the funds generated from own sources.

Specific pools may be operated for funds acquired / accepted from the SBP and other banks for Islamic Export Refinance to Bank's customers and liquidity management respectively under the Musharaka / Mudaraba modes. The Bank also maintains an Equity Pool which consists of Bank's equity and funds accepted on Qard (non-remunerative current deposit account) basis.

The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool after deduction of expenses directly incurred in earning the income of such pool, if any. The directly related costs comprise of depreciation on Ijarah assets, takaful premium, documentation charges etc. No general or administrative expense is charged to pool. No provision against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset. The profit of the pool is shared between equity and other members of the pool on the basis of Musharaka at gross level (before charging of Mudarib fee) as per the investment ratio of the equity. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of Mudarib fee. During the year, the Bank has given Hiba to the depositors of General Pool, keeping in view the prescribed guidelines of Pool Management provided by the SBP and with the approval of the Bank's Shariah Board. However, Hiba are given at the sole discretion of the Bank without any contractual commitment and can be withdrawn or reduced by the Bank at its sole discretion.

The deposits and funds accepted under the above mentioned pools are provided to diversified sectors and avenues of the economy / business as mentioned in the notes and are also invested in Government of Pakistan backed Ijarah Sukuks. Staff financings are exclusively financed from the equity pool.

The risk characteristic of each pool mainly depends on the assets and liability profile of each pool.

5.12 Taxation

Current and prior year

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits and rebates. The charge for current tax also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year and are disclosed separately.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The Bank records deferred tax assets / liabilities using the tax rates, enacted or substantively enacted by the balance sheet date expected to be applicable at the time of its reversal. Deferred tax assets are reviewed at each reporting date and are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Bank also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities and deferred tax liability on surplus on revaluation of fixed assets which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'.

In making the estimates for current and deferred taxes, the management considers the income tax law and the decisions of appellate authorities on certain issues in the past.

5.13 Staff retirement benefits

Defined contribution plan

The Bank operates a recognised contributory provident fund scheme for all its permanent employees. Equal monthly contributions are made both by the Bank and its permanent employees, to the Fund at the rate of 8.33% of the basic salaries of employees. However, an employee has an option to increase his/her contribution upto 15% but the Bank will still contribute 8.33% of the employee's basic salary. The Bank has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

5.14 Acceptances, guarantees and letters of credit

Acceptances comprise of undertakings by the Bank to pay bills of exchange drawn on customers. Acceptances are recognized as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset.

The Bank issues guarantees and letters of credit. These are disclosed in the statement of financial position as part of contingencies and commitments.

5.15 Provisions and contingent assets and liabilities

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

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

5.16 Foreign currencies

5.16.1 Transactions and balance

Transactions in foreign currencies (other than the results of operations of foreign operations) are translated to Rupees at the foreign exchange rates ruling on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the balance sheet date. Foreign bills purchased and forward foreign exchange contracts (unilateral wa'ad) other than those relating to foreign currency deposits are valued at the rates applicable to their respective maturities. Translational gains / losses and any change in fair value of forward exchanges contracts are credited / charged to profit and loss account.

5.16.2 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in these financial statements at committed amounts. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the date of the statement of financial position.

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

5.17 Revenue recognition

- Profit on investments in Sukuks is recognised on accrual basis. Where Sukuks (excluding those classified as held for trading) are purchased at a premium or discount, such premiums / discounts are amortised through the profit or loss account using the effective yield method, as permitted by SBP.
- Profit from Musharaka placements with financial institutions is recognised on accrual basis.
- Profit from Bai-Mu'ajjal is recognised on accrual basis.
- Profit from Murabaha financing is accounted for on culmination of the Murabaha transaction. Profit on Murabaha is recognised on time proportion basis. Profit on Murabaha transactions for the period from the date of disbursement to the date of culmination of Murabaha is recognised immediately on the later date.
- Rental income from Ijarah financing is recognised on an accrual basis. Depreciation on Ijarah asset is charged to income (net of with rental income) over the period of Ijarah using the straight line method.
- Profit on Diminishing Musharaka is recognised on an accrual basis.
- Profit on Running Musharaka financing is booked on an accrual basis and is subject to adjustment (if any) upon declaration of profit by Musharaka partners.
- Profit on Istisna financing is recognised on accrual basis.
- Profit on Salam financing is recognised on accrual basis.
- The Bank earns fee and commission income from certain non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The Bank recognises fees earned on transaction-based arrangements at a point in time when the Bank has fully provided the service to the customer. Where the contract requires services to be provided over time, the income is recognised on a systematic basis over the life of the related service. Unearned fees and commissions are included under Other liabilities.
- Dividend income is recognised when the Bank's right to receive dividend is established.
- Gain or loss on sale of investments is recognised in the profit and loss account in the year to which it arises.
- Gain or loss on disposal of fixed assets, intangible assets, ijarah assets and musharaka assets is taken to the profit and loss account in the period in which they arise.

- Profit suspended in compliance with the Prudential Regulations issued by the SBP is recognized on receipt basis. Profit on rescheduled / restructured financing and investments is recognised as permitted by the SBP.

5.18 Assets acquired in satisfaction of claims

The Bank occasionally acquires assets in settlement of certain financings. These are stated at lower of the carrying value or current fair value of such assets.

5.19 Financial instruments

5.19.1 Financial assets and financial liabilities

Financial instruments carried on the statement of financial position includes cash and balances with treasury banks, balances with other banks, due from financial institutions, investments, Islamic financing and related assets (excluding inventories), other assets (excluding balances related to tax), bills payables, due to financial institutions, deposits and other liabilities (excluding balances related to tax). The particular recognition methods adopted for significant financial assets and liabilities are disclosed in the individual policy statements associated with these assets and liabilities.

5.19.2 Offsetting

Financial assets and financial liabilities are off set and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Bank intends either to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

5.20 Dividend distribution and appropriation

Dividend declared and other appropriations (other than appropriations required by law) approved subsequent to the balance sheet date are considered as non-adjusting events and are not recorded in the financial statements. However, a separate disclosure of the fact is made in the financial statements.

5.21 Earnings per share

The Bank presents basic and diluted Earnings Per Share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

5.22 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 operations have been broken into following different business segments:

5.22.1 Business segments

- Retail

It includes commercial and SME financing, deposits, trade business and other banking services.

- Corporate

It includes financing to large and medium sized public and private sector entities, investment banking, corporate advisory, cash management, trade finance, guarantees and transaction with financial institutions.

- Consumer

It includes financing and other banking services to individual customers other than those classified under Micro Finance.

- Microfinance

It represents financing operations to low income individuals including agriculture sector financing.

- Treasury operations

It includes inter-bank placements / acceptances, capital market operations and foreign exchange transactions and reserves management.

- Head office

It includes functions which cannot be classified in any of the above segments.

5.22.2 Geographical segments

The Bank operates only in Pakistan.

	Note	2024	2023
Rupees in thousands			
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		4,136,600	3,482,849
- foreign currencies		711,238	619,773
		4,847,838	4,102,622
With the State Bank of Pakistan (SBP) in			
- local currency current account	6.2	12,029,270	13,897,890
- foreign currency current accounts			
cash reserve account	6.3	359,608	401,933
special cash reserve account	6.4	428,967	479,163
USD clearing account		63,223	48,095
		851,798	929,191
With National Bank of Pakistan in			
- local currency current accounts		401,311	599,329
Prize bonds	6.5	615	23
Less: Credit loss allowance held against cash and			
balances with treasury banks	6.1	(16,321)	-
Cash and balances with treasury banks - net of credit loss allowance		18,114,511	19,529,055

6.1 CASH AND BALANCES WITH TREASURY BANKS- Particulars of credit loss allowance

		December 31, 2024		December 31, 2023	
		Cash and Balance with Treasury Banks	Credit loss allowance held	Cash and Balance with Treasury Banks	Provision held
Rupees in thousands					
Domestic					
Impact of adoption of IFRS 9		-	(17,928)	-	-
Performing	Stage 1	851,798	1,607	929,191	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		851,798	(16,321)	929,191	-

6.2 The local currency current account is maintained with SBP under the Cash Reserve Requirement of section 22 of Banking Companies Ordinance, 1962. This section requires banking companies to maintain a local currency cash reserve in the current account opened with the SBP at a sum not less than such percentage of its time and demand liabilities in Pakistan as prescribed by the SBP from time to time.

6.3 As per BSD Circular No. 15 dated June 21, 2008, cash reserve of 5% is required to be maintained with the SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). This account is non-remunerative in nature.

6.4 Special Cash Reserve of 6% is required to be maintained with the SBP on FE-25 deposits as specified in BSD Circular No. 15 dated June 21, 2008. This account is non-remunerative in nature.

6.5 These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank, as a matter of Shari'ah principle, does not deal in prize bonds.

	Note	2024	2023
Rupees in thousands			
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- current account		26,007	55,146
- deposit account	7.2	1,629	1,845
Outside Pakistan			
- current account		937,692	2,746,434
Less: Credit loss allowance held against balances with other banks	7.1	(3,235)	-
Balances with other banks - net of credit loss allowance		962,093	2,803,425

7.1 Balances with other banks- Particulars of credit loss allowance

		December 31, 2024		December 31, 2023	
		Balances with other banks	Credit loss allowance held	Balances with other banks	Provision held
Rupees in thousands					
Domestic					
Impact of adoption of IFRS 9		-	(4,025)	-	-
Performing	Stage 1	965,328	790	2,803,425	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		965,328	(3,235)	2,803,425	-

7.2 This represents saving accounts carrying profit at expected rates ranging from 3.45% to 12.20% per annum (2023: 6.01% to 12.00% per annum).

	Note	2024	2023
Rupees in thousands			
8 DUE FROM FINANCIAL INSTITUTIONS			
Unsecured			
Musharaka arrangements	8.2	2,000,000	2,500,000
Less: Credit loss allowance held against due from financial institution	8.1	-	-
		2,000,000	2,500,000

8.1 Due from FIs- Particulars of credit loss allowance

		December 31, 2024		December 31, 2023	
		Due from FIs	Credit loss allowance held	Due from FIs	Provision held
Rupees in thousands					
Domestic					
Impact of adoption of IFRS 9		-	(1)	-	-
Reversal of provision		-	1	-	-
Performing	Stage 1	2,000,000	-	2,500,000	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		2,000,000	-	2,500,000	-

8.2 This represents Musharaka placements with various financial institutions carrying average profit rate of 13.0% per annum (2023: 22.15% per annum) and having maturity till January 02, 2025.

	2024	2023
Rupees in thousands		
8.3 Particulars of due from financial institutions		
- Local currency	2,000,000	2,500,000
- Foreign currencies	-	-
	2,000,000	2,500,000

9 INVESTMENTS

9.1 Investments by type:

	2024			
	Fair value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value
Rupees in thousands				
Debt Instruments				
Classified / Measured at FVPL				
Federal Government securities	-	-	-	-
Non Government securities	670,000	-	(8,867)	661,133
	670,000	-	(8,867)	661,133
Classified / Measured at FVOCI				
Federal Government securities	115,515,825	-	2,206,516	117,722,341
Shares	-	-	-	-
Non Government securities	-	-	-	-
	115,515,825	-	2,206,516	117,722,341
Classified / Measured at amortised cost				
Federal Government securities	28,212,727	-	-	28,212,727
	28,212,727	-	-	28,212,727
Total Investments	144,398,552	-	2,197,649	146,596,201

	2023			
	Fair value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value
Rupees in thousands				
Debt Instruments				
Classified / Measured at FVPL				
Federal Government securities	1,996,619	-	4,181	2,000,800
	1,996,619	-	4,181	2,000,800
Classified / Measured at FVOCI				
Federal Government securities	92,638,747	-	924,435	93,563,182
Shares	-	-	-	-
Non Government securities	770,000	-	(6,610)	763,390
	93,408,747	-	917,825	94,326,572
Classified / Measured at amortised cost				
Federal Government securities	36,216,930	-	-	36,216,930
Non Government securities	-	-	-	-
	36,216,930	-	-	36,216,930
Total Investments	131,622,296	-	922,006	132,544,302

9.2	Investments by segments:	2024			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		Rupees in thousands			
	Federal Government securities				
	Government of Pakistan (GOP) Ijarah Sukuks	143,728,552	-	2,206,516	145,935,068
	Shares				
	Listed companies	-	-	-	-
	Non Government securities				
	Listed	-	-	-	-
	Unlisted	670,000	-	(8,867)	661,133
	Total Investments	144,398,552	-	2,197,649	146,596,201
		2023			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Federal Government securities				
	Government of Pakistan (GOP) Ijarah Sukuks	130,852,296	-	928,616	131,780,912
	Shares				
	Listed companies	-	-	-	-
	Non Government securities				
	Unlisted	770,000	-	(6,610)	763,390
	Total Investments	131,622,296	-	922,006	132,544,302

9.2.1 The investment amounting to Rs. 6,134.85 million were given as collateral as at December 31, 2024 (2023: Nil).

9.3	Provision for diminution in value of investments	2024	2023
		Rupees in thousands	
	On Available for sale securities		
	Opening balance	-	-
	Charge for the year	-	-
	Reversal on disposals	-	-
	Closing balance	-	-

9.4	Quality of securities	2024	2023
		Cost Rupees in thousands	
	Federal Government Securities - Government guaranteed		
	Government of Pakistan (GOP) Ijarah Sukuks	115,515,825	92,638,747
	Shares		
	Listed	-	-
	Unlisted	-	-
	Non Government Debt Securities		
	Unlisted		
	NIL (2023:AAA)	-	420,000
	NIL (2023: AA+)	-	250,000
	NIL (2023: A)	-	100,000
		-	770,000
		115,515,825	93,408,747

9.5	Particulars relating to securities classified Under "Held to Collect" model	2024	2023
		Cost Rupees in thousands	
	Federal Government Securities - Government guaranteed		
	Government of Pakistan (GOP) Ijarah Sukuks	28,212,727	36,216,930
		28,212,727	36,216,930

9.5.1 The market value of securities classified as held-to-collect as at December 31, 2024 amounted to Rs.29,165 million (December 31, 2023: Rs. 36,748 million).

10	ISLAMIC FINANCING AND RELATED ASSETS - NET	Performing		Non performing		Total	
		2024	2023	2024	2023	2024	2023
		Rupees in thousands					
	Murabaha	17,966,225	12,202,918	46,456	46,550	18,012,681	12,249,468
	Musawamah	531,196	-	-	-	531,196	-
	Itisna	8,928,030	4,613,657	510,679	177,761	9,438,709	4,791,418
	Salam	-	38,042	-	-	-	38,042
	Ijarah	1,514,883	1,804,112	2,388	973	1,517,271	1,805,085
	Running Musharaka	44,233,477	45,626,287	200,000	-	44,433,477	45,626,287
	Diminishing Musharaka	30,956,613	22,491,209	1,829,033	1,732,524	32,785,646	24,223,733
	Staff finance	1,529,774	1,901,583	-	-	1,529,774	1,901,583
	Bai Mu'ajjal	14,350,949	-	-	-	14,350,949	-
	Forced Qard	-	-	-	-	-	-
	Islamic financing and related assets - gross	120,011,147	88,677,808	2,588,556	1,957,808	122,599,703	90,635,616
	Less: Credit loss allowance against						
	Islamic financing and related assets						
	- Stage 1	(595,926)	-	-	-	(595,926)	-
	- Stage 2	(437,561)	-	-	-	(437,561)	-
	- Stage 3	-	-	(1,930,779)	-	(1,930,779)	-
	- General	(282,294)	(542,951)	-	-	(282,294)	(542,951)
	- Specific	-	-	-	(745,250)	-	(745,250)
		(1,315,781)	(542,951)	(1,930,779)	(745,250)	(3,246,560)	(1,288,201)
	Islamic financing and related assets - net of provisions	118,695,366	88,134,857	657,777	1,212,558	119,353,143	89,347,415
		Rupees in thousands					
	Murabaha						
	- Murabaha financing			10.1.1		8,359,749	5,567,599
	- Murabaha inventory					9,372,948	6,534,969
	- Advances against Murabaha financing					209,984	76,900
	- Murabaha financing under Islamic export refinance scheme (IERS)					-	-
	- Advances against Murabaha financing under IERS					70,000	70,000
	- Murabaha inventory under SBP's Islamic Refinance Scheme for Payment of Wages and Salaries (IRSPWS)					-	-
						18,012,681	12,249,468
	Murabaha receivable - gross					8,996,275	6,217,953
	Less: Deferred Murabaha income			10.1.2		(636,526)	(650,354)
	Murabaha financing			10.1.4		8,359,749	5,567,599

		2023					
		Cost		Depreciation			Book value as at December 31, 2023
As at January 1, 2023	Additions / (disposal)	As at December 31, 2023	As at January 1, 2023	Charge / (disposal)	As at December 31, 2023		
Rupees in thousands							
Vehicles	2,384,318	915,507 (665,988)	2,633,837	1,046,443	402,850 (463,291)	986,002	1,647,835
Equipment and Plant and Machinery	768,781	- (225,877)	542,904	488,664	149,303 (191,263)	446,704	96,200
	3,153,099	915,507 (891,865)	3,176,741	1,535,107	552,153 (654,554)	1,432,706	1,744,035

2

Future Ijarah payments receivable

Ijarah rental receivables

2024				
Not later than 1 year	Later than 1 year and not later than 5 years	Over Five years	Total	
Rupees in thousands				
583	952,840	8,714	962,137	
2023				
Not later than 1 year	Later than 1 year and not later than 5 years	Over Five years	Total	
Rupees in thousands				
Ijarah rental receivables	2,609	1,353,323	6,356	1,362,288

	2024	2023
Rupees in thousands		
Running Musharaka		
- Running Musharaka financing	41,463,477	42,210,287
- Running Musharaka financing under IERS	2,970,000	3,416,000
	44,433,477	45,626,287
Diminishing Musharaka		
- Diminishing Musharaka financing	26,113,514	23,754,790
- Advances against Diminishing Musharaka financing	6,596,859	347,983
- Diminishing Musharaka financing under SBP's IRSPWS	-	-
- Advances against Diminishing Musharaka under SBP's ILTFF	-	-
- Advances against Diminishing Musharaka under SBP's IRFCC	-	-
- Advances against Diminishing Musharaka under SBP's ITERF	75,273	120,960
	32,785,646	24,223,733
Staff finance		
- Staff vehicle finance under Diminishing Musharaka	631,855	474,493
- Staff Solar Finance	18,847	-
- Staff housing finance under Diminishing Musharaka	879,072	1,427,090
	1,529,774	1,901,583
Particulars of Islamic financing and related assets - gross		
In local currency	122,599,703	90,635,616
In foreign currency	-	-
	122,599,703	90,635,616
Advances to Women, Women-owned and Managed Enterprises		
Women	858,602	848,033
Women Owned and Managed Enterprises	415,839	239,572
	1,274,441	1,087,605

2

Gross loans disbursed to women Rs. 1,817.753 million (December 31, 2023: Rs. 1,888.445 million), women-owned and managed enterprises Rs. 4,370.195 million (December 31, 2023: Rs. 5,515.798 million).

10.9 Islamic financing and related assets include Rs. 2,588.556 million (2023: Rs. 1,957.808 million) which have been placed under non-performing status as detailed below:

Category of Classification	2024		2023	
	Non-performing Islamic financing and related assets	Credit loss allowance held	Non-performing Islamic financing and assets	Provision
	Rupees in thousands			
Domestic				
Other Assets Especially Mentioned		14,366	9,568	-
Substandard		36,410	21,516	222,176
Doubtful		479,181	387,593	157,979
Loss		2,058,599	1,512,102	1,577,653
		2,588,556	1,930,779	1,957,808
				745,250

10.10 Particulars of provision against Islamic financing and related assets

	2024				2023			
	Stage 1	Stage 2	Stage 3	General	Total	Specific	General	Total
	Rupees in thousands							
Opening balance	-	-	745,250	542,951	1,288,201	175,194	409,909	585,103
Impact of adoption of IFRS-9	296,995	593,954	1,059,178	(542,951)	1,407,176	-	-	-
Charge for the year	494,743	99,242	709,934	282,294	1,586,213	577,686	149,396	727,082
Reversals	(195,812)	(255,635)	(583,583)	-	(1,035,030)	(6,651)	(16,354)	(23,005)
	298,931	(156,393)	126,351	282,294	551,183	571,035	133,042	704,077
Amounts written off	-	-	-	-	-	(979)	-	(979)
Closing balance	595,926	437,561	1,930,779	282,294	3,246,560	745,250	542,951	1,288,201

10.11 Particulars of credit loss allowance

10.11.1 Islamic financing and related assets- Exposure	2024				2023			
	Stage 1	Stage 2	Stage 3	General	Total	Specific	General	Total
	Rupees in thousands							
Gross carrying amount- Current year	51,450,262	36,974,056	2,211,298	-	90,635,616	1,957,808	-	1,957,808
Impact of fair value of subsidized loans	(2,170,448)	-	-	-	(2,170,448)	-	-	-
Balance as at January 01, 2024 after adoption of IFRS 9	49,279,814	36,974,056	2,211,298	-	88,465,168	1,957,808	-	1,957,808
New advances	95,293,341	1,441,141	618,434	-	97,352,916	-	-	-
Derognised or repaid	(30,618,480)	(32,114,485)	(485,416)	-	(63,218,381)	-	-	-
Transfer to Stage 1	1,779,018	(1,776,532)	(2,486)	-	-	-	-	-
Transfer to Stage 2	(1,719,194)	1,720,612	(1,418)	-	-	-	-	-
Transfer to Stage 3	(43,517)	(204,628)	248,145	-	-	-	-	-
	64,691,168	(30,933,892)	377,259	-	34,134,535	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	113,970,982	6,040,164	2,588,557	-	122,599,703	1,957,808	-	1,957,808

10.11.2 Islamic financing and related assets- Credit loss allowance

Opening balance	-	-	745,250	542,951	1,288,201	175,194	409,909	585,103
Impact of adoption of IFRS-9	296,995	593,954	1,059,178	(542,951)	1,407,176	-	-	-
New advances	451,632	30,385	467,936	-	949,953	-	-	-
Derognised or repaid / reversal of provision	(174,488)	(212,783)	(293,793)	-	(681,064)	(6,651)	(16,354)	(23,005)
Transfer to Stage 1 / charge for the year	28,863	(26,799)	(2,064)	282,294	282,294	577,686	149,396	727,082
Transfer to Stage 2	(6,779)	60,242	(53,463)	-	-	-	-	-
Transfer to Stage 3	(297)	(7,438)	7,735	-	-	-	-	-
	298,931	(156,393)	126,351	282,294	551,183	571,035	133,042	704,077
Amounts written off	-	-	-	-	-	(979)	-	(979)
Changes in risk parameters	-	-	-	-	-	-	-	-
Closing balance	595,926	437,561	1,930,779	282,294	3,246,560	745,250	542,951	1,288,201

Islamic financing and related assets- Credit loss allowance details		2024				2023			
		Stage 1	Stage 2	Stage 3	General	Total	Specific	General	Total
Internal / External rating / stage classification									
Outstanding gross exposure									
Performing - Stage 1	113,970,982	-	-	-	-	113,970,982	-	-	-
Under Performing - Stage 2	-	6,040,164	-	-	-	6,040,164	-	-	-
Non-performing - Stage 3									
OAEM	-	-	14,366	-	-	14,366	-	-	-
Substandard	-	-	36,410	-	-	36,410	222,176	-	222,176
Doubtful	-	-	479,181	-	-	479,181	157,979	-	157,979
Loss	-	-	2,058,599	-	-	2,058,599	1,577,653	-	1,577,653
Total	113,970,982	6,040,164	2,588,556	-	-	122,599,702	1,957,808	-	1,957,808
Corresponding ECL									
Stage 1 and stage 2 (to be specified as shown above)	595,926	437,561	-	-	-	1,033,487	-	-	-
Stage 3	595,926	437,561	1,930,779	-	-	2,964,266	745,250	542,951	1,288,201

10.12 State Bank of Pakistan vide BSD Circular No. 02 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No. 01 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against NPLs for five years from the date of classification. Had the benefit not been taken by the Bank, the specific provision against non-performing Islamic financing and related assets would have been higher by Rs. 531,299 million (December 31, 2023: Rs. 967,863 million). The additional benefit on the Bank's profit and loss account arising from availing the FSV benefit - net of tax amounts to Rs. 255.02 million (December 31, 2023: Rs. 493.610 million). However, the additional impact on profitability arising from availing the benefit of forced sales value is not available for payment of cash or stock dividends to shareholders.

10.13 In addition, the Bank has also maintained an unencumbered general provision of Rs. 282.3 million (December 31, 2023: Rs. 472.4 million) against financing made in accordance with the prevailing circumstances as mentioned in Note 44.1. This general provision is in addition to the requirements of Prudential Regulations.

	Particulars of provision against Islamic financing and related assets						
	2024				2023		
	Stage 1	Stage 2	Stage 3	General	Total	Rupees in thousands	
In local currency	595,926	437,561	1,930,779	282,294	3,246,560	-	1,288,201
In foreign currency	-	-	-	-	-	-	-
	595,926	437,561	1,930,779	282,294	3,246,560	-	1,288,201
Particulars of Write Offs							
Against provisions							
Directly charged to Profit and Loss account							
Write offs of Rs. 500,000 and above							
- Domestic							
- Overseas							
Write Offs of below Rs. 500,000							

10.17 The bank has measured subsidized staff loans at fair value in line with the BPRD Circular Letter No. 16 of 2024. The financial effect of this results in writing down the staff loans by Rs. 909.665 million of which Rs. 674.044 million pertains to the year 2023.

10.18 The bank has measured ITERF Islamic financing at fair value in line with the BPRD Circular Letter No. 16 of 2024. The financial effect of this results in writing down the ITERF financing by Rs. 1,895.801 million of which Rs.1,496.404 million pertains to the year 2023 the financial effect of which was adjusted against equity.

11	PROPERTY AND EQUIPMENT	Note	2024	2023
			Rupees in thousands	
	Capital work-in-progress	11.1	483,905	514,632
	Property and equipment	11.2	4,707,212	3,240,770
			5,191,117	3,755,402
	Capital work-in-progress			
	Civil works		101,555	13,028
	Advance to suppliers and contractors		156,019	425,650
	Electrical and computer equipment		226,331	75,954
			483,905	514,632

11.2 Property and equipment

	2024						
	Freehold land	Building on freehold land	Lease hold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
	Rupees in thousands						
At January 01, 2024							
Cost / revalued amount	868,208	529,485	1,241,102	264,095	2,317,832	211,564	5,432,286
Accumulated depreciation	-	(13,272)	(654,760)	(121,141)	(1,322,548)	(79,795)	(2,191,516)
Net book value	868,208	516,213	586,342	142,954	995,284	131,769	3,240,770
Year ended December 2024							
Opening Net Book Value	868,208	516,213	586,342	142,954	995,284	131,769	3,240,770
Additions	125	12,815	454,683	126,729	1,522,657	9,219	2,126,228
Adjustments							
Cost	-	-	3,787	(3,754)	(33)	-	-
Accumulated depreciation	-	-	(3,179)	3,159	20	-	-
Disposals	-	-	-	(168)	(9,496)	-	(9,664)
Depreciation charge	-	(12,913)	(224,024)	(33,580)	(355,480)	(24,125)	(650,122)
Closing Net book value	868,333	516,115	817,609	235,340	2,152,952	116,863	4,707,212
At December 31, 2024							
Cost / revalued amount	868,333	542,299	1,699,573	386,191	3,772,718	220,783	7,489,897
Accumulated depreciation	-	(26,185)	(881,964)	(150,851)	(1,619,765)	(103,920)	(2,782,685)
Net book value	868,333	516,114	817,609	235,340	2,152,953	116,863	4,707,212
Rate of depreciation (%)		2 to 3	20	10	10 to 25	20	
	2023						
	Freehold land	Building on freehold land	Lease hold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
	Rupees in thousands						
At January 01, 2023							
Cost / revalued amount	868,208	528,436	827,736	225,443	1,891,452	125,818	4,467,093
Accumulated depreciation	-	(538)	(491,698)	(96,476)	(1,081,468)	(61,098)	(1,731,278)
Net book value	868,208	527,898	336,038	128,967	809,984	64,720	2,735,815
Year ended December 2023							
Opening Net book value	868,208	527,898	336,038	128,967	809,984	64,720	2,735,815
Additions	-	1,047	413,367	38,940	430,274	88,157	971,785
Movement in surplus on assets revalued during the year							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Disposals	-	-	-	(23)	(148)	(483)	(654)
Depreciation charge	-	(12,733)	(163,063)	(24,930)	(244,825)	(20,625)	(466,176)
Closing net book value	868,208	516,212	586,342	142,954	995,285	131,769	3,240,770
At December 31, 2023							
Cost / revalued amount	868,208	529,485	1,241,102	264,095	2,317,832	211,564	5,432,286
Accumulated depreciation	-	(13,272)	(654,760)	(121,141)	(1,322,548)	(79,795)	(2,191,516)
Net book value	868,208	516,213	586,342	142,954	995,284	131,769	3,240,770
Rate of depreciation (%)		2 to 3	20	10	10 to 25	20	

11.2.1 The land and buildings of the Bank were revalued in December 31, 2022 by independent valuer (Medallion Services Private Limited) on the basis of market value. Surplus against revaluation of fixed assets net of deferred tax as at December 31, 2024 amounts to Rs. 458.601 million (2023: Rs. 466.553 million).

Had the land and buildings not been revalued, the total carrying amounts of revalued properties as at reporting dates would have been as follows:

	2024	2023
	Rupees in thousands	
Land	501,420	501,293
Building on freehold land	325,103	320,844

11.2.2 The gross carrying amount (cost) of fully depreciated assets that are in use as at reporting dates are as follows:

	2024	2023
	Rupees in thousands	
Lease hold Improvements	478,431	275,439
Electrical, office and computer equipment	707,723	366,141
Furniture and fixtures	21,630	13,483
Vehicles	78,136	61,701

11.2.3 Carrying amount of temporarily idle property of the Bank is Rs. 46.895 million (2023: Rs. 46.895 million).

11.2.4 The information relating to disposal of fixed assets to related parties are as follows:

Description	Cost/ revalued amount	Accumulated depreciation	Book value	Sales proceeds	Mode of disposal	Particulars of buyers
	Rupees in thousands					
Laptop	132	126	6	20	As per Bank's policy	Syed Salman Qutb
Mobile Phone	45	45	-	4		
	177	171	6	24		

12 RIGHT-OF-USE ASSETS

	2024	2023
	Rupees in thousands	
Cost at the start of period/ year	4,129,982	3,566,889
Accumulated Depreciation	(2,102,191)	(1,618,010)
Net carrying amount at the start of period/ year	2,027,791	1,948,879
Additions / other adjustments during the year	971,449	628,268
Deletion during the year	(11,943)	(22,057)
Depreciation charge for the year	(631,479)	(527,299)
Balance as at December 31	2,355,818	2,027,791
Useful life	5- 10 years	5- 10 years

	Note	2024	2023
Rupees in thousands			
13 INTANGIBLE ASSETS			
Advance against purchase of software		692,983	95,510
Computer software	13.1	351,105	437,336
		1,044,088	532,846
13.1 Computer software			
At January 01			
Cost		1,350,263	1,247,890
Accumulated amortisation		(912,927)	(725,463)
Net book value		437,336	522,427
Year ended December 2023			
Opening net book value		437,336	522,427
Additions:			
- directly purchased		92,342	102,372
Amortisation charge	31	(178,573)	(187,463)
Other adjustment		-	-
Closing net book value		351,105	437,336
At December 31			
Cost		1,442,604	1,350,263
Accumulated amortisation		(1,091,499)	(912,927)
Net book value	13.1.1	351,105	437,336
Rate of amortisation		14.29% -33.33%	14.29% -33.33%
Useful life		3 -7 Years	3 -7 Years

13.1.1 This includes core banking system of the Bank at carrying value of Rs. 1 (2023: Rs. 43.056 million) and having remaining useful life of NIL year. (2023: 1 years).

13.1.2 The gross carrying amount (cost) of fully amortized intangible assets that are still in use as at December 31, 2024 is Rs. 752.109 million (2023: Rs.134.939 million).

14 DEFERRED TAX ASSETS / (LIABILITIES) - NET

2024				
	At Jan 01, 2024	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2024
Rupees in thousands				
Deductible temporary differences on:				
Credit loss allowance against Islamic financing				
and related assets, balances with other banks				
and off balance sheet	2,686	348,304	878,248	1,229,238
Workers Welfare Fund	154,378	109,042	-	263,420
	157,064	457,346	878,248	1,492,658
Taxable temporary difference				
Surplus on revaluation of property and equipment	(95,730)	2,265	(5,861)	(99,326)
Surplus on revaluation of investments	(449,734)	-	(697,654)	(1,147,388)
Accelerated tax depreciation	(56,891)	(158,256)	-	(215,147)
	(602,355)	(155,991)	(703,515)	(1,461,861)
	(445,291)	301,355	174,733	30,797
2023				
	At Jan 01, 2023	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2023
Rupees in thousands				
Deductible temporary difference on:				
Credit loss allowance against Islamic financing				
and related assets and off balance sheet	63,466	(60,780)	-	2,686
Workers Welfare Fund	41,945	112,433	-	154,378
	105,411	51,653	-	157,064
Taxable temporary difference				
Surplus on revaluation of property and equipment	(85,881)	2,135	(11,984)	(95,730)
Surplus on revaluation of investments	60,297	-	(510,031)	(449,734)
Accelerated tax depreciation	(67,300)	10,409	-	(56,891)
	(92,884)	12,544	(522,015)	(602,355)
	12,527	64,197	(522,015)	(445,291)

	Note	2024	2023
Rupees in thousands			
15 OTHER ASSETS			
Profit / return accrued in local currency		7,249,755	9,550,867
Advances, deposits, advance rent and other prepayments		1,233,908	492,007
Advance taxation (payments less provisions)		25,135	-
Branch adjustment account		370,000	156,568
Receivable against ATM transactions		603,064	1,499,978
Receivable under home remittances		19,762	12,874
Mark to market gain on forward foreign exchange contracts		-	247,841
Acceptances		1,612,699	1,584,439
Others		656,662	414,895
		11,770,985	13,959,469
Less: Credit loss allowance held against other assets	15.1	(75,125)	-
		11,695,860	13,959,469
15.1 Credit loss allowance held against other assets			
Profit / return accrued in local currency	15.1.1	75,125	-
15.1.1 Movement in credit loss allowance held against other assets			
Opening balance		-	-
Impact of adoption of IFRS-9		87,483	-
Charge for the year		-	-
Reversals		(12,358)	-
Amount written off		-	-
Closing balance		75,125	-

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at December 31, 2024 (2023: Nil).

	Note	2024	2023
Rupees in thousands			
17 BILLS PAYABLE			
In Pakistan		11,594,493	2,175,473
Outside Pakistan		-	-
		11,594,493	2,175,473
18 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		48,422,293	25,813,546
Outside Pakistan		-	-
		48,422,293	25,813,546
18.1 Particulars of due to financial institutions with respect to currencies			
In local currency		48,422,293	25,813,546
In foreign currencies		-	-
		48,422,293	25,813,546
18.2 Details of due to financial institutions - Secured / unsecured			
Secured			
With the State Bank of Pakistan			
Musharaka under Islamic Export Refinance Scheme (IERS)	18.2.1	3,005,721	3,633,293
Investment under Islamic Long Term Financing Facility (ILTFF)	18.2.2	1,712,675	1,929,943
Investment under Islamic Temporary Economic Refinance Facility (ITERF) for Plant and Machinery	18.2.3	1,855,531	4,166,204
Investment under Islamic Refinance Scheme for Payment of Wages and Salaries (IRSPWS)	18.2.4	-	-
Investment under Islamic Refinance Facility for Combating COVID-19 (IRFCC)		-	-
Investment under Islamic Financing Facility for Renewable Energy (IFRE)	18.2.4	337,356	319,453
Investment under Shariah Compliant Open Market Operations		6,072,476	-
Unsecured			
Musharaka arrangements with financial institutions	18.2.5	35,237,500	15,562,500
Musharaka arrangements with other institution	18.2.6	201,034	202,153
Overdrawn nostro accounts	36	-	-
		48,422,293	25,813,546

- 18.2.1

These Musharaka arrangements are on a profit and loss sharing basis maturing between February 25, 2025 to June 28, 2025 (2023: January 14, 2024 to June 27, 2025) and are secured against demand promissory notes executed in favour of the SBP. A limit of Rs. 3,696 million (2023: Rs. 3,696 million) has been allocated to the Bank by SBP under Islamic Export Refinance Scheme.
- 18.2.2

These arrangements are on a profit and loss sharing basis maturing between June 09, 2030 to September 05, 2032 (2023: June 09, 2030 to September 05, 2032).
- 18.2.3

These arrangements are on a profit and loss sharing basis maturing between April 22, 2025 to September 01, 2033 (2023: August 11 2024 to September 01, 2033).
- 18.2.3.1

The bank has measured borrowing from State Bank of Pakistan on account of ITERF at fair value in line with the BPRD Circular Letter No. 16 of 2024. The financial effect of this results in writing down the ITERF borrowing Rs. 564.395 million.
- 18.2.4

These arrangements are on a profit and loss sharing basis maturing between March 01, 2025 to March 28 2034 (2023: September 30,2025 to March 16, 2029).
- 18.2.5

This represents Musharaka arrangements with banks carrying profit at expected rates ranging from 11.25% to 13.65% per annum (2023: 14% to 22.90% per annum) and having maturity till January 31, 2025.
- 18.2.6

These Musharaka are on profit and loss sharing basis. Under the arrangement, a limit of Rs. 500 million (2023: Rs. 500 million) has been allocated to the Bank by the Karandaaz.

19

DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in thousands						
Customers						
Current deposits	56,768,093	2,896,728	59,664,821	53,016,118	3,273,892	56,290,010
Savings deposits	79,933,904	1,723,078	81,656,982	68,322,860	1,473,784	69,796,644
Term deposits	42,577,032	1,040,741	43,617,773	48,983,635	1,859,723	50,843,358
Others	5,062,483	-	5,062,483	6,893,851	-	6,893,851
	184,341,512	5,660,547	190,002,059	177,216,464	6,607,399	183,823,863
Financial Institutions						
Current deposits	383,026	-	383,026	193,668	203	193,871
Savings deposits	18,718,496	-	18,718,496	18,265,424	-	18,265,424
Term deposits	5,000	-	5,000	2,177,000	-	2,177,000
	19,106,522	-	19,106,522	20,636,092	203	20,636,295
	203,448,034	5,660,547	209,108,581	197,852,556	6,607,602	204,460,158

		2024	2023
Rupees in thousands			
19.1	Composition of deposits		
	Individuals	73,077,318	59,950,126
	Government (Federal and Provincial)	9,100,655	17,208,367
	Public Sector Entities	8,950,850	6,368,121
	Banking Companies	24,809	564
	Non-Banking Financial Institutions	19,081,713	20,635,731
	Private Sector	98,873,236	100,297,249
		209,108,581	204,460,158
19.2	This includes deposits eligible to be covered under takaful arrangements amounting to Rs. 113,266,588 million (2023: Rs. 104,961.642 million).		

		2024	2023
Rupees in thousands			
20	LEASE LIABILITIES		
	Outstanding amount at the start of the period	2,636,096	2,488,775
	Addition during the period	971,449	628,268
	Disposed off during the period	(19,747)	(28,376)
	Payment of lease liability against right of use asset	(942,581)	(761,903)
	Unwinding of lease liability against right of use asset	373,045	309,332
	Outstanding amount at the end of the period	3,018,262	2,636,096

20.1	Liabilities Outstanding		
	Not later than one year	618,661	495,967
	Later than one year and upto five years	1,935,201	1,625,009
	Over five years	464,400	515,120
	Total at the year end	3,018,262	2,636,096

	Note	2024	2023
Rupees in thousands			
21 OTHER LIABILITIES			
Profit / return payable in local currency	21.1	3,361,903	3,114,456
Profit / return payable in foreign currencies		12,948	16,600
Accrued expenses		1,283,573	897,263
Current taxation (provision less payments)		-	943,847
Unearned income		170,974	94,572
Acceptances	15	1,612,699	1,584,439
Advance receipt against Islamic financing and related assets		56,669	45,040
Charity fund balance	21.2	26,310	23,238
Security deposits against Ijarah financing		809,538	906,994
Withholding tax, Federal Excise Duty and other payable		45,334	72,423
Mark to market loss on forward foreign exchange contracts		114,359	205,318
Credit loss allowance against off-balance sheet obligations	21.2.3	84,271	-
Workers Welfare Fund	21.2.4	507,635	316,116
Others		1,167,780	1,212,583
		9,253,993	9,432,889

21.1 It includes Rs. 128.049 million (2023: Rs. 167.819 million) in respect of profit / return accrued on Musharaka with SBP under Islamic Export Refinance Scheme and Rs 98.110 million (2023: Rs 42.131 million) in respect of return accrued on acceptances from the SBP under various Islamic Refinance Schemes.

	Note	2024	2023
Rupees in thousands			
21.2 Reconciliation of charity fund balance			
Opening balance		23,238	12,119
Additions during the year			
- Received from customers against late payment		23,269	25,353
- Dividend purification amount		-	451
- Charity against other Non-Shariah compliant income		-	14
- Profit on charity saving account		1,303	801
		24,572	26,619
Charity paid during the year	21.2.1		
- Welfare		8,000	7,200
- Health		11,000	7,300
- Education		2,500	1,000
		21,500	15,500
Closing balance		26,310	23,238

	2024	2023
Rupees in thousands		
21.2.1 Charity was paid to the following institutions:		
Aziz Jehan Begum Trust for the Blind	1,000	1,000
Family Welfare Society	1,000	1,000
Indus Hospital	1,500	1,500
Infaq Memorial Trust	1,000	1,000
Mind Organization	500	300
Saleem Memorial Trust Hospital	4,000	4,000
Saylani Welfare Trust	4,000	4,500
The Citizens Foundation	1,000	1,000
The Lahore Hospital Welfare Society	500	500
Akhuwat Foundation	-	700
Sindh Institute of Urology & Transplantation	1,500	-
Shifa Tameer e Millat University	500	-
Shaukat Khanam Memorial Cancer Hospital	1,500	-
Pakistan Children Heart Foundation	500	-
Faizan Global Relief Foundation	1,000	-
Edhi Foundation	1,000	-
Progressive Education Network	1,000	-
	21,500	15,500

21.2.2 Charity was not paid to any staff of the Bank or to any individual / organisation in which a Director or his spouse had any interest at any time during the year.

	Note	2024	2023
Rupees in thousands			
21.2.3 Credit loss allowance against off-balance sheet obligations			
Opening balance		-	-
Impact of adoption of IFRS-9		77,675	-
Charge for the year	33	6,596	-
Reversals		-	-
		6,596	-
Amount written off		-	-
Closing balance		84,271	-

21.2.4 The Supreme Court of Pakistan, vide its order dated November 10, 2016, held that the amendments introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending.

In light of these developments and the pending review petitions, the judgment may not currently be treated as conclusive. Accordingly, the Bank has maintained its provision in respect of WWF.

22 SHARE CAPITAL

22.1 Authorised capital

	2024	2023		2024	2023
Number of shares			Rupees in thousands		
	2,000,000,000	2,000,000,000	Ordinary shares of Rs. 10/- each	20,000,000	20,000,000

22.2 Issued, subscribed and paid up capital

	2024	2023		2024	2023
	Number of shares		Ordinary shares	Rupees in thousands	
			Fully paid in cash		
	1,555,000,000	1,555,000,000	Balance at beginning of the year	15,550,000	15,550,000
	-	-	Issued during the year	-	-
	1,555,000,000	1,555,000,000	Balance at end of the year	15,550,000	15,550,000

22.3 The Bank's shares are 100 % (2023: 100%) held by MCB Bank Limited (MCB) - the parent company and its nominee Directors.

	2024	2023
	Rupees in thousands	

23 RESERVES

Statutory reserves	2,276,220	1,428,486
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23.1 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

	Note	2024	2023
		Rupees in thousands	

24 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) arising on revaluation of:			
- Property and equipment	24.1	557,927	562,283
- Securities measured at FVOCI-Debt	24.2	2,206,516	917,825
		2,764,443	1,480,108
Deferred tax on surplus / (deficit) on revaluation of:			
- Property and equipment	24.1	(99,326)	(95,730)
- Securities measured at FVOCI-Debt	24.2	(1,147,388)	(449,734)
		(1,246,714)	(545,464)
		1,517,729	934,644
24.1 Surplus on revaluation of property and equipment - net of tax			
Surplus on revaluation of property and equipment as January 01		562,283	566,639
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(2,091)	(2,221)
Related deferred tax liability on incremental depreciation charged during the year		(2,265)	(2,135)
Surplus on revaluation of fixed assets as at December 31		557,927	562,283
Less: Related deferred tax liability on:			
revaluation as at January 01		95,730	85,881
opening liability remeasurement		5,861	11,984
recognised during the year		-	-
surplus realised on disposal during the year		-	-
incremental depreciation charged during the year		(2,265)	(2,135)
		(99,326)	(95,730)
		458,601	466,553

	Note	2024	2023
		Rupees in thousands	

24.2	Surplus / (deficit) on revaluation of securities measured at FVOCI - net of tax		
	Securities measured at FVOCI- Debt		
	Sukuks	2,206,516	917,825
	Related deferred tax (liability) / asset	(1,147,388)	(449,734)
		1,059,128	468,091

25 CONTINGENCIES AND COMMITMENTS

	Guarantees	25.1	26,352,135	16,337,475
	Commitments	25.2	32,704,291	34,480,690
	Other contingent liabilities	25.3	1,114,251	1,090,328
			60,170,677	51,908,493

25.1	Guarantees:			
	Performance guarantees		11,647,516	6,930,799
	Other guarantees		14,704,619	9,406,676
			26,352,135	16,337,475

25.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	Letters of credit		14,443,462	14,814,708
	Commitments in respect of:			
	Forward foreign exchange contracts	25.2.1	14,993,231	17,780,265
	Commitments for acquisition of:			
	Intangible assets		312,828	390,605
	Fixed assets		155,336	366,865
	Other commitments	25.2.2	2,799,434	1,128,247
			32,704,291	34,480,690

25.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		9,344,175	10,514,065
	Sale		5,649,056	7,266,200
			14,993,231	17,780,265

25.2.2	Other Commitments			
	Commitments to extend financing	25.2.2.1	2,799,434	1,128,247

25.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

25.2.2.2 Other than those stated above, the Bank makes commitment(s) to extend credit in the normal course of business including related parties but these being revocable commitments do not attract any penalty or expense if the facility is unilaterally withdrawn.

		2024	2023
25.3	Other contingent liabilities	Rupees in thousands	
25.3.1	Claims against the Bank not acknowledged as debt	1,114,251	1,090,328
	<p>This includes claim by third parties against the Bank, amounting to Rs. 425,820 million (December 31, 2023: Rs. 425,820 million) which is being contested in the Court of law. The suit has been disposed off by the Court vide Order dated May 10, 2019 wherein the status quo has been ordered to be maintained with respect to bank guarantee and the matter has been referred to arbitration with the consent of the parties. However the Bank has not received any official notice to attend the arbitration proceedings till date.</p> <p>In addition to the above, this includes claim by different parties against the bank amounting to Rs. 688,431 million (December 31, 2023: Rs. 664,508 million) which is pending before the court. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these financial statements.</p>		
25.3.2	The Punjab Revenue Authority has issued an order under The Punjab Sales Tax on Services Act, 2012, resulting in an arbitrary aggregate demand of Rs. 177.57 million (2023: Rs. 240.54 million). The Bank's appeals before the Commissioner Inland Revenue Appeals are pending adjudication. The management is confident that the aforementioned demand will be nullified by the appellate authorities. As a result, no provision has been recognized against this demand.		
		Note	
26	PROFIT / RETURN EARNED	Rupees in thousands	
	Financings	17,677,258	15,786,964
	Investments in		
	- Financial assets measured at amortised cost	6,650,791	5,221,798
	- Financial assets measured at fair value through OCI	20,875,795	14,290,267
	- Financial assets measured at fair value through P&L	1,160	3,399
		27,527,746	19,515,464
	Musharaka arrangements with financial institutions	445,944	604,304
	Deposits with financial institutions	1,670	35,534
	IFRS 9 adjustment for staff loan-notional	222,036	-
		45,874,654	35,942,266
26.1	Profit / return earned recorded on financial assets measured at:		
	Financial assets measured at amortised cost	24,997,699	21,648,600
	Financial assets measured at fair value through OCI.	20,875,795	14,290,267
	Financial assets measured at fair value through P&L	1,160	3,399
		45,874,654	35,942,266
27	PROFIT / RETURN EXPENSED		
	Deposits and other accounts	24,009,882	16,555,193
	Musharaka and other arrangements with the State Bank of Pakistan	1,363,198	804,749
	Musharaka arrangements with other financial institutions	2,156,200	1,046,327
	Musharaka arrangements with other institutions	28,439	40,790
	Unwinding of lease liability against right-of-use assets	27.1	373,045
	Deferred bonus	3,371	2,212
		27,934,135	18,758,603
27.1	Profit expensed calculated using effective profit rate method	373,045	309,332
	Other financial liabilities	27,561,090	18,449,271
		27,934,135	18,758,603
27.2	Ijarah of Musta'jir meeting the criteria prescribed by IFRS 16 "Leases" are presented as on-balance sheet item.		

	Note	2024	2023
28	FEE & COMMISSION INCOME	Rupees in thousands	
	Branch banking customer fees	23,355	23,511
	Consumer finance related fees	17,248	10,153
	Card related fees	332,840	220,043
	Credit related fees	61,838	18,066
	Digital banking fees	92,372	65,346
	Commission on trade	194,280	185,731
	Commission on guarantees	86,335	82,717
	Commission on cash management	32,519	40,549
	Commission on remittances including home remittances	47,043	36,538
	Commission on banca takaful	42,233	34,755
	Locker rent	24,227	23,163
	Others	1,499	716
		955,789	741,288
29	GAIN / (LOSS) ON SECURITIES - NET		
	Realised gain	29.1	317,630
	Unrealised - Reclassification due to business model and SPPI assessment	(8,867)	-
	Unrealised - Measured at FVPL	(4,181)	4,181
		304,582	17,656
29.1	Realised loss gain - net on:		
	Federal Government Securities - Sukuk certificates	317,630	113
	Shares	-	13,362
		317,630	13,475
30	OTHER INCOME		
	Rent on property	-	120
	Gain on sale of fixed assets - net	22,863	1,112
	Fees and charges recovered	15,042	9,341
	Gain on conversion of Ijarah agreements	9,762	21,391
	Gain on termination of lease liability against right-of-use assets	7,804	6,319
	Commission on arrangement with financial institutions	235,245	191,537
		290,716	229,820

31 OPERATING EXPENSES

	Note	2024	2023
Rupees in thousands			
Total compensation expense	31.2	4,737,605	3,449,298
Property expense			
Rent and taxes		114,174	53,662
Takaful expenses		48,114	38,041
Utilities cost		417,608	271,121
Security (including guards)		511,032	408,558
Repair and maintenance (including janitorial charges)		290,535	225,518
Depreciation on right-of-use assets	31.5	631,479	527,299
Depreciation		427,530	316,597
		2,440,472	1,840,796
Information technology expenses			
Software maintenance		430,153	335,513
Hardware maintenance		55,659	73,763
Takaful expenses		3,143	2,620
Depreciation		198,467	128,954
Amortisation	13.1	178,573	187,463
Network charges		196,289	154,102
		1,062,284	882,415
Other operating expenses			
Directors' fees and allowances	39.2	16,600	8,076
Remuneration to Shariah Board		15,646	13,312
Legal and professional charges		74,703	42,385
Takaful expenses		206,992	147,675
Fee and subscription		5,017	3,391
Outsourced services costs	37.1	211,081	176,700
Travelling and conveyance		246,501	174,584
Repair and maintenance of vehicles		6,531	8,532
NIFT clearing charges		43,841	31,814
Brokerage, commission and bank charges		52,804	53,485
Depreciation		24,125	20,625
Training and development		19,541	15,089
Postage and courier charges		57,445	41,341
Communication		174,294	89,194
Stationery and printing		190,854	146,750
Marketing, advertisement and publicity		156,795	33,535
Auditors' remuneration	31.4	23,093	13,478
Entertainment		103,086	76,792
Others		195,155	121,002
		1,824,104	1,217,760
		10,064,465	7,390,269

31.1 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 46.097 million (2023: Rs. 31.904 million). Out of this cost, Rs. 42.684 million (2023: Rs. 28.166 million) pertains to companies incorporated in Pakistan and Rs. 3.413 million (2023: Rs. 3.738 million) pertains to companies incorporated outside Pakistan. This includes payments other than outsourced services costs, which are disclosed above. Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017.

Rupees in thousands

31.2 Total compensation expense

Managerial Remuneration		
i) Fixed	1,620,262	1,292,081
ii) Variable		
a) Cash awards	1,038	633
b) Accrual for staff bonus	798,571	498,733
Contribution to defined contribution plan	98,076	76,171
Rent and house maintenance	656,249	507,982
Utilities	143,747	112,200
Medical	44,857	38,020
Conveyance and fuel	564,002	449,950
Special allowances	429,993	351,061
Leave encashment	-	-
Sales commission	40,809	23,099
Staff takaful	116,382	95,309
Sign-on Bonus	31.3 715	3,065
IFRS 9 adjustment for staff loan-notional	222,036	-
Others	868	994
	4,737,605	3,449,298

31.3 Sign-on bonus has been given to 4 employees during the year.

31.4 Auditors' remuneration

Audit fee	5,500	2,667
Fee for interim review	2,000	1,047
Fee for other statutory certifications	3,000	1,917
Tax services	9,000	6,000
Sales tax on services	950	582
Out-of-pocket expenses	2,643	1,265
	23,093	13,478

31.5 Ijarah of Musta'jir meeting the criteria prescribed by IFRS 16 "Leases" are presented as on-balance sheet item.

	Note	2024	2023
Rupees in thousands			
32 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		3,291	41,672
		3,291	41,672
33 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance against cash and balances with treasury banks	6.1	(1,607)	-
Credit loss allowance / Provision against Islamic financing and related assets	10.10	268,890	704,077
Credit loss allowance against due from financial institutions		-	-
Credit loss allowance against balances with other banks		(790)	-
Credit loss allowance against off balance sheet obligations		6,596	-
Credit loss allowance against general provision		282,294	-
Bad debts written off directly		-	-
Recovery of written off / charged off bad debts		(36)	(70)
Credit loss allowance against Other Assets		(12,358)	-
		542,989	704,007
34 TAXATION			
Current		5,171,016	5,328,998
Prior years		-	149,402
Deferred	14	(301,355)	(64,197)
		4,869,661	5,414,203
34.1 Relationship between tax expense and accounting profit			
Profit before taxation		9,108,333	10,567,538
Tax at the applicable rate	34.1.1	44%	39%
Tax on profit		4,007,667	4,121,340
Effect of:			
- permanent differences		1,777	91,910
- rate difference		(63,991)	(5,318)
- super tax @ 10% (2023:10%)		910,833	1,056,754
- others		13,375	149,517
		861,994	1,292,863
Tax charge for the year		4,869,661	5,414,203

34.1.1 The income tax rate has been enhanced from 39% to 44% for the year 2024 vide Income Tax (Amendment) Ordinance, 2024.

	2024	2023
Rupees in thousands		
35 BASIC AND DILUTED EARNING PER SHARE		
Profit after taxation	4,238,672	5,153,335
Number of shares - in thousands		
Weighted average number of ordinary shares	1,555,000	1,555,000
Rupees		
Basic / diluted earning per share - after tax	2.726	3.314

35.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue at the reporting dates.

	Note	2024	2023
Rupees in thousands			
36 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	18,114,511	19,529,055
Balances with other banks	7	962,093	2,803,425
Overdrawn nostro accounts	18.2	-	-
		19,076,604	22,332,480

	2024	2023
Numbers		
37 STAFF STRENGTH		
Permanent	2,233	1,794
On Bank contract	411	338
Bank's own staff strength at end of the year	2,644	2,132

37.1 In addition to the above, 396 (2023: 300) 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. All of these employees were working with the Bank domestically in current and prior year.

38 DEFINED CONTRIBUTION PLAN

The Bank operates an approved contributory provident fund for 1,648 (2023: 1,374) employees. Equal monthly contributions are made both by the Bank and its permanent employees to the Fund at the rate of 8.33% of the basic salaries of employees. However, an employee has an option to increase his / her contribution upto 15% but the Bank will still contribute 8.33% of the employee's basic salary.

	2024	2023
Rupees in thousands		
Contribution made by the Bank	98,334	76,403
Contribution made by the employees	101,183	78,630
	199,517	155,033

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total Compensation Expense

Items	2024							Other Material Risk Takers/ Controllers			
	Directors			Members Shariah Board		President / CEO	Key Management Personnel				
	Chairman	Executives (other than CEO)		Non-Executives	Rupees in thousands						
Fees and Allowances etc.	2,400	-	14,200	-	-	-	-	-			
Managerial Remuneration											
i) Fixed	-	-	-	9,372	34,839	87,235	77,689				
ii) Variable of which:											
a) Cash bonus / awards	-	-	-	1,469	27,000	44,661	37,025				
Contribution to defined contribution plan	-	-	-	258	2,903	6,705	6,054				
Rent and house maintenance	-	-	-	1,392	15,677	36,278	33,385				
Utilities	-	-	-	309	3,483	8,062	7,419				
Medical	-	-	-	-	-	-	136				
Conveyance	-	-	-	2,153	-	41,125	39,738				
Rental Subsidy (Rent Paid Residence)	-	-	-	-	-	2,400	3,036				
Special Pay	-	-	-	397	-	6,644	5,292				
Charge allowance	-	-	-	-	-	218	1,883				
Fuel Allowance	-	-	-	296	-	4,244	5,055				
Leave Fare Assistance (LFA)	-	-	-	-	-	-	-				
Sales Commission	-	-	-	-	-	-	1,568				
Dealing Allowance	-	-	-	-	-	-	144				
Others	-	-	-	-	-	-	1,669				
Total	2,400	-	14,200	15,646	83,902	237,572	220,093				
Number of Persons	1	-	7	3	1	17	24				

2023								
Items	Chairman	Executives (other than CEO)	Members Shariah Board		President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers	
			Non-Executives					
Rupees in thousands								
Fees and Allowances etc.	-	-	8,076	-	-	-	-	-
Managerial Remuneration								
i) Fixed	-	-	-	7,900	25,092	76,769	61,238	
ii) Variable of which:								
a) Cash bonus / awards	-	-	-	1,282	12,000	34,201	23,638	
Contribution to defined contribution plan	-	-	-	232	1,928	5,774	5,056	
Rent and house maintenance	-	-	-	1,254	11,291	31,264	27,381	
Utilities	-	-	-	279	2,509	6,948	6,085	
Medical	-	-	-	-	-	-	124	
Conveyance	-	-	-	1,601	-	36,610	29,804	
Rental Subsidy (Rent Paid Residence)	-	-	-	-	-	1,104	956	
Special Pay	-	-	-	241	-	7,138	5,186	
Charge allowance	-	-	-	-	-	403	1,503	
Fuel Allowance	-	-	-	523	-	8,264	9,124	
Leave Fare Assistance (LFA)	-	-	-	-	4,290	19,839	5,722	
Sales Commission	-	-	-	-	-	54	1,019	
Dealing Allowance	-	-	-	-	-	-	144	
Others	-	-	-	-	-	212	1,678	
Total	-	-	8,076	13,312	57,110	228,580	178,658	
Number of Persons	1	-	7	3	2	18	27	

39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	2024							
		Meeting fees and allowances paid							
		For Board Meetings	Audit Committee (AC)	HR & RC	RM & PRC	BS & SQRC	BIT	BEC	
		Rupees in thousands							
1	Raza Mansha	2,000	-	300	-	-	-	100	2,400
2	Ibrahim Shamsi	2,400	400	-	400	100	400	100	3,800
3	Omair Safdar	1,200	200	200	200	200	-	100	2,100
4	Ahmed Ebrahim Hasham	1,200	-	-	300	400	-	-	1,900
5	Jawaid Iqbal	2,400	400	400	400	-	400	100	4,100
6	Nabeela Waheed	400	-	-	-	-	-	-	400
7	Hammad Khalid	1,200	200	-	-	200	200	100	1,900
8	Zargham Khan Durrani	-	-	-	-	-	-	-	-
Total Amount Paid		10,800	1,200	900	1,300	900	1,000	500	16,600

		2023						
Sr. No.	Name of Director	Meeting fees and allowances paid						
		For Board Meetings	Audit Committee (AC)	For Board Committees				
				HR & RC	RM & PRC	BS & SQRC	BIT	BEC
Rupees in thousands								
1	Raza Mansha	-	-	-	-	-	-	-
2	Ahmed Ebrahim Hasham	1,200	-	-	200	400	76	1,876
3	Omair Safdar	-	-	-	-	-	-	-
4	Jawaid Iqbal	2,000	400	300	400	-	100	3,300
5	Seema Aziz	-	-	-	-	-	-	-
6	Hammad Khalid	-	-	-	-	-	-	-
7	Ibrahim Shamsi	2,000	300	-	400	-	100	2,900
Total Amount Paid		5,200	700	300	1,000	400	276	8,076

39.3 Remuneration paid to Shariah Board Members

Items	2024				2023	
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
	Rupees in thousands					
a. Meeting Fees and Allowances	-	-	-	-	-	-
b. Other Heads						
Basic salary	3,720	3,094	2,558	2,855	2,787	2,258
House rent	-	1,392	-	-	1,254	-
Utilities	-	309	-	-	279	-
Conveyance	-	2,153	-	-	1,601	-
Fuel	-	296	-	-	523	-
Special pay	-	397	-	-	241	-
Bonus	-	1,429	-	-	1,282	-
PF Employer	-	258	-	-	232	-
Medical	-	40	-	-	-	-
Total Amount	3,720	9,368	2,558	2,855	8,199	2,258
Total number of persons	1	1	1	1	1	1

39.4 Deferred cash bonus / remuneration for MRT's and MRC's for the year 2023 is Rs. 11.049 million (2022: Rs. 5.947 million) whereas the total payments made during the year amounting to Rs. 5.450 million out of bonus deferred in 2022, 2021 and 2020. The total outstanding balance as at December 31, 2024 amounts to Rs. 16.047 million which pertains to 2021, 2022 and 2023.

39.5 The Chief Executive and three key management personnel have been provided with the Bank's maintained cars.

40 FAIR VALUE MEASUREMENT

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted securities, placements, Islamic financing and related assets, other assets, other liabilities, fixed term deposits and acceptances 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 repricing profile with effective rates and maturity are stated in notes 42.2.5 and 42.4.1 respectively.

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

40.1 Fair value of financial asset

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in Sukuk and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building.

	2024				
	Fair Value				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	117,722,341	-	117,722,341	-	117,722,341
Shares	-	-	-	-	-
Non-Government Securities	661,133	-	661,133	-	661,133
	118,383,474	-	118,383,474	-	118,383,474
Financial assets - disclosed but not measured at fair value					
Investments	28,212,727	-	28,212,727	-	28,212,727
Fair value of non-financial assets					
Operating fixed assets					
(land and building)	1,384,447	-	1,384,447	-	1,384,447
Off-balance sheet financial instruments measured at fair value					
Foreign exchange contracts purchase	8,787,315	-	8,686,214	-	8,686,214
Foreign exchange contracts sale	5,509,671	-	5,522,929	-	5,522,929
	2023				
	Fair Value				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	95,563,982	-	95,563,982	-	95,563,982
Shares	-	-	-	-	-
Non-Government Securities	763,390	-	763,390	-	763,390
	96,327,372	-	96,327,372	-	96,327,372
Financial assets - disclosed but not measured at fair value					
Investments	36,216,930	-	36,216,930	-	36,216,930
Fair value of non-financial assets					
Operating fixed assets					
(land and building)	1,384,422	-	1,384,422	-	1,384,422
Off-balance sheet financial instruments					
Foreign exchange contracts purchase	10,514,065	-	10,407,558	-	10,407,558
Foreign exchange contracts sale	7,266,200	-	7,116,787	-	7,116,787

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1, 2 and 3 during the year.

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuks, forward foreign exchange contracts and operating fixed assets.

(c) Financial instruments in level 3

Currently, no financial instrument is classified in level 3.

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Ijarah Sukuks (GOP Ijarah Sukuks and other Ijarah Sukuks and other Ijarah Sukuks)	Fair values of GOP Ijarah Sukuks and other Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Foreign exchange contracts	The valuation has been determined by mark-to-market currency rates announced by the State Bank of Pakistan.
Operating fixed assets (land and building)	Land and buildings are revalued every three years using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

41 SEGMENT INFORMATION

41.1 Segment Details with respect to Business Activities

	2024								
	Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Profit & Loss	Rupees in thousands								
Net Profit / return	(16,517,208)	11,433,855	1,516,225	121,005	21,419,224	(32,582)	17,940,519	-	17,940,519
Inter segment revenue - net	30,267,841	(11,155,810)	(1,221,488)	(107,736)	(19,065,851)	1,283,044	-	-	-
Other income	771,908	304,283	19,235	5,927	836,588	32,137	1,970,078	-	1,970,078
Total Income	14,522,541	582,328	313,972	19,196	3,189,961	1,282,599	19,910,597	-	19,910,597
Segment direct expenses	(5,142,140)	(214,313)	(258,904)	(2,614)	(36,542)	(4,604,762)	(10,259,275)	-	(10,259,275)
Inter segment expense allocation	(1,666,492)	(15,822)	(31,059)	(669)	(2,425)	1,716,467	-	-	-
Total expenses	(6,808,632)	(230,135)	(289,963)	(3,283)	(38,967)	(2,888,295)	(10,259,275)	-	(10,259,275)
Credit loss allowance	(12,517)	(109,423)	5,505	-	2,397	(428,951)	(542,989)	-	(542,989)
Profit / (loss) before tax	7,701,392	242,770	29,514	15,913	3,153,391	(2,034,647)	9,108,333	-	9,108,333

	2024								
	Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Balance Sheet	Rupees in thousands								
Cash and bank balances	4,786,240	-	-	30	13,832,512	457,822	19,076,604	-	19,076,604
Investments	-	-	-	-	146,596,201	-	146,596,201	-	146,596,201
Net inter segment placements	161,775,482	-	-	-	-	6,238,905	168,014,387	(168,014,387)	-
Due from financial institutions	-	-	-	-	2,000,000	-	2,000,000	-	2,000,000
Financing - performing	32,933,675	74,153,189	7,213,715	717,520	-	1,088,484	116,106,583	-	116,106,583
Financing - non-performing	35,016	2,910,625	51,406	10,728	-	238,785	3,246,560	-	3,246,560
Others	1,882,886	2,545,885	487,760	101,441	4,704,477	10,595,231	20,317,680	-	20,317,680
Total Assets	201,413,299	79,609,699	7,752,881	829,719	167,133,190	18,619,227	475,358,015	(168,014,387)	307,343,628
Bills payable	11,594,493	-	-	-	-	-	11,594,493	-	11,594,493
Due to financial institutions	201,034	6,911,283	437,500	-	40,872,476	-	48,422,293	-	48,422,293
Deposits & other accounts	177,935,326	11,897,859	512,744	-	18,761,139	1,513	209,108,581	-	209,108,581
Net inter segment acceptances	-	59,175,825	5,959,420	813,139	102,066,003	-	168,014,387	(168,014,387)	-
Others	3,981,054	1,381,962	813,703	667	82,533	6,012,336	12,272,255	-	12,272,255
Total liabilities	193,711,907	79,366,929	7,723,367	813,806	161,782,151	6,013,849	449,412,009	(168,014,387)	281,397,622
Equity	7,701,392	242,770	29,514	15,913	5,351,039	12,605,378	25,946,006	-	25,946,006
Total Equity & liabilities	201,413,299	79,609,699	7,752,881	829,719	167,133,190	18,619,227	475,358,015	(168,014,387)	307,343,628
Contingencies & Commitments	21,935,876	22,763,788	9,619	-	14,993,231	468,163	60,170,677	-	60,170,677

	2023								
	Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
	Rupees in thousands								
Profit & Loss									
Net Profit / return	(13,975,098)	9,824,796	1,871,160	63,287	19,623,052	(223,534)	17,183,663	-	17,183,663
Inter segment revenue - net	28,908,684	(8,642,474)	(1,518,023)	(60,084)	(19,045,749)	357,646	-	-	-
Other income	624,478	224,769	18,965	2,299	828,273	38,549	1,737,333	-	1,737,333
Total Income	15,558,064	1,407,091	372,102	5,502	1,405,576	172,661	18,920,996	-	18,920,996
Segment direct expenses	(3,721,128)	(195,559)	(257,548)	(1,675)	(33,598)	(3,439,943)	(7,649,451)	-	(7,649,451)
Inter segment expense allocation	(1,341,095)	(11,338)	(33,095)	(760)	(2,096)	1,388,384	-	-	-
Total expenses	(5,062,223)	(206,897)	(290,643)	(2,435)	(35,694)	(2,051,559)	(7,649,451)	-	(7,649,451)
Credit loss allowance	163	(567,105)	9,831	(954)	-	(145,942)	(704,007)	-	(704,007)
Profit / (loss) before tax	10,496,004	633,089	91,290	2,113	1,369,882	(2,024,840)	10,567,538	-	10,567,538

2023						
Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total

Rupees in thousands						
Balance Sheet						
Cash and bank balances	4,701,714	-	-	30	17,630,507	229
Investments	-	-	-	-	132,544,302	-
Net inter segment placements	179,618,749	-	-	-	8,274,321	187,893,070
Due from financial institutions	-	-	-	-	2,500,000	-
Financing - performing	11,605,428	66,413,865	7,847,678	366,300	-	1,901,586
Financing - non-performing	351,756	805,017	54,280	-	-	1,505
Others	3,043,667	3,630,300	536,668	58,105	6,812,096	6,194,672
Total Assets	199,321,314	70,849,182	8,438,626	424,435	159,486,905	16,372,313
						454,892,775
						(187,893,070)
						266,999,705
Bills payable	2,175,473	-	-	-	-	-
Due to financial institutions	202,166	10,048,880	562,500	-	15,000,000	-
Deposits & other accounts	183,135,643	20,818,642	503,837	-	2,036	204,460,158
Net inter segment acceptances	-	38,036,631	6,560,455	421,655	142,874,329	-
Others	3,312,028	1,311,940	720,544	667	242,694	6,926,403
Total liabilities	188,825,310	70,216,093	8,347,336	422,322	158,117,023	6,928,439
						432,856,523
						(187,893,070)
						244,963,453
Equity	10,496,004	633,089	91,290	2,113	1,369,882	9,443,874
Total Equity & liabilities	199,321,314	70,849,182	8,438,626	424,435	159,486,905	16,372,313
						454,892,775
						(187,893,070)
						266,999,705
Contingencies & Commitments	15,422,534	17,942,082	6,141	-	17,780,265	757,471

41.2 Segment details with respect to geographical locations

The Bank operates in Pakistan only.

42 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its parent company, employee benefit plans and its directors and key management personnel and their close family members.

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 staff retirement benefits are made in accordance with the terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

42.1 The details of transactions with related parties and balances with them are given below:

	2024			2023				
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
Balances with other banks								
In current accounts	56,477	-	-	-	130,085	-	-	-
	56,477	-	-	-	130,085	-	-	-
	547	-	-	-	-	-	-	-
Credit loss allowance held against balance with other banks								
Islamic financing and related assets								
Opening balance	-	15,000	102,049	1,877,558	-	-	97,953	1,829,326
Addition during the year	-	-	36,449	2,404,125	-	15,000	42,950	2,782,798
Repaid during the year	-	(8,018)	(43,888)	(2,691,029)	-	-	(29,280)	(2,734,566)
Transfer in / (out) - net	-	-	-	-	-	-	(9,574)	-
Closing balance	-	6,982	94,610	1,590,654	-	15,000	102,049	1,877,558
	-	-	168	7,943	-	-	-	-
Credit loss allowance held against Islamic financing								
Fixed assets - Capital work in progress								
Right-of-use asset	290,764	-	-	-	131,922	-	-	-
Advance paid against purchase of property	20,000	-	-	-	20,000	-	-	-
	310,764	-	-	-	151,922	-	-	-
Other assets								
Profit receivable	-	-	6,603	22,619	-	-	4,686	89,597
Prepaid expenses	-	-	1,020	-	-	-	6,554	48,138
Receivable under scheme of merger	11,282	-	-	-	11,282	-	-	-
Receivable under home remittance	19,818	-	-	-	12,875	-	-	-
Other receivables	7,352	-	-	-	-	-	-	-
	38,452	-	7,623	22,619	24,157	-	11,240	137,735
Due to financial institutions								
Opening balance	9,000,000	-	-	-	-	-	-	-
Addition during the year	76,600,000	-	-	-	78,200,000	-	-	-
Repaid during the year	(85,600,000)	-	-	-	(69,200,000)	-	-	-
Closing balance	-	-	-	-	9,000,000	-	-	-
Deposits								
Opening balance	-	120,633	76,726	4,504,246	-	100,227	66,085	995,552
Addition during the year	-	5,974,650	543,306	48,108,319	-	10,104,304	417,279	43,412,703
Withdrawn during the year	-	(6,042,563)	(513,704)	(48,979,403)	-	(10,083,981)	(406,627)	(39,903,801)
Transfer in / (out) - net	-	-	803	-	-	83	(11)	(208)
Closing balance	-	52,720	107,131	3,633,162	-	120,633	76,726	4,504,246
Other liabilities								
Profit payable	-	708	815	16,060	14,155	1,482	30	29,716
Accrued expenses	-	-	-	47,978	3	-	-	32,316
Acceptances	-	-	-	-	18,214	-	-	-
Unearned Income	-	-	-	2,107	-	-	-	-
Lease liability against right-of-use-asset	313,048	-	-	-	149,137	-	-	1,304
Meeting fee payable to Directors	-	194	-	-	-	194	-	-
	313,048	902	815	66,145	181,509	1,676	30	63,336

	2024			2023				
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
Contingencies and Commitments								
Letter of Credit	56,178	-	-	464,120	-	-	-	594,170
Letter of Guarantee	178,575	-	-	1,759,995	174,196	-	-	1,059,660
Forward exchange contract								
Purchase	-	-	-	-	-	-	-	-
Sale	-	-	-	-	-	-	-	-
Transactions during the year								
Income								
Profit return earned	-	534	5,264	305,416	-	259	5,203	285,504
Commission income	-	-	-	38,524	-	-	-	34,313
Rental income	-	-	-	-	-	-	-	-
Other income	-	-	19	-	-	-	17	-
	-	534	5,283	343,940	-	259	5,220	319,817
Expense								
Profit return expensed	415,075	39,969	15,041	363,466	292,120	28,823	7,508	156,833
Rental expense	-	-	-	-	-	-	-	-
Takaful expense	-	-	-	270,289	-	-	-	140,324
Security expense	-	-	-	-	-	-	-	2,660
Depreciation on right-of-use asset	68,147	-	-	-	49,017	-	-	-
Unwinding of lease liability against right-of-use asset	33,922	-	-	-	14,588	-	-	-
Rent and Taxes	-	-	-	-	-	-	-	-
Meeting fee to Directors	-	16,600	-	-	-	8,076	-	-
Utility and other operating expense of shared branch	-	-	-	-	-	-	-	-
Other expenses	2,387	-	-	2,385	8,875	-	-	178
	519,531	56,569	15,041	636,140	364,600	36,899	7,508	299,995
Other transactions during the year								
Meeting fee paid to Directors	-	16,600	-	-	-	11,616	-	-
Managerial remuneration including bonus paid	-	83,903	253,217	-	-	57,110	241,891	-
Contribution paid to provident fund	-	-	-	199,517	-	-	-	154,946
Re-imbursement under home remittance payments	4,441,954	-	-	-	5,709,744	-	-	-
Proceeds under scheme of merger	5,000,788	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	24	-	-	-	17	-
Purchase of fixed assets	-	-	-	-	23,000	-	-	-
Disbursement made against advance salary	-	-	-	-	-	-	-	-
Repayment made against advance salary	93,129	-	-	99,001	-	-	-	-
Payment made against expenses	4,002,614	-	-	-	72,718	-	-	140,920
Foreign currency purchase	4,280,039	-	-	-	29,468,840	-	-	-
Foreign currency sale	-	-	-	-	33,534,409	-	-	-
Letter of Credit issued	56,178	-	-	2,436,414	-	-	-	2,827,512
Letter of Guarantee issued	58,353	-	-	679,288	106,439	-	-	3,568

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

	2024	2023
Rupees in thousands		
Paid-up capital (net of losses)	22,152,057	19,673,122
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	23,384,189	20,568,762
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	23,384,189	20,568,762
Eligible Tier 2 Capital	2,665,336	1,477,595
Total Eligible Capital (Tier 1 + Tier 2)	26,049,525	22,046,357
Risk Weighted Assets (RWAs):		
Credit Risk	91,808,522	67,578,085
Market Risk	5,243,153	4,124,665
Operational Risk	30,094,034	20,957,292
Total	127,145,709	92,660,042
Common Equity Tier 1 Capital Adequacy Ratio	18.39%	22.20%
Tier 1 Capital Adequacy Ratio	18.39%	22.20%
Total Capital Adequacy Ratio	20.49%	23.79%

Statutory minimum capital requirement and Capital Adequacy Ratio (CAR)

The capital adequacy ratio of the Bank was subject to the Basel III capital adequacy guidelines stipulated by the State Bank of Pakistan through its BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions were effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Phase-in arrangement and full implementation of the minimum capital requirements:

Ratio	Year End December 31						
	2013	2014	2015	2016	2017	2018	2019
CET1	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%
ADT-1	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Tier 1	6.50%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%
Total Capital	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
*CCB	0%	0%	0.25%	0.65%	1.275%	1.90%	2.50%
Total Capital plus CCB	10.00%	10.00%	10.25%	10.65%	11.275%	11.90%	12.50%

* Capital Conservation Buffer (CCB) Consisting of CET1 only

SBP vide its BPRD Circular Letter No. 12 of 2020 dated March 26, 2020 has reduced the Capital Conservation Buffer (CCB) from 2.50% to 1.50%. The Minimum Capital Requirement of the Bank stands at Rs.10 Billion at the respective reporting dates and is in compliance with the required capital adequacy ratio including CCB (11.50% of the risk-weighted assets). Banking operations are categorized as either trading book or banking book and risk-weighted assets are determined according to specified requirements of the State Bank of Pakistan that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The total risk-weighted exposures comprise of the credit risk, market risk and operational risk.

The Bank has adopted Standardized Approach to measure Credit risk regulatory capital charge in compliance with Basel-III requirements. The Bank measures and manages Market Risk by using conventional methods i.e. notional amounts, sensitivity and combinations of various limits. Beside conventional methods, the Bank also uses VaR (Value at Risk) technique for market risk assessment of positions assumed by its Treasury and FX Group. In-house based solutions are used for calculating mark to market value of positions and generating VaR (value at risk) and sensitivity numbers. Thresholds for different positions are established to compare the expected losses at a given confidence level and over a specified time horizon. Currently, the Bank is reporting operational risk capital charge under Basic Indicator Approach (BIA).

Leverage Ratio (LR):

In order to avoid building-up excessive on and off-balance sheet leverage in the banking system, monitoring of Leverage Ratio is in place as per SBP directives with the following objectives:

- constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and
- reinforce the risk based requirements with an easy to understand and a non-risk based measure.

A minimum Tier 1 leverage ratio of 3% has been prescribed both at solo and consolidated level.

	2024	2023
Rupees in thousands		
Leverage Ratio (LR):		
Eligible Tier-1 Capital	23,384,189	20,568,762
Total Exposures	340,543,011	283,260,917
Leverage Ratio	6.87%	7.26%

Liquidity Coverage Ratio (LCR)

The objective of Liquidity Coverage Ratio (LCR) is to ensure short-term resilience of the liquidity risk profile of the bank by ensuring availability of adequate High Quality Liquid Assets to survive a significant stress scenario lasting for 30 calendar days. LCR should be kept above 100% as per SBP guidelines.

	2024	2023
	Rupees in thousands	
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	115,376,414	84,205,536
Total Net Cash Outflow	84,363,737	50,600,287
Liquidity Coverage Ratio	136.76%	166.41%

Net Stable Funding Ratio (NSFR)

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding on ongoing basis. Banks are required to maintain NSFR of at least 100% as per SBP guidelines.

	2024	2023
	Rupees in thousands	
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	196,834,500	175,630,548
Total Required Stable Funding	138,624,310	121,097,477
Net Stable Funding Ratio	141.99%	145.03%

43.1 The full disclosures on the "CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS" as per SBP instructions issued from time to time are available at <https://www.mcbislamicbank.com/investor-relations/financial-reports/financial-reports-2024/>

44 RISK MANAGEMENT

Risk is an inherent part of banking business activities. The risk management framework and governance structure at the MCB Islamic Bank Limited helps to mitigate and counter any foreseeable risk in its various lines of business. Risk awareness forms an integral part of strategic and operational activities of risk management. Through its risk management policy the Bank sets the best course of action to counter uncertainty by identifying, prioritizing, mitigating and monitoring risk issues, with the goal of enhancing shareholders' value. Bank's risk management structure is based on the following five guiding principles while conforming to the prescribed Shari'ah guidelines:

- Optimizing risk/return in a controlled manner
- Establishing clear responsibility and accountability
- Establishing independent and properly resourced risk management function.
- Promoting open risk culture
- Adopting international best practices in risk management

Keeping in view dynamics of internal and external environment, the bank regularly reviews and updates policy manuals / frameworks and procedures in accordance with domestic regulatory environment and international standards.

The Bank executes its risk strategy and undertakes controlled risk-taking activities within its risk management framework and Annual Risk Appetite and Strategy document. The Board of Directors and its relevant committee, i.e. the Risk Management & Portfolio Review Committee (RM & PRC), the senior management and its relevant committees, i.e. the Management Finance Committee (MFC), Asset Liability Committee (ALCO), etc., are responsible to ensure formulation and implementation of a comprehensive Risk Management Framework. The framework combines core policies, procedures and process designs with broad oversight and is supported by an efficient monitoring mechanism across the Bank to ensure that risks are kept within an acceptable level.

The Bank ensures that not only the relevant risks are identified but their implications are also considered and the basis provided for managing and measuring the risks. Through Internal Control units, the Bank ensures that effective controls are in place to mitigate each of the identified risks.

Independent from business groups, Chief Risk Officer reports functionally to the Risk Management & Portfolio Review Committee (RM & PRC) and administratively to the President; the RM & PRC convenes regular meetings to evaluate the Bank's risk and portfolio concentrations. The Risk Management Group performs the following critical functions:

- Credit Risk Management (including Credit Risk Review & Control)
- Market Risk Management
- Liquidity Risk Management
- Operational Risk Management
- Cyber Security Risk Management
- Fraud Risk Management

44.1 Credit Risk

Credit risk arises from our dealings with individuals, corporate clients, financial institutions, sovereigns etc. The Bank is exposed to credit risk through its financing and investment activities. It stems from the Bank's both, on and off-balance sheet activities. Credit risk makes up the largest part of the Bank's exposure. Purpose of Credit Risk Management function is to identify, measure, manage, monitor and mitigate credit risk. Organizational structure of this function ensures pre and post-facto management of credit risk. While, Credit Review function provides pre-fact evaluation of counterparties, the Credit Risk Control (CRC) performs post-fact evaluation of financing facilities and reviews clients' performance on an ongoing basis.

The Bank has adopted Standardized Approach to measure Credit risk regulatory capital charge in compliance with Basel-III requirements. The approach mainly takes into account the assessment of external credit rating agencies. In line with SBP guidelines on Internal Credit Risk Rating Systems, the Bank has developed rating systems and all its corporate and commercial financing customers are internally rated. The Bank is in the process of continuously improving the system and bringing it in line with the Basel framework requirements.

In order to manage the Bank's credit risk, following policies and procedures are in place:

- Individuals who take or manage risks clearly understand them in order to protect the Bank from avoidable risks;
- Credit facility or material change to the credit facility is allowed subject to credit review;
- Approval and review process is reviewed by RM&PRC and internal audit;

As a part of credit assessment the Bank uses an internal rating framework as well as the ratings assigned by the external credit rating agencies, wherever available.

In compliance to State Bank of Pakistan instructions, the bank has developed an indigenous model to calculate score of an obligor based on trade based money laundering risk during the year. The model covers various risk parameters to assess risk. The bank also has in place a scoring model to capture environmental risk.

Ongoing administration of the credit portfolio is an essential part of the credit process that supports and controls extension and maintenance of credit. The Bank's Credit Risk Control, being an independent function from the business and operations group, is responsible for performing the following activities:

- Credit disbursement authorization;
- Collateral coverage and monitoring;
- Compliance of loan covenants/ terms of approval;
- Maintenance/ custody of collateral and security documentation.

Credit Risk Monitoring is based on a comprehensive reporting framework. Continuous monitoring of the credit portfolio and the risks attached thereto are carried out at different levels including businesses, Audit & Risk Assets Review, Credit Risk Control, Credit Risk Management Division, etc.

To ensure a prudent distribution of asset portfolio, the Bank manages its financing and investment activities within an appropriate limits framework. Per party exposure limit is maintained in accordance with SBP Prudential Regulation R-1.

The Bank creates specific provision against Non- Performing Financings (NPFs) in accordance with the Prudential Regulations and other directives issued by the SBP and charged to the profit and loss account. Provisions are held against identified as well as unidentified losses. Provisions against unidentified losses include general provision against consumer, small entities and micro financings made in accordance with the requirements of the Prudential Regulations issued by SBP on financings.

Stress Testing

Credit Risk stress testing is a regular exercise. Bank's all credit exposures including funded and non-funded facilities are subject to stress test. This exercise is conducted on a quarterly basis through assigning shocks to all assets of the Bank and assessing its resulting affect on capital adequacy inline with SBP requirements.

The Bank is regularly conducting assessments of the financing portfolio, with robust post disbursement review mechanism to identify borrowers most likely to be affected in the challenging business and economic environment. Bank is confident that it has more than sufficient risk bearing capacity to with-stand these difficult times.

Particulars of Bank's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

44.1.1 Due from financial institutions

Credit risk by public / private sector

	Gross Placements		Non-performing		Credit Loss Allowance Held	
	2024	2023	2024	2023	2024	2023
Rupees in thousands						
Private	2,000,000	2,500,000	-	-	-	-
	2,000,000	2,500,000	-	-	-	-

44.1.2 Investment in debt securities

Credit risk by industry sector

	Gross Investments		Non-performing		Credit Loss Allowance Held	
	2024	2023	2024	2023	2024	2023
Rupees in thousands						
Power (electricity), Gas, Water, Sanitary	-	-	-	-	-	-
Financial including government securities	146,596,201	132,544,302				
	146,596,201	132,544,302	-	-	-	-
Credit risk by public / private sector						
Public / Government	145,935,068	131,780,912	-	-	-	-
Private	661,133	763,390	-	-	-	-
	146,596,201	132,544,302	-	-	-	-

44.1.3 Islamic financing and related assets

Credit risk by industry sector

	Gross Financing		Non-performing		Credit Loss Allowance Held	
	2024	2023	2024	2023	2024	2023
Rupees in thousands						
Agriculture, Forestry, Hunting and Fishing	745,113	1,225,481	290,300	307,100	290,300	-
Textile	10,509,212	9,258,838	-	-	-	-
Chemical and Pharmaceuticals	6,864,826	1,604,892	-	-	-	-
Cement	4,120,539	3,416,601	-	-	-	-
Sugar	12,032,494	4,630,534	-	-	-	-
Footwear and Leather garments	2,749	-	-	-	-	-
Automobile and transportation equipment	11,296	424,411	-	-	-	-
Electronics and electrical appliances	921,014	680,546	-	-	-	-
Construction	1,524,512	2,271,548	23,024	37,024	12,611	-
Power (electricity), Gas, Water, Sanitation	8,807,849	1,471,093	-	-	-	-
Wholesale and Retail Trade	4,632,372	1,529,607	164,251	46,550	1,706	94
Transport, Storage and Communication	222,557	35,152,510	-	-	-	-
Financial	16,050,949	23,746	-	-	-	-
Insurance	-	-	-	-	-	-
Services	16,284,169	3,175,251	-	-	-	-
Food, Beverages, Tobacco and personal products	11,118,864	8,207,927	373,973	190,752	11,611	-
Paper	3,005,697	410	-	-	-	-
Steel	3,787,374	3,259,655	581,521	217,202	581,521	127,708
Shipbreaking	991,242	991,242	991,242	991,242	991,242	582,819
Oil Refinery	2,000,000	-	-	-	-	-
Plastic	8,257,265	1,522,733	-	-	-	-
Individuals	8,278,205	9,907,524	104,970	90,415	41,788	34,629
Manufacturing	728,409	1,093,580	-	-	-	-
Others	1,702,996	787,487	59,275	77,523	-	-
	122,599,703	90,635,616	2,588,556	1,957,808	1,930,779	745,250
Credit risk by public / private sector						
Public / Government	209,084	35,418,168	-	-	-	-
Private	122,390,619	55,217,448	2,588,556	1,957,808	1,930,779	745,250
	122,599,703	90,635,616	2,588,556	1,957,808	1,930,779	745,250

44.1.4 Contingencies and Commitments

Credit risk by industry sector

	2024	2023
Rupees in thousands		
Agriculture, Forestry, Hunting and Fishing	51,524	211,059
Textile	3,972,083	2,861,168
Chemical and Pharmaceuticals	3,317,927	3,301,965
Cement	250,174	415,738
Sugar	1,849,302	466,874
Footwear and Leather garments	6,852	-
Automobile and transportation equipment	1,913,558	1,497,973
Electronics and electrical appliances	1,437,252	368,730
Construction	7,520,134	6,559,875
Power (electricity), Gas, Water, Sanitation	1,006,274	481,045
Wholesale and Retail Trade	5,257,777	7,190,844
Transport, Storage and Communication	62,517	78,750
Financial	232,557	492,434
Glassware	146,991	119,127
Insurance	-	-
Services	6,990,080	2,441,565
Food, Beverages and Tobacco	2,652,052	795,428
Paper	53,111	67,164
Steel	3,044,183	1,989,754
Shipbreaking	32,469	19,429
Oil Refinery	2,200	-
Plastic	1,770,852	1,571,022
Individuals	8,384	5,886
Shipyards	438,301	617,627
Manufacturing	1,099,995	313,875
Others	904,302	838,918
	44,020,851	32,706,250
Credit risk by public / private sector		
Public / Government	449,277	1,302,798
Private	43,571,574	31,403,452
	44,020,851	32,706,250

44.1.5 Concentration of Islamic financing and related assets

The bank top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 51,581.001 million (2023: Rs. 46,592.736 million) are as following:

	2024	2023
Rupees in thousands		
Funded	40,810,869	39,097,850
Non Funded	10,770,132	7,494,886
Total Exposure	51,581,001	46,592,736

The sanctioned limits against these top 10 exposures aggregated to Rs. 53,560 million (2023: Rs. 58,632 million).

Total funded classified therein

	2024		2023	
	Amount	Provision held	Amount	Provision held
Rupees in thousands				
OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	-	-

44.1.6 Islamic financing and related assets - Province / Region - wise Disbursement & Utilization

Province / Region	2024						
	Utilization						
	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Rupees in thousands							
Punjab	417,367,050	416,225,898	935,889	44,737	-	154,430	6,096
Sindh	180,671,258	3,027,170	177,632,389	-	44	8,656	2,999
KPK including FATA	484,076	23,651	-	439,304	1,523	16,590	3,008
Balochistan	45,571	2,879	3,651	-	39,041	-	-
Islamabad	28,395,504	1,595,712	-	2,521	1,685	26,795,586	-
AJK including	-	-	-	-	-	-	-
Gilgit-Baltistan	31,348	4,839	-	-	-	2,694	23,815
Total	626,994,807	420,880,149	178,571,929	486,562	42,293	26,977,956	35,918

Province / Region	2023						
	Utilization						
	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Rupees in thousands							
Punjab	384,156,928	382,472,277	1,433,494	61,026	5,076	177,821	7,234
Sindh	125,356,627	3,095,089	122,237,557	-	18,065	5,916	-
KPK including FATA	510,171	51,490	1,755	421,528	-	27,626	7,772
Balochistan	71,473	7,084	5,246	-	57,344	1,799	-
Islamabad	25,741,905	4,279,149	-	4,668	2,240	21,455,848	-
AJK including	-	-	-	-	-	-	-
Gilgit-Baltistan	43,282	8,310	-	-	-	9,910	25,062
Total	535,880,386	389,913,399	123,678,052	487,222	82,725	21,678,920	40,068

44.2 Market Risk

Market Risk arises from changes in market rates such as Profit / Yield Rates, Foreign Exchange Rates, Equity Prices, and / or commodity prices as well as their correlations and volatilities resulting in a loss to earnings and capital. The Bank is exposed to market risk primarily through its trading activities, which are centered in Treasury and FX Group.

The Bank's Market Risk Management structure consists of Risk Management & Portfolio Review Committee (RM&PRC) of the Board, Management Finance Committee of management and ALCO. There is an independent Market Risk Management Division reporting directly to Group Head Risk Management. Market Risk is an independent risk management function that works in close partnership with the business segments to identify and monitor market risks throughout the Bank and to define market risk policies and procedures. Market Risk seeks to facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into the Bank's market risk profile for senior management, the Board of Directors and regulators. Market risk authority, including both approval of market risk limits and approval of market risks is vested in the ALCO.

In line with regulatory requirements, the Bank has clearly defined, in its Risk Management policy, the positions which shall be subject to market risk. The definition covers the accounting classifications as well as positions booked by different business groups under "Available for Sale" category. The assets subject to trading book treatment are frequently, mostly on daily basis, valued and actively managed. The positions which do not fulfill the criteria of Trading book falls under the Banking Book and are treated as per SBP requirements.

The Bank measures and manages Market Risk by using conventional methods i.e. notional amounts, sensitivity and combinations of various limits. Bank has established a specific Market Risk Limit Policy providing guideline for assuming controlled market risk, its monitoring and management.

Beside conventional methods, the Bank also uses VaR (Value at Risk) technique for market risk assessment of positions assumed by its treasury and capital market groups. In-house based solutions are used for calculating mark to market value of positions and generating VaR (value at risk) and sensitivity numbers. Thresholds for different positions are established to compare the expected losses at a given confidence level and over a specified time horizon.

A framework of stress testing, scenario analysis and reverse stress tests of both banking and trading books as per SBP guidelines is also in place. The results of the stress tests are reviewed by senior management and also reported to the SBP.

44.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in thousands						
Cash and balances with						
treasury banks	18,114,511	-	18,114,511	19,529,055	-	19,529,055
Balances with other banks	962,093	-	962,093	2,748,279	-	2,748,279
Due from financial institutions	2,000,000	-	2,000,000	2,500,000	-	2,500,000
Investments	28,212,727	118,383,474	146,596,201	36,216,930	96,327,372	132,544,302
Islamic financing and related assets	119,353,143	-	119,353,143	89,347,415	-	89,347,415
Property and equipment	5,191,117	-	5,191,117	3,755,402	-	3,755,402
Right-of-use of assets	2,355,818	-	2,355,818	2,027,791	-	2,027,791
Intangible assets	1,044,088	-	1,044,088	532,846	-	532,846
Deferred tax assets	30,797	-	30,797	-	-	-
Other assets	11,695,860	-	11,695,860	14,014,615	-	14,014,615
	188,960,154	118,383,474	307,343,628	170,672,333	96,327,372	266,999,705

44.2.2 Foreign Exchange Risk

Foreign exchange risk exposes the bank to changes in the values of current holdings and future cash flows denominated in currencies other than home currency due to the exchange rate fluctuation and volatility. The types of instruments exposed to this risk include foreign currency-denominated financing, foreign currency-denominated deposits, future cash flows in foreign currencies arising from foreign exchange transactions, etc.

The core objective of foreign exchange risk management is to ensure the foreign exchange exposure of the Bank remains within defined risk appetite and insulate the Bank against undue losses that may arise due to volatile movements in foreign exchange rates or profit rates.

	2024			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
Rupees in thousands				
United States Dollar	2,138,915	4,782,611	2,560,196	(83,500)
Great Britain Pound Sterling	344,911	819,694	489,588	14,805
Euro	451,532	449,102	87,025	89,455
Japanese Yen	1,331	18	-	1,313
Other currencies	80,175	16	-	80,159
	3,016,864	6,051,441	3,136,809	102,232
	2023			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
Rupees in thousands				
United States Dollar	2,725,356	6,164,761	3,328,297	(111,108)
Great Britain Pound Sterling	943,654	936,224	-	7,430
Euro	485,123	481,996	-	3,127
Japanese Yen	18,729	179	-	18,550
Other currencies	133,031	-	-	133,031
	4,305,893	7,583,160	3,328,297	51,030

2024		2023	
Banking book	Trading book	Banking book	Trading book

Rupees in thousands

Impact of 1% change in foreign exchange rates on

- Profit and loss account	1,022	-	510	-
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44.2.3 Equity position risk

Bank's proprietary positions in the equity instruments expose it to the equity price risk in its trading and banking books. Equity price risk is managed by applying trading limit, scrip-wise and portfolio wise nominal limits, VaR analysis and stress testing of the equity portfolio are also performed and reported to senior management. The stress test for equity price risk assesses the impact of the fall in the stock market index using internal based assumptions.

2024		2023	
Banking book	Trading book	Banking book	Trading book

Rupees in thousands

Impact of 5% change in equity prices on

- Profit and loss account	-	-	-	-
- Other comprehensive income	-	-	-	-

44.2.4 Yield / Profit Rate Risk in the Banking Book - Basel II Specific

Yield 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. Yield risk occurs when there is a mismatch between positions, which are subject to profit rate alterations within a particular time period. The Bank's financing, placement and investment activities give rise to profit rate risk. The effect of changes in profit rate is on the Bank's income, and resultant impact is on the Bank's net worth.

Profit rate risk is primarily managed by monitoring the rate sensitive gaps and by having the pre-approved limits for repricing buckets. ALCO is the supervising body for adherence with these, complemented by the monitoring of sensitivity of the Bank's financial assets and liabilities to various scenarios.

2024		2023	
Banking book	Trading book	Banking book	Trading book

Rupees in thousands

Impact of 1% change in profit rates on

- Profit and loss account	121,976	361,476	94,935	280,530
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44.2.5 Mismatch of Profit Rate Sensitive Assets and Liabilities

2024												
Effective Yield / Profit rate %	Total	Exposed to Yield / Interest risk									Non-profit bearing financial instruments	
		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 thousands												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0	18,114,511	-	-	-	-	-	-	-	-	-	18,114,511
Balances with other banks	3.45 to 12.20	962,093	27,637	-	-	-	-	-	-	-	-	934,456
Due from financial institutions	13.00	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-
Investments	20.53	146,596,201	17,711,421	19,241,500	109,643,280	-	-	-	-	-	-	-
Islamic financing and related assets	1.00 to 30.71	95,339,234	175,837	39,302,877	5,265,830	5,002,849	-	-	-	-	-	45,591,840
Other assets		9,485,280	-	-	-	-	-	-	-	-	-	9,485,280
		272,497,319	19,914,895	58,544,377	114,909,111	5,002,849	-	-	-	-	-	74,126,087
Liabilities												
Bills payable		11,594,493	-	-	-	-	-	-	-	-	-	11,594,493
Due to financial institutions	1.00 to 15.50	48,422,293	37,639,696	3,980,882	4,538,438	472,074	876,035	297,434	512,087	105,647	-	-
Deposits and other accounts	0.00 to 18.75	209,108,581	149,060,734	-	-	-	-	-	-	-	-	60,047,847
Liabilities against assets subject to finance lease		-	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	-	-	-	-	-	-	-	-	-
Lease Liabilities		3,018,262	62,900	102,086	126,823	326,851	653,129	579,710	702,364	464,399	-	-
Other liabilities		9,208,659	-	-	-	-	-	-	-	-	-	9,208,659
		281,352,288	186,763,331	4,082,968	4,665,262	798,925	1,529,163	877,144	1,214,451	570,046	-	80,850,999
On-balance sheet gap		(8,854,969)	(166,848,435)	54,461,409	110,243,849	4,203,924	(1,529,163)	(877,144)	(1,214,451)	(570,046)	-	(6,724,912)
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts		3,136,809	(431,542)	2,314,876	1,253,475	-	-	-	-	-	-	-
Off-balance sheet gap		3,136,809	(431,542)	2,314,876	1,253,475	-	-	-	-	-	-	-
Total Yield / Profit Risk Sensitivity Gap		(167,279,977)	56,776,285	111,497,325	4,203,924	(1,529,163)	(877,144)	(1,214,451)	(570,046)	-	-	-
Cumulative Yield / Profit Risk Sensitivity Gap		(167,279,977)	(110,503,692)	993,633	5,197,557	3,668,394	2,791,250	1,576,798	1,006,752	1,006,752	-	-

2023												
Yield / Profit rate %	Total	Exposed to Yield/ Interest risk									Non-profit bearing financial instruments	
		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			
		Upto 1 Month										
Rupees in thousands												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	19,529,055	-	-	-	-	-	-	-	-	-	-	19,529,055
Balances with other banks	2,803,425	1,845	-	-	-	-	-	-	-	-	-	2,801,580
Due from financial institutions	22.15	2,500,000	2,500,000	-	-	-	-	-	-	-	-	-
Investments	22.69	132,544,302	13,392,405	25,305,500	93,846,397	-	-	-	-	-	-	-
Islamic financing and related assets	1.40 to 32.50	77,259,757	252,220	49,706,750	3,897,165	4,476,146	-	-	-	-	-	18,927,476
Other assets		12,593,012	-	-	-	-	-	-	-	-	-	12,593,012
	247,229,551	16,148,470	75,012,250	97,743,562	4,476,146	-	-	-	-	-	-	53,851,123
Liabilities												
Bills payable	2,175,473	-	-	-	-	-	-	-	-	-	-	2,175,473
Due to financial institutions	14 to 22.9	25,813,546	7,622,644	8,920,029	1,169,023	1,396,453	858,104	1,541,844	2,047,905	-	-	-
Deposits and other accounts	0.00 to 19.95	204,460,158	141,082,426	-	-	-	-	-	-	-	-	63,377,732
Liabilities against assets subject to finance lease		-	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	-	-	-	-	-	-	-	-	-
Lease liabilities		2,636,096	52,574	90,420	253,885	480,963	452,529	691,517	343,382	171,738	-	-
Other liabilities		9,360,466	184,550	20,505	263	-	0	0	-	(0)	-	9,155,148
	244,445,739	148,942,194	9,030,954	2,356,895	1,422,908	1,877,416	1,310,633	2,233,361	2,391,287	171,738	74,708,353	
On-balance sheet gap	2,783,812	(132,795,724)	65,981,296	95,386,667	3,053,238	(1,877,416)	(1,310,633)	(2,233,361)	(2,391,287)	(171,738)	(20,857,230)	
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts	3,247,865	3,084,855	773,760	(610,750)	-	-	-	-	-	-	-	-
Off-balance sheet gap	3,247,865	3,084,855	773,760	(610,750)	-	-	-	-	-	-	-	-
Total Yield / Profit Risk Sensitivity Gap		(129,710,869)	66,755,056	94,775,918	3,053,238	(1,877,416)	(1,310,633)	(2,233,361)	(2,391,287)	(171,738)	-	-
Cumulative Yield / Profit Risk Sensitivity Gap		(129,710,869)	(62,955,813)	31,820,104	34,873,342	32,995,926	31,685,293	29,451,933	27,060,645	26,888,907	-	-

Reconciliation of assets and liabilities exposed to yield / profit rate risk with total assets and liabilities

		2024	2023
		Rupees in thousands	
Total financial assets as per note 44.2.5		272,497,319	247,229,551
Add: Non financial assets			
Islamic financing and related assets		24,013,908	12,087,658
Property and equipment		5,191,117	3,755,402
Right of use assets		2,355,818	2,027,791
Intangible assets		1,044,088	532,846
Deferred tax assets		30,797	-
Other assets		2,210,581	1,366,457
Total assets as per Statement of Financial Position		307,343,628	266,999,705
Total financial liabilities as per note 44.2.5		281,352,288	244,445,739
Add: Non financial liabilities			
Deferred tax liability		-	445,291
Other liability		45,334	72,423
Total liabilities as per Statement of Financial Position		281,397,622	244,963,453

44.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition includes legal risks but excludes strategic and reputational risks.

The Bank’s operational risk management framework, as laid down in the operational risk policy, duly approved by the Board of Directors (BOD), is flexible enough to implement in stages and permits the overall risk management approach to evolve in the light of organizational learning and the future needs of the Bank. Operational loss events are reviewed and appropriate corrective actions are taken on an ongoing basis, including measures to improve control procedures with respect to design and operative effectiveness.

An independent Operational Risk Management Function has also been established within the Risk Management Group, as per the requirements of SBP Basel Framework and in line with the international best practice. This function is responsible to ensure that management of operational risk in the Bank is carried out in accordance with the bank’s approved policies and frameworks.

Operational Risk Management helps the Bank understand risks and improve mitigating controls so as to minimize operational risks that are inherent in almost all areas of the Bank. Going forward, the Bank will further strengthen its risk function, policies and procedures to facilitate its operations and improve quality of assets to safeguard interest of depositors.

The key elements in the operational risk management process are:

- Risk Identification & Assessment
- Risk Monitoring & Reporting
- Risk Control & Mitigation

Operational Risk identification at the Bank is based on utilization of diversified tools including but not limited to internal and external loss / control breach / near miss incidents data collection, process reviews, internal / external audit / regulatory inspection observations, expert judgment and self-assessment etc. Since scope of operational risk spreads across different functions of the bank, roles and responsibilities regarding operational risk management also spread across all the groups in the bank. Governance structure involved in management of operational risk is as follows:

- Board of Directors
- Risk Management and Portfolio Review Committee (RM&PRC)
- President
- Risk Management Group (RMG)
- All Business and Support Groups

Based on the analysis of operational risks through maintenance of operational risk database, a periodic reporting of operational losses and significant risk events is being done for review of RM&PRC on quarterly basis. The strong control environment encompasses documented policies / procedures and systems in all key areas as effective risk mitigation tools.

The Bank is focusing on the following risk mitigation tools:

- Business Continuity Management / Disaster Recovery Planning
- Takaful
- Outsourcing

Continuous monitoring of the effectiveness of mitigants has been ensured through regular compliance reviews and independent validation by Internal / External Audit inspections.

Operational risk covers a broad range of risks and is useful to sub-divide operational risk into two main categories i.e. Internal Risks and External Risks.

Operational risk event types are further divided into seven types which are as under;

- Internal Fraud
- External Fraud
- Damage to Physical Assets
- Execution, delivery and process management
- Business disruption and system failure
- Employment practices and workplace safety
- Clients, products and business practices

Operational Risk-Disclosures Basel II Specific

Since the Bank currently being at infancy stage, is using Basic Indicator Approach (BIA) for allocation of capital charge for operational risk as the corner stone of capital allocation under advanced approaches of Basel II is the historical time series of operational loss data.

Operational loss data pertaining to key risk events is also collected on bank-wide basis. Periodic review and analysis will be prepared for senior management and Risk Management and Portfolio Review Committee (RM&PRC) of the Board. Such reports will cover the significant risk events with root cause analysis and recommendations for further improvements.

Business Continuity Planning & Health, Safety & Environment:

A comprehensive Business Continuity Plan is in place whereby all Branches & Head Office functions have developed their Alternate Sites which will be operational in case of emergency.

We have established minimum safety standards that all businesses, offices and branches of the Bank must adhere to and encourages all employees to promote the safety of their fellow employees and customers.

Fraud Risk Management:

Fraud Risk Management Division has been formed under Risk management group to ensure appropriate protection of financial and reputational interest of the bank and core responsibilities are:

- Compliance on SBP directives for policies, procedures and internal / external reporting.
- 24/7 Monitoring of Digital Banking & Alternate Delivery Channel (ADC) transactions.
- Fraud training awareness.
- Handling frauds related complaints and their resolution as per SBP directives including FDTH affairs.

Information Technology Security:

An independent IT Security division is in place to counter cyber security threats. However, this is a dynamic area and the bank is in the process of acquiring more solutions & implementing more controls. Broadly speaking, IT Security covers the following main areas in accordance with Board approved policy:

- Implement information security policy and associated process and controls
- Implement Access and Authentication controls
- Periodically conduct access review of privilege users.
- Periodically conduct Risk Assessment of critical information assets
- Periodically conduct internal / external vulnerability assessment and penetration testing of critical information assets.
- Information / cyber security awareness to be created amongst staff members.
- Incident response and lesson learned.
- Continuous communication to stakeholders
- Continuous improvement

Shari’ah Non Compliance Risk (SNCR):

The Bank is fully acquainted with SNCR and its potential implications on the reputation and business of the Bank. Therefore the Bank shall take adequate measures to address SNCR and ensure conformity of its operations with Shari’ah principles.

In addition to the Shari’ah Compliance Department, exclusively overseeing SNCR risk, the RM&PRC and senior management shall also play their role in monitoring the same.

All Shari’ah non-compliance events and transactions are reported to Shari’ah Non Compliance Risk Management Committee (SNCRMC), RM&PRC and BOD on quarterly basis by Shari’ah Compliance Department (SCD).

44.4 Liquidity Risk

Liquidity risk is the potential for loss to the Bank arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring an unacceptable cost. The Bank’s Board of Directors sets Bank’s policy for managing liquidity risk and entrusts accountability for supervision of this strategy to senior management. Senior management exercises its responsibilities for managing market & liquidity risk through various committees including the Asset & Liability Management Committee (ALCO). Treasury department manages the Bank’s liquidity position on a daily basis. The Bank’s main approach of managing the liquidity risk is to make certain that it will always have adequate liquidity to meet its liabilities when they are due in normal and stressed scenarios without incurring any untoward expenditure or risking reputational harm. ALCO monitors the maintenance of liquidity ratios, depositor’s concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual deposits. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. There is an Asset Liability Management Framework in place for focused handling of Liquidity. This framework also incorporates early warning indicators.

44.4.1 Maturities of assets and liabilities

44.4.1.1 Maturities of Assets and Liabilities - based on contractual maturity

2024												
Rupees in thousands												
Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Above 5 years
Assets												
Cash and balances with treasury banks	18,114,511	4,528,628	4,528,628	4,528,628	-	-	-	-	-	-	-	-
Balances with other banks	962,093	240,524	240,523	240,523	-	-	-	-	-	-	-	-
Due from financial institutions	2,000,000	-	-	-	-	-	-	-	-	-	-	-
Investments - net	146,596,201	-	-	-	-	-	6,030,488	3,149,415	802,950	21,264,970	41,182,914	66,410,332
Islamic financing and related assets - net	119,353,143	1,309,681	1,824,454	7,013,541	22,090,162	8,313,623	12,531,768	3,928,201	10,123,431	11,916,228	11,467,469	13,019,973
Property and equipment	5,191,117	-	-	-	80,488	68,446	203,799	202,258	199,631	757,311	670,604	925,476
Right-of-use of assets	2,355,818	1,919	13,432	32,620	59,309	57,463	169,028	162,586	156,414	573,028	455,751	461,247
Intangible assets	1,044,088	-	-	-	8,388	9,311	30,892	38,235	41,732	177,842	159,362	286,165
Deferred tax assets	1,492,658	-	-	-	-	-	-	-	101,453	1,391,205	-	-
Other assets	11,695,860	1,283,112	1,380,899	1,450,272	1,537,299	1,014,328	1,217,002	1,008,316	1,008,316	-	-	-
308,805,490	7,363,864	10,550,683	8,057,310	13,441,489	24,022,160	9,463,171	20,182,977	8,489,011	12,433,928	36,080,584	53,936,099	81,103,192
Liabilities												
Bills payable	11,594,493	2,898,623	2,898,623	2,898,623	2,898,623	-	-	-	-	-	-	-
Due to financial institutions	48,422,293	174,221	27,307,273	4,027,930	3,727,366	253,516	4,538,438	223,854	248,220	876,035	297,434	512,087
Deposits and other accounts	209,108,581	3,730,425	9,313,966	5,379,531	6,873,924	978,499	5,433,733	6,269,992	7,480,590	38,194,378	38,135,585	38,078,285
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-
Sub-ordinated debts	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	1,461,861	51	355	760	1,520	1,673	19,627	15,987	9,090	62,184	389,431	688,802
Lease liabilities	3,018,262	2,029	12,174	14,203	34,494	44,652	126,823	133,819	193,032	653,129	579,710	702,364
Other liabilities *	9,253,993	1,933,040	2,030,827	2,187,228	787,999	6,012	208,686	-	-	-	-	-
282,859,484	8,738,399	41,563,218	14,420,843	22,409,668	11,448,243	1,284,352	10,327,306	6,643,653	7,930,931	39,785,725	39,402,160	39,984,638
25,946,006	(1,374,525)	(31,012,535)	(6,363,533)	(8,968,179)	12,573,917	8,178,819	9,855,671	1,845,358	4,502,997	(3,705,141)	14,533,939	41,118,554
308,805,490	7,363,864	10,550,683	8,057,310	13,441,489	24,022,160	9,463,171	20,182,977	8,489,011	12,433,928	36,080,584	53,936,099	81,103,192
Net assets												
Share capital	15,550,000											
Reserves	2,276,220											
Surplus on revaluation of assets - net of tax	1,517,729											
Accumulated profit	6,602,057											
25,946,006												

* These contain maturity analysis of lease liabilities based on contractual maturities which is shown below:

Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Above 5 years
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Rupees in thousands

3,018,262	2,029	12,174	14,203	34,494	57,434	44,652	126,823	133,819	193,032	653,129	579,710	702,364
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Lease liability against right of use assets

464,399

Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Above 5 years
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Rupees in thousands

19,529,055	4,882,264	4,882,264	4,882,264	4,882,263	-	-	-	-	-	-	-	-
Balances with other banks	2,803,425	687,070	687,070	742,216	-	-	-	-	-	-	-	-
Due from financial institutions	2,500,000	-	-	-	-	-	-	-	-	-	-	-
Investments - net	132,544,302	-	-	-	-	-	13,029,500	20,343,000	4,041,200	11,556,745	69,910,487	13,683,390
Islamic financing and related assets - net	89,347,415	2,324,791	2,202,042	2,103,048	10,125,884	2,938,225	9,618,007	4,058,991	3,986,635	13,632,268	12,036,713	11,904,270
Property and equipment	3,755,402	0	-	-	56,820	48,822	144,911	142,720	129,715	472,024	418,148	577,051
Right-of-use of assets	2,027,791	1,532	9,194	10,726	26,049	46,892	133,629	128,730	126,823	445,166	355,183	462,285
Intangible assets	532,846	-	-	-	16,238	16,822	50,901	49,629	31,438	95,360	79,611	115,915
Deferred tax assets	157,064	-	-	-	-	-	-	-	2,686	154,378	-	-
Other assets	13,959,469	1,612,641	1,528,108	1,611,101	1,952,393	1,863,144	1,518,006	1,429,106	1,222,486	-	-	-
287,156,769	9,506,298	11,808,677	9,294,209	9,763,556	12,098,787	4,568,767	24,406,054	25,945,556	9,540,983	26,355,941	82,800,122	13,059,521
Liabilities												
Bills payable	2,175,473	543,868	543,868	543,868	543,868	-	-	-	-	-	-	-
Due to financial institutions	25,813,546	130,468	7,269,105	111,181	5,296,241	3,623,788	2,257,544	877,564	291,458	1,396,453	858,104	1,541,844
Deposits and other accounts	204,460,158	152,727,842	4,593,800	3,808,349	15,052,874	5,190,072	2,940,945	2,847,530	4,405,725	3,134,001	111,545	500
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-
Sub-ordinated debts	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	602,355	41	287	287	615	1,230	18,146	122,761	23,881	29,298	299,492	29,529
Lease liabilities	2,636,096	1,696	10,176	11,871	28,831	32,827	57,593	99,089	113,259	480,963	452,529	691,517
Other liabilities *	9,432,889	1,995,317	1,910,783	1,993,777	2,390,214	640,658	295,520	206,620	(0)	-	-	-
245,120,517	155,399,251	14,328,020	6,469,333	18,128,373	11,161,028	6,919,076	5,428,928	5,519,309	10,102,840	5,040,715	1,721,669	2,263,390
22,036,252	(145,890,953)	(2,519,342)	2,824,876	(8,364,816)	937,759	(2,350,309)	18,977,126	20,426,247	(661,857)	21,315,226	81,078,453	10,796,132
267,156,769	9,506,298	11,808,677	9,294,209	9,763,556	12,098,787	4,568,767	24,406,054	25,945,556	9,540,983	26,355,941	82,800,122	13,059,521
Net assets												
Share capital	15,550,000											
Reserves	1,428,486											
Surplus on revaluation of assets - net of tax	934,644											
Accumulated profit	4,123,122											
22,036,252												

* These contain maturity analysis of lease liabilities based on contractual maturities which is shown below:

Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Above 5 years
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Rupees in thousands

2,636,096	1,696	10,176	11,871	28,831	32,827	57,593	99,089	113,259	140,626	480,963	452,529	691,517
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Lease liability against right of use assets

515,120

44.4.1.2 Maturities of assets and liabilities based on expected maturities

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 thousands										
Assets										
Cash and balances with treasury banks	18,114,511	-	-	-	-	-	-	-	-	-
Balances with other banks	962,093	-	-	-	-	-	-	-	-	-
Due from financial institutions	2,000,000	2,000,000	-	-	-	-	-	-	-	-
Investments - net	146,596,201	-	-	6,030,488	3,952,365	21,264,970	66,410,332	7,505,133	250,000	-
Islamic financing and related assets - net	119,353,143	12,536,797	30,403,785	12,531,768	14,051,632	11,916,228	13,019,973	7,195,995	6,229,497	-
Property and equipment	5,191,117	80,488	135,811	203,799	401,889	757,311	925,476	2,015,739	-	-
Right-of-use of assets	2,355,818	59,483	116,771	169,028	319,000	573,028	455,751	461,247	201,511	-
Intangible assets	1,044,088	8,388	18,320	30,892	79,967	177,842	286,165	283,152	-	-
Deferred tax assets*	1,492,658	-	-	-	101,453	1,391,205	-	-	-	-
Other assets	11,695,860	5,651,582	2,810,643	1,217,002	2,016,632	-	-	-	-	-
	308,805,490	39,413,343	33,485,331	20,182,977	20,922,938	36,080,584	81,103,192	17,201,529	6,479,497	-
Liabilities										
Bills payable	11,594,493	-	-	-	-	-	-	-	-	-
Due to financial institutions	48,422,293	3,980,882	4,538,438	4,72,074	876,035	297,434	512,087	105,647	-	-
Deposits and other accounts	209,108,581	29,582,212	7,852,423	5,433,733	13,750,582	38,194,378	38,081,385	19,039,142	19,039,142	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Deferred tax liability*	1,461,861	1,520	3,193	19,627	25,077	62,184	688,802	272,028	-	-
Lease liabilities	3,018,262	62,900	102,086	126,823	326,851	653,129	702,364	464,399	-	-
Other liabilities**	9,253,993	8,251,296	794,012	208,686	-	-	-	-	-	-
	282,859,484	87,132,117	12,732,595	10,327,307	14,574,584	39,785,724	39,402,160	39,984,638	19,881,216	19,039,142
Net assets	25,946,006	(47,718,774)	20,752,736	9,855,670	6,348,353	(3,705,140)	41,118,554	(2,679,687)	(12,559,645)	-
Share capital	15,550,000									
Reserves	2,276,220									
Surplus on revaluation of assets - net of tax	1,517,729									
Accumulated profit	6,602,057									
	25,946,006									

* These have been presented collectively on the statement of financial position.

** These contain maturity analysis of lease liabilities based on contractual maturities which is shown below:

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 thousands									
Lease liability against right of use assets	3,018,262	62,900	102,086	126,823	326,851	653,129	579,710	702,364	464,399
	-								

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 thousands										
Assets										
Cash and balances with treasury banks	19,529,055	19,529,055	-	-	-	-	-	-	-	-
Balances with other banks	2,803,425	2,803,425	-	-	-	-	-	-	-	-
Due from financial institutions	2,500,000	2,500,000	-	-	-	-	-	-	-	-
Investments - net	132,544,302	-	-	13,029,500	24,384,200	11,556,745	69,910,467	-	250,000	-
Islamic financing and related assets - net	89,347,415	13,064,108	9,618,007	8,045,626	13,632,268	12,036,713	11,904,270	7,972,980	4,355,984	-
Property and equipment	3,793,343	56,820	144,911	272,435	472,024	418,148	577,051	1,756,787	-	-
Right-of-use of assets	1,989,849	47,501	93,785	133,629	255,553	445,166	355,183	462,285	196,746	-
Intangible assets	532,846	16,238	33,343	50,901	81,067	95,360	79,611	115,915	60,411	-
Deferred tax assets*	157,064	-	-	-	2,686	154,378	-	-	-	-
Other assets	13,959,469	6,519,692	3,565,700	1,429,106	2,444,971	-	-	-	-	-
	267,156,769	40,190,190	16,852,103	24,406,064	35,486,538	26,355,941	82,800,122	13,059,521	23,400,313	4,605,984
Liabilities										
Bills payable	2,175,473	2,175,473	-	-	-	-	-	-	-	-
Due to financial institutions	25,813,546	7,622,644	8,920,029	2,257,544	1,169,023	1,396,453	858,104	1,541,844	2,047,905	-
Deposits and other accounts	204,460,158	34,950,208	11,341,541	2,847,530	14,052,600	37,639,559	34,617,102	34,506,058	17,252,779	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Deferred tax liability*	602,355	1,230	2,461	18,146	146,640	29,298	299,492	29,529	75,558	-
Lease liabilities	2,636,096	52,574	90,420	99,089	253,885	480,963	452,529	691,517	257,560	-
Other liabilities	9,432,889	8,105,541	1,120,728	206,620	-	-	-	-	-	-
	245,120,517	52,907,670	21,475,179	5,428,929	15,622,148	39,546,273	36,227,227	36,768,948	19,633,802	17,510,339
Net assets	22,036,252	(12,717,480)	(4,623,077)	18,977,125	19,864,390	(13,190,332)	46,572,895	(23,709,427)	3,766,511	(12,904,355)
Share capital	15,550,000									
Reserves	1,428,486									
Surplus on revaluation of assets - net of tax	934,644									
Accumulated profit	4,123,122									
	22,036,252									

* These have been presented collectively on the statement of financial position.

** These contain maturity analysis of lease liabilities based on contractual maturities which is shown below:

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 thousands									
Lease liability against right of use assets	2,636,096	52,574	90,420	99,089	253,885	480,963	452,529	691,517	515,120
	-								

Liquidity Gap Reporting

Regarding behavior of non-maturity deposits (non-contractual deposits), the Bank conducted a behavioral study using value at risk methodology. On the basis of its findings 8.86% of current accounts and saving accounts are bucketed into Upto 1 - year maturity while 91.14% of current accounts saving accounts are bucketed in over 1 year maturity.

45 PROFIT / (LOSS) DISTRIBUTION TO DEPOSITORS' AND SPECIFIC POOLS

45.1 The Bank is maintaining the following types of pools for profit declaration and distribution:

- 1 General Pool
- 2 IERS Musharaka Pool
- 3 Treasury Musharaka / Mudaraba Pools
- 4 Special Musharaka Pool
- 5 Equity Pool

Features, risks and rewards of each pool are given below:

1 General Pool

The Bank manages one general pool for its depositors' (Rabbul Mal) maintaining deposits under Mudaraba in both local and foreign currencies and also commingled its equity in this pool. The income (gross income less direct expenses) generated from the pool is distributed between Bank's equity and depositors' fund in proportion to their respective share in the pool. Under the Mudaraba mechanism, the income so distributed to depositors' fund is shared between the Bank (Mudarib) and depositors' (Rabbul Mal) according to the pre-agreed profit sharing ratios and assigned weightages.

The deposits and funds accepted under the General Pool are deployed to diversified sectors and avenues of the economy / business mainly to 'Agriculture, Forestry & Fishing', 'Textile & Allied', 'Food & Allied', 'Distribution & Trade', 'Investment in Government of Pakistan Ijarah Sukuk', etc.

Parameters associated with risk and rewards

Following are the consideration attached with risk and reward of general pool:

- Period, return, safety, security and liquidity of investment.
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected amount of procurement of deposit during coming days as a result of concerted marketing efforts of the Bank.
- Element of risk attached to various types of investments.
- SBP rules and Shari'ah clearance.

2 Islamic Export Refinance Scheme (IERS) Musharaka Pool

The Bank manages IERS Musharaka Pool for funds accepted from SBP under IERS. Under the PLS mechanism, the Bank generates revenues from the pool funds which are shared with the SBP according to the pre-agreed profit sharing ratios. Musharaka investments from the SBP under IERS are channeled towards the export sector of the economy and other financings as per SBP guidelines.

3 Treasury Musharaka / Mudaraba Pools

The Bank accepts funds from other banks to manage its liquidity under Musharaka / Mudaraba mode. The funds accepted are tagged to remunerative assets having maturity on or after the period for which funds are accepted. The revenue generated from the pool asset is shared between the bank and other member of the pool according to pre-agreed profit sharing ratios or assigned weightages accordingly.

4 Special Musharaka Pool

The Bank also accepts funds / deposits (other than Banks) under Musharaka mode. The comingled funds under this arrangement are deployed in remunerative assets as per the terms of agreement. The revenue generated from these assets are then shared as per pre-agreed profit sharing ratio.

5 Equity Pool

The Equity Pool consists of Bank's equity and funds accepted on Qard (non-remunerative current deposit account) basis. The funds of this pool are invested in various assets or ventures which are higher in risk or having longer funding period. In addition to that all staff financings are financed by this pool. The risk of assets in the pool is borne by the Bank.

Charging of expenses

Direct expenses are being charged to respective pools, while indirect expenses such as general and administrative expenses are being borne by the Bank as Mudarib. No provision expense is charged to the pool unless it is written off. The direct expenses charged to the pool may include depreciation of Ijarah assets, premium amortization on Sukuk, impairment losses due to physical damages to specific assets in pools etc. However, this is not an exhaustive list; the Bank's pool management framework and the respective pool creation memo may identify and specify these and any other similar expenses to be charged to the pool.

45.2 Following are the detail of profit distribution among different pool maintained by the Bank:

2024							
Pool Description	Profit Rate & weightage announcement period	Profit Rate Earned	Profit Sharing Ratio of Mudarib	Mudarib Fee	Profit Rate distributed	General Hiba	Amount of General Hiba
		%	%	Rupees in thousands	%	%	Rupees in thousands
General pool	Monthly	19.83	50.00	9,501,883	13.34	19.13	2,247,688
Islamic Export Refinance (IERS) Pool	Monthly	18.51	-	-	16.93	-	-
Treasury Musharaka/ Mudaraba Pool	As required	19.03	-	-	17.59	-	-
Special Musharaka Pool	Monthly / As required	20.03	-	-	18.15	-	-
Equity Pool	Monthly	13.76	-	-	-	-	-

2023							
Pool Description	Profit Rate & weightage announcement period	Profit Rate Earned	Profit Sharing Ratio of Mudarib	Mudarib Fee	Profit Rate distributed	General Hiba	Amount of General Hiba
		%	%	Rupees in thousands	%	%	Rupees in thousands
General pool	Monthly	20.38	50.00	7,540,704	11.68	14.53	1,281,698
Islamic Export Refinance (IERS) Pool	Monthly	16.95	-	-	14.56	-	-
Treasury Musharaka/ Mudaraba Pool	As required	17.04	-	-	14.98	-	-
Special Musharaka Pool	Monthly/ As required	16.81	-	-	14.54	-	-
Equity Pool	Monthly	15.06	-	-	-	-	-

46 GENERAL

46.1 TRUST ACTIVITIES

The Bank undertakes trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these financial statements. Assets held under trust in Investor Portfolio Securities Accounts (IPS) accounts are shown in the table below:

Category	Government of Pakistan Ijarah Sukuk (Face Value)			
	2024		2023	
	Rupees in thousands			
	Number of IPS Accounts	Amount	Number of IPS Accounts	Amount
Insurance Companies	2	810,000	14	1,010,000
Pension & Employee Funds	2	193,000	4	176,100
Total	4	1,003,000	18	1,186,100

46.2 Figures have been rounded off to the nearest thousand of Pakistani Rupees unless otherwise stated.

46.3 Comparative information has been re-classified and re-arranged in these financial statements wherever necessary to facilitate comparison and better presentation.

The effect of reclassification, rearrangement, restatement in the comparative information presented in these financial statements due to adoption of new forms for the preparation of annual financial statements as explained in note 2.3 is as follows:


Description of item	Nature	From	To	Rs in '000'
Right-of-use assets	Asset	Property and equipment	Right-of-use assets	2,027,791
Lease liabilities against right-of-use-assets	Liability	Other liabilities	Lease liabilities	2,636,096


46.4 The following corresponding figure has been re-arranged for the purpose of comparison, with other relevant changes in the financial statements incorporated therein:


Description	Dec 31, 2023 Rupees in thousands	From	To
Balance with MCB for OTC Transactions	55,146	Other Assets	Balance with other banks


47 DATE OF AUTHORISATION FOR ISSUE


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


SYED IFTIKHAR HUSSAIN RIZVI
 Chief Financial Officer


ZARGHAM KHAN DURRANI
 President / Chief Executive


NABEELA WAHEED
 Director


HAMMAD KHALID
 Director


OMAIR SAFDAR
 Director

Open Your Bank Account Digitally

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300+ BRANCHES ACROSS PAKISTAN



BRANCH NETWORK FEDERAL CAPITAL, AZAD KASHMIR & GB

Sr. #	Branch Name	Address	City	Contact Number
1	Dadyal AJK Branch	Plot # 99, Sector 1, Ward # 2, Dadyal, District Mirpur AJK	Dadyal	042-34501000 Ext. 2301
2	Jutial Branch	Shahrah-e-Quaid-e-Azam, Near NHA Office, Jutial Gilgit	Gilgit	05811-450751 05811-450754
3	Jinnah Avenue, Blue Area Branch	52 East, Dodhy Plaza, Jinnah Avenue Islamabad	Islamabad	051-2875091 051-2604677
4	F-10 Markaz Branch	Plot # 7-Q, F-10 Markaz, Islamabad	Islamabad	051-2114301-4
5	G-11 Markaz Branch	Shop No. 7,8,25,26, Plot No. 33, G-11 Markaz, Islamabad	Islamabad	051-2360067 051-2361302
6	Bahria Town Phase IV Branch	Shop No G-9-10, Bahria Heights II, Ext Bahria Town, Phase- IV, Islamabad	Islamabad	051-5146025 051-5146050 051-5146012
7	DHA Phase II - Tulip Road Branch	Plaza # 8, Street # A/62, Tulip Road, Sector A, DHA Phase-II, Islamabad	Islamabad	051-5147175 051-5147164 051-5147163
8	F-7 Markaz, Post Mall Branch	Plot # 3, F-7 Markaz, Post Office, Mall Building, Islamabad	Islamabad	051-2653583 051-2653428
9	F-8 Markaz Branch	Shop # 12 & 13, Al-Babar Center, F-8 Markaz, Islamabad	Islamabad	051-2852653 051-2852655 051-2818246
10	F-11 Markaz Branch	Plot # 18, Trade Centre, Main Double Road, F-11 Markaz, Islamabad	Islamabad	051-2107862-4
11	E-11/3 Branch	Commercial Plot No. 2, Sector E-11/3, Islamabad Garden, Islamabad	Islamabad	051-2375345-6
12	I-8 Markaz Branch	MB City Mall, Plot No. 34, I-8 Markaz, Islamabad	Islamabad	051-4862287 051-4862289
13	PWD Employees Society Branch	40-B, Block-B, Commercial Area (Extension), PWD Employees Housing Society, Lohi Bhair, Islamabad Highway, Islamabad	Islamabad	051-5194302 051-5957422
14	I-10 Markaz Branch	I-10 Markaz Branch, Islamabad	Islamabad	051-462441-42
15	G-13/2 Branch	Plot No. 4-A Bazaar No. 4, G-13/2, Islamabad	Islamabad	051-2769270-71
16	Gulberg Green Branch	Block D, Markaz, Gulberg Green, Islamabad	Islamabad	051-5915350-51
17	Bahria Enclave Branch	Plot No. 11, Street No. BEA, Sector-C, Bahria Enclave Avenue, Bahria Enclave, Islamabad	Islamabad	042-34501000 Ext. 2255
18	Soan Garden Branch	Commercial Plot AC-3 & AC-5, Phase-1 Accounts Group Officers Co-Operative Housing Society, Soan Garden, Islamabad	Islamabad	042-34501000 Ext. 2272

BRANCH NETWORK FEDERAL CAPITAL, AZAD KASHMIR & GB

Sr. #	Branch Name	Address	City	Contact Number
19	DHA Phase V Islamabad Branch	Plot # 4, Lak Boulevard, Central Commercial, Phase V, DHA, Islamabad	Islamabad	042-34501000 Ext: 2283
20	Ghouri Town Branch	Ground Floor, Bin Khurshid Plaza, Main Commercial No. 14, Street No. 9-B, Ghouri Town, Phase V, Islamabad	Islamabad	051-2156432 051-2156434
21	Mirpur AJK Branch	Bank Square, Allama Iqbal Road, Mirpur, Azad Kashmir	Mirpur A.K.	05827-442840 05827-447683 05827-442886 05827-442118
22	Muzaffarabad AJK Branch	Plot No. 26-1, Ghari Phan Chowk, Domel Syedan, Muzaffarabad, Azad Kashmir	Muzaffarabad	05822-921137-38 05822-920455

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
1	Ahmedpur Sharqia Branch	Qanchi Mor, Dera Nawab Road, Ahmedpur Sharqia	Ahmedpur Sharqia	042-34501000 Ext. 2295
2	Ghalla Mandi Arifwala Branch	Ghala Mandi Road, Arifwala	Arifwala	042-34501000 Ext. 2275
3	Burq Road Branch	Shop # B-III/37, C-152, Dr. Ghulam Gillani Burq Road, Attock City	Attock	057-2700903 057-2700909
4	Minchinabad Road Branch	Khewat # 2145, Khatooni # 2240, Mouza Town Ghalla Mandi, Minchinabad Road, Bahawalnagar	Bahawalnagar	063-2277914-17
5	Dunga Bunga Branch	Mouza Dunga Bashunian, Main Bahawalnagar-Haroonabad Road, Opposite Rural Health Centre, Dunga Bunga, Tehsil & District Bahawalnagar	Bahawalnagar	063-2360040 063-2360041
6	Model Town Block A Branch	30 - Model Town-B, Block A Bahawalpur	Bahawalpur	062-2888768
7	General Bus Stand Branch	Mouza Bindra, Multan Road, Near General Bus Stand, Bahawalpur	Bahawalpur	062-2881904
8	Bewal Branch	Khewat # 152, Khatooni # 437, 438, Bewal, Tehsil Gujjar Khan, District Rawalpindi	Bewal	042-34501000 Ext: 2284
9	Bhakkar Branch	Property # 632/1 & 633/1, Jhang Road, Bhakkar	Bhakkar	0453-510670-73
10	Bhalwal City Branch	Chak No. 11/NB, Sargodha-Gujrat Road, Bhalwal City, District Sargodha	Bhalwal	048-6642620 048-6642621
11	Arabia Islamia Road Branch	Plot No.98 Block-A, Arabia Islamia Road, Burewala	Burewala	067-3351281-85
12	Chungi No. 5 Branch	Mouza 439/E.B, Chungi No. 5, Burewala, District Vehari	Burewala	067-3351123 067-3351124
13	Chak Jhumra Branch	Khewat No. 100, Khatooni No. 446, Khasra No. 25/6, Chak No.187, Near Police Station Chak Jhumra, Faisalabad	Chak Jhumra	042-35501000 Ext. 2313
14	Talagang Road Branch, Chakwal	B1-1/1634/1, B-1-1635, Talagang Road, Chakwal	Chakwal	0543-600684 0543-602050
15	Chichawatni Branch	Railway Road, Chichawatni	Chichawatni	040-5480401-02
16	Faisalabad Road Branch	Shan Plaza, Opposite NADRA Office, Faisalabad Road, Chiniot	Chiniot	047-6333566 047-6333577
17	Highway Road Branch, Chishtian	Highway Road, Chishtian	Chishtian	063-2507633-34

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
18	Bank Road Daska Branch	Plot # 91, 92 & 95, Muslim Market, Bank Road, Daska	Daska	052-6618822-23
19	Depalpur Branch	Okara Road, Depalpur	Depalpur	044-4544449 044-4544492 044-4542121 044-4540717
20	Kachehri Road, DG Khan Branch	Ashraf Palaza, Block # 2, Kachehri Road, D. G. Khan	Dera Ghazi Khan	064-2460258 064-2460256
21	G.T Road Branch, Dina	G.T Road, Dina	Dina	042-34501000 Ext. 2258
22	Dinga Branch	Khewat # 1330-1331, Khatooni # 2677-2678, Khasra #4050,4161, Dinga City, Tehsil Kharian, District Gujrat	Dinga	053-7400115-16
23	Peoples Colony Branch	668-1, Block A, Peoples Colony No. 1, Faisalabad	Faisalabad	041-8556601-02 041-8544394
24	Millat Chowk Branch	156-B, Millat Chowk, Gulistan Colony, Faisalabad	Faisalabad	041-8782965 041-8782968
25	Canal Road Branch	204 RB East, Canal Road Faisalabad	Faisalabad	041-2421890-91 041-2421889
26	Kotwali Road Branch	P-64 Taj Plaza, Kotwali Road, Faisalabad	Faisalabad	041-2604940 041-2604935
27	Susan Road Branch	Plot # 101, P-12, Main Susan Road, Faisalabad	Faisalabad	041-8502858-61
28	Sitara Colony Branch	Khewat No. 10427, Khatooni No. 10728, P-9 A, Fawara Chowk, Sitara Colony, Faisalabad	Faisalabad	042-35501000 Ext. 2306
29	Regency Arcade Branch	Shop No. 10, 11, 41 & 42, Ground Floor, Regency Arcade, Faisalabad	Faisalabad	041-2604875 041-2604877
30	Fateh Jang Branch	Fateh Jhang Rawalpindi Road, Opposite General Bus Stand, Fateh Jang	Fateh Jang	042-34501000 Ext. 2257
31	Ghalla Mandi Maroot Branch	Plot No. 35, Ghalla Mandi Maroot, Tehsil Fort Abbas, District Bahawalnagar	Fort Abbas	063-2570255 063-2570254
32	G.T Road Branch, Ghakhar	Near Main Bazar Ghalla Mandi, GT Road, Ghakhar	Ghakhar	055-3886660-1 055-3886665
33	Tehsil Road Branch, Gojra	Tehsil Office Road, Gojra	Gojra	046-3515426 046-3515427-28
34	G.T Road Branch, Gujar Khan	Commercial Property # BIII 379 & BIII 377, G.T. Road (Near MCB), Gujar Khan	Gujar Khan	051-3510156 051-3510158

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
35	G.T. Road Branch, Sharifpura Chowk	Sharifpura Chowk G.T Road Gujranwala	Gujranwala	055-3251916-17
36	Satellite Town Branch	Satellite Town Branch, 529-C Satellite Town, Gujranwala	Gujranwala	055-3825781 055-3825786
37	Wapda Town Branch	Plot # MM 33, Main Market B Block, Wapda Town Employees Housing Society, Gujranwala	Gujranwala	042-34501000 Ext. 2276
38	Bhimber Road Branch	Khewat # 143, Khatooni # 341, Bhimber Road, Gujrat, Tehsil & District Gujrat	Gujrat	053-3601781 -82
39	G.T Road Branch, Hussain Plaza	Khasra No. 625, Hussain Plaza, Chowk GTS, G.T Road, Gujrat	Gujrat	053-3517542 053-3530287
40	Hafizabad Branch	Near Royal Guest House, Gujranwala Road, Hafizabad	Hafizabad	0547-583492 0547-583494
41	Harnoli Branch	Mouza Harnoli, Tehsil Piplan, District Mianwali	Harnoli	0459-296006
42	Haroonabad Branch	Plot # 193, Block C, Near Ghalla Mandi, Bangla Road, Haroonabad	Haroonabad	063-2251072-73 063-2251076-77
43	Hasilpur Branch	Commerical Property 212-F, Baldia Road, Main Bazar, Hasilpur	Hasilpur	062-2334481-84
44	Waisa Branch	Zakir Market, Village Waisa, Tehsil Hazro, District Attock	Hazro	057-2550253
45	Jalalpur Bhattian Branch	Khewat # 322/315, Khatooni # 616, Jalalpur Bhattian, Tehsil Pindi Bhattian, District Hafizabad	Jalalpur Bhattian	042-34501000 Ext. 2287
46	Jalalpur Jattan Branch	Main Bazaar, Jalalpur Jattan	Jalalpur Jattan	0533-592774-75
47	Main Hassan Road Branch	Main Hassan Road, Jaranwala	Jaranwala	041-4310931-33
48	Lahore-Jaranwala Road Branch	Chak No. 240 More GB, Lahore Road, Jaranwala	Jaranwala	041-4311410
49	Yousuf Shah Road Branch	Khewat # 698, Khatooni # 203, Yousuf Shah Road, District Jhang (Opposite District Courts Jhang)	Jhang	047-7629590-1 047-7629594
50	Shandar Chowk Branch	Model Colony, Shandar Chowk, Jhelum	Jhelum	0544-627128 0544-628677 0544-627286
51	G.T Road Branch, Kamoke	G.T Road Kamoke	Kamoke	055-6816623 055-6816923

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
52	G.T Road Kamra Branch	Qazi Ahmed Market, Ayyan Plaza, Opposite Standard Bakery, G.T Road, Kamra Cantt	Kamra	057-2642521 057-2551198 057-2551200
53	M.A. Jinnah Road Kasur Branch	M.A. Jinnah Road, Kasur	Kasur	049-2771010-11
54	Adda Khaliqabad Tulamba Branch	Adda Khaliqabad Tulamba, District Khanewal	Khanewal	042-34501000 Ext. 2196
55	Niazi Chowk Branch	Chak No. 42/10-R, Niazi Chowk, District Khanewal	Khanewal	0300-7304414 0326-8281562
56	Model Town Khanpur Branch	Main Bazaar, Model Town, Khanpur	Khanpur	068-5575116-19
57	G.T Road Branch, Kharian	Bilal Plaza, G.T.Road, Kharian	Kharian	053-7601357 053-7601358
58	Jabbi Sharif Branch	Village & PO Jabbi Sharif, District Khushab	Khushab	0454-898060
59	Liberty Market Branch, Gulberg	9-C, Commercial Liberty Market, Gulberg Lahore	Lahore	042-35789831-34
60	DHA Phase III, Z Block Branch	339-Z (Commercial) Ground Floor, Phase III, Defence Housing Authority, Lahore	Lahore	042-35692901 042-35746675
61	Shahalam Market Branch	12-13-6 Block-A, Shah Alam Market, Lahore	Lahore	042-37667813-14
62	Allama Iqbal Town Branch	132 Jahanzaib Block, Main Boulevard, Allama Iqbal Town, Lahore	Lahore	042-37813680 042-37813682-3-4-7
63	Maulana Shaukat Ali Road Branch, Johar Town	87-E, Madina Heights, Maulana Shaukat Ali Road, Johar Town, Lahore	Lahore	042-35222674-77
64	Main Boulevard Branch, Gulberg	58 Main Boulevard Gulberg Lahore	Lahore	042-35760954-58 042-35777477
65	New Garden Town Branch	Shop No 12, 13, 14, Shan Arcade, Civic Centre, Garden Town, Lahore	Lahore	042-35941840-41 042-35941790-91
66	Cavalry Ground Branch	Plot No 7, Cavalry Ground Commercial Area, Walton Lahore Cantt	Lahore	042-36672180 042-36672183
67	Dream Gardens Branch	Shop No.08 & 09, Block C, Dream Garden Housing Society, 1.5 KM Defence Road, Off Raiwind Road, Lahore	Lahore	042-35469652 042-35469696
68	G-1 Market, Johar Town Branch	435 G-1 Market, Johar Town, Lahore	Lahore	042-35468415-17 042-35468495

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
69	PIA Housing Society Branch	Plot No. 8, Block D, Phase I, PIA Housing Scheme, Wapda Town, Lahore	Lahore	042-35463994-98
70	Main Boulevard Branch, Faisal Town	35-A, Main Boulevard, Faisal Town, Lahore.	Lahore	042-35202200 042-35202202-04
71	DHA Rahbar Branch	Defence Road, DHA Rahbar, Lahore	Lahore	042-35447910-11
72	Sarwar Road Cantt. Branch	Plot No. 05, Survey No.52/C-5, Sarwar Road Cantt. Lahore	Lahore	042-37177096 042-36682075-76-78
73	Samanabad Branch	Property 22-7-17/1 & 22-S-17/2, Main Samanabad, Lahore	Lahore	042-37590152-53
74	Gulshan-e-Ravi Branch	159-A, Main Boulevard, Gulshan Ravi, Lahore	Lahore	042-37401870-74 042-37401890
75	Nila Gumbad Branch	Plot # 12, McLagan Road, Nila Gumbad, Lahore	Lahore	042-37360129-32
76	Shahrah-e-Aiwan-e-Tijarat, China Chowk Branch	14-A (Ground Floor), Shahrah-e-Aiwan-e-Tijarat, Old Race Course Road, Lahore	Lahore	042-36282790 -91-93-94-95
77	Davis Road Branch	Aftab Centre, 30-Davis Road, Lahore	Lahore	042-36287027 042-36287029 042-36286965
78	C Block, Model Town Branch	Shop No.10 and 11, Commercial Market, C-Block, Model Town, Lahore	Lahore	042-35915402 -406-408
79	DHA Phase II, Commercial Area Branch	Commercial Plot # 12, Block CCA, Phase II, DHA, Lahore	Lahore	042-35749481 042-35749485
80	Bahria Town Sector C Branch	65-A, Sector-C, Bahria Town, Lahore	Lahore	042-37861591-94
81	Thokar Niaz Baig Branch	171-A Ali Town, Main Raiwind Road, Lahore	Lahore	042-35297829-31
82	Ichra Branch	Shop # 158, Mohalla Rasool Pura, Ichra, Main Ferozepura Road, Lahore.	Lahore	042-37426801-05
83	Shahdara Branch	Shahdara, Main Sheikhpura Road, Jiya Musa, Lahore	Lahore	042-37919160 042-37940888-891
84	Baghbanpura Branch	266, G.T. Road, Baghbanpura, Lahore	Lahore	042-36844011-13 042-36844015
85	Ravi Road, Timber Market Branch	NWIII.R.78/5/A, Timber Market, Lahore	Lahore	042-37709233

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
86	Babar Center, Circular Road Branch	Babar Center, 51-Circular Road, Outside Akbari Gate, Lahore	Lahore	042-37641201-02 042-37379250
87	Badami Bagh Branch	93-Grain Market Badami Bagh, Lahore	Lahore	042-37706366 042-37706086 042-37720696 042-37706086
88	DHA Phase VI Branch	Plot No. 12, Main Boulevard Phase VI, DHA Lahore	Lahore	042-37180316-17-18
89	DHA EME Sector Branch	Plot# 408, Block-J, Commercial Area, DHA, EME Sector, Multan Road, Lahore	Lahore	042-37512400-1-2
90	Attari Ferozepur Road Branch	Plot # S-86-R-800/C/Hall, Sobra Attari Ferozepur Road, Lahore	Lahore	042-35923686-88
91	Al Kabir Town Phase II Branch	Plot No. 16 Commercial Area, Block B Al Kabir Town, Phase II, Lahore	Lahore	042-34501000 Ext. 2232
92	Sundar Industrial Estate Branch	Mull Chowk, Opposite Sundar Industrial Estate Gate 1, Rawind Road, Lahore	Lahore	042-37860171-74
93	Mughalpura Branch	165 Shalimar Link Road, Mughalpura, Lahore	Lahore	042-37130764-67
94	DHA Phase IV Branch	Plot # 224, Block CCA, Commercial Area, Phase IV, DHA, Lahore	Lahore	042-37192138-39
95	Lake City Branch	Plot # 30-7, Opposite Lake City Mall, Lake City, Lahore	Lahore	042-34501000 Ext: 2282
96	Shadman Market Branch	116 Commercial, Shadman Colony, Lahore	Lahore	042-35960330-31 042-35960360-61
97	McLeod Road Branch	Property # SE-10-R-2/13/RH, McLeod Road, Lahore	Lahore	042-36284141
98	Multan Road Branch	Property No S-94 R-302-304-306/6, Multan Road Near Mandi Stop Manza Kakyzai, Lahore	Lahore	042-35501000 Ext. 2307
99	Valencia Town Branch	Commercial Plaza # 7, Block-A, Valencia Town, Lahore	Lahore	042-35501000 Ext. 2311
100	Manga Mandi Branch	Main Manga Mandi, Link Multan Road, Lahore	Lahore	042-35383200
101	Bahria Orchard (Sub Branch Bahria Town Sector C)	Plot No. 34, Low Cost Commercial Block-C, Category Boulevard, Bahria Orchard, Lahore	Lahore	042-3545199 042-35451509
102	Lalamusa Branch	Sabri Mohallah G.T. Road, Lalamusa	Lalamusa	053-511811-15
103	G.T Road Branch, Latifabad	Khata No 77/78 Khatooni No.174, G.T Road Latifabad, Gujar Khan, District Rawalpindi	Latifabad	042-35501000 Ext. 2312

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
104	Chobara Road Branch	Near MCB Bank, Chobara Road, Layyah	Layyah	0606-410691-93
105	Ghalla Mandi Liaquatpur Branch	Plot # 129, Chak # 19/A, Mandi Liaquatpur, District Rahim Yar Khan	Liaquatpur	068-5795051-53 068-5792051
106	Adda Chamb Morr Branch	M97 Highway Road (M-5) Adda Chamb Morr, Lodhran	Lodhran	042-34501000 Ext. 2228
107	Fawara Chowk Branch	Khewat No. 319, 320, 346, Khatooni No. 879, 880, 909, Near Fawara Chowk, Multan Road, Lodhran	Lodhran	042-35501000 Ext. 2310
108	Mailsi Branch	Khewat No. 66/64, Khatooni No. 90, Khasra No. 82/2/2, Colony Road Mailsi, District Vehari	Mailsi	042-34501000 Ext 2303
109	Ghalla Mandi Branch	Plot # 7/211, Ward # 7, Ghalla Mandi, Mandi Bahauddin	Mandi Bahauddin	0546-509554 0546-509551-2
110	JK Sugar Mills Branch	JK Sugar Mills, Chak No. 84/15L Mian Channu	Mian Channu	042-34501000 Ext. 1972
111	G.T Road Branch, Mian Channu	Amin Trade Center, GT Road, Mian Channu	Mian Channu	065-2660166-67
112	Miani Branch	Khewat 319, khatooni 634, Gondal Road, Miani	Miani	048-6796605-06
113	Moazzamabad Branch	Khewat No. 182, Khatooni No.18, (Near Bilal Petroleum) Moazzamabad, Tehsil Kot Momin, District Sargodha	Moazzamabad	042-35501000 Ext. 2302
114	Shah Rukn-e-Alam Colony Branch	17-F Chowk Shah Rukn e Alam Colony, Multan	Multan	061-6560451-57
115	Nawan Shehar Branch	Plot No. 741 -F, Ward No.9, Muslim Mouza Ismail, Chowk Nawan Shehar, Multan	Multan	061-4573032 061-4573035
116	Model Town Branch, Multan	Plot # 1, 2 Block B, Model Town, Multan	Multan	061-6216391-94
117	Bosan Road Branch	Bosan Road, Multan	Multan	061-6224414-15 061-6224271-72
118	G.T Road Muridke Branch	Muhalla Bilal Park, GT Road, Muridke	Muridke	042-37166582
119	Muzaffargarh Branch	Jhang Road, Muzaffargarh	Muzaffargarh	066-2902475-76
120	Ghalla Mandi Branch	Ghala Mandi, Nankana Sahib	Nankana Sahib	056-2876562-63
121	Narowal Branch	Circular Road, Narowal	Narowal	054-2410581
122	Okara Branch	M.A. Jinnah Road, Okara	Okara	044-2510124-25

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
123	PakPattan Branch	Khewat # 1088, Khatooni # 1171, Khasra # 2056/1/5, Ghalla Mandi Road, Pakpattan	Pakpattan	0457-352455-58
124	Pattoki Branch	Khewat # 1077, Khatooni # 3013, Chak # 35, Main Road, Pattoki	Pattoki	049-4425485
125	Lillah Town Branch	Khushab Road, Lillah Town, Tehsil Pind Dadan Khan, District Jhelum	Pind Dadan Khan	0544-217145
126	City Centre, Model Town Branch	29-Model Town, City Centre, City Park Chowk, Rahim Yar Khan	Rahim Yar Khan	068-5876049 068-5876059
127	Thalli Chowk Branch	Main Bypass Thalli Chowk, Rahim Yar Khan	Rahim Yar Khan	068-5870989 068-5870990
128	Chak No.140-P Branch	Chak No.140-P, PO Bunglow Manthar, Rahim Yar Khan	Rahim Yar Khan	068-5774022
129	Fazilpur Branch	Mohallah Pir Atta Muhammad, Near Faisal Hospital, Indus Highway, Fazilpur, Tehsil & District Rajanpur	Rajanpur	0604-681250
130	Bank Road, Saddar Branch	Shahbaz Plaza, Bank Road, Saddar, Rawalpindi	Rawalpindi	051-5525434 051-5700105
131	Chaklala Scheme III Branch	Plot No. 16, Commercial Area, Chaklala Scheme III, Rawalpindi Cantt.	Rawalpindi	051-5766233 051-5766235-36
132	Murree Road Branch	North Star Plaza, 20-B, Murree Road, Satellite Town, Rawalpindi	Rawalpindi	051-4426976 051-4572370
133	Bahria Town Phase VII Branch	Plot No.6, Mini River View Commercial Mall Extension - II, Bahria Town Phase VII, Rawalpindi	Rawalpindi	051-5400185 051-5400180-183
134	Kallar Syedan Branch	Mouza kallar Sagwal, Tehsil Kallar Syedan, District Rawalpindi	Rawalpindi	051-3570650-52
135	Bahria Town Phase VIII Branch	Plot No. 43/C, Business Junction, Circulation Strip, Bahria Town, Phase VIII, Rawalpindi	Rawalpindi	042-34501000 Ext. 2208
136	Top City 1 Branch	Orion Business Square, Top City, Rawalpindi	Rawalpindi	042-34501000 Ext. 2223
137	Old Airport Road Branch	Bismillah Tower, Faisal Colony Near Gulzar-e-Quaid, Old Airport Road, Rawalpindi	Rawalpindi	051-5707804-06
138	Chak Beli Khan Branch	Chak Beli Road, Bhumbli Stop, Rawalpindi	Rawalpindi	042-34501000 Ext. 2254
139	Chakri Road Branch	Charki Road, Near Al-Haram City, Rawalpindi	Rawalpindi	042-34501000 Ext. 2256

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
140	NASTP Branch	NASTP Alpha Techno Square, Old Airport, Chaklala Cantt, Rawalpindi	Rawalpindi	042-34501000 Ext. 2260
141	Kahuta Branch	Arshad Plaza, Rawalpindi Road, Near Kallar Chowk, Kahuta, District Rawalpindi	Rawalpindi	051-3313601 051-3313602
142	Tehsil Bazar Branch, Sadiqabad	19/20-D, Tehsil Bazar, Sadiqabad	Sadiqabad	068-5802242-44
143	Farid Town Branch	Plot # 23, Khewat # 7854, Khatooni # 7907, Khasra No. 776-23-j, Farid Town, Sahiwal, Tehsil & District Sahiwal	Sahiwal	040-4270713-15
144	Samundri Branch	Grain Market, Samundri	Samundri	041-3420214-17
145	G.T Road Branch, Sarai Alamgir	Al Awan Plaza, near Military College, Main GT Road, Sarai Alamgir	Sarai Alamgir	0544-654929 0544-654927
146	Club Road Branch	73, Club Road, Civil Line, Sargodha	Sargodha	048-3768634 048-3768638 048-3768633
147	Raza Garden Branch	Main Sillanwali Road, Raza Garden Sargodha	Sargodha	048-3218620 048-3218622
148	Mian Khan Road Branch	110 Mian Khan Road, Block 5, Sargodha	Sargodha	048-3768856 048-3729623
149	Chowk Halalpur Noon Branch	Chowk Halalpur Noon, Tehsil Kot Momin, District Sargodha	Sargodha	048-6873029 048-6873027
150	33 Phatak Branch	Khewat No. 69/66, Khatooni No. 185 to 206, Qitat 231, Chak No 33 Phatak, Sargodha	Sargodha	042-34501000 Ext. 2250
151	Shahkot Branch	Khewat 332, Khatooni 917 to 948 Main Bazar, Shahkot	Shahkot	056-3711281-82
152	Sargodha Road Branch	Shop No. 1, Ground Floor, Al-Hamd Plaza, Batti Chowk, Sargodha Road , Sheikhpura	Sheikhpura	056-3545724 056-3547707 056-3547882
153	Shorkot Branch	Jhang Road, Shorkot	Shorkot	042-34501000 Ext. 2252
154	Kashmir Road Branch	155/A, BIII-12S, Sublime Chowk, Kashmir Road, Sialkot	Sialkot	052-3241490-1 052-3241292
155	Shahabpura Road Branch	BIII-85-322, Shahabpura Road, Sialkot	Sialkot	052-3550103-04
156	Hajipura Branch	Commercial Property No. BV-4S-2-1/a/1/RH, Daska Road Hajipura, Chand Chowk, Sialkot	Sialkot	042-35501000 Ext. 2305

BRANCH NETWORK PUNJAB REGION

Sr. #	Branch Name	Address	City	Contact Number
157	Talagang Branch	Rawalpindi Road, Talagang	Talagang	0543-414200
158	Faisal Hills Branch	Plot No. 22, MB Square, MR-01, Executive Block, Faisal Hills, Main GT Road, Taxila	Taxila	051-4500037-39
159	Mall Godam Road Branch	Plot No. 359, Mall Godam Road, Toba Tek Singh	Toba Tek Singh	046-2517327
160	Ghalla Mandi Vehari Branch	A-Block Karkhana Bazar, Ghalla Mandi, Vehari	Vehari	067-3360334-35
161	Wah Cantt Branch	Plot No. 10, Shahwali Colony, Moza Bhabra, Wah Cantt	Wah Cantt	051-4902231 051-4530260-61
162	Hajipura Branch	Hajipura, adjacent Doctors Hospital, Wazirabad	Wazirabad	0555-6601611-12

BRANCH NETWORK SINDH

Sr. #	Branch Name	Address	City	Contact Number
1	Thandi Sarak Branch	Ground Floor, Shop No.6 &7, River View Apartments, Thandi Sarak, Hyderabad	Hyderabad	022-2785632 022-2101172
2	Main Saddar Bazaar Branch	Qasr-e-Fatima 90-1-2, Main Saddar Bazaar, Hyderabad	Hyderabad	022-27315646-48
3	Latifabad Branch	Shop No. 1, 2 & 3, United Plaza, Opposite American Hospital, Main Road, Unit # 7, Taluka Latifabad, District Hyderabad	Hyderabad	022-3821861 022-3818439
4	Qasimabad Branch	Shop No. 6 & 7, Raheel Heights, 267/2, Deh Sari, Wadhu Wah Road, Qasimabad, Hyderabad	Hyderabad	022-2675334 022-2675337
5	Wadhu Wah Road Branch	Plot No. 6, R.S. No. 141/1, Shop No. 1, 2 & 3, Shafey Arcade, Momin Nagar Housing Scheme, Phase-II, Main Wadhu Wah Road, Qasimabad, Hyderabad	Hyderabad	022-2114223-24
6	Jamshoro Branch	Survey No. 265, Deh Railo, Tappa Bada, Near Bismillah Centre, Jamshoro	Jamshoro	-
7	Shahrah-e-Faisal Branch	Ground Floor, Nice Trade Orbit, Nursery stop, Main Shahrah-e-Faisal, Karachi	Karachi	021-34960499
8	Rashid Minhas Road Branch	Plot# LM-10, Block-10-A, Near Pizza Hut, Main Rashid Minhas Road, Karachi	Karachi	021-34817623
9	New Challi Branch	Shop No G-2, Muhammadi Trade tower, Altaf Hussani road, New Challi, Karachi	Karachi	021-32371195
10	S.I.T.E Branch	C 18-A, East Avenue, S.I.T.E, Karachi	Karachi	021-32552192 021-32552193
11	Khalid-Bin-Waleed Road Branch	Al-Haram Corner, Plot No. 167-A, PECHS Block-3, Khalid Bin Waleed Road, Karachi	Karachi	021-34323052
12	Korangi Industrial Area Sector 23 Branch	Plot # 1-A, Sector 23, Korangi Industrial Area, Karachi	Karachi	021-35122312
13	North Nazimabad, Block H Branch	Shop # 1 & 2 Jasmine Heights Plot # SC-21-A Block H North Nazimabad, Karachi	Karachi	021-36641762
14	F.B. Industrial Area Branch	Sector no 22, KDA Scheme 16, FB Industrial Area Karachi	Karachi	021-36834441
15	Gulshan-e-Iqbal Branch	Shop No. 1&2, Al- Sammad Tower 13- Gulshan-e-Iqbal, Main University Road, Karachi	Karachi	021-34971513
16	Zainab Market, Saddar Branch	PB No. 272-1, Ground Floor State Life Building No.11, Abdullah Haroon Road, Saddar Karachi	Karachi	021-35681852
17	Muhammad Ali Society Branch	12-C/B Muhammad Ali Society, Karachi	Karachi	021-34320831

BRANCH NETWORK SINDH

Sr. #	Branch Name	Address	City	Contact Number
18	Model Colony Branch	H.No. 4/95, Affandi House, Liaquat Ali Khan Road, Model Colony, Karachi	Karachi	021-34110334
19	Madras Chowk Branch	Shop # S-8, S-9 & S-10, Pioneer Tower Survey No. 22 & 24, Deh Songal Gujro, Sector 16-A, Scheme, Karachi	Karachi	021-34645754 021-34645755
20	Faizan-e-Madina Branch	Shop No. 22, Alami Madani Markaz, Faizan-e-Madina, Mohalla Saudagran Old Sabzi Mandi Karachi	Karachi	021-34910376
21	Korangi Industrial Area Sector 7-A Branch	Plot No. 251, Sector 7-A, Korangi Industrial Area, Karachi	Karachi	021-35151195
22	Malir Cantt Branch	Shop No. 75, 4 Dots Shopping Complex C/O HQ 4 Air Defence Division, 31 Bostan Lines, Malir Cantonment, Karachi	Karachi	021-34901140
23	North Napier Road Branch	Marium Manzil, Plot # 161, Survey Sheet # MR-1, Market Quarters, North Napier Road, Karachi	Karachi	021-32473166
24	I.I. Chundrigar Road Branch	Gul Tower, Main I.I Chundrigar Road, Karachi	Karachi	021-324210471
25	Cloth Market Branch	Plot # 21/1, Puri Building, Cloth Market, Karachi	Karachi	021-32471726
26	Jodia Bazar Branch	MR 6/2, Market Quarters, Virjee Street, Jodia Bazar, Karachi	Karachi	021-32443758
27	Javed Arcade Branch	Javed Arcade, Plot # SB-1, Block # 17, KDA Scheme # 36, Gulistan-e-Jauhar, Karachi	Karachi	021-34636747
28	Shershah Branch	Plot # M-II-E-606, Shershah, Karachi	Karachi	021-32587583
29	Shaheed-e-Millat Road Branch	Bismillah Blessings, Plot No. 7-A/228, SS No. 35-P/1, Block-3, DMCHS, Main Shaheed-e-Millat Road, Karachi	Karachi	021-24943888
30	Business Arcade Branch	Plot # 27-A, Business Arcade, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi	Karachi	021-34374220
31	EOBI House Branch	Plot No. ST-1/A-1, KDA Commercial Complex, Scheme 1, B, Ground Floor, EOBI House, Shahrah-e-Faisal, Karachi	Karachi	021-34330172
32	Allama Iqbal Road Branch	Plot No.683-C Ground Floor & Mezzanine Floor, Block-2, PECHS, Allama Iqbal Road, Karachi	Karachi	021-34301815
33	DHA Phase V Ext., Saba Avenue Branch	Saba Avenue, Plot # 8-C, Badar Commercial, Street # 6, Phase V Ext, DHA, Karachi	Karachi	021-35341673
34	DHA Phase V, Zamzama Lane Branch	17-E, 6th Commercial Lane, DHA Phase-V, Karachi	Karachi	021-35295210

BRANCH NETWORK SINDH

Sr. #	Branch Name	Address	City	Contact Number
35	Kulsoom Court Branch	Kulsoom Court, Shop # 2, 3, 5A & 6, Plot DC-3, KDA Scheme # 5, Block-9, Clifton, Karachi	Karachi	021-35837018
36	DHA Phase IV 9th Commercial Branch	Ground Floor, Plot # 99-E, 9th Commercial Street, Phase-IV, DHA, Karachi	Karachi	021-35885719
37	Paper Market Branch	Plot # 11/2, Sheet SR-9, Seraj Quarters, Anjarwala Bakery Sharah-e-Liaquat Karachi	Karachi	021-322126368
38	U.P. More Branch	Shop no. 1&2, Ground Floor, Plot Bearing No. A976, Sector 11-B, U.P More, North Karachi	Karachi	021-36416681
39	DHA Phase II Ext. Branch	Plot No. 47-E, 21st Commercial Street, Phase II-Extension. D.H.A, Karachi	Karachi	021-35392202
40	SMCHS Branch	Plot # 21-22, Sub Block D, Block A, Sindhi Muslim Cooperative Housing Society, Karachi	Karachi	021-34300712
41	Bahria Town Jinnah Avenue Branch	Dominion Business-1, Plot No: B-34, Jinnah Avenue Commercial, Bahria Town, Karachi	Karachi	021-37188142
42	F.B Industrial Area, Water Pump Branch	PMJ Square, Phase-1, Shop # 1 to 4, Block 14, Naseerabad, F.B Industrial Area, Karachi	Karachi	021-36377051
43	Sheikh Sultan Trust Branch	Survey No. 25, Survey Sheet No. CL-10, Building No. 1, Sheikh Sultan Trust, Beaumont Road, Civil Lines, Karachi	Karachi	021-35210179
44	Lady Dufferin Hospital Branch	Chand Bibi Road, Adhumal Oodharam Quarter, Opposite Civil Hospital, Karachi	Karachi	021-32373702
45	Gulshan-e-Iqbal Block 3 Branch	Shop # C-3/II, C-3/III, C-4/III, Plot # FI-2, Block 3, Gulshan-e-Iqbal, KDA Scheme # 24, Karachi	Karachi	021-34960499
46	Tariq Road Branch	Shop # 3, 4 Plot # 3/19 Delhi Co-operative Housing Society, Amber Arcade, Tariq Road, Karachi	Karachi	021-34543488
47	Electronics Market Branch	Shop # S-1, G-1, Ground Floor, Plot # Pr-2/25, Sheet # 2, Kohinoor Electronics Centre, Preedy Quarter, Saddar, Karachi	Karachi	021-32762242
48	North Nazimabad, Block F Hayderi Branch	Shop # 1, Plot # D 2, LA Grande, Block F, Hayderi, North Nazimabad, Karachi	Karachi	042-34501000 Ext. 2273
49	Shah Faisal Colony No. 2 Branch	House # A-60, Shah Faisal Colony No. 2, Near Noor Masjid, Karachi	Karachi	021-34591062
50	Safoora Goth Branch	Plot No. SB 15, Block No. 7, Scheme No. 36, Gulshan-e-Jauhar, Karachi	Karachi	042-35501000 Ext. 2308
51	Nazimabad Branch	Shop No.1, Plot No. 20, Sub-block B, Block # 3 Nazimabad, Karachi	Karachi	042-35501000 Ext. 2309

BRANCH NETWORK SINDH

Sr. #	Branch Name	Address	City	Contact Number
52	Eidgah Branch	Eidgah, Opp. Khaliq Dina Hall, M.A. Jinnah Road, Karachi	Karachi	021-32610092 021-32627462
53	Pakistan Steel Mill Branch	Pakistan Steel Mills, Bin Qasim, Karachi	Karachi	021-32111068
54	Ghosia Colony Gulbahar Branch	Plot No. 346 & 346/1, Ghosia Colony, Gulbahar, Karachi	Karachi	021-36605586 021-36608945
55	North Karachi Branch	Plot No. AS-09, (ST-03), Sector 5-H, North Karachi, Township, Karachi	Karachi	021-36910264
56	Sharfabad Branch	Plot No. 12/23, Shop No. 4 & 5, Block-3, Karachi Memon Co-operative Housing Society, Sharfabad, Alamgir Road, Karachi	Karachi	021-34893671
57	Khayaban-e-Ittehad Branch	Plot No. 7-C/III, Survey No. 26, Khayaban-e-Ittehad, Phase VII, Pakistan Defence Officers Housing Authority, Karachi	Karachi	021-35310576 021-35310574
58	Dastagir Branch	R-50, Block-15, Dastagir Society, Federal 'B' Area, Karachi	Karachi	021-36370267 021-36370268
59	Stadium Road Branch	Shops No. 2 & 3, Ground Floor, Plot No. SC-45, Chandni Chowk, KDA Scheme No. 7, Stadium Road, Karachi	Karachi	021-34946680 021-34932338
60	Orangi Town Branch	Plot No. LS-17, Sector 6-E, Orangi Town, Karachi	Karachi	021-36762506
61	Bahadurabad (Sub Branch Javed Arcade)	Head Office Saylani Welfare Internatioanl Trust, Bahadurabad Chowranghi, Karachi	Karachi	021-34920171
62	Katchery Road Branch	Property No. B-2442/T-2013, Muhalla Ali Murad, Katchery Road, Khairpur	Khairpur	0243-715000 0243-715500 0243-714550 0243-714155
63	Bank Road Deh Garaho Branch	Plot No. 9, Block No. 263/4 Deh Garaho City, Bank Road, Kunri	Kunri	0238-558013-14
64	Lakha Road Branch	PO Lakha Road, Tehsil Mehrabpur, District Naushahro Feroze	Mehrabpur	0242-510010
65	Umerkot Road Branch	Plot City Survey Number 862/4. PM Colony, Mirpur Khas	Mirpur Khas	0233-873454-57
66	Mirpur Khas Branch	Ground Floor, City Survey No. 709, 710, Ward "A", Mohallah Khari Quarters, Mirpur Khas	Mirpur Khas	0233-875327 0233-844148
67	Sanghar Road Branch	Ground Floor, Shop Nos. 1 & 2, Plot No. 20, Survey No. 164/3, Deh-86, Nusrat Chaudhry Centre, Sanghar Road, Nawabshah	Nawabshah	0244-385117 0244-385118
68	New Hala Branch	Plot # 156, Behzad bypass Town, Phase I, Deh Sandhal, New Hala, District Matiari	New Hala	042-34501000 Ext. 2228

BRANCH NETWORK SINDH

Sr. #	Branch Name	Address	City	Contact Number
69	Ranipur Branch	Shop No. 555-556, National Highway, Ranipur, District Khairpur	Ranipur	0243-630242
70	Sanghar Branch	Plot # Bearing City Survey No. 9501111, Ward A, Sanghar	Sanghar	042-34501000 Ext. 2265
71	Shaheed Fazil Rahu Branch	Plot No. A-3, Deh Barudari, Main Bazar Bank Road, Shaheed Fazil Rahu, District Badin	Shaheed Fazil Rahu	029-7853743
72	Lakhi Ghulam Shah Branch	Plot No. 443, Near National Highway, Lakhi Ghulam Shah, District Shikarpur	Shikarpur	072-6573215
73	Bunder Road Branch	Shop/ Plot/ Khasra/ Khatooni/ Khewat # Plot # B-1623, Bunder Road, Sukkur	Sukkur	071-5620756 071-5620752
74	Hyderabad Road Branch	Plot No.1, Survey No. 272-1 Deh Taluka Hyderabad Road, Tando Allahyar	Tando Allahyar	022-3891600 022-3891567
75	Ubauro Branch	Survey No. 772 & 714, Deh & Tapo Ubauro, Taluka Ubauro, District Ghotki	Ubauro	072-3688454-55

BRANCH NETWORK KHYBER PAKHTUNKHWA

Sr. #	Branch Name	Address	City	Contact Number
1	Mansehra Road Branch	GM Tower, near Sethi Masjid, Mansehra Road, Abbottabad	Abbottabad	0992-408301-04
2	Railway Road Branch	Plot# 376/A, Railway Road, Bannu City, Bannu	Bannu	0928-660404-6 0928-660414
3	Pak Haider Market Branch	Shop No 1 to 6, Pak Haider Market, Near Zafar Park, next to Malakand CNG, GT Road, Batkhela District Malakand	Batkhela	0932-410670-73
4	Battagram Branch	Opposite Police Station, Karokaram Highway, Battagram	Battagram	0997-310470-74
5	Swari Bazar Branch	Sawari Main Bazar, Mardan Road, Buner	Buner	0939-555125-26
6	Mardan Road Branch	Main Mardan Road, Charsadda	Charsadda	091-6515703-04 091-6515706 091-6515708
7	Ataliq Bazar, Bypass Road Branch	Ataliq Bazar Bypass Road Near Bus Adda, Chitral	Chitral	0943-414389 0943-414316
8	Darra Adam Khel Branch	Main Bazaar, Kohat Road, Darra Adam Khel	Darra Adam Khel	042-34501000 Ext. 2240
9	Dera Ismail Khan Branch	Plot # 3, Survey # 68, Circular Road, Dera Ismail Khan	Dera Ismail Khan	0966-719934-36
10	GT Road Haripur Branch	Khata # 327, Khatooni # 388, Mouza Pandak 172, GT Road, Haripur	Haripur	099-5613353
11	Hunza Branch	Ground Floor, New Jubilee Market, KKH Road, Aliabad, Hunza	Hunza	0581-3455101
12	Shahkas Branch	Spinzer Market, Wazir Dhand, Main Jamrud Road, Shahkas Jamrud, District Khyber Agency	Jamrud	091-3021760-61
13	Kabal Branch	Khasra No. 2262, Khata No. 901, Khatooni No. 1176, Hassan Plaza, Kabal Chowk, Kabal, District Swat	Kabal	0946-755592-95
14	Karak Branch	Bannu Road, Karak	Karak	0927-210650-51
15	Khawazakhela Branch	Khawazakhela Bazaar, Swat	Khawaza Khela	0946-746700-01
16	Bannu Road Branch	Shop # T-663, 664, Bezari, Chakkar Kot, Main Bazaar, Bannu Road, Kohat	Kohat	0922-866155-56
17	Main Bazaar Kumbar Branch	Old Adda, Main Bazaar, Kumbar, District Lower Dir	Lower Dir	0945-888007-009
18	Mansehra Branch	Main Bazaar, Near Fouji Foundation, Mansehra	Mansehra	0997-391801-803
19	Shamsi Road Branch	RS Plaza Shamsi Road, Tehsil and District Mardan	Mardan	0937-870751 0937-870753

BRANCH NETWORK KHYBER PAKHTUNKHWA

Sr. #	Branch Name	Address	City	Contact Number
20	Matta Branch	Khatooni No. 28-50, Khasra No.2309, Mehran Khan Plaza, Main Matta Khareri, Matta Swat	Matta	0946-790612-15
21	Mingora Branch	Opposite Bank Square Main Bazar Mingora Swat	Mingora	0946-725372-74
22	Nowshehra Branch	Unit # 04-CB Mall-1, G.T Road Near Shauba Market, Nowshehra Cantt	Nowshehra	042-34501000 Ext 2304
23	Odigram Branch	Main Bazaar Odigram, Lower Dir	Odigram	0945-890022-26
24	Tasneem Plaza, Saddar Road Branch	Tasneem Plaza, 6 Saddar Road, Peshawar Cantt	Peshawar	091-5272180-83
25	Dalazak Road Branch	Malik Sardar Plaza, Near Yousafabad Canal, Dalazak Road, Peshawar	Peshawar	091-2244041-42 091-2583838
26	Hayatabad Branch	B-1, Phase V, Hayatabad, Peshawar	Peshawar	091-5825305 091-5825278-79
27	Gulbahar Branch	Malik Arcade, Anam Sanam Chowk, Gulbahar Road, Peshawar	Peshawar	091-2606113 091-2590422
28	Ring Road Branch	Khata # 23/22/1, Khasra # 507/2, Achini Payan Ring Road, Peshawar	Peshawar	042-34501000 Ext. 2278
29	Saidu Sharif Branch	Marghuzar Road, Saidu Sharif, Swat	Saidu Sharif	0946-726642-43 0946-728671
30	Shergarh Branch	Main Road, Bazar Shergarh, Tehsil Takht Bhai, District Mardan	Shergarh	0937-830507
31	Skardu Branch	Plot # 69, Yadgar Chowk, Skardu	Skardu	042-34501000 Ext. 1853
32	Marghuz Branch	Main Bazar, Garh Road, Marghuz, Mauza Marghuz Akakhel, Hadbast No. 23, Tehsil & District Swabi	Swabi	0938-550101 0938-550104
33	Airport Road Swat Branch	Airport Road, Swat	Swat	0946-812063-64
34	Timergara Branch	Zeb plaza main balambat Road Timergara District Lower Dir	Timargara	0945-825571-73

BRANCH NETWORK BALOCHISTAN

Sr. #	Branch Name	Address	City	Contact Number
1	Taj Road Branch	Taj Road Chaman, Balochistan	Chaman	082-6615429-30
2	Main Airport Road Branch	Main Airport Road, Gwadar, Balochistan	Gawadar	086-4210290 086-4210294
3	Tehsil Road Branch, Loralai	Shop # 372, House # 425, Tehsil Road Loralai, Balochistan	Loralai	082-4660400-01
4	Muslim Bagh Branch	Station Road, Muslim Bagh, Balochistan	Muslim bagh	0823-669214-5
5	M.A Jinnah Road Branch	M.A. Jinnah Road, Quetta, Balochistan	Quetta	081-2824977 081-2822705-06
6	Hazara Town Branch	Lilak Shopping Centre, Barma Road, Aliabad, Hazara Town, Quetta, Balochistan	Quetta	081-2853124 081-2853127
7	Sirki Road Branch	Plot No. 136-14-32, Akram Plaza, Sirki Road, Quetta, Balochistan	Quetta	081-2452931-32
8	Choharmal Road Branch	Choharmal Road, Quetta, Balochistan	Quetta	081-2843640-650
9	Mannan Chowk Branch	2-11/6-303, Mannan Chowk, M.A. Jinnah Road, Quetta	Quetta	081-2836204-05
10	Main Road Branch, Turbat	Main Road Turbat, Balochistan	Turbat	085-2411150 085-2413001

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PATTERN OF SHAREHOLDING AS OF DECEMBER 31, 2024

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
7	1	100	7
-	101	500	-
-	501	1,000	-
-	1001	5,000	-
-	5001	10,000	-
-	10,001	50,000	-
-	50,001	100,000	-
-	100,001	500,000	-
-	500,001	1,000,000	-
-	1,000,001	5,000,000	-
-	5,000,001	10,000,000	-
-	10,000,001	15,000,000	-
-	15,000,001	25,000,000	-
1	25,000,001	Above	1,554,999,993
8			1,555,000,000

CATEGORIES OF SHAREHOLDERS AS OF DECEMBER 31, 2024

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	7	0.0000006%
Associated Companies, undertakings and related parties	1,554,999,993	99.9999994%
NIT and ICP	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	-	-
Insurance Companies	-	-
Modarabas and Mutual Funds	-	-
Shareholders holding 10%	-	-
General Public Local	-	-
General Public Foreign	-	-
Others	-	-
Grand Total	1,555,000,000	100.0000000%



Muft Sahulatein Bayshumaar

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And much more...



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PARIVAAN

For Youth



Cheque Book



Debit Card



Banker's Cheque



SMS Alerts



E-Statements



Internet & Mobile Banking



Open Your Account

FORM OF PROXY

THE COMPANY SECRETARY,
MCB ISLAMIC BANK LIMITED,
59-T BLOCK, PHASE-II, DHA, LAHORE

_____ Limited

I/We _____ s/w/d of _____

r/o _____ being member(s) of MCB Islamic Bank Limited

("the Company"), holding _____ Ordinary shares, do hereby appoint

_____ s/w/d of _____

r/o _____ who is also a Member of the Company, as my

/ our proxy to vote for me / us, and on my / our behalf at the Annual General Meeting of the Bank to be held on Thursday, March 27, 2025 at 10:00 AM at 14-A Jail Road, Lahore through video-link facility and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2025.

Member's Signatures on a
Revenue stamp of Rs. 5

Witness No. 1: _____

Witness No. 2: _____

Name: _____

Name: _____

C.N.I.C. No./Passport No: _____

C.N.I.C. No./Passport No: _____

Address: _____

Address: _____

NOTES

1. A member is entitled to appoint a proxy to attend and vote for him/her. No person shall act as a proxy, who is not a member of the Company, except corporate entity which can/may appoint a person who is not a member.
2. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity, its official stamp should be affixed on the instrument.
3. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with the Company Secretary, MCB Islamic Bank Limited, 59-T Block, Phase II, DHA, Lahore not less than 48 hours before the time of holding the meeting.
4. If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.

پراکسی فارم

کمپنی سیکرٹری

ایم سی بی اسلامک بینک لمیٹڈ

59-ٹی، بلاک فیئر - II، ڈی ایچ اے

لاہور

_____ لمیٹڈ

_____ میں / ہم _____ ولد / زوجہ / دختر

_____ ساکن

_____ بحیثیت رکن / ممبر ایم سی بی اسلامک بینک لمیٹڈ (کمپنی) اور _____ عام حصص کا / کے مالک کے طور پر

_____ مسمیٰ / مسماں _____ ولد / زوجہ / دختر

_____ ساکن

جو کہ کمپنی کا رکن / ممبر بھی ہے، کو اپنا پراکسی مقرر کرتا / کرتی / کرتے ہوں / ہیں تاکہ وہ کمپنی کے سالانہ عام اجلاس جو بروز جمعرات مورخہ

27 مارچ 2025ء کو 10:00 بجے صبح A-14، جیل روڈ، لاہور سے بذریعہ ویڈیو لنک منعقد ہو رہا ہے، اس میں یا اس کے کسی ملوث شدہ

اجلاس میں میری / ہماری جگہ شرکت کر سکے اور ووٹ دے سکے۔

_____ گواہ کے طور میرے / ہمارے لیے یہ _____ 2025ء کا دن ہے۔

_____ ممبر کے دستخط

5 روپے کی رسیدی ٹکٹ پر

_____ گواہ نمبر 1 : _____ گواہ نمبر 2 : _____

_____ نام : _____ نام : _____

_____ شناختی کارڈ / پاسپورٹ نمبر : _____ شناختی کارڈ / پاسپورٹ نمبر : _____

_____ پتہ : _____ پتہ : _____

نوٹ

A- جنرل / متفرق

1- اجلاس میں شرکت اور ووٹ دینے کا اہل رکن / ممبر، اس امر کا حق رکھتا ہے کہ وہ اپنی جگہ کسی دوسرے رکن / ممبر کو اپنا پراکسی نامزد کر سکے جو

اسکی جانب سے اجلاس میں شرکت اور ووٹ ڈال سکے۔ کوئی بھی ایسا شخص جو کمپنی کا رکن / ممبر نہ ہو پراکسی کے طور پر نامزد نہیں ہو سکتا ماسوائے کسی کارپوریٹ ادارے کے جو کسی غیر رکن / غیر ممبر شخص کو اپنا پراکسی نامزد کر سکتا ہے۔

2- کسی پراکسی کو نامزد کرنے کی دستاویز پر متعلقہ رکن / ممبر یا اسکے وکیل، جس کو تحریری اجازت دی گئی ہو، کے دستخط ہوں گے۔ اگر کوئی رکن / ممبر

ایک کارپوریٹ ادارہ ہے تو اس دستاویز پر اسکی عام سیل آویزاں ہونا ضروری ہے۔

3- پراکسی کی نامزدگی کی دستاویز اور اس کے ساتھ مختار عام، اگر کوئی ہو تو، جس کے تحت اس دستاویز پر دستخط کئے گئے ہیں یا اسکی تصدیق شدہ کاپی کو

اجلاس کے منعقد ہونے کے کم از کم 48 (اڑتالیس گھنٹے پہلے کمپنی سیکرٹری، ایم سی بی اسلامک بینک لمیٹڈ 59-ٹی بلاک، فیئر II، ڈی ایچ اے، لاہور، میں جمع کروائی جائیں گی۔

4- اگر کوئی رکن / ممبر ایک سے زیادہ پراکسی نامزد کرے اور رکن / ممبر کی جانب سے ایک سے زیادہ پراکسی دستاویز جمع کروائی گئی ہوں تو ایسی تمام

پراکسی دستاویز کا عدم تصور ہوگی۔