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# Vision

Our vision is to be a leading bank which would play a positive role to generate economic activities for empowering the people by meeting their financial needs for running a successful business and create employment opportunities.

# **Mission**

To develop as a leading Commercial Bank in the country by meeting its stated objectives of promoting economic development of the country in general and in the Province of Sindh in particular.



# **Entity Ratings**

# Long - Term Rating A+ Short - Term Rating A-I

Definitions by VIS Credit Rating Co. Ltd (Formerly JCR-VIS Credit Rating Co. Ltd)

## Long - Term Rating A+

Good credit quality; Protection factors are adequate. Risk factors may vary with possible changes in the economy.

## Short -Term Rating A-I

Highest certainty of timely payment; Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.

# **Core Values**

## Integrity

Take pride in everything that is fair, honest and build trust in every situation.

## **Customer Focus**

We live by our customers' success. We build lasting relationships with our clients.

## Team Work

We communicate actively and openly. We build trust by honoring our commitments. We show respect for each other.

### Innovation

We are constantly looking for ways to innovate and improve. We embrace change as an opportunity.



# **Corporate Information**

## **Board of Directors**

Anis A. Khan Sajid Jamal Abro Asif Jahangir Javaid Bashir Sheikh Mohammed Aftab Alam Adnan Ali Khan Shaista Bano Gilani Imran Samad	Chairman /Non-Executive Director Finance Secretary-GoS / Non-Executive Director Nominee Director of GoS / Non-Executive Director Independent Director Non-Executive Director Independent Director Independent Director President / CEO
Chief Financial Officer	Mr. Dilshad Hussain Khan
Company Secretary	Mr. Muhammad Irfan Zafar
Auditors'	M/s Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants
Legal Advisors	M/s Mohsin Tayebaly & Co
Share Registrar	CDC Share Registrar Services Ltd.
Registered/Head Office	3rd, Floor Federation House Abdullah Shah Ghazi Road Clifton, Karachi-75600 UAN : +92-21-111-333-225 Fax : +92-21-35870543
Registration Number NTN Number Website Facebook Instagram Linkedin	0073917 3654008-7 www.sindhbank.com.pk /SindhBankLimitedOfficial /SindhBankLimited /company/sindh-bank-limited





# Chairman's Review

On behalf of the Board of Directors of Sindh Bank, I present below a brief review, along-with the financial statements of the Bank for the year ended December 31, 2022. A detailed review is presented in the Directors Report.

I am pleased to report about noteworthy improvements in the Bank's performance indicators was witnessed as total Income for the year stood at Rs.6.40 bn compare to last year Rs.5.48 bn, depicting an increase by Rs. 925 mn (i.e. 16.87%) over 2021. Major reasons for the improvement in total income are (i) increase in net Interest Income by Rs.412.049 mn i.e. 8.4%, and (ii) increase in non markup income by Rs.513 mn , main contribution factors are FX income increased by Rs 483 mn and Fee commission income increased by Rs 77 mn during the year.

Pre-tax loss for the year ended December 31, 2022 amounted to Rs.2.269 bn contrasting with pre-tax loss of Rs.6.064 bn reported last year. Post tax loss for the year amounted to Rs.1.385 bn compared to post tax loss of Rs.3.727 bn last year. Major reason for improvement in post tax loss was less provisioning requirement during this year i.e Rs.1.938 bn with compare to Rs.5.82 bn in reported period last year.

Deposits registered an slight increase by Rs 6 bn (i.e. 2.50%) and stood at Rs.223.0 bn compared to Rs.217.6 bn on December 31, 2021. This increase is net of major withdrawal of TDRs of Rs.26 bn by Finance Department KPK. Gross Advances decreased by Rs.2.125 bn (i.e. 2.91%) and stood at Rs.70.89 bn at year-end 2022 compared to Rs.73.02 bn on December 31, 2021, mainly due to reduced exposure by Rs.2.990 bn under Commodity Financing. Hectic recovery efforts continue to reduce/contain NPLs, bank managed to reduce its older NPLs by way of restructuring /recovery of Rs.2.15 bn resulting reversal of provision by Rs.861 mn.

The financial results, as recommended by the Board, are summarized below:

	Rupees in '000
Total income	6,405,754
Loss before provisions and tax	( 330,455)
Provision/diminution in value of investment	( 80,939)
Provision against loans and advances	( 1,857,699)
Loss before tax	( 2,269,093)
Taxation	
- Current	468,263
- Deferred	(1,351,606)
	( 883,343)
Loss after tax	(1,385,750)
Accumulated loss brought forward	(  ,236,9  )
Other comprehensive income	(3,720)
Accumulated loss carried forward	(12,626,381)

So far, cash injection of Rs.15.7 bn to support Bank's Tier I Capital has been made by the Government of Sindh during the years 2019 to 2021. In addition to this, Rs.3.8 bn was added after merger of Sindh Leasing Company Limited (SLCL) with and into Sindh Bank, made effective from December 31, 2020.

As at the year-end, Sindh Bank's Equity (i.e. Paid up Capital, Reserves, deficit on revaluation & accumulated losses) stood at Rupees Rs.17.150 bn, decreasing by about 7.93% over Rs.18.627 bn last year. The Bank's risk adjusted Capital Adequacy ratio (CAR) stood at 5.38 percent against requirement of 11.50 percent. The Bank has approached Government of Sindh for injection of capital of Rs.2.0 bn to meet the stipulated Capital Adequacy Ratio (CAR) requirement.

I would like to thank the Government of Sindh for the continued help and support towards promotion and progress of the Bank. I am also thankful to the State Bank of Pakistan and other regulators for their guidance and support. The Board, management myself are collectively grateful for the support of our customers who are the real purpose for us to be in business.

I would also like to appreciate the continued efforts of Bank's management and staff in bringing about significant improvements in the Bank's financial indicators despite very challenging circumstances, especially in the areas of deposit mobilization, improving operating profitability, recovery of NPLs and strengthening risk management. I am confident that with their dedication and hard work, the Bank would be able to tide over these challenges enabling the Bank to stage a turnaround, InshaAllah.

I, on behalf of the Board would like to assure all the stakeholders of our full cooperation and support for the future development and progress of the Bank.

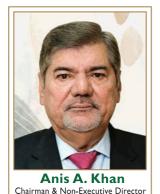
Anis. A. Khan Chairman

Karachi: March 08, 2023

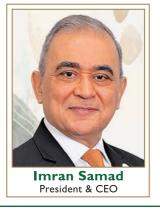
This review forms an integral part of the Directors' Report to the Shareholders.



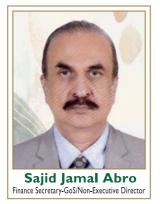
# Profile of the Board of Directors



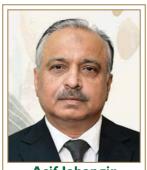
Mr. Khan is a businessman and possesses rich experience in marketing and corporate affairs particularly in media industry. He has travelled widely and is well known in business & Commercial spheres. He is a Certified Director from IBA.



Mr. Imran Samad is the President & CEO of Sindh Bank Limited. Mr. Samad has more than 33 years of experience in Bank/Financial Institutions as President & CEO, Managing Director and Senior Executive/Group Head. His expertise includes Credits, Portfolio Management, Retail Banking, Corporate Finance, Islamic Banking, Agriculture Finance, IT related functions, SME, Micro Credit. He is a seasoned banker with extensive experience in turning around the organizations. He joined the Bank on September 20, 2019.



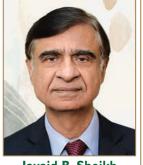
Mr. Abro is a Civil Servant and Finance Secretary, GoS, He remained as Principal Secretary to Chief Minister Sindh, Secretary in several departments of GoS including, SGA & CD Deptt., Agriculture Deptt., Supply & Prices Deptt., Land Utilization Deptt., Minorities Affairs Deptt. He also remained as Commissioner Hyderabad & Mirpurkhas Divisions, Managing Director of SPPRA in furtherance to other important positions in GoS. He is a Certified Director from PICG.



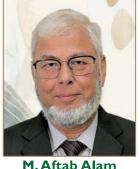
Asif Jahangir Nominee Director of GoS/ Non-Executive Director

Mr. Jahangir is a nominee Director of GoS having experience as Secretary, Rehabilitation Department, GoS, prior to that he remained Finance Secretary, GoS, Additional/Special Finance Secretary, GoS, Director of National Finance Commission, Acting Finance Secretary, Additional Finance Secretary-Finance Deptt., Additional Secretary-Energy Deptt., Additional Secretary-Education Deptt., Director-Finance & Admin (Provincial Disaster Management Authority) and other key posts of Government of Sindh and also a Certified Director from PICG.

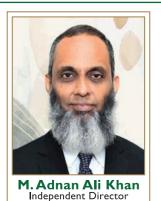




Javaid B. Sheikh Independent Director



M. Aftab Alam Non-Executive Director



Mr. Javaid B. Sheikh has experience of more than 45 years of various Banks/DFIs. He Possesses MBA Degree from USA and Certified Director from ICAP. He is a senior partner in a Lahore based consulting firm. He has vast experience of investment and development banking and is well known in commercial and corporate network.

Mr. Aftab Alam is a Senior Chartered Accountant, fellow Member of Institute of Chartered Accountants of Pakistan and Institute of Corporate Secretaries of Pakistan as well as Certified Director from IBA. He is presently working with Mega & Forbes Group (MFG) as Group Chief Financial Officer. He holds experience of IT functions including Financials accounting reporting and monitoring with automation on computer based accounting system and exposure of computerization of the system from basis transaction processing to timely financial reports.

Mr. Khan holds bachelor's degree in electrical engineering from NED University and remained visiting faculty member of NED. He attended several trainings/certifications from University of Minnesota (Leadership Development Program), Harvard Business School (Leadership Development), 3M Training Center (Lean Six Sigma Master Black Belt). He possesses experience in Digital Business Transformation, Lean Six Sigma, Key account development etc. He is currently associated with Fatima Group , heading 'Operational Excellence', having businesses in Fertilizer, Sugar, Textile, Mining and Energy Sectors in Pakistan. Mr. Khan joined the board in August 2022, after SBP approval.



Shaista Bano Gilani Independent Director

Mrs. Shaista Gilani holds twenty (20) years of varied experience in matters of corporate law & regulations, competition law, economic policy, enforcement, advocacy and research. She remained in SECP as Deputy Registrar of Companies and focal person and in CCP she served as Joint Director & Director General, lastly she served as a member & acting Chairperson of CCP as well as nominated member of the complaints redressal committee of Audit Oversight Board Pakistan. During association with CCP she has adjudicated various important cases and her judgments have been reported in the PLD as well. She is also a voluntary Executive Member of the UGOOD, a non-governmental organization. She holds Masters in Economics in Competition Law from UK & MBA from Pakistan, as well as Member of ACCA & its Sub Committee on "Corporate Governance". She is a Certified Director from the ICAP.





From left to right: Adnan Ali Khan, Javaid Bashir Sheikh, Shaista Bano, Anis A. Khan (Chairman), Sajid Jamal Abro, Imran Samad (President & CEO), Asif Jahangir and Aftab Alam

# **Board of Directors:**

- I) Anis A. Khan
- 2) Sajid Jamal Abro
- 3) Asif Jahangir
- 4) Javaid Bashir Sheikh
- 5) Mohammed Aftab Alam
- 6) Adnan Ali Khan
- 7) Shaista Bano Gilani
- 8) Imran Samad

- Chairman / Non-Executive Director
- Finance Secretary-GoS / Non-Executive Director
- Nominee Director of GoS/Non-Executive Director
- Independent Director
- Non-Executive Director
- Independent Director
- Independent Director
  - President / CEO

# Committees of the Board:

# **Audit Committee:**

Javaid B. Sheikh	Chairman
Mohammed Aftab Alam	Member
Asif Jahangir	Member
Shaista Bano Gilani	Member
Head of Internal Audit Division	Secretary

## Human Resource & Remuneration Committee:

Chairman Member Member Secretary

Adnan Ali Khan	
Anis A. Khan	
Finance Secretary (GoS)	
Head of HR Division	

## **Risk Management Committee:**

Finance Secretary (GoS)	Chairman
Javaid B. Sheikh	Member
Asif Jahangir	Member
Shaista Bano Gilani	Member
Head of Risk Management Division	Secretary

## Information Technology Committee:

Anis A. Khan	Chairman
Adnan Ali Khan	Member
Mohammed Aftab Alam	Member
Head of IT Division	Secretary

# **Nomination Committee:**

Anis A. Khan	Chairman
Finance Secretary (GoS)	Member
Asif Jahangir	Member
Company Secretary	Secretary

## Special Assets Management Committee:

Anis A. Khan	Chairman
Finance Secretary (GoS)	Member
Mohammed Aftab Alam	Member
Head of SAM Division	Secretary



# Terms of Reference

The number of meetings of the Board of Directors (BOD) and its Sub-Committees held during the year 2021 and the attendance by each director/committee member are provided in the Directors Report.

The Key terms of reference of the Board Committees are as follows.

#### Risk Management Committee

The Bank has formed a Board Risk Management Committee. The BRMC is primarily responsible for effective functioning of the risk management function within the Bank, and as a committee of the Board, acts with the delegated authority of the Board. It provides a platform to cover all material risk and also their mitigating tools.

The principle responsibilities of the Committee are as follows:

- Review and oversee implementation of the Risk Management Policy including Enterprise Risk Management (ERM) Framework and Risk Appetite Framework (RAF) and provide recommendation to the Board to facilitate in decision regarding approval.
   Review the tools and models developed by the Risk Management Division to measure and monitor risks; and Review regular
- risk reports related to Market, liquidity, credit and operational risk prepared by the Risk Management Division.
- 3. Ensure that the Bank has adequate capital available to absorb expected & unexpected losses and is able to achieve its strategic goals / objectives in short and long run.
- 4. Ensure appropriate risk controls and limits are established, properly implemented, communicated and monitored. Enforce actions upon violation of risk policies and procedures.
- 5. Review and administer the implementation of IFRS 9 as per SBP BPRD Circular 04 of 2019, dated 23rd October 2019.
- 6. Review any other risk related matters / regulatory changes that warrant discussion at the Committee

#### **Nomination Committee**

To review the structure, size and composition of the Committee and skills, knowledge, expertise, experience and diversity of the Board members and to suggest any changes and modification.

To identify and suggest for approval name(s) of the candidate(s) to fill the Board vacancies and to ensure that the proposed candidate(s) have sufficient time and skill to perform their obligations and meet FPT Criteria of SBP.

Prior to the appointment of Director(s) the Committee shall require the prospective candidate(s) to disclose any other business interest which may cause a result of conflict of interest between the prospective candidate(s) with the Bank and the Committee shall also require from him to submit his future business interest that may cause a conflict of interest. Upon receipt of the aforesaid information, the Committee shall minutely observe the nature of conflict of interest and make its own independent observations thereon.

Apart from the Directors the Committee shall seek candidature for CEO's position if fell vacant and select the best available candidates for final approval by the Board and the Government of Sindh. The Committee meets on need basis.

#### **Audit Committee**

The Board Audit Committee is responsible under the Code of Corporate Governance to review and recommend to the Board of Directors, the quarterly, half-yearly and annual financial statements of the Bank particularly focusing on the reasonableness of significant adjustment, major judgments and estimates, the adequacy of the disclosures in the financial statements, going concern assumption, change in accounting policies, related party transactions and compliance with applicable accounting standards.

BAC administers the Bank's financial reporting process on behalf of the Board and BAC has direct responsibility for appointment, retention, remuneration / compensation and oversight of work of external auditors.

BAC is also responsible for reviewing and approving annual audit plan; scope, extent and procedure of internal audit and reporting framework. BAC is responsible to regularly reviews significant issues or audit observations as raised by External & Internal Auditors along with progress thereon.

BAC also confers with the management to ensure the scope, sufficiency, adequacy and effectiveness of Internal Control Systems of the Bank including financial and operational controls, accounting systems, and reporting structures.

The other terms of reference of BAC include consideration of major findings of internal investigations and results of investigation of Whistle Blow. BAC is also responsible for monitoring and reviewing implementation of Whistle Blowing Policy.

#### Human Resource and Remuneration Committee

The BHR&RC is responsible for reviewing & recommending the HR Policy to the Board, appointment of Key Executives, Performance Appraisals & Performance Bonuses, revision in Salary Scales / Ranges, Incentive Schemes & Retirement Benefits. The Committee has a composition of three members & a secretary while President & CEO attends the meeting by invitation. The Committee meets on need basis but preferably once in a quarter.

#### Information Technology Committee

I.T. Committee principally manages the procurement requirements of the IT function ensuring unhindered performance of IT services and keeping in line with market dynamics and business objectives of the bank. Reporting to the BOD with recommendations for approval and changes in IT policies as needed with guidance on the application of IT resources. Additionally ITC also manages the security system requirements & policy of the bank.

# Profiles of the Shariah Board Members

#### Mufti Muhammad Hassan Ashraf Usmani Chairman Shariah Board

Mufti Muhammad Hassan Ashraf Usmani is the Chairman Shari'ah Board of Sindh Bank- Islamic Banking Division. He has completed Takhassus Fill Ifta (Specialization in Islamic Jurisprudence) from Jamia Darul Uloom, Karachi, under the supervision of Justice (R) Mufti Taqi Usmani. Further, he has done his doctorate from Karachi University in the field of Islamic Finance. He is associated as a member of Shariah Supervisory Board of mutual funds, as well as member of the Teaching Faculty of Darul-Uloom, Karachi.

## Mufti Zeeshan Abdul Aziz

#### Member Shariah Board

Mufti Zeeshan Abdul Aziz is Member Shariah Board of Sindh Bank-Islamic Banking Division. He has completed Takhassus Fill Ifta (Specialization in Islamic Jurisprudence) majoring in Islamic Banking & Finance from Jamia Darul Uloom, Karachi, under the supervision of Justice (R) Mufti Taqi Usmani. Besides being Shariah Advisor to some other Islamic Financial Institutions, Consultancy Firms and Halal Certification bodies within and outside Pakistan, he is also involved in teaching Islamic Banking & Takaful on different forums/universities as visiting faculty member.

#### Mufti Muhammad Nadeem Siddiquie Resident Shariah Board Member (RSBM)

Mufti Muhammad Nadeem Siddiquie is Resident Shariah Board Member (RSBM) of Sindh Bank - Islamic Banking Division. He is a learned Shariah Scholar and has completed his Shahadat-ul -Aalamiyyah from Tanzeem ul Madaris. He has done Specialization in Islamic Jurisprudence (Takhassus-fil-Ifta) and having Fatawa experience of over seven years. He started his career with Ernst & Young and have over eight years of Islamic Banking experience, his field of expertise are Shariah Advisory, Shariah Audit, and Product Structuring. He has diversified educational background with Bachelors of Commerce and Masters in Islamic Banking & Finance from University of Karachi and Junior Associates of Institute of Bankers Pakistan (JAIBP) from IBP. He holds teaching experience of Fiqh, Tafseer, Arabic Adab, and Hadith in various Madaris and Business Management in different institutions.

#### Terms of Reference and Meeting of Shariah Board

The IBI shall have a SB comprises of three Shariah Scholars, i.e., Board Chairperson (Chairperson) and Board Members including one of the member designated as Resident Shariah Board Members (RSBM) as per FAPC given in SGF provided by SBP. Further every IBI shall have a Shariah Compliance Department (SCD) which may be headed by a RSBM or a suitably qualified, trained and experienced officer recommended by SB.

#### **Shariah Board Meetings**

Details of Meetings of the Shariah Board held during the year 2022 and attendance by each Shariah Board Member are given below:

	S.No. Name	Shariah Board Meetings	
5.NO.		Held During the Year	Attended
I	Mufti Hassan Ashraf Usmani	4	4
2	Mufti Zeeshan Abdul Aziz	4	4
3	Mufti Muhammad Nadeem Siddiquie	4	4
Total Meetings Held During the Year 2022		4	·



# Disclosure on Remuneration Policy of the Bank

The Human Resource Division at Sindh Bank acknowledges its people as the most significant resource and believes in providing a synergic work environment that fosters customer centricity and ownership in a proactive manner, while maintaining high moral standards.

We are an equal opportunity employer and are committed to hiring and retaining suitably qualified talent from across the country or abroad, through a merit-based and non-discriminatory selection process. We believe that engaged employees are more committed and deliver better results, hence we support staff retention. To improve key positions' bench-strength, Sindh Bank has a Succession Planning Policy, which identifies successors for senior roles within the organization, thus allowing upward career mobility to the right talent and help them in fulfilling their career growth aspirations.

Our Senior Management is highly approachable and has an open-door-policy. We organize country-wide Town Halls, which provide the ideal platform for open discussions between our Management Committee and staff. In addition to increasing employee engagement, this is an event where hard-work and sound performance are recognized and awarded; acknowledgement of special contributions and alignment with the Bank's culture & values takes place. We are highly focused on maintaining positive, constructive employee relations and such meetings foster a culture of transparency and good employee communications.

The Bank engaged an external consultant for assistance in implementation of the SBP's Revised Guidelines on Remuneration Practices. The major activities performed by them were identification of Material Risk Takers (MRTs) and Material Risk Controllers (MRCs), development of risk-adjusted balanced scorecards for all MRTs and MRCs, identification of areas for improvement and development of bank-wide remuneration policy. The Bank has processes in place to ensure that the consultants were independent, and no conflict of interest existed with any Board member or any of its key executives.

Our remuneration policy is market-aligned competitive pay, making our compensation fair and consistent, ensuring internal equity. In the event of death or disability, the Bank offers life and disability insurance, through an Insurance Company, to provide financial assistance to the staff. Life Insurance coverage provides financial support to the heirs of the deceased staff in the unfortunate event of death in service, complete coverage of House Loan, if availed, will be provided to the staff.

The Board is overall responsible for reviewing, approving and monitoring implementation of the Bank-wide remuneration frame work, based on the recommendations of Board's Human Resource & Remuneration Committee (HRRC), which shall be mainly responsible for overseeing the Bank's remuneration programme.

Since professionalism is paramount at Sindh Bank, our Code of Conduct is well-structured and in place. The Disciplinary Action policy provides an expertly designed corrective action process and a formal framework for issues to be dealt with fairly and swiftly. The policy ensures that employees are managed in a transparent manner and it also addresses instances where a staff's performance or conduct fails to meet the standards laid down by the Bank. Our proficient DA Team also deals with the staff's grievances promptly and professionally. Furthermore, a strict law-mandated harassment policy is in place alongwith awareness-raising and training sessions, warranting discipline in this respect.

#### Material Risk Taker (MRT)/ Material Risk Controller (MRC)

The MRTs and MRCs have been identified through a detailed assessment of the Bank's employees using various qualitative and quantitative criteria, as documented in the remuneration policy.

The Bank offers a compensation structure with a balanced mix of fixed and variable elements with the objective to encourage behaviors focused on achievement of long term sustainable results. For MRTs / MRCs the deferred variable component has been made part of their compensation structure.

#### Performance measurement of MRTs and MRCs

The Bank's performance management mechanism provides a sound basis for assessing employee performance holistically. The Banks remuneration policy is aligned with the performance management mechanism and differentiates pay appropriately amongst its employees based on degree of contribution, skill and availability of talent owing to competitive market forces by considering factors such as role, skills, competencies, experience and grade/seniority.

Performance measurement of MRTs / MRCs will be carried out through the risk adjusted balanced scorecards. The Bank is in a process to develop risk-adjusted balanced scorecards for all MRTs and MRCs for their performance measurement, which will ensure establishing a correlation between and alignment of risks and rewards. These scorecards are prepared at individual levels, incorporating various financial, non-financial/ qualitative and risk-adjusting factors.

The Bank has introduced an individual level accountability mechanism whereby a certain portion of variable compensation of the MRTs / MRCs will be deferred/withheld for a defined period, thus creating alignment between the employees and stakeholders interests and reinforcing that compensation is appropriately linked to longer term sustainable performance.

The deferred pay will be subject to claw back clause that permits the Bank to cancel or reduce, all or part of the amount of an unvested variable compensation award, due to specific crystallized risk, behavior, conduct or adverse performance outcome, attributable to the MRT / MRC.

# Statement of Ethics and Business Practices

This Statement of Ethics and Business Practices applies to all Employees of Sindh Bank Limited. It strives to set forth certain standards and rules of conduct followed in the corporate entities, globally. Our culture of ethics and integrity shall from the beginning define who we are as a Bank and how we as colleagues treat each other, our customers and stakeholders. This Statement of Ethics and Business Practices attempts to introduce the Employees to the types of attitudes and conduct that create an honest, fair and legal workplace. It will be surrounded by 3 basic beliefs:

• Respect for the Individual • Service to the Customer • Striving for Excellence

#### **General Principles and Significant Aspects of Code of Ethics:**

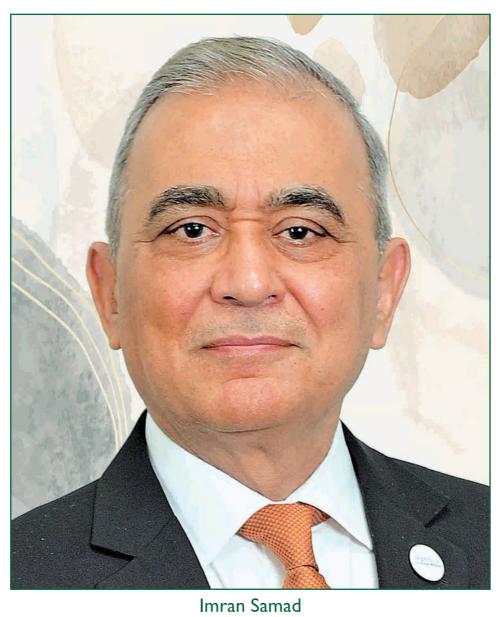
- 1. We will abide by the laws of the Country in all activities at work and beyond. Any suspected material violation of a law, regulation or ethical standard must be reported to the appropriate level of authority within the Bank. Where appropriate, the authority will report to the relevant statutory authority.
- 2. We will always demonstrate high standard of conduct at work place or outside as good citizens of Pakistan.
- 3. We will adhere to a high level of professional practices commensurate with Bank's aim to achieve growth in earning for shareholders over the long term undertaking business compatible with our character and business norms.
- 4. We will behave with integrity and honesty in our dealing with customers, colleagues, supervisors and all others with whom we interact.
- 5. We, as the Bank's employees have a responsibility towards all stakeholders to make decisions strictly on the basis of Bank's interests, without regard to personal gain. A conflict of interest can arise when one's judgement could be influenced, or might appear as being influenced, by the possibility of personal benefit. Even if it's not intentional, the appearance of a conflict may be just as damaging to employees' and Bank's reputation, as an actual conflict. We would always be on the lookout for situations that may create a conflict of interest, and do everything we can to avoid them.
- 6. Situation may arise holding an employee in conflict of his interest with the interest of the Bank. In such situation, to enable the Bank to make objective decisions, the employee must declare in advance the possible conflict of interest, to his/her senior. The management may require the employee to disassociate him/her from any involvement in a decision by the Bank that relates to such personal conflict.
- 7. Our involvement in an outside activity or any external position held must not give rise to any real or apparent conflict with a customer's interest, must not adversely reflect on the Bank and must not interfere with an individual's performance.
- 8. We will not solicit or accept gifts, sponsorship, hospitality or favor which would compromise, or give the appearance of compromising our position or any business decision taken by or on behalf of the Bank. Accepting gifts and entertainment can cause a conflict of interest, or the appearance of a conflict between personal interests and professional responsibility. The Bank's culture is to never accept gifts or entertainment from any supplier, potential supplier, or any person the employee has reason to believe may be seeking to influence business decisions or transactions.
- 9. We, besides working with honesty and faithfulness shall maintain strict secrecy regarding the Bank's affairs and the affairs of its constituents and subsidiaries, if any. We shall use our utmost endeavors to promote the interest of the Bank and shall show courtesy and attention in all dealing with customers.
- 10. We shall not use for personal gain or benefit or, except insofar as it is necessary in the regular course of business, disclose to anyone within information obtained in the course of work that is of confidential nature. We will not disclose intentionally or carelessly, any information that is of confidential nature without the prior approval from the respective departmental head. In official communication or Prospective Communication with prospective or current client, ensure that information is given only on need to know basis.
- 11. We shall not engage in any other profession, trade or business activity for remuneration or enter into the employment of any other person, firm or company. An engagement in social and welfare service beyond normal office hours may however, be encouraged.
- 12. We shall not make any false or misleading statement in relation to our appointment or performance of our duties in the Bank. To ensure accuracy of information that would be provided to the public, the employees are prohibited from making any statement, including statements about financial matters (written or verbal) on behalf of the Bank to media, news publications, business publications, or any other source without prior approval from the respective department of the Bank.
- 13. Personal, social and unofficial visits during working hours are discouraged. In the event of an emergency, visitors may be entertained outside the work area, or in the designated reception area to ensure confidentiality of information and minimum disruption.
- 14. We shall not bring or attempt to bring political or other influence, directly or indirectly, nor shall we take part in, subscribe to and or assist in any way, any political activity.
- 15. If we are found involved or convicted in a criminal offence, we shall immediately bring to the notice of the Management through our head of department or, if arrested and released on bail, soon after such release.
- 16. We shall generally dissuade from following evils:

Note:

In terms of Regulation 4, Item # 10 notified by State Bank of Pakistan (SBP) vide BPRD Circular No. 02 dated 13/09/2012, "Employees of the banks are strictly prohibited to disclose the facts to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law."



# Management



President & CEO





Muhammad Anwaar SEVP - Chief Operating Officer



Baqir Hussain EVP - Head HR & Training



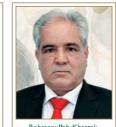
Saleem Shaffi EVP - Head Operations



5

Ata Hassan EVP - Head IT





Rehmanullah Khattak EVP - GBH North Region



Faisal Mujeeb EVP - Head Islamic Banking



Dilshad Hussain Khan EVP - CFO - Head Finance & ting Head Compliance Vig & FRM

Ad



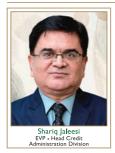
Syed Assad Ali Shah SEVP - GBH - Sindh Rural Region



Ahmad Noor EVP - Head Special Asset Management



Rukhsana Narejo EVP - Head Treasury & Financial Institutions and Focal Person - Gender Diversity







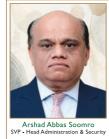


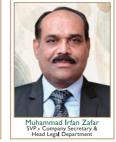
Shams-ul -Abbas EVP - Head Agriculture Credit



















Syed Mudassir Abbas AVP - Head Treasury Operations

Saifuddin Sahito AVP - Incharge Consumer Department



# **Events**



c Center, Kara









President & CEO, Mr. Imran Samad at the Manager's Meeting held for the South Region.









Senator Khushbakht Shujat as the Guest Speaker at the mentoring session held for the female staff.



Guest Speakers Ms. Samina Ahmed and Ms. Nusrat Munshi at the Womer Day Celebration - 2022 at the Head Office.









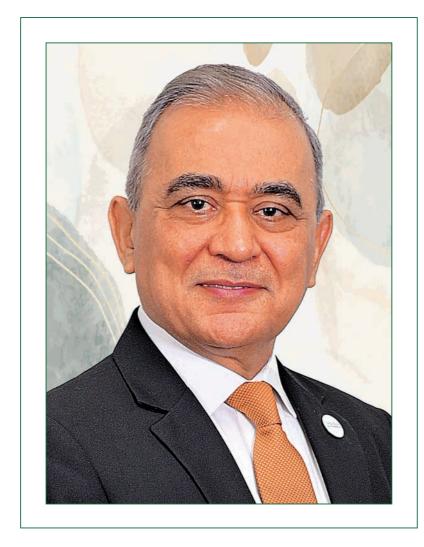


Head of Marketing receiving the award at the CSR Conference held in Karachi.



President & CEO Mr. Imran Samad at the New Year Celebration at the Head Office, Karachi.





# **Directors' Report**

On behalf of the Board of Directors, I am presenting herewith the financial results of the Bank for the year ended December 31, 2022. Financial highlights are as follows:

			(Rupees in '000)
Balance Sheet	As on December 31, 2022	As on December 31, 2021	%age Change
Paid up Capital	29,524,428	25,524,428	15.67%
Shares Deposit Money	-	4,000,000	
Accumulated losses-net of reserves	(11,164,969)	(9,775,499)	14.21%
Paid up Capital net of accumulated losses	18,359,459	19,748,929	(7.04)%
Deficit on Revaluation of Investment	(1,208,500)	(1,121,647)	7.74%
Equity	17,150,959	18,627,282	(7.93)%
Borrowings	106,934,714	26,785,738	<b>299.22</b> %
Deposits	223,043,950	217,608,406	2.50%
Investment (carrying value)	254,552,777	175,703,381	44.88%
Gross Advances	70,899,317	73,023,45I	(2.91)%



(Rupees in '000)

Profit & Loss Account	Year Ended 31-Dec-2022	Year Ended 31-Dec-2021	%age Change
Markup/return/interest income	36,377,762	21,826,086	66.67%
Markup/return/interest expenses	31,061,343	16,921,716	83.56%
Net markup/return/interest income	5,316,419	4,904,370	8.40%
Fee, Commission & Other Income	435,879	354,479	22.96%
Foreign Exchange Income	557,56I	74,371	649.70%
Dividend Income	253,607	154,063	64.61%
Gain / (loss) on sale of Investments	(157,712)	(6,435)	
Non-mark-up/non-interest income	I,089,335	576,478	88.96%
Total Income	6,405,754	5,480,848	16.87%
Non mark-up/interest expenses	6,736,209	5,722,033	17.72%
Provision/Diminution in value of investments	80,939	87,342	(7.44)%
Provision-specific & general against Advances	I,857,699	5,735,574	(67.61)%
Total Provisions	I,938,638	5,822,916	(66.71)%
Loss before Tax & Provisions	(330,455)	(241,185)	37.01%
Loss Before Tax	(2,269,093)	(6,064,101)	(62.58)%
Loss After Tax	(1,385,750)	(3,727,484)	(62.82)%
Loss per share (Rupees)	(0.54)	(1.49)	(63.76)%

Other Information	As on 3 I -Dec-2022	As on 31-Dec-2021	%age Change
No. of Accounts	573,882	533,169	7.63%
Number of Branches	330	330	

#### A. Financial Review

Total Assets recorded increase from Rs.270.2 bn to Rs.357.8 bn increased by Rs 88 bn (i.e. 32.44%) during the year, primarily attributed by increase in investment by Rs 78.8 bn.

Major financial statement segment-wise review is as follows:

#### a) Deposits

Deposits registered a slight increase by Rs 6 bn (i.e. 2.50%) and stood at Rs. 223.0 bn compared to Rs. 217.6 bn on December 31, 2021. This increase is net of major withdrawal of TDRs of Rs 26 bn by Finance Department KPK which were not on boarded due to high competitive rates offered by other banks.

Above indicates changing customer preferences and continuing motivation of our retail banking team to introduce new customers and products. Number of customer accounts stood at 573,882 increasing by 40,713 accounts (i.e. 7.63%).

#### b) Advances

Gross Advances decreased by Rs 2.125 bn (i.e. 2.91%) and stood at Rs.70.89 bn at year-end 2022 compared to Rs. 73.02 bn on December 31, 2021, mainly due to reduced exposure by Rs.2.990 bn under Commodity Financing, Further attributing factors are recoveries of watch list, regular and NPLs customers by Rs (7.551) bn and disbursed by Rs 5.426 bn during 2022.



Due to, regulatory restriction on Corporate advances, the management focused on increasing financing in the SMEs and Consumer segments. During the year exposure under SMEs increased by Rs. 713 mn (increased by 34%) and Consumer Increased by Rs. 197 mn (increased by 77%)

#### c) Investments

Carrying value of Investments as at December 31, 2022 increased by Rs.78.84 bn (44.88%) and stood at a record figure of Rs. 254.552 bn at year-end 2022 compared to Rs. 175.703 bn on December 31, 2021,

Increase of Rs. 32.6 bn was recorded in floating rate PIBs, Rs. 1.0 bn in GOP Ijara Sukuk, and Rs 50.8 bn in Market Treasury Bills and reduced by Rs. 5.0 bn due to maturity of PIB (HTM).

Gross Investment in equities and mutual funds stood at Rs. 3,000 mn, excluding Rs. 750 mn in Sindh Microfinance Bank Limited (wholly owned subsidiary), increased by 189 mn (i.e. 6.7%) over December 31, 2021 (Rs. 2,811 mn).

#### B. Profit and Loss Account

Improvement in the Bank's performance indicators was witnessed as Total Income for the year stood at Rs. 6.40 bn compare to last year Rs. 5.48 bn, depicting an increase by Rs. 925 mn (i.e. 16.87%) over 2021. Major reasons for the improvement in total income is as below:

- (i) Increase in net Interest Income by Rs. 412.049 mn i.e. 8.4%, mainly due to higher base effect and increase in policy rate (i.e. 6.25%) due to which repricing of earning assets (i.e. floating PIB's and performing advances) was carried out.
- (ii) Increase in non markup income by Rs. 513 mn, main contribution factors are FX income increased by Rs. 483 mn and Fee commission income increased by Rs. 77 mn during the year.

Loss before provision for the year ended December 31, 2022 amounted to Rs. 330.4 mn contrasting with loss before provision of Rs. 241.1 mn reported last year.Pre-tax loss for the year ended December 31, 2022 amounted to Rs. 2.269 bn contrasting with pre-tax loss of Rs. 6.064 bn reported last year.

Post tax loss for the year amounted to Rs. 1.385 bn compared to post tax loss of Rs. 3.727 bn last year. Reasons for improvement in post tax loss was less Provisioning requirement during this year i.e Rs 1.938 bn with compare to Rs. 5.82 bn in reported period last year.

#### C. Branches

The Bank continued to maintain its presence through 330 branches spread over 169 cities/towns in Pakistan and included 14 branches which are dedicated to Islamic Banking. No new branches were opened during the year. Region wise breakup is as under:

Regions	No. of Branches	No. of Cities / Towns
South: including Karachi, Sindh-other cities / towns & Baluchistan	206	97
North: including Punjab, Islamabad, KPK, AJK & GB	124	72
Total	330	169

#### **ECONOMIC REVIEW**

In 2022, economic and political issues aggravated the country's dynamics. The year was marred by the success of the noconfidence move for the first time in the history of Pakistan. Pakistan's economic landscape, which was already feeble due to the position of the external account, deteriorated at fast pace due to domestic and international challenges. Economic challenges only increased as the year progressed due to the start of the war between Ukraine & Russia and energy prices touching decades high. The mounting pressure of energy prices reflected in inflation, which made the essential items only dearer for the public.

The year 2022 can be seen as the most challenging for the country as the economic trajectory was not only marred by domestic political issues and war in Ukraine but also through devastating floods, which pushed more than 9 million people below the poverty line.

IMF programme proved to be another challenge as the fund demanded a number of policy measures, which included

- I) Market-driven exchange rate
- 2) Introduction of new taxes
- 3) Permanent resolution of circular debt
- 4) Increase in energy prices and
- 5) Hike in interest rates.

Though IMF demands were inflationary in nature Country had no choice but to accept the demands as Pakistan's external debt repayment obligations are US\$73bn in 3 years (FY23-25) as per IMF (inclusive of annual rollovers). This is due to large external borrowings (external debt and liabilities) that doubled in 7 years from US\$65bn in FY2015 (24% of GDP) to US\$130 bn (40% of GDP) in FY2022.

The year 2023 does not offer much hope as interest rates are expected to increase further due to high inflation numbers, and uncertainties around external debt repayment, which will only put further pressure on the currency. The year is also expected to be the year of elections; thereby aggravating the situation further. As we move down in the year, we may see energy reforms to resolve the circular debt issues as well as the possibility of external debt restructuring, which will aggravate the short-term economic outlook of Pakistan. Among all, it's clear that there is a rough tide for 2023 and recovery can only be seen beyond 2024.

#### **PSX REVIEW**

The economic challenges affected the performance of the local bourse, resulting in a 9% fall in the benchmark KSE index. Average traded volume was down 52% to 230mn shares/day. The KSE index also lagged against other asset classes like Gold, Naya Pakistan Certificates, and the US dollar. The IPO market was also impacted due to falling equity values as only 3 Initial Offerings/IPOs came to raise funds in 2022 as against 8 IPOs in 2021. According to Bloomberg, the KSE-100 Index was one of the poorest-performing markets in US dollar terms in 2022.

In the best-case scenario in 2023, if crude oil prices fall sharply and the global credit market gets back to normal, we may see Pakistan equities performing better. Similarly, in a worst-case scenario, if Pakistan defaults on its debt payment then a fall can be expected in the index in 2023.

#### **CREDIT RATING**

VIS Credit Rating Company Limited reaffirmed the Bank's long term entity rating of **A+ (Single A Plus)** and short term rating of **A-I (A-one)** in its report dated June 28, 2022.

#### MINIMUM CAPITAL REQUIREMENT & CAPITAL ADEQUACY RATIO

Bank's Capital Adequacy Ratio stood at 5.38% as against the requirement of 11.50% as on December 31, 2022. Bank has approached Government of Sindh for injection of capital of Rs 2 bn to meet the stipulated Capital Adequacy Ratio requirement.

#### **RISK MANAGEMENT FRAMEWORK**

Risk taking is central to banking activity. The Bank evaluates business opportunities in terms of the risk-reward relationship. The risks that Bank takes are reasonable, controlled, within its size, complexity and nature of business. The diversity of our business requires us to identify, measure and manage our risks effectively through different limits. At the Bank, the risk is managed through a framework, organizational structure, risk management and monitoring processes that are closely aligned with the activities of the Bank and in line with the guidelines given by the State Bank of Pakistan (SBP). The Bank also continues to invest in systems and people as part of its process of continuously strengthening the risk management function. The Bank's comprehensive and integrated risk management governance structure consists of Board, related Board Committee(s) and management subcommittees, with varying areas of responsibilities, in order to maintain a sustainable focus on monitoring and governance over differing categories of risks.

#### INTERNAL CONTROLS OVER FINANCIAL REPORTING

Sindh Bank has established an ongoing process for identifying, evaluating and managing significant risks faced by the Bank and this process includes the system of Internal Control over Financial Reporting. The process is regularly reviewed by the Board Audit Committee.

The Board is of the view that the system of Internal Control over Financial Reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of Financial Reporting, and that the preparation of Financial Statements forexternal purposes is in accordance with relevant accounting principles and regulatory requirements.



The management assists the Board in implementation of the Board's policies and directives pertaining to Internal Control over Financial Reporting. The management is working continuously towards enhancing the system of Internal Control over Financial Reporting.

The Board is pleased to endorse the statement made by management relating to Internal Controls including management's evaluation of ICFR. The management's Statement on Internal Control is included in the Annual Report.

#### **OTHER HIGHLIGHTS**

#### a) Major IT Initiatives

Sindh Bank is focused to provide innovative and secure financial solutions to its customers. Sindh Bank launched its Digital Customer On boarding Web Portal, allowing the residents of Pakistan to open Asaan Digital Account from the comfort of their home. Bank also further enriched the SMS banking service by adding the billers available at ILink's IBill service which includes School/Colleges/University fees, Credit Card payments and much more.

Bank has also started the issuance of e-stamp paper on Government of Sindh behalf since November 2022. Now customers can come over to Sindh Bank branches for the e-stamp papers by paying the fee via cash, account transfer or other Bank's Cheque. Bank is now also acting as settlement bank for Local Government Property Tax Collection. To further strengthen and faster delivery of digital services, Sindh Bank signed "Digital Partnership with Konnect by HBL".

To promote 'compliance culture' in Sindh Bank and strengthen the effectiveness of compliance function, Sindh Bank implemented "Compliance Risk Management" Solution in October 2022.

On the information security front, Bank has implemented the "Data Center Firewall" in both Primary and DR Data Center. Bank also completed the Third party assessment of SWIFT CSCF (Customer Security Controls Framework).Bank also shifted its Primary Data Center to new premises build as per the recommendations from SBP and keeping in view the industry best practices.

Bank has successfully performed the Disaster Recovery Drill this year to further improve the technical resilience of Bank.

#### b) Home Remittances

Sindh Bank via its network, made Home Remittance payments to about 135,000 customers during 2022, as compared to 125,000 payments in Year 2021.

Year 2022, Sindh Bank became Super Agent of Western Union and made first sub agent named as Bank of Azad Jammu Kashmir.

Sindh Bank also became a partner bank in the Federal Government's Sohni Dharti Remittance Program. Under this program, USD 50 Million+ was disbursed in year 2022, making the Bank eligible for SBP PRI Home Remittance incentives.

Despite the challenges faced by the country in-respect of remittance, Bank performance can be gauge with the below summary of the results achieved during 2022 in terms of both transaction numbers and volumes, is given below:

YEAR	No Of Transactions	Amount In USD	Amount In PKR
2022	117,129	50,853,085	10,384,617,531
2021	116,536	63,253,983	10,270,625,479

#### c) Sindh Microfinance Bank Limited (wholly owned subsidiary)

Sindh Microfinance Bank Limited (SMFB) started its operations as a province level microfinance bank in May 2016 with an equity of Rs. 750 mn. As of December 31, 2022, SMFB has increased its equity to more than Rs. I bn with internally generated profits. SMFB has plans to seek a national level license from the State Bank of Pakistan once the minimum capital requirements for a national level license are met.

To date, SMFB has disbursed more than 237,000 loans amounting to almost Rs. 7 bn through its presence in 90 business locations in the province of Sindh. The aim of the microfinance program of SMFB is to improve access to finance for the underprivileged segment of the Sindh Province, especially women. It is in this spirit, SMFB continues to play its role of empowering women by enabling access to finance to the economically active women in rural and semi urban areas of Sindh.

SMFB registered a profit before tax of Rs. 57.24 mn for the year ended December 31, 2022 as compared to Rs 45.8 mn last year. SMFB continued to remain sustainable and profitable despite the challenge in the form of flashfloods of 2022 which adversely impacted the lives of SMFB clientele in the rural and semi urban areas of Sindh.

The Pakistan Credit Rating Agency (PACRA) assigned the ratings of A- for the long term and A2 for the short term which in PACRA's perspective captures the strength of SMFB as a growing institution in the microfinance sector.

Brief summary of financial highlights for the year ended December 31, 2022 showing below:

	Decem	ber 31 2022	Decembe	ber 31 2021		
Balance Sheet						
	# of Account	Rs. In million	# of Account	Rs. In million		
Gross Loan Portfolio	66,133	1,318	53,993	958		
Total Assets		2,008		2,085		
Deposits	129,056	600	103,106	271		
Borrowings		310		750		
Total Liabilities		995		1,116		
Net Equity		1,012		969		
Lending activity						
Loan Disbursements	56,576	1,991	42,463	1,314		
Profit & loss account						
Net Interest Income		345		284		
Profit Before Tax		57		4 6		
Taxation		(16)		(18)		
Profit After Tax		41		27		

#### **STAFF, TRAINING & DEVELOPMENT**

Total number of staff working in the Bank i.e. executives, officers and support staff as at December 31, 2022 numbered 2,494 (Including 502 outsource staff) as compared to 2,458 (Including 478 outsource staff) as at December 31, 2021.

During 2022, in-house and Ex-house Training Programs were conducted in the areas of Branch Banking Operations, Fair Treatment to Customers, International Trade, Islamic Banking, SME Finance, Compliance (AML/CFT) Cyber Security, Risk Management, Internal Control, Internal Audit, Gender Sensitivity and soft skills, etc. A total of 48 in-house and 25 ex-house training sessions were conducted during the year 2022 which were attended by an aggregate of 1963 participants. Due to State Bank's directives, Bank has made prime focus on training programs related to Gender Sensitivity, Anti Money Laundering / Compliance, Risk Management and Internal Audit.

In order to comply with regulatory requirements and to convey the message down the line, Area Managers, Branch and Operation Managers of all 4 regions were provided relevant trainings. They entrusted the responsibility to conduct sessions on 'Fair Treatment of Customers' at the branch level.

In 2022, a number of ex-house training programs were offered by NIBAF, IBP, PITAC, Dellsons and other well-known consultancies for which relevant staff were nominated. Since training on Islamic Banking, Compliance, Risk Management and SME were the main areas of concentration for State Bank in 2022, the Bank nominated 64 employees to attend such seminars and workshops at different locations across Pakistan

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Fundraising for Flood Relief Program:

- Sindh Bank opened an account for public specifically for Flood Donations in collaboration with Prime Minister Flood Relief Fund Program and encouraged the citizens to donate as much as they can through this platform.
- Sindh Bank also collected donations from the employees in the form of deducting two days salary from executives and one-day salary from other employees, in this respect bank handed over a cheque worth PKR Rs 5.2 mn to Chief Minister Sindh.
- Distribution of tents amounting to Rs 50 mn was provided under Provincial Disaster Management Authority (PDMA) Program in province of Sindh.

The Bank organised / provided sponsorships for the below mentioned events during 2022:

- Breast Cancer Awareness Day was celebrated at the Head Office Sindh Bank in collaboration with State Bank and Pink Ribbon to spread awareness about breast cancer and its prevention.
- Sindh Bank ATM on wheels was placed at Annual Ijtema Karachi to facilitate the people attending the Ijtema.
   University of Karachi Applied Economics Research Centre's Alumni Meet & Greet Event.
- ASF (Airport Security Force) Shuhada Day Event.



#### CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements prepared by the management of the bank, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the bank have been maintained.
- Appropriate accounting policies have been applied consistently in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standards, as applicable to banks in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt about the Bank's ability to continue as a going concern in the foreseeable future.
- The Directors' Orientation Course on Corporate Governance was conducted through an ICAP approved trainer and was attended by President & CEO and all those directors who have been approved by the SBP to attend the meetings during assessment of FPT documents of elected directors.
- Key financial and operating data for six years is being provided in the annual report.
- All the statutory liabilities, if any have been adequately disclosed in the financial statements.
- The appointment of the Chairman and other members of the Board and the terms of their appointment along with remuneration policy adopted are in the best interest of the Bank as well as in line with best practices.
- Value of investments of Sindh Bank Limited Employees Provident Fund as at December 31, 2022 amounted to Rs. 1,671.4 mn (2021 Rs. 1,346.9 mn). Value of investments of Sindh Bank Limited Employees Gratuity Fund as at December 31, 2022 Rs. 632.6 mn amounted to (2021 Rs. 516.0 mn) and further an amount Rs. 104.7 mn has been transferred subsequent to the balance sheet date, based on actuarial valuation of the fund.
- Statement of compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 is given separately in the Annual Report.

# EVALUATION OF BOARD, CHAIRMAN, INDIVIDUAL DIRECTORS, INDEPENDENT DIRECTORS, PRESIDENT & CEO & COMMITTEES

In terms of State Bank's BPRD Circular # 11, dated August 22, 2016 and the Public Sector Companies (Corporate Governance) Rules 2013, the Board of Directors in its 44th Meeting held on November 21, 2016 approved the evaluation criteria and procedure for evaluation of its own performance, performance of Chairman, Individual Directors, Independent Directors, President & CEO and its Committees.

The Board members carried it out annually, based on the in-house developed mechanism and submitted their reports to the Chairman. The Performance of the Board was evaluated by all Directors on individual basis on the criteria which included Board Composition and structure, Board contribution towards developing strategies, policy framework, robust and effective risk management, internal control and audit functions etc.

In terms of afore said Circular of SBP, the performance evaluation is to be carried-out once in three years by an outside agency. Accordingly performance evaluation in the year 2022 has been carried out by the all Directors and submitted to the Chairman in 101st Board Meeting held on March 8, 2023.

#### **BOARD OF DIRECTORS**

During the year under review attendance of Directors at the Board and Board Committee meetings was as under:

S. No.	Name of Directors	Board of Directors		Board Human Resource Committee		Board Audit Committee		Board Risk Management Committee		Board IT Committee		Board Nomination Committee		Board SAM Committee	
		Held During the Year	Attended	Held During the Year	Attended	Held During the Year	Attended	Held During the Year	Attended	Held During the Year	Attended	Held During the Year	Attended	Held During the Year	Attended
I	Mr. Anis A. Khan	9	9	I	I	-	-	-	-	2	2	I	I	3	3
2	Mr. Sajid jamal Abro SBP approval dt. 29.03.2022	9	7	- I	I	4	I	3	3	-	-	I	I	3	3
3	Mr. Asif Jahangi	9	9	-	-	4	2	3	I	2	I	-	-	-	-
4	Mr. Javaid Bashir Sheikh	9	9	-	-	4	4	3	3	-	-	-	-	-	-
5	Mrs. Masooma Husain	9	3	-	-	4	2	-	-	-	-	-	-	-	-
6	Mr. Mohammad Aftab Alam		6	-	-	4	2	-	-	2	2	I	I	3	3
7	Mr. Adnan Ali Khan	9	9 3		I	-	-	-	-	2	I	-	-	-	-
8	Mr. Imran Samad, President & CEO		9	-	-	-	-	-	-	-	-	-	-	-	-
Tot	Total Meetings held during the year			I		4	ŀ	3		2	2			3	

#### **CHANGES IN THE BOARD OF DIRECTORS**

During the Year, Mr. Sajid Jamal Abro had assumed the charge as Finance Secretary, Government of Sindh on 28.01.2022 and co-opted by the Board of Directors in place of Syed Hasan Naqvi, the ex-Finance Secretary, GoS after approval of SBP on 29.03.2022. The other two casual vacancies were also filled by the Board of Directors, after obtaining SBP clearances, one of which was co-opted by Mr. Adnan Ali Khan, Independent Director in place of outgoing elected Directors Mr. M. Naeem Sahgal & Mrs. Shaista Bano Gilani, Independent Director in place of Mrs. Masooma Hussain.

#### **BOARD COMMITTEES MEETINGS**

Details of the Board Committees meetings are disclosed in Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 in this report.

#### PATTERN OF SHAREHOLDING

The pattern of shareholding is attached with this report.

#### **EXTERNAL AUDITORS**

M/S Naveed Zafar Ashfaq Jaffery & Co., the retiring auditors have completed their five year terms, as prescribed. The appointment of the new statutory auditors' M/s. RSM Avais Hyder Liaquat Nauman Chattered Accountants of the Bank for the year December 31, 2023 is being considered in the forthcoming 12th Annual General Meeting by the shareholders.

#### **FUTURE OUTLOOK**

With encouraging results achieved so far, the management is determined to maintain its focus on the following major goals in the coming period:

- (i) Recovery and reduction of Non-Performing Loans;
- (ii) Increase of Consumer, SME and Commercial business;
- (iii) Alternate delivery and service channels based on technology platforms to facilitate our customers;
- (iv) Training and development of Staff; and
- (v) Strengthening the risk and control environment.

#### Acknowledgements

On behalf of the Board of Directors, I would like to sincerely thank the regulators, shareholders and customers for their continued guidance, support and confidence reposed in the Bank and its Management.

On behalf of the Board of Directors

Imran Samad President/CEO

Karachi, March 8, 2023

Mohammad Aftab Alam Non Executive Director

فيصد تبريلى	31 دسمبر 2021 پر	31 وتمبر 2022 پر	دىگرمعلومات
7.63%	533,169	573,882	کھا توں کی تعداد
	330	330	شاخوں کی تعداد

## A. مالياتى جائزه

سال کے دوران کل اثاثہ جات 270.20 ارب روپے سے بڑھ کر 357.8 ارب روپے ہو گئے جس میں 88 ارب روپے (یعن 32.44 فیصد) کا اضافہ ہوا ، جس کی بنیادی دجہ سرما یہ کاری میں 78.8 ارب روپے کا اضافہ ہے۔ بڑے مالیاتی بیان کا طبقاتی جائزہ درج ذیل ہے:

## (Deposits ) ئىان<sup>ى</sup>س (

15 دسمبر 2022 پرڈپازٹس میں 6ارب (یعنی 2.50 فیصد) کا اضافہ ہوا، اوران کی مالیت 223.0 ارب روپے رہی جبکہ 31 دسمبر 2021 کو اختدام پذیر سمال پران کی مالیت 217.6 ارب روپ تھی۔ یہ اضافہ وزارت مالیات، خیبر پختون خواہ ، کی جانب سے 26 ارب روپ کی TDRs کی والیتی کے باوجود تھا، جس کی والیتی کی وجہ دیگر مینگوں کی جانب سے زیادہ مسابقتی نرخوں کی پیشکشیں تھیں۔ مذکورہ بالا، گاہوں کی ترجیح میں تبدیلی اور رمثیل بینکاری ٹیم کی بنے گاہک اور بینک کی مصنوعات کو متعارف کروانے کی مسلسل کو ششوں کی جانب اشارہ ہے ۔کھاتے داروں کی تعداد 573,882 رہی جس میں 20,713 کھاتوں کا اضافہ ہوا (یعنی 2.63 فیصد)۔

## (Advances) الأوانسز (b.

مجموعی ایڈوانسز کی مالیت 31 دسمبر 2022 کوانت مپذیر سال کے 73.02 ارب روپے کے مقابلے میں 31 دسمبر 2022 کوانت مپذیر سال پر 2.125 ارب روپے (لیعنی 2.19 فیصد) کی کن کے ساتھ 70.89 ارب روپے رہی ، اس کی کی اصل وجہ اجناس (Commodity) کی فنانسنگ میں 2090 ارب روپ کی کی تھی ۔ سال 2022 میں اس کی میں دیگر کوامل جن میں، وصولیا یوں کی واچ لٹ، (75.57) ارب روپ کے دیگولراور غیر فعال قرضہ جات (NPLs) والے گا کمب اور 4.26 ارب روپ کی کی تھی ۔ سال 2022 میں اس کی میں دیگر کوامل جن میں، وصولیا یوں اداراتی ایڈ وانسز پر ریگولیڑی پابند یوں کے سبب، انتظامیہ نے اپنی پوری توجہ SMEs اور گا کہوں کے سی فنانسنگ پر مرکوز رکھی ۔ سال کے دوران SMEs سیکن کی قرضہ جات کی اور 2016 اور خیر میں دیگر میں اس کی میں دیگر کوامل جن میں، وصولیا یوں فراہمی میں 713 ملین (یعنی 34 فیصد) اضافہ اور کنٹر یومر میں 197 ملین روپ (یعنی 77 فیصد) کا اضافہ ہوا۔

## c. سرماییکاری(Investments)

31 دسمبر 2022 کواختتام پذیریسال کے دوران سرمایہ کاری کی Carrying value میں 78.84 ارب روپ (44.88 فیصد) اضافے سے اس کی مالیت بڑھ کر 254.552 ارب روپ ہوگئی جبکہ 31 دسمبر 2021 کو اختتام پذیریسال پراس کی مالیت 175.703 ارب روپے تھی۔

فلوننگ ریٹ PIBs میں 32.6 ارب روپے اور حکومت پا کتان کے اجارہ سکوک میں ایک ارب روپے اور مارکیٹ ٹریز ری بلز میں 50.8 ارب روپے کے اضافے کا اندراج ہوااوراس میں 5 ارب روپے کی کا سامنا تھا جس کی وجہ (PIB (HTM کی تکمیلی مدت (maturity)تھی۔

ملکیتی سرمائے (equities) اور میوچل فنڈز میں مجموعی سرمایہ کاری 3,000 ملین روپے رہی، علاوہ 750 ملین روپے سندھ مائیکرو فنانس بینک کمیٹڈ (تکمل طور پر ذیلی ادارہ) کے 31 دسمبر 2021 (2,811 ملین روپے ) کے مقابلے میں 189 ملین روپے(یعنی6.7 فیصد ) کا اضافہ ہوا۔

## .B نفع نقصان كا كمانته

جاری سال کے اختتام پر بینک کی کارکردگی میں بہتری کے اشارے بالکل واضح ہیں جیسا کہ گذشتہ سال کی کل آ پر یٹنگ آمدنی کی مالیت 5.48 ارب روپے میں 925 ملین روپے (یعنی 16.87 فیصد) کے اضافے سے اس سال اس کی مالیت 6.40 ارب روپ رہی کی آمدنی میں اضافے کی بڑی وجو ہات درج ذیل ہیں۔

- .ا خالص سودی آمدنی میں 412.049 ملین روپ(یعن 8.4 فیصد) کااضافہ ہواجس کی بنیادی وجہ بلندتر میں کے اثرات اور پالیسی نرخ میں (یعنی 6.25 فیصد) کااضافہ ہے جس کی وجہ سے آمدنی پیدا کرنے والے اثاثہ جات (یعنی فلوننگ ریٹ PIBs اور فعال ایڈوانسز) کی قیمتوں کا دوبارہ قعین کیا گیا۔
- ا. نیم سودی آمدنی میں 513 ملین کا اضافہ ہوا جس میں سال کے دوران، بڑاحصہ FX آمدنی میں 483 ملین روپے کا اضافہ اورفیں کمیشن آمدن میں 77 ملین کا اضافہ قل از عن 307 ملین کا اضافہ قد مردی 31 31 دسمبر 2022 کو اختتام پذیر سال میں قبل از مختصات نقصان کی مالیت 330.4 ملین روپے رہی اس کے مقاطبے میں گذشتہ سال میں قبل از مختصات نقصان کی مالیت 241.1 ملین روپے تھی۔31 دسمبر 2022 کو اختتام پذیر سال پرقبل از تیک نقصان کی مالیت 2.269 ملین روپے رہی اس کے مقاطبے میں گذشتہ سال میں قبل از مختصات نقصان کی مالیت 241.1 ملین روپے تھی۔31 دیمبر 2022 کو اختتام پذیر سال پرقبل از تیک نقصان کی مالیت 2.269 ارب روپے رہی اس کے برعکس، گذشتہ سال اس سال کے بعد از تیکس نقصان کی مالیت 330.4 ارب روپے رہی اس کے مقاطبے میں گذشتہ سال اس کی مالیت 3.201 ارب روپے تھی کے دوران مختصات کرنے میں کی تھی یعنی 1.938 ارب روپ اور اس کے مقاطبے میں گذشتہ سال اس کی مالیت 3.201 اور ہے ہوں ک

## (Branches) شاخيس C.

بینک نے اپنی موجود گی کو پورے پاکستان میں 169 شہروں/قصبات کے 330 مقامات پر برقر اردکھاجس میں اسلامی بینکاری کے لیے مخصوص 14 شاخیں بھی شامل ہیں۔سال کے دوران کوئی نگ شاخ نہیں کھولی گئی۔علاقائی تقسیم کی تفصیلات درن ذیل ہیں:



# ڈائر بکٹرزر پورٹ

میں بورڈ آف ڈائر کیٹرز کی جانب سے 31 دسمبر 2022 کو اختیام پذیر سال کے لیے بینک کے مالیاتی نتائج پیش کررہا ہوں۔مالیاتی جھلکیاں درج ذیل ہیں؛

یں بورڈ آفڈائر میٹرز کی جانب سے 31 دمبر 2022 کو اختیام پر سرسال ۔ 	کے لیے بینک کے مالیاتی نہائ چیں کررہا ہو 	ں۔مالیای بھلکیاں درن ڈیل ہیں؟ 	(روپے000، میں)
بىلنى شىپ	31 دېمبر 2022 پر	31 دىمبر 2021 پر	فيصد تبديلي
اداشده مرمايير	29,524,428	25,524,428	15.67%
حصص کی جمع شدہ رقم	-	4,000,000	
ذ خائراور جمع شده نقصان	(11,164,969)	(9,775,499)	14.21%
اداشده مرما یه بهت جنع شده نقصان	18,359,459	19,748,929	(7.04)%
دوباره قدر پذیری پرخساره	(1,208,500)	(1,121,647)	7.74%
ملکیتی سرمانیہ	17,150,959	18,627,282	(7.93)%
ادهار	106,934,714	26,785,738	299.22%
ڈ <i>پ</i> ا <i>ز</i> ٹس	223,043,950	217,608,406	2.50%
برماییکارکی (Carrying value)	254,552,777	175,703,381	44.88%
مجوعی ایڈوانسز	70,899,317	73,023,451	(2.91)%

فيصد تبديلي	31 دىمبر 2021 پراختىام پۇير	31 دسمبر 2022 پراختام پذیر سال	نقع نقصان کا کھان <i>ہ</i>
66.67%	21,826,086	36,377,762	مارک اپ/ریژنز/سودی آمدنی
83.56%	16,921,716	31,061,343	مارک اپ/ اخراجات/سودی اخراجات
8.40%	4,904,370	5,316,419	خالص مارک اپ/ ریٹرنز/سودی آمدنی
22.96%	354,479	435,879	فیس تمیشن اوردیگرآ مدن
649.70%	74,371	557,561	<u>غیرمکلی زرمبادلہ سے آمد نی</u>
64.61%	154,063	253,607	متقسمه منافع
	(6,435)	(157,712)	سرمایه کاری کی فروخت سے نفع/( نقصان)
88.96%	576,478	1,089,335	بنامارک اپ/ غیرسودی آمدنی
16.87%	5,480,848	6,405,754	کل آ مدن
17.72%	5,722,033	6,736,209	بنامارک اپ/غیر سودی اخراجات
(7.44)%	87,342	80,939	ختصات/سرمایی کی گھٹی ہوئی قدر
(67.61)%	5,735,574	1,857,699	فخصات-ایڈوانسز کے لیے مخصوص اورعام
(66.71)%	5,822,916	1,938,638	كل مختصات
37.01%	(241,185)	(330,455)	نقصان قبل ازتيك اورمختصات
(62.58)%	(6,064,101)	(2,269,093)	نقصان قبل ازتيس
(62.82)%	(3,727,484)	(1,385,750)	نقصان بعدا تنيكس
(63.76)%	(1.49)	(0.54)	نقصان فی <i>صص</i> (روپ)



کم سے کم سر مایہ ( capital ) کی ضرورت اور کیپیل کی موزونیت کا تناسب سندھ بیتک کا سرمایہ کی موزونیت کا تناسب (Ratio AdequacyCapital) 31 دسمبر 2022 پر کم از کم 11.50 فیصد کی شرح کے مقابلے میں 5.38 فیصد ہے ۔ بیتک نے حکومت سندھ سے درخواست کی ہے کہ 2 ارب روپے کا سرمایہ دےتا کہ کم سرمایہ (Capital ) کی موزونیت کے تفاضے کو پوراکیا جا سکے۔

# خطرات سے نیٹنے کاانتظامی ڈھانچہ

خطرہ مول لینا، بینکاری کی مرکزی سرگرمی ہے ۔ بینک کاروباری مواقعوں کا تخمینہ خطرہ وا نعام کے باہمی تعلق سے کرتا ہے۔ بینک کاروباری مواقعوں کے موزوں ہونے، قابو میں ہونے، اپنے سائز میں ہونے، اس کی پیچید گی اورکاروبارکی نوعیت کی بنیاد پر خطرہ لیتا ہے۔ ہمارے کاروبارکا تنوع (diversity) ہم سے تقاضہ کرتا ہے کہ اس کی شاخت، پیائش اور دپیش خطرات کو مؤتر طور پر مختلف متعین حدود کے تحت منظم کیا جائے۔ بینک میں خطرے کا انتظام ، بینک کی انتظامی ساخت، خطرے کے انتظام اور گرانی سرعمل کی ذال ہے جو بینک کار مرمیوں ہے، ہے، ہما ہیک دود کے تحت منظم کیا ہوئی ہدایات سے مطالب ہوتا ہے۔ اپنے کی انتظامی ساخت، خطرے کے انتظام اور گرانی سرعمل کے ذریعے سے کہا جاتا ہے جو بینک کی سر کرمیوں سے بہت ہم آہ بنگ اور بینک دولت پاکستان (SBP) کی دی ہوئی ہدایات سے مطابق ہوتا ہے۔ اپنے دسک سنٹ نظامی ساخت، خطرے کے انتظام اور گرانی سرعمل کے ذریعے سے کیا جاتا ہے جو بینک کی سر کرمیوں سے بہت ہم آہ بنگ اور بینک دولت پاکستان (SBP) کی دی

# مالیاتی ریورٹنگ پراندرونی کنٹرول

سند ہینک نے در پیش خطرات کی شناخت، تجزیباوران خطرات سے نیٹنے کے لیے ایک جاری عمل تشکیل دیاہے اور اس میں مالیاتی رپورٹنگ پراندرونی کنٹرول کا نظام شامل ہے۔ اس عمل کابورڈ کی آڈٹ کمیٹی باقا کد گ سے جائزہ لیتی ہے۔

بورڈ کا خیال ہے کہ، بینک کی موجودہ مالیاتی رپورٹنگ پراندرونی کنٹرول کا نظام، مناسب حد تک قابل اعتبار ، مضبوط اورموزوں ہے اور بیرونی مقاصد کے لیے ، مالیاتی رپورٹنگ اور مالیاتی دستادیزات کی تیاری متعلقہ اکاؤنٹنگ کے اصولوں اورر یگولیٹری ضوابط کے مطابق ہے۔

ا تنظامیہ، بورڈ کی مالیاتی رپورٹنگ کے اندرونی کنٹرول سے متعلق پالیسیوں اور ہدایات کے نفاذ میں بورڈ کی معاونت کرتی ہے۔ انتظامیہ مالیاتی رپورٹنگ کے اندرونی کنٹرول کے نظام کو مضبوط کرنے کے لیے سلسل کا م کررہی ہے۔

بورڈ، انتظامیہ کے مالیاتی رپورٹنگ کے اندرونی تنثرول کے بیان کی توثیق کرتا ہے بشمول انتظامیہ کی ICFR کی قدر پذیری کے ۔ انتظامیہ کا اندرونی کنثرول کا بیان سالا نہ رپورٹ میں شامل ہے۔

# د پگر جھلکیاں

# a. ایک شعبه میں بڑےاقدامات

بینک کی توجاب نے گا ہوں کواختراعی (innovative) اور محفوظ طل دینے پر ہے۔ سندھ بینک نے اپنے ڈیجیٹل گا ہوں کے لیے ویب پورٹل پررسائی دینے کا آغاز کیا ہے، جس سے پاکستان میں رہائش پذیر پاکستانی اپنے گھر سے آسانی سے " آسان اکاؤنٹ" کھول سکتے ہیں۔ بینک نے s'1Link میں دستیاب IBill بلرز ( billers ) کی خدمات کا اضافہ کرکے مزید SMS بینکاری کی خدمات کا اضافہ بھی کردیا ہے، جس میں اسکول/کالج/ یونیور شی کی بندسیں، کریڈٹ کا رڈ کی ادائیگیاں اور مزیداور بہت پچھ۔

نومبر 2022 سے حکومت سندھ کی جانب سے بینک نے ای-اسٹامپ پیر جاری کرنے کا آغاز شروع کردیا ہے۔ اب گا مکب، ای-اسٹامپ پیر کے لئے سندھ بینک کی تھی براپنی میں آسکتا ہے اور اس کی فیس نفتہ، اکاؤنٹ سنتھ یا دیگر بینک کے چیک کے ذریعے ادائیگی کر کے ای-اسٹامپ پیر زحاصل کر سکتا ہے۔ اب بینک مقامی حکومت کے پراپر ٹی ٹیکس کی وصولی کے لیے بطور تصفیہ کروانے والے کے بھی کا م کرد ہا ڈیجیٹل خدمات کی تیز تر فراہمی کومزید مشتحکم کرنے کے لیے سندھ بینک نے حبیب بینک کھیٹڈ کے کوئیک (Konnect) ہے ڈیجیٹل شراکت کے معاہدے پردستخط کردیے ہیں۔

سندھ بینک میں کتمیل کے طور طریقوں کوفر وغ دینے اور کتمیل نے فنکشن کے موئٹر ہونے سے عمل کو شتحکم کرنے کے لیے سندھ بینک نے اکتو بر 2022 میں " کمپلائنس رسک میٹجنٹ" حل کا نفاذ کردیا گیا ہے۔ معلومات کے تحفظ کے محاذ پر بینک نے پرائمری اور DR ڈیٹا سینٹرز دونوں میں "ڈیٹا سینٹرفائروال " (Data Center Firewall) نافذ کردیا ہے۔ بینک نے (Rramework Control Security کا فذکر دیا ہے۔ بیاک ایک ایک ایک کی بہترین پریکٹسز کے مطابق ہے۔

> اس سال بینک نے اس کی ٹیکنیکل کچک کومزید بہتر بنانے کے لیے تابق سے بحالی کی مثق (Disaster Drill Recovery) بھی کامیابی سے سرانجام دی ہے۔ **ملک می**ں ترسیل زر

سال 2022 کے دوران، سندھ بینک نے اپنے دینے ورک کے ذریعے سے ملک میں 135,000 گا ہوں کو تر سیل زرکی جبکہ گذشتہ سال 2021 میں گا ہوں کی تعداد 20,000 تھی۔ سال 2022 میں سندھ بینک ویسٹرن یونین (Western Union) کا سپرایزنٹ بن گیا تھااوراس نے بینک آف آزاد جموں اور شمیرکوا پنا پہلا ذیلی نمائیند ہ(sub agent) بنالیا ہے۔ سندھ بینک وفاقی حکومت کے سوہنی دھرتی تر سیل زر پروگرام کا شریک بینک بھی بن گیا تھا اوراس نے بینک آف آزاد جموں اور شمیرکوا پنا پہلا ذیلی نمائیند ہ(sub agent) بنالیا ہے۔ سندھ بینک وفاقی حکومت کے سوہنی دھرتی تر سیل زر پروگرام کا شریک بینک بھی بن گیا ہے سال 2022 میں اس پروگرام کے ت (PRISBP Remittance Incentive) کے لیے اہل بنادیا ہے۔ ملک کو غیرملکی زرمبادلہ کی تر سیل زر میں مشکلات کے باوجود بینک کی کارکردگی کا انداز ہور نے میں ان کر 202 کی تھا کو سے سے لگا چا ہے کہ کی کا دور جو کی میں اس پر



شهروں/قصبات کی تعداد	شاخوں کی تعداد	علاقه
97	206	<b>جنوب</b> بشمول کراچی، <i>سند ہ</i> ھ کے دیگر شہر/قصبات اور ہلوچیتان
72	124	ش <b>ال</b> : بشمول پنجاب،اسلام آباد، خیبر پختونخواه، آزاد جمول کشمیراورگلگت بلتستان
169	330	كل تغداد

# معاشی جائزہ

سال 2022 میں معاثی اور سیاسی معاملات نے ملک کی صورتحال ( dynamics ) کوشد یدطور پرمتاثر کیا ہے۔سال میں عدم توازن، پاکستان کی تاریخ میں پہلی مرتبہ عدم اعتماد کی تحریک کی کا میابی کے سب ہوا۔ پاکستان کا معاثی منظر نامہ، جو پہلے ہی بیرونی کھاتے کی وجہ سے کمز ورصورتحال میں تھا،اس میں ملکی اور مین الاقوامی مساکل کی وجہ سے تیزی سے خرابی پیدا ہونا شروع ہوئی۔ جیسے حیسے سال آ گے بڑھا، معاشی مشکلات میں اضافہ یوکرین اور روس کی جنگ شروع ہونے کے ساتھ ہوا جس کی وجہ سے توانائی کی قیمتیں کئی دہا تیوں کی بلی صروری اشیاء کا استعال عوام سے لیے ایک خواب ہو گیا ہے۔

سال 2022 کوملک کے لیے مشکل ترین سال کےطور پر سمجھا جاسکتا ہے جس میں معاثی اتار چڑھاؤ نے نہ صرف ملکی سیاسی معاملات اور یوکرین کی جنگ نے بگاڑ پیدا کیا بلکہ اس میں تباہ کن سیلا ب نے بھی حصہ ڈالا جس نے 9 ملین لوگوں کو ذط غربت سے نیچے دھیل دیا ہے۔ مین الاقومی مالیاتی فنڈ کا پر وگرام ایک اور شکل ثابت ہور ہا ہے کیونکہ فنڈ متعدد پالیسی اقدامات کا تقاضہ کررہا ہے، جس میں شامل ہیں؛

- 1۔ مارکیٹ کے مطابق شرح مبادلہ (exchange rate)
  - 2- في محصولات كانفاذ-
  - 3 \_ گردشی قرضہ کامستقل حل \_
  - 4\_ توانائى كى قىمتوں مىں اضافہ۔
    - 5\_ شرح سودکو برٹر ھانا۔

اگر چہ بین الاقومی مالیاتی فنڈ کے تقاضے افراطی (inflationary) طرز کے ہیں ،لیکن ملک کے پاس ان کو قبول کرنے کے علاوہ کوئی راستہ نہیں ہے کیونکہ ، بین الاقومی مالیاتی فنڈ کے مطابق ،الطح 3 سالوں (مالی سال 25-23) میں پاکستان کو بیرونی قرضہ کی ادائیکیوں کے لیے 73ارب امریکی ڈالرکا بوجھا ٹھانا ہے (بشمول سالا نہ رول اوور)۔ اس کی وجہ بڑا ہیرونی قرضہ (بیرونی قرضہ جات اور مالی ذمہ داریاں) جوسات سالوں میں دوگنا ہوگا ہے ،جومالی سال 2015 میں 65 ارب امریکی ڈالر( مجموعی قومی پیداوار کا 44 فیصد) سے بڑھ کر مالی سے ک

سال 2023 امیددلانے والاسال نہیں ہے کیونکہ افراط زرکے بلنداعدادہ څارکی وجہ سے سودی نرخوں میں اضافہ متوقع ہےاور بیرونی قرضہ جات کی ادائیکیوں سے متعلق غیریقینی صورتحال ہے جو کرنسی پر مزید دباؤ ڈالے گی۔ بیسال متوقع طور پرائیکشن کا سال بھی ہے جوصورتحال کومزید خراب کر گے سال کے دوران ، شاید کہ ہم کر دبتی قرضہ حک ( restructuring ) ہوتی ہوئی دیکھیں جو پاکستان کے قلیل المدت معاشی منظرنا سے میں بگاڑ پیدا کر گے اس با توں میں بید بات واضح ہے کہ میں اضافہ متوقع کی میں اضافہ متوقع کے سے میں اصلاحات کے ساتھ میں وفی قوضوں کی رہی اسٹر کچریگ کے بعد ممکن نظر آتی ہے۔

# PSX كاجائزه

معاثی مشکلت نے ملکی بازار صص (bourse) کی کارکردگی کو بھی متاثر کیا، جس کی وجہ سے KSE100 انڈیکس کے بینچ مارک (benchmark) میں 9 فیصد کی کی ہوئی۔ اوسط لین دین کا تجم 52 فیصد گھٹ کر 230 ملین صص یومیہ ہوگیا۔ KSE100 انڈیکس دیگرا ثانہ جات کی اقسام مثلاً سونا، نیاپا کستان سڑ یفیکیٹ اورا مریکی ڈالر سے بھی پیچھےرہ گیا ہے۔ گرتی ہوئی ملکیتی سرمایہ کی گرتی ہوئی قدر نے IPO مارکیٹ کو بھی متاثر کیا ہے جیسا کہ سال 2022 میں فنڈ زمیں اضاف کے لیے صرف تین (3) IPO کی پیکشیں آئیں اس کے مقابلے میں 2021 میں فنڈ زمیں اضاف کے لیے آٹھ (8) IPO کی پیکشیں آئیں اس کے مقابلے میں 2021 میں فنڈ زمیں اضاف کے لیے آٹھ (8) IPO کی پیکشیں آئیں اس کے مقابلے میں 2021 میں فنڈ زمیں اضاف کے لیے آٹھ (8) IPO کی پیکشیں آئیں اس کے مقابلے میں 2021 میں فنڈ زمیں اضاف کے لیے آٹھ (8) IPO کی پیکشیں آئیں اس کے مقابلے میں 2021 میں فنڈ زمیں اضاف کے لیے آٹھ (8) IPO کی پیکشیں آئیں اس کے مقابلے میں 2021 میں فنڈ زمیں اضاف کے لیے آٹھ (8) IPO کی پیکشیں آئیں تقس بلوم برگ (Bloomberg) کے مطابق سال 2022 میں KSE100 انڈیکس امریکی ڈالرکی مدیں بدترین کارکردگی دکھن خوالوں میں سے ایک تھا۔

سال 2023 میں مکمنہ بہترین پس منظرمیں، اگرتیل کی قیمتیں تیزی سے کم ہوتی ہیں اور عالمی کریڈٹ مارکیٹ معمول پرواپس آجاتی ہے تو ہم شایدد یکھیں کہ پاکستان کی ملکیتی سرمایہ کی مارکیٹ بہتر کار کردگی دکھائے۔ اس طرح بدترین پس منظرمیں، اگر پاکستان اپنے قرضوں کی ادائیگی میں ناد ہندہ ہوجا تا ہے تو سال 2023 میں تو قبع ہے کہ انڈیکس مزیدگرسکتا ہے۔

**کر پڑٹ ریٹنگ** VIS کریڈٹ ریٹنگ کپنی نے اپنی 28جون 2022 کی رپورٹ میں بینک کی طویل المدت درجہ بندی کے لیے '+A'(ایک مثبت A) او<sup>قل</sup>یل المدت درجہ بندی کے لیے 'I-A' (ون-A) کی توثیق کی ہے۔



سال 2022 میں،NIBAF،IBP،PITAC، ڈیلسنز (Dellsons) اور دیگر معروف کنسکٹینسیز (consultancies) کی جانب سے پیش سے جانے والے بیرونی (Ex-house) تربیق پروگرامز میں عملے مستعدد ملاز مین کونا مزد کیا گیا تھا۔ کیونکہ سال 2022 میں بینک دولت پاکستان ،اسلامی بینکار کی قتحیل، رسک پنجنٹ اور SME کے تربیق پروگرامز پرزوردیا تھا اوراس کی قتحیل کرتے ہوئے بینک کے 64 ملاز مین کو پاکستان جرمیں مختلف مقامات پر منعقدہ سیمینار/ ورک شاپس میں شرکت کے لیے نامزد کیا تھا۔ یہ

# ادارتى سارى دمددارى (CSR)

# سلاب کريليف پروگرام کے ليفنڈريزنگ؛

- سندھ بینک نے وزیر ی<sup>معظ</sup>م کے فلڈریلیف فنڈ پروگرام کے اشتراک سے عوام کے لیے سیلاب متاثرین کی مدداور عطیات جمع کرنے کے لیے مخصوص اکا ؤنٹ کھولا اور شہریوں کواس پلیٹ فارم سے عطیات جمع کروانے کی حوصلہ افزائی کی۔
- ، سندھ بینک نے اپنے ملاز میں سے بھی عطیات جنع کئے ہیں جس کے تحت افسران سے دودن کی تخواہ اور دیگر ملاز مین سے ایک دن کی تخواہ لطورامداد کے کر بینک کی جانب سے 5.2 ملین روپے کا چیک وزیراعلی سندھ کے حوالے کردیا گیا ہے۔
  - 50 ملین روپے مالیت کے خیموں کی صوبہ سند دھ میں تقسیم صوبائی ڈیزا سٹر مینج نٹ اتھار ٹی پروگرام *کے تح*ت کی گئی۔ سال 2022 کے دوران بینک نے درن زیل پروگرامز کا انتظام کیایا سر پریتی کی
  - بینک دولت پاکستان کے اشتراک سے بینک نے اپنے صدردفتر میں چھاتی کے کینسر کی آگاہی کا دن منایا اور علامتی طور پر گلابی ربن (Pink Ribbon) کو چھاتی کے کینسراوراس کے تد ارک سے آگاہی کو پھیلانے کے لیے استعال کیا۔
    - سند هدینک ATM آن و بیل (wheels on ) کوسالا نداجتماع کراچی میں پہنچایا گیا تا کداجتماع میں شرکت کرنے والے افراد کو سہولت پہنچائی جا سکے۔
      - ا پلائڈا کنامکس ریسرچ سینٹر، جامعہ کراچی، کے فارغ انتخصیل طلباء ( Alumni ) کے لیے میٹ اینڈ گریٹ بروگرام کی سر رتپتی کی۔
        - ، ائر پورٹ سیکیوریٹی فورس (ASF) کے بیم شہداء منانے کی سر پر تق کی۔

# اداراتی اور مالیاتی ریورننگ کا ڈھانچہ

- بینک کی انتظامیہ کے تیار کر دہ مالیاتی گوشوار سے اسکے معاملات کی حالت جملی امور کے نتائج ، کیش فلواد ملکیتی سرمایہ (equity) میں تبدیلی واضح طور پر پیش کرتے ہیں۔
  - بینک نےمناسب کھاتوں کی کتابیں (Accounts of Books) تیارکھی ہوئی ہیں۔
  - ، مالیاتی گوثواروں کی تیاری میں درست اکا ؤنٹنگ یالیسیوں کا کیساں اطلاق کیا گیا ہے اورا کا ؤنٹنگ تخمینوں کی بنیا دمعقول اور مختلط فیصلوں پر ہے۔
- ، مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈ رڈز،جیسا کہ پاکستان کے بینکوں میں قابل اطلاق ہیں، پڑل کیا گیا ہے اوران سے کسی بھی انخراف کو مناسب طور پر خاہر کیا گیا ہے اوراس کی وضاحت کی گئی ہے۔
  - اندرونی کنٹرول کے نظام کانقشہ مضبوط بنیادوں پر تیار کیا گیا ہےاورا سکاموثر نفاذ اورنگرانی کیجاتی رہی ہے۔
    - بینک کے مستقبل میں ایک جاری رہنے والے ادارے کے طور پر چلتے رہنے میں کوئی شرنہیں ہے۔
- ، سال کے دوران ICAP کے منظور شدہ ایک ٹرینز کے ذریعے کا رپوریٹ گورننس کے بارے میں ڈائر یکٹرزاور مینیشن کورس کا انظام کیا گیا، جس میں CEO اور صدر سمیت وہ تمام ڈائر یکٹرز شریک ہوئے جنگی FPT دستاویزات کی جائج کے دوران SBP نے ہدایات کیں۔



پاکستانی روپے میں مالیت	امریکی ڈالرمیں مالیت	سودوں کی تعداد	سال
10,384,617,531	50,853,085	117,129	2022
10,270,625,479	63,253,983	116,536	2021

a. مائىكردفنانس بىنك كمىيى (كىمل طورىردىلى ادارە)

سندھائىكروفاس بىكىلىڭىڭر (SMFB)، نے مائىكروفنانس آپرىشن كا آغاز صوبەسندھىلىمىمى 2016 مىلى 750 ملىن روپ كےملكىتى سرمايد سے كيا ۔31 دىمبر 2022 تك SMFB نے اپنے منافع كے ذريعے سے اپنے ملكيتى سرمائے كوايك(1) ارب روپ تك پينچاديا ہے۔ SMFB كارادہ ہے، كہ جيسے، ہى تو مى سطح كے لائيسنس كى كم سے كم كىپيل كى ضرورت پورى ہوتى ہے تو دہ بيتك دولت پاكستان سے قو مى سطح كالاكسينس حاصل كرے۔

SMFB نے اب تک 237,000 قرضہ جات جن کی تقریباً مالیت 7 ارب روپ ہے، کی ادائیگیاں سندھ بحرمیں 90 مقامات پر موجود دفاتر ہے کی جا چکی ہیں۔ مائکرو فنانس پروگرام کا مقصد سندھ کے پسماندہ طبتے، خاص طور پرعورتوں تک، فنانس کی رسائی میں بہتر کی لانا تھا۔ اس جذب کے تحت SMFB نے اپنا، سندھ میں دیمی اور نیم شہروں میں معا شی طور پرتحرک خواتین کوخود مختار بنانے کے لیےان تک فنانس کی رسائی میں اہم کر دارادا کیا۔

31 دسمبر 2022 کوانفتام پذیریال پر 27.24 ملین روپ کے منافع قبل از محصول کا اندراج کیاس کے مقابلے میں گذشتہ سال اس مدت کے دوران اس کی مالیت 45.8 ملین روپ تھی ۔سال 2022 کے اچا تک اور بڑے سیلاب جیسی مشکلات، جس نے سندھ کے دیمی اور نیم شہری علاقوں میں SMFB کے سٹمرز کی زندگیوں کو بری طرح متاثر کیا، اس کے باوجود SMFB نے ایک منافع بخش مائکر وفنانس بینک کے طور پر کاروبار جاری رکھا۔

پاکستان کریڈٹ ریٹنگ ایجنس (PACRA) نے طویل المدت درجہ بندی – A اور قلیل المدت درجہ بندی A2 تفویض کی ہیں جو کہ PACRA کی نظر میں مائیکرو فنانس کے سیکٹر میں SMFB ایک ترقی کر تا ہوا ادارہ ہے۔

	31 د تمبر 2021	31 دسمبر 2022		ىي <u>ل</u> ىن شىڭ
رو پېلين ميں	كھاتوں كى تعداد	رو پېلين ميں	کھاتوں کی تعداد	
958	53,993	1,318	66,133	مجموع قمرضه كالپورٹ فوليو
2,085		2,008		مجموعی قرضہ کا اپورٹ فولیو کل اثاثہ جات
271	103,106	600	129,056	دْ پازلْس
750		310		ادحار
1,116		995		كل واجبات ( Liabilities)
969		1,012		خالص ملکیتی سرمایی(Equity)
				قرضه جات کی فراہمی کی سرگرمی
1,314	42,463	1,991	56,576	قرضه جات کی فراہمی
				<sup>نفع</sup> نقصان کا کھانتہ
284		345		خالص سودی آمدن
46		57		منافع قبل ازمحصول
(18)		(16)		محصول منافع بعداز محصول
27		41		منافع بعداز محصول

31 دسمبر 2022 كواختدام پذير سال مختصر مالياتي جعلكيال درج ذيل بين؛

اسٹاف کی تربیت اورتر قی 31 دسمبر 2022 پر بینک کے کل عملی یعنی ایگز کیوٹیو، آفیسرزاور معاون اسٹاف کی تعداد 2,494 تھی (بشمول 502 ٹھیکیداری عملہ) اس کے مقابلے میں 31 دسمبر 2021 کو مید تعداد 2,458 (بشمول 478 ٹھیکیداری عملہ) تھی۔



# بورد آف دائر يكرز مي تبديلى

جناب ساجدا بڑو 28 جنوری 2022 کوبطور سیکریٹر می مالیات، حکومت سندھ عہدہ سنجال چکے تھے، اس لیے بورڈ نے بینک دولت پاکستان کی 29 مارچ 2022 کی منظوری کے بعدان کوسید حسن نفتو ی، سابقہ سیکریٹری مالیات، حکومت سندھ کی جگہ بورڈیٹس ڈائر بیگر منتخب کرلیا ہے۔ بینک دولت پاکستان کی (CASUAL) اسامیوں کی منظوری کے بعد بورڈ آف ڈائر بیگرز نے بورڈیٹس مزید دوصا حبان کو بطور ڈائر بیڈ منتخب کیا ہے، ان میں سے ایک جناب عدنان علی خان کوبطور آزاد ڈائر بیگر، جانے والے ڈائر بیگر جناب ایم۔ نعیم سہگل کی جگہ اور منز شائستہ بانو گیلانی کا انتخاب بطور آزاد ڈائر بیگر کے منزمیں کیا گیا ہے۔

> بورڈ کمیٹیوں کے اجلاس بورڈ کمیٹیوں کے اجلاس کی تفصیل اس رپورٹ میں پبلک سیکٹرمینیز (کارپوریٹ گوزنس) رونز 2013 کی تعمیل کے بیان میں خاہر کی گئی ہے۔

> > **تصص رکھنے کا ربحان (pattern)** تصص رکھنے کاربحان (pattern)اس رپورٹ کے ساتھ منسلک ہے۔

## بيروني محاسبين (Auditors External)

میسرزنوید نفاق جعفری اینڈ کمپنی، چارٹرڈا کاؤنٹیٹس اپن5سال پورے کرنے کے بعد سبکدوش ہورہے ہیں۔31 دسمبر2023 کے اختتام تک کے لیے بینک کے نئے دستوری آ دیٹرز میسرز RSM اولیں حیدر لیاقت نعمان چارٹرڈا کاؤنٹیٹس کا نتخاب12 ویں سالا نہ عام اجلاس میں صف کنند گان کریں گے۔

# مستقبل كامنظرنامه

اب تک حوصلدافزاء نتائج حاصل کرنے کے بعد،انتظامیہ پرعز م ہے کی وہ آنے والی مدت میں مندجہ ذیل مقاصد پر اپنی توجہ برقرار رکھےگی:

- (i) غیرفعال قرضوں کی بحالی اور کمی؛
- (ii) كنزىيمر، SME اور تجارتى كاروبار ميں اضافه:
- (iii) اورتجارت مے متعلق فیس میں اضافے کے ساتھ زیادہ توجہ SME ، Consumers اور تجارتی کاروبار؛
  - (iv) متبادل فراہمی اورخدمات کے ذرائع جس کی بنیادئیکنالوجی پلیٹ فارم پر ہو تا کہ گا ہوں کو سہولت فراہم کی جاسکے۔
    - (v) محملے کی تربیت اور ترقی
    - (vi) خطرے اور نگرانی کے ماحول کی مضبوطی

## اعتراف

بور ذا تُ دائر يكثر زك جانب ، مين خلوص دل سے ريگو ليٹر زجھ ص كنندگان اور گاہوں كاان كى بينك انطام يہ كى مسلسل رہنمائى اور حمايت كرنے پرشكر بيدادا كرما چاہتا ہوں ۔

بورڈ آف ڈائر کیلرز کی جانب سے

عمران صدنان الكيزيكيثيو ڈائريكٹر

عمران صدنان اینزیمییو دائز. صدر/CEO کراچی:8مارچ2023

نانا بگزیکٹیو دائر یکٹر

- گذشتہ چیسالوں کےاہم مالیاتی اورآ پریننگ اعداد دشارکوسالا نہ رپورٹ میں فراہم کیا جارہا ہے۔
- تمام دستوری مالیاتی ذمہ داریاں ،اگرکوئی ہیں ، کومناسب طور سے مالیاتی دستادیزات میں خاہر کیا گیا ہے۔
- چیئر مین اور بورڈ کے دیگر ممبر صاحبان کے تقر راوران کے نقر رکی شرائط، بہت ان کے معاوضے کے لیےاختیار کر دہ پالیسی بینک کے بہترین مفادمیں ہے اور بہترین طورطریقوں ہے بھی مطابقت رکھتی ہے
- 315 دسمبر 2022 پرسندھ بینک کمیٹڈ کے ملازمین کی پراویڈینٹ فنڈ کی سرمایہ کاری کی مالیت 1,671.4 ملین روپے (2021–1,346.945 ملین روپے) ہوگئے۔31 دسمبر 2022 پرسندھ بینک کمیٹڈ کے ملازمین کے گریجو ٹی فنڈ کی سرمایہ کاری کی مالیت 632.6 ملین روپے تھی (2021–516 ملین روپے ) اورمزید 104.7 ملین روپے کی رقم کو بیکنس شیٹ کی تاریخ پر، فنڈ کی ایکچوریل قدر پذری (valuationactuarial ) کے بعد نتقل کیا گیا ہے۔
  - پېلې سيکړ کېينيز (کارپو ريٹ گورنس) ضوالط مجريہ 2013 ء کې تعميل کابيان سالا نه رپورٹ ميں عليحدہ سے ديا گيا ہے۔

**پورڈ، چریٹن،انفرادی ڈائر مکٹر، آزادڈائر مکٹرز،صدراورCEOادر کمیٹیوں کی قدر پیانی (evaluation)** بینک دولت پاکستان کے، BPRD کے سر کلرنمبر11، بتاریخ22اگست 2016 اور پلک سیٹر کمپنیز (کارپوریٹ گورننس) رولز 2013 کے مطابق، بورڈ آف ڈائیر مکٹرز نے اپنے چوالیسویں اجلاس منعقدہ21 نومبر 2016 کو اپنی کارکردگی، چیرمین کی کارکردگی،انفرادی ڈائر مکٹر (، آزادڈائر مکٹرز، صدراور CEOادر بورڈ کی کمیٹیوں کی قدر پذیری کے لیے معیاراورطریقہ کارکی منظوری دے دی ہے۔

بورڈ کے ارکان نے سالانہ بنیاد پر، بینک کا اندرونی طور پر تیار کردہ کمینز متارکر کے چیئر مین کے پاس جنع کروادیا ہے۔بورڈ کی کارکردگی پرتمام ڈائیر یکٹرزانفرادی طورپر، بورڈ کی ساخت اور ڈھانچہ حکمت عملی کی تیاری میں بورڈ کا حصہ، پالیسی کا ڈھانچہ مضبوط اور موئٹر رسک پنجنٹ اور انٹرنل کنٹرول آڈٹ فنکشنز کے متعین معیار کی بنیاد پڑخمیند لگاتے ہیں۔

ہینک دولت پاکستان کے مذکورہ بالاسرکلرکے مطابق کارکردگی کی قدر پذیری نتین سال میں ایک مرتبہ کس ہیرونی ادارے سے کروائی جائے۔اس طرح سے سال 2022 میں تمام ڈائر یکٹرز نے بورڈ کی کارکردگی کی جائچ کی اور اسے 101 ویں بورڈ کے اجلاس منعقدہ 8مارچ 2023 کوچیر مین کے پاس جنح کروادیا گیا ہے۔

## بورد کودائر يکثرز

	بورڈ کی N تمیڈ	نامزدگی بڻ	بورڈ کی: سمی										بورڈ کی آڈٹ سمیٹی				بورڈ کی ہیومن ریسورس سمیٹی		بورڈ ڈائر	ڈائریکٹرز کےنام	نمبرشار
شركت	سال میں منعقد	ىثركت	سال میں منعقد	شركت	سال میں منعقد																
3	3	1	1	2	2	-	-	-	-	1	1	9	9	جناب انيس اےخان	1						
3	3	1	1	-	-	3	3	1	4	1	1	7	9	جناب ساجد جمال ابرو	2						
-	-	-	-	1	2	1	3	2	4	-	-	9	9	جناب آصف جهائگير	3						
-	-	-	-	-	-	3	3	4	4	-	-	9	9	جناب جاويد بشيرشخ	4						
-	-	-	-	-	-	-	-	2	4	-	-	3	9	متزمعصومه سين	5						
3	3	1	1	2	2	-	-	2	4	-	-	6	9	جناب محرآ فتأب عالم	6						
-	-	-	-	1	2	-	-	-	-	1	1	3	9	جناب عدنان على خان	7						
-	-	-	-	-	-	-	-	-	-	-	-	9	9	جناب عمران <i>صد ، صد</i> راور CEO	8						
	3	1		2	2	:	3	۷	ļ		1	ę	9	کےدوران منعقدا جلاس	سال						

ز ریجا مُزه سال کے دوران بورڈ کے ڈائر یکٹرز کے اجلاس کی حاضری کی تفصیلات درج ذیل تقیین:



# Vertical Analysis Statement of Financial Position / Profit & Loss

	2022		2021		2020		2019		2018		2017	
	Rs. in mi <b>ll</b> ior	%	Rs. in mi <b>ll</b> ion	%	Rs. in mi <b>ll</b> ion	%	Rs. in mi <b>ll</b> ior		Rs. ir mi <b>ll</b> io		Rs. in mi <b>ll</b> ior	%
STATEMENT OF FINANCIAL POSITION	4											
ASSETS											С	ash and
Cash and balances with treasury banks	14,169	4%	19,342	7%	14,487	5%	13,553	8%	9,103	6%	9,680	5%
Balances with other banks	1,620	0.5%	1,092	0%	4,185	2%	839	%	508	0%	3,023	%
Lendings to financial institutions	19,967	6%	6,081	2%	8,213	3%	3,645	2%	5,383	3%	5,331	3%
Investments	254,553	71%	175,703	65%	170,818	62%	65,143	41%	55,351	36%	114,260	56%
Advances	43,802	2%	47,784	8%	56,853	21%	61,131	38%	73,632	47%	64,713	32%
Operating fixed assets	4,150	1%	3,262	1%	3,334	1%	3,828	2%	1,663	%	1,655	8
Deferred tax assets-net	4,662	4%	3,252	5%	10,182	4%	8,607	5%	4,028	3%	1,612	%
Other assets	4,928	1%	3,671	1%	5,641	2%	3,853	2%	5,894	4%	4,602	2%
	357,850	00%	270,188	00%	273,714	100%	160,599	100%	55,56	00%	204,876	00%
LIABILITIES												
Bills payable	726	0.21%	625	0%	592	0%	495	0%	929	%	905	0%
Borrowings from financial institutions	106,935	31.39%	26,786	0%	62,378	23%	4,192	3%	26,772	7%	50,971	25%
Deposits and other accounts	223,044	65.47%	217,608	81%	85,571	68%	134,050	83%	113,594	73%	134,207	66%
Deferred tax liability-net	-		-	0%	-	0%	-	0%	-	0%	-	0%
Other liabilities	9,995	2.93%	6,542	2%	6,096	2%	4,785	3%	3,027	2%	2,725	1%
	340,699	100%	251,561	93%	254,637	93%	143,522	89%	144,322	93%	188,808	92%
NET ASSETS	17,151		18,627	7%	19,077	7%	17,077	11%	,239	7%	16,068	8%
REPRESENTED BY												
Share capital	29,524		25,524	<b>9</b> %	19,710	7%	19,710	2%	10,010	6%	10,010	5%
Shares Deposit Money	-		4,000	0%	2,000	%	2,000	%				
Reserves	1,461	<b>9</b> %	1,461	1%	1,471	%	I,452	%	I,452	%	I,452	%
Proposed shares to be issued on amalgamation	-	0%	-	0%	3,814	%		0%		0%	-	0%
(Accumulated loss) / Unappropriated profit Defecit/(surplus) on revaluation of	(12,626)	-74%	(11,237)	-4%	(7,510)	-3%	(4,304)	-3%	3,957	3%	5,176	3%
investments - net of related deferred tax	(1,209)	-7%	(1,122)	0%	(409)	0%	(1,781)	-1%	(4,181)	-3%	(570)	0%
	17,151	-72%	18,627	7%	19,077	7%	17,077	11%	11,238	7%	16,068	8%
PROFIT & LOSS ACCOUNT												
Mark-up / return / interest earned	36,378	97.1%	21,826	97%	15,350	96%	12,115	06%	12,383	03%	11,541	90%
Fee, commission and brokerage	428	1.1%	352	2%	279	2%	304	3%	328	3%	454	4%
Income from dealing in foreign currencies	558	1.5%	74	0%	285	2%	159	%	87	1%	104	%
Capital gain and dividend income	96	0.3%	148	%	50	0%	(1,138)	-10%	(820)	-7%	760	6%
Other income	8	0.0%	3	0%	9	0%	8	0%	16	0%	10	0%
Total income	37,467	100.0%	22,403	100%	15,973	100%	11,448	100%	11,994	100%	12,869	100%
Mark-up / return / interest expensed	31,061	82.90%	16,922	76%	12,476	78%	10,266	90%	7,508	63%	6,276	<b>49</b> %
Operating & admin expenses	6,736	7.98%	5,722	26%	5,109	32%	4,923	43%	4,527	38%	4,157	32%
Provision against investments & others	1,939	5.18%	5,823	26%	3,723	23%	10,020	88%	1,378	11%	253	2%
Taxation	(883)	(2.36%)	(2,337)	-10%	(2,122)	-13%	(5,501)	-48%	(214)	-2%	927	7%
Total Expenses	38,853	03.7%	26,130	7%	19,186	120%	19,708	72%	3, 99	110%	11,613	90%
(Loss)/Profit after taxation	(1,386)	-3.7%	(3,727)	-17%	(3,213)	-20%	(8,260)	-72%	(1,205)	-10%	1,256	10%

# Horizontal Analysis

	2022 Rs. in million	22 vs 21 %	2021 Rs. in million	21 vs 20 %	2020 Rs. in million	20 vs  9 %	2019 Rs. in million	19 vs 18 %	2018 Rs. in million	18 vs 17 %	2017 Rs. in million
STATEMENT OF FINANCIAL POSITION ASSETS											
Cash and balances with treasury banks	14,169	-27%	19,342	34%	14,487	7%	13,553	49%	9,103	-6%	9,680
Balances with other banks	1,620	48%	1,092	-74%	4,185	399%	839	65%	508	-83%	3,023
Lendings to financial institutions	9,967	228%	6,08	-26%	8,213	125%	3,645	-32%	5,383	1%	5,331
Investments	254,553	45%	175,703	3%	170,818	62%	65,143	8%	55,351	-52%	114,260
Advances	43,802	-8%	47,784	-16%	56,853	-7%	61,131	-17%	73,632	14%	64,713
Operating fixed assets	4,150	27%	3,262	-2%	3,334	-13%	3,828	30%	1,663	0%	1,655
Deferred tax assets-net	4,662	11%	13,252	30%	10,182	8%	8,607	4%	4,028	150%	1,612
Other assets	4,928	34%	3,671	-35%	5,64	46%	3,853	-35%	5,894	28%	4,602
	357,850	32%	270,188	- %	273,714	<b>70</b> %	160,599	3%	155,561	-24%	204,876
LIABILITIES											
Bills payable	726	6%	625	6%	592	20%	495	-47%	929	3%	905
Borrowings from financial institutions	106,935	299%	26,786	-57%	62,378	1388%	4,192	-84%	26,772	-47%	50,971
Deposits and other accounts	223,044	2%	217,608	7%	185,571	38%	134,050	8%	113,594	-15%	134,207
Deferred tax liability	-		-	0%	-	0%	-	0%	-	0%	-
Other liabilities	9,995	53%	6,542	7%	6,096	27%	4,785	58%	3,027	11%	2,725
	340,699	35%	251,561	- %	254,637	77%	143,522	-1%	144,322	-24%	188,808
NET ASSETS	17,151	-8%	18,627	-2%	19,077	12%	17,077	52%	11,239	-30%	16,068
REPRESENTED BY											
Share capital	29,524	6%	25,524	29%	19,710	0%	19,710.00	97%	10,010	0%	10,010
Shares Deposit Money	-	-	4,000	-100%	2,000	0%	2,000.00	0%	-	0%	
Reserves	1,461	0%	1,461	-1%	1,471	1%	1,452.00	0%	1,452	0%	1,452
Proposed shares to be issued on amalgamation	-	-	-	-100%	3,814	0%	-	0%	-	0%	
(Accumulated loss) / Unappropriated profit Surplus / (Deficit) on revaluation of	(12,626)	12%	(11,237)	50%	(7,510)	-74%	(4,304.00)	-209%	3,958	-23.53%	5,176
investments - net of related deferred tax	(1,209)	8%	(1,122)	75%	(409)	77%	(1,781.00)	-57%	(4,181)	633%	(570)
	17,151	-8%	18,627	-2%	19,077	12%	17,077	52%	11,239	-30%	16,068
PROFIT & LOSS ACCOUNT											
Mark-up / return / interest earned	36,378	67%	21,826	42%	15,350	27%	12,115	-2%	12,383	7%	11,541
Fee, commission and brokerage	428	22%	352	26%	279	-8%	304	-7%	328	-28%	454
Income from dealing in foreign currencies	558	650%	74	-74%	285	79%	159	82%	87	-16%	04
Capital gain and dividend income	96	-35%	148	94%	50	104%	(1,138)	39%	(820)	-208%	760
Other income	8	200%	3	-72%	9	11%	8	-49%	16	58%	10
Total income	37,467	67%	22,403	40%	15,973	40%	11,448	-5%	11,994	-7%	12,869
Mark-up / return / interest expensed	31,061	84%	6,922	36%	12,476	22%	10,266	37%	7,508	20%	6,276
Operating & admin expenses	6,736	8%	5,722	2%	5,109	4%	4,923	<b>9</b> %	4,527	<b>9</b> %	4,158
Provision against investments & others	1,939	-67%	5,823	56%	3,723	-63%	10,020	627%	1,378	446%	252
Taxation	(883)	-62%	(2,337)	10%	(2,122)	-61%	(5,501)	2486%	(213)	-123%	927
Total Expenses	38,853	49%	26,130	-36%	19,186	3%	9,708	<b>49</b> %	13,200	4%	11,613
(Loss)/Profit after taxation	(1,386)	-63%	(3,727)	-16%	(3,213)	61%	(8,260)	585%	(1,206)	-196%	1,256



# Key Performance Indicators

		2022	2021	2020	2019	2018	2017
Financial							
Investments-Gross	Rs. In million	257,487	178,415	172,300	68,567	62,027	115,145
Advances-Gross		70,899	73,025	76,356	76,430	79,172	69,112
Deposits	" "	223,043	217,608	185,571	I 34,050	113,595	134,207
Shareholders' Equity		17,150	18,635	19,077	17,077	11,238	l 6,067
Total Assets		357,850	270,198	273,713	I 60,599	155,561	204,876
Net Interest Income		5,316	4,904	2,874	I,850	4,875	5,265
Non Interest Income	" "	I,089	576	623	(668)	(389)	1,328
Operating Expenses		6,736	5,722	5,109	4,923	4,527	4,158
(Loss)/ Profit Before provisions		(330)	(241)	(1,612)	(3,741)	(4I)	2,435
Provision against investments & others	5 " "	I,938	5,824	3,723	10,021	I,378	252
(Loss)/Profit Before Taxation		(2,269)	(6,065)	(5,335)	(13,761)	(1,419)	2,182
(Loss)/Profit After Taxation		(1,386)	(3,728)	(3,213)	(8,260)	(1,206)	1,256
Non Financial							
No. of Customers (as of)	Numbers	556,539	517,621	484,730	497,507	477,399	471,439
No.of New Branches Opened		-	-	-	-	30	40
No. of New Accounts Opened		69,587	36,034	33,056	39,172	42,721	57,657
No. of ATM/Debit Cards Issued (as of)		107,831	192,776	240,523	291,741	265,413	244,659
No. of Permanent Employees (as of)		I,894	I,828	I,789	I,745	I,628	I,466
No. of ATM Machine (as of)		282	282	271	265	252	240
No. of Mobile Banking Customers	" "	385,046	339,793	336,308	205,022	180,718	188,157
Key Financial Ratios							
(loss) / earnings Per Share	Rupees	(0.54)	(1.49)	(1.63)	(8.00)	(1.20)	1.25
Book Value Per Share		6.65	6.31	7.47	7.87	11.23	16.63
Return on Equity	%	(7.75)	(19.77)	(17.77)	(58.43)	(8.83)	7.95
Return on Assets		(0.44)	(1.37)	(1.48)	(5.23)	(0.67)	0.72
Capital Adequacy Ratio	" "	5.38	11.91	15.20	13.15	8.02	15.67

#### Naveed Zafar Ashfaq Jaffery & Co.

**Chartered Accountants** 



An Association of Independent Accounting Firms 2-B, ATS Centre, 30 West, Block "A" Fazal-ul-Haq Road, Blue Area, Islamabad, Pakistan Ph: +92-51-2878530-32, 2822785 Fax: +92-51-2206283 E-mail: isl@nzaj.com.pk Web: www.nzaj.com.pk

#### **REVIEW REPORT TO THE MEMBERS**

#### On the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Sindh Bank Limited for the year ended December 31, 2022.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the statues of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. 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 Rules.

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.

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 respect, with the best practices contained in the Rules as applicable to the Company for the year ended December 31, 2022.

Place: Islamabad Date: March 10, 2023 UDIN: CR202210596XYRt70Sr1

laveed Zafar Ashfao

Chartered Accountants

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# (SCHEDULE-I)

Statement of Compliance with the Public Sector Companies (Code of Corporate Governance) Rules 2013							
Name of company     -     Sindh Bank Limited							
Name of the line ministry	-	Finance Department, Govt. of Sindh					
For the year ended	31st December, 2022						

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The Company has complied with the provisions of the Rules in the following manner:

S. No.		Rule No.	Y	N		
						< the int boy
I	The independent directors	meet the criteria of independence, as	defined under the Rules.	Rule-2(d)	~	
2	The Board has atleast one-t	t Rule-3(2)	~			
	the board includes:					
	Category	Names	Date of appointment			
	Non-Executive Director	I. Mr. Anis A. Khan	02/04/2021			
	Finance Secretary GoS /	2. Mr. Sajid Jamal Abro	29/03/2022			
	Non-Executive Director		02/04/2021			
	Nominee of GoS / Non- Executive Director	3. Mr. Asif Jahangir	02/04/2021			
	Independent Director	4. Mr. Javaid Bashir Sheikh	02/04/2021			
	Non-Executive Director	5. Mohammed Aftab Alam	02/04/2021			
	Independent Director	6. Mr. Adnan Ali Khan	27/06/2022			
	Independent Director	7. Mrs. Shaista Bano Gilani	30/09/2022			
3	The directors have confirmed	that none of them is serving as a dire	ctor on more than five pub	lic Rule-3(5)	~	
	sector companies and listed o	companies simultaneously, except their	subsidiaries.			
4	The appointing authorities ha	Rule-3(7)	~			
		ersons for election as board members i		( )		
	Companies Act, 2017 (the Ac	ct, 2017).				
5	The Office of the Chairman of	of the Board is separate from the Chief	Executive of the Company	. Rule-4(I)	~	
6	The Chairman is elected by t	he Board of Directors, except where O	Chairman of the Board has			
	been appointed by the Gover	Rule-4(4)	~			
7	The Board has evaluated the	candidates for the position of the Chie	f Executive on the basis of			
		well as the guidelines specified by the C		e,		
		been nominated by the Government)		Rule-5(2)	~	
8	(a) The Company has prepare	ed a "Code of Conduct" to ensure that	professional standards and			
-	corporate values are in place.		· · · · · · · · · · · · · · · · · · ·	Rule-5(4)	~	
		at appropriate steps have been taken t	o disseminate it throughou	• • •		
		ipporting policies and procedures, inclu	-			
	the same on the companies' w	website. sindhbank.com.pk			~	
	(c) The Board has set in place	e adequate systems and controls for th	e identification and redress	al		
	of the grievances arising from	unethical practices.			~	
9	The Board has established a s	system of sound internal control, to en	sure compliance with the			
	fundamental principles of pro	bity and propriety; objectivity, integrity	v and honesty; and			
	relationship with the stakeho	lders, in the manner prescribed in the	Rules.	Rule-5(5)	~	
10	The Board has developed and	l enforced an appropriate conflict of in	terest policy to lay down			
	-	ons when a person may be deemed to				
		procedure for disclosing such interest.	-	Rule-5(5)(b)(ii)	~	
11	The Board has developed and	l implemented a policy on anti-corrupt	ion to minimize actual or			
	perceived corruption in the c			Rule-5(5)(b)(vi)	~	
12		ity of opportunity by establishing open	and fair procedures for			
14	I The board has clisured equal	ity of opportunity by catabilating open	and ian procedures ior			

S. No.		Rule No.	Y	N				
						k the ant bo		
13	procedures relating to public standards, when dealing with	procurem suppliers		Rule-5(5)(c)(iii)	•			
4			ission statement and corporate strategy of the Company.	Rule-5(6)	~			
15			licies of the Company. A complete record of particulars of on which they were approved or amended, has been	Rule-5(7)	~			
16		ervice obl	any action in respect of any service delivered or goods sold igation, and has submitted its request for appropriate consideration.	Rule-5(8)	N/A			
17	The Board has ensured comp Government.	liance wit	h policy directions requirements received from the	Rule-5(11)	~			
8	(a) The Board has met at leas	Rule-6(1)	~					
	at least seven days before the	e meetings			•			
19		-	appropriately recorded and circulated. I the performance of senior management on annual basis ar	Rule-6(3)	<b>~</b>			
19	he Board has monitored an held them accountable for ac purpose.	( )	~					
20	The Board has reviewed and recommendation of Audit Co related parties during the yea	Rule-9	~					
21	(a) The Board has approved first, second and third quarte	e Rule-10	~					
	(b) In case of listed PSCs, the review by the auditors.	e	N/A					
	(c) The Board has placed the	annual fin	ancial statements on the Company's website.		~			
22		All the Board members underwent an orientation course arranged by the Company to apprise them Rule-I of the material developments and information as specified in the Rules.						
23	(a) The Board has formed th	e requisite	e committees, as specified in the Rules.	Rule-12	~			
	(b) The committees were proceeding (b) The composition.	ovided wit	h written term of reference defining their duties, authority	and	~			
	(c) The minutes of the meeti	ngs of the	committees were circulated to all the Board members.		~			
	(d) The committees were ch	aired by th	ne following non-executive directors:		~			
	Committee	Total Members	Name of Chair (I.D-Independent Director & NED-Non Executive Director)					
	Board Audit Committee	04	Mr. Javaid Bashir Sheikh (I.D) Mr. Mohammed Aftab Alam (N.E.D) Mr. Asif Jahangir (N.E.D) Mrs. Shaista Bano Gilani (I.D)					
	Board Risk Management Committee	04	Finance Secretary-GoS (N.E.D) Mr. Javaid Bashir Sheikh (I.D) Mr. Asif Jahangir (N.E.D) Mrs. Shaista Bano Gilani (I.D)					
	Board HRR Committee	03	Mr. Adnan Ali Khan (I.D) Mr. Anis A. Khan (N.E.D) Finance Secretary-GoS (N.E.D)					
	Board Information Technology Committee	03	Mr. Anis A. Khan (N.E.D) Mr. Adnan Ali Khan (I.D) Mr. Mohammed Aftab Alam (N.E.D)					
	Board Nomination Committee	03	Mr. Anis A. Khan (N.E.D) Finance Secretary-GoS (N.E.D) Mr. Asif Jahangir (N.E.D)					
	Board Special Assets Management Committee	03	Mr. Anis A. Khan (N.E.D) Finance Secretary-GoS (N.E.D) Mr. Mohammed Aftab Alam (N.E.D)					



S. No.		Provision of the Rules		Rule No.	Y	Ν	
						k the ant boy	
24		oved appointment of Chief Financial Officer, whatever name called, with their remunerat		Rules-13	~		
25		Officer and the Company Secretary have rec	quisite qualification as prescribed	Rules-14	~		
26		dopted International Financial Reporting Star n I of Section 225 of the Act, 2017.	ndards notified by the SECP in	Rule-16	~		
27		rt for this year has been prepared in complia ules and fully describes the salient matters re		Rule-17	~		
28	The directors, CEC interested in any co those disclosed to t	Rule-18	~				
29	a. A formal and trar has been set in plac b. The annual repor	Rule-19	~				
30		ents of the Company were duly endorsed by fore consideration and approval of the Audit	Rule-20	~			
31	I. The Board has having the followi	Rule-21(1)(2)					
	Name of Committee	Category & Number of Members	Professional background				
	Board Audit	Mr. Javaid Bashir Sheikh (I.D)	Ex-Banker				
		Mr. Mohammed Aftab Alam (N.E.D)	Chartered Accountant				
		Mr. Asif Jahangir (N.E.D)	Ex-Finance Secretary-GoS				
		Mrs. Shaista Bano Gilani (I.D)	Ex-DG of SECP & Ex member CCP				
	2.The Chief Executi	ive and Chairman of the Board are not meml	pers of the Audit Committee.				
32	a. The Chief Financi	al Officer, the Chief Internal Auditor and a r Il meetings of the Audit Committee at which	epresentative of the external	Rule-21(3)	~		
	b. The Audit Comm the Chief Financial (		~				
	c. The Audit Comm	ittee met the Chief Internal Auditor and oth ce a year, without the presence of Chief Fina	er members of the internal audit		~		
33	a. The Board has se approved by the Au	h has an audit charter, duly	Rule-22	*			
		b. The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules. c. The internal audit reports have been provided to the external auditor for their review.					
34	The external audito	rs of the Company have confirmed that the ternational Federation of Accountants (IFAC)	firm and all its partners are in	Rule-23(4)	~		
35	The auditors have of to provision of non-	onfirmed that they have observed applicable -audit services.	guidelines issued by IFAC with rega	rdRule-23(5)	~		

ma Imran Samad President & CEO

un leos

Mohammad Aftab Alam Non Executive Director

# Statement of Internal Control

This statement is presented to comply with the requirement of the State Bank of Pakistan BSD circular No.07 dated May 27, 2004 on "Guidelines on Internal Controls" and Annexure A of OSED Circular No. 01 dated February 07, 2014 on Internal Controls over Financial Reporting (ICFR).

The Bank's management is responsible for establishing and maintaining an adequate and effective system of internal controls and procedures under the policies approved by the Board. The management is also responsible for ensuring effectiveness and efficiency of operations, reliability of financial reporting, safeguarding of assets, evaluating effectiveness of the Bank's internal control system, review of significant policies, procedures and compliance with applicable laws and regulations. These regulations which contain information requirements on how internal control system is organized are designed to provide reasonable certainty regarding the reliability of financial reporting.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank and this process includes the system of Internal Control over Financial Reporting. The process is regularly reviewed by the Board and the control activities are being closely monitored across the Bank through, Internal Control Committee (ICC), Compliance Division, Internal Audit Division, Risk Management Division and Internal Control Department covering key internal controls in all banking activities.

In order to discharge the above responsibility, the Board Audit Committee has direct oversight responsibility to ensure the independence of the Internal Audit Function and External Audit. The Audit Committee meetings are held once in every quarter to discuss the scope and results of the work performed by the Internal Audit Department. All significant/ material findings of the internal audit activities and control gaps are reported to the Audit Committee and it actively monitors implementation of internal controls to ensure that identified risks are mitigated to safeguard interest of the Bank.

The Audit Committee also meets with External Auditors prior to approval of half-yearly and final results of the Bank. Based on observations and weaknesses found and identified by the Internal and External Auditors, appropriate improvements in internal controls are made wherever possible, by the management and approval of the Board of Directors is taken where required.

Due to inherent limitations, any system of internal controls is exposed to the risk of human error, system failure, circumvention and overriding of controls. Therefore, evaluation and monitoring of existing internal controls is an ongoing process. It is pertinent to mention that an internal control system is designed to manage rather than eliminate the risk. As such it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Bank has adopted and implemented the internationally accepted COSO (Committee of Sponsoring Organizations of Treadway Commission) Framework of Internal Control-Integrated Framework to further enhance its internal control system and to manage the Bank's risk on an integrated enterprise wide basis enabling it to meet the requirements of 'Guidelines on Internal Controls' issued by the State Bank of Pakistan. The Bank has developed a comprehensive testing and reporting framework for ensuring ongoing operating effectiveness of majority of key controls and has significantly addressed the design improvement opportunities identified to complete the project related initiatives.

In order to ensure consistency in the process of compliance with the relevant guidelines, the Bank followed a structured roadmap by carrying out detailed documentation of the important processes and controls, together with comprehensive gap analysis of the control design and developed and implemented remediation plans for the gaps.

The management assists the Board in the implementation of its approved policies and procedures pertaining to Internal Control over Financial Reporting. The management is continuously in the process of enhancing the documentation of the system of Internal Control over Financial Reporting. While

concerted efforts have always been made to comply with the guidelines issued by SBP, the identification, evaluation, and management of risks within

each of the Bank's key activities, and their continued evaluation and changes to policies and procedures remains an ongoing process. Compliance Division through its specialized teams and centralized automated solutions, also oversees adherence to the regulatory requirements, with specific emphasis on Anti-Money Laundering (AML)/ Combating the Financing of Terrorism (CFT).

In accordance with SBP directives, the Bank has completed all the stages of ICFR and upon satisfactory completion of ICFR roadmap, SBP had granted waiver for the submission of Long Form Reports from External Auditors from the year 2015.

For the Year 2022, the Bank has successfully completed the cycle of SBP's Internal Control over Financial Reporting roadmap. As per SBP directives of July 06, 2021, the banks which have completed all the stages of ICFR roadmap will continue to prepare Annual Assessment Report but they are allowed to discontinue its yearly submission to SBP. However, as part of SBP supervisory assessments, these reports may be required by SBP for evaluation purposes. Accordingly, the bank has prepared aforementioned Report for the Year 2022 and the same has been submitted to Board Audit Committee for its review and onward approval from the BOD.

The management is of the view that the system of Internal Control over Financial Reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of Financial Reporting and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles, standards and regulatory requirements.

Based on the above, the Board of Directors endorses the management's evaluation of Internal Controls.

On behalf of the Board

**Imran Samad** President/CEO Karachi, March 8, 2023

# Disclosure in Annual Accounts on Consumer Grievances Handling Mechanism

Sindh Bank recognizes Consumer Grievances Handling Mechanism as a key process in supporting its business and is all the time striving hard to promote a culture that values customer experience as an important factor to derive growth.

Towards achievement of this goal, Sindh Bank has put in place a fair and efficient mechanism for handling Consumer Grievances entailing the following:

- I. Every complaint is treated fairly, impartially and with transparency
- 2. Complaint handling mechanism is centralized, visible and accessible
- 3. All complaints are forwarded to the Complaint Management Unit (CMU) of the bank Customer complaints are acknowledged within 24 hours
- 4. Complaints are investigated and resolved within the time limit prescribed by the State Bank of Pakistan (7 to 30 days depending on the severity of the complaint)
- 5. In case a complaint is not resolved within the stipulated time, customer is advised of the status through an interim reply
- 6. Upon closure of the complaint, the CMU will communicate the closure to the customer through email / letter to be sent at the complainant's available address.
- 7. In case a complaint is declined by the bank the customer will be provided with the alternative grievance redressal forums Complaint trends and GAP analysis reports are shared with the Senior Management & Business owners on quarterly basis, to improve customer experience & avoid recurrence of instances

During the year 2022 a total of 8611 complaints were received by the bank and the average resolution time was 8 days.

Complaint lodgment procedure has been made public through display of placards in branches, ATM Booths and the Bank's website.





#### Naveed Zafar Ashfaq Jaffery & Co.

**Chartered Accountants** 

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**INDEPENDENT AUDITOR'S REPORT** 

To the members of Sindh Bank Limited

#### Report on the Audit of the Unconsolidated Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of Sindh Bank Limited (the Bank), which comprise the unconsolidated statement of financial position as at December 31, 2022, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive loss, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, which incorporate unaudited certified returns received from the branches except for 20 branches which have been audited by us, and notes to the unconsolidated financial statements including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes 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, 2022 and of the loss 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 Unconsolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to:

- a) Note 1.4 to unconsolidated financial statements on the 'Going Concern' which indicates the existence of material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern. However, the management is confident that the Bank will be able to stage a turn-around and the Government of Sindh, Bank's sole sponsor and major shareholder has demonstrated its commitment to supporting the Bank, whenever required. We are in agreement with the management for addressing the Going Concern issue.
- b) Note 23.3.5 to unconsolidated financial statements on Significant Matters which describes that the district government officials being single authorized signatory of the bank account holder have made cash withdrawals to the tune of Rs. 5.7 billion for Sukkur Hyderabad Motorway (M-6) from the bank accounts maintained at Mattiari and Naushero Feroz branches respectively.

Our opinion in not modified in respect of the above matters.

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# 20022

#### Information Other than the Unconsolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Bank's Annual Report, but does not include the unconsolidated financial statements and auditor's reports thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.



### Naveed Zafar Ashfaq Jaffery & Co.

**Chartered Accountants** 

A member firm of



An Association of Independent Accounting Firms 2-B, ATS Centre, 30 West, Block "A" Fazal-ul-Haq Road, Blue Area, Islamabad, Pakistan Ph: +92-51-2878530-32, 2822785 Fax: +92-51-2206283 E-mail: isl@nzaj.com.pk Web: www.nzaj.com.pk

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Bank/branches as required by the Companies Act, 2017(XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank/branches which have come to our notice have been within the powers of the Bank/branches; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

We confirm that for the purpose of our audit we have covered more than sixty per cent of the total advances of the Bank. The engagement partner on the audit resulting in this independent auditor's report is Shah Naveed Saeed.

**Place:** Islamabad **Date:** March 10, 2023 **UDIN:** AR202210596p8KE145a3

Naveed Zafar Ashfaq Jaffe

Chartered Accountants

# UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022



#### Sindh Bank Limited Unconsolidated Statement of Financial Position As At December 31, 2022

	Note	2022 (Rupees	2021 in '000)
ASSETS			
Cash and balances with treasury banks	6	4, 68,738	19,341,933
Balances with other banks	7	1,619,530	1,092,559
Lendings to financial institutions	8	19,967,424	6,081,208
Investments	9	254,552,777	175,703,381
Advances	10	43,802,328	47,784,162
Fixed assets	11	4,032,522	3,147,597
Intangible assets	12	7,27	4,274
Deferred tax assets - net	13	14,662,046	13,252,533
Other assets	14	4,927,691	3,670,762
		357,850,327	270,188,409
LIABILITIES			
Bills payable	15	726,148	624,726
Borrowings	16	106,934,714	26,785,738
Deposits and other accounts	17	223,043,950	217,608,406
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	18	9,994,556	6,542,257
		340,699,368	251,561,127
NET ASSETS		7,   50, 959	18,627,282
REPRESENTED BY			
Share capital - net	19	29,524,428	25,524,428
Reserves		1,461,412	1,461,412
Shares deposit money	20	-	4,000,000
Deficit on revaluation of assets	22	(1,208,500)	(1,121,647)
Accumulated Loss		(12,626,381)	(11,236,911)
		17,150,959	18,627,282

#### CONTINGENCIES AND COMMITMENTS

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The annexed notes from I to 46 and Annexures - I (pages I to 9) & Annexure - II (pages I to I) form an integral part of these unconsolidated financial statements.

Chairman

President and Chief Executive Officer

Director

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July Chief Financial Officer

Director

#### Sindh Bank Limited Unconsolidated Profit and Loss Account For The Year Ended December 31, 2022

		2022	2021
	Note	(Rupees i	n '000)
Mark-up / Return / Interest Earned	24	36,377,762	21,826,086
Mark-up / Return / Interest Expensed	25	31,061,343	16,921,716
Net Mark-up / return / Interest Income	_	5,316,419	4,904,370
NON MARK-UP / INTEREST INCOME			
Fee and Commission Income	26	428,314	351,958
Dividend Income	20	253,607	154,063
Foreign Exchange Income		557,561	74,371
Income / (loss) from derivatives			-
Gain / (Loss) on securities	27	(157,712)	(6,435)
Other Income	28	7,565	2,521
Total non-markup/interest Income	20 [	I,089,335	576,478
Total Income	_	6,405,754	5,480,848
		0,100,701	3, 100,010
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	6,726,416	5,654,393
Other charges	30	9,793	67,640
Total non-markup/interest expenses		6,736,209	5,722,033
LOSS BEFORE PROVISIONS	_	(330,455)	(241,185)
Provisions and write offs - net	31	1,938,638	5,822,916
Extra ordinary / unusual items	51	-	-
	_		
LOSS BEFORE TAXATION		(2,269,093)	(6,064,101)
Taxation	32	(883,343)	(2,336,617)
LOSS AFTER TAXATION	=	(1,385,750)	(3,727,484)
		Rupee	s
Basic Loss per share	33 =	(0.54)	(1.49)
Diluted Loss per share	34 =	(0.54)	(1.49)

The annexed notes from I to 46 and Annexures - I (pages I to 9) & Annexure - II (pages I to I) form an integral part of these unconsolidated financial statements.

Director

Lh a July -Director

Chief Financial Officer

Chairman

President and Chief Executive Officer

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### Sindh Bank Limited Unconsolidated Statement of Comprehensive Income For The Year Ended December 31, 2022

	2022 2021 (Rupees in '000)	
Loss after taxation for the year	(1,385,750)	(3,727,484)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of investments - net of tax	(86,853)	(713,142)
Items that will not be reclassified to profit and loss account in subsequent periods:	(1,472,603)	(4,440,626)
Remeasurement gain on defined benefit obligations - net of deferred tax	(3,720)	797
Total comprehensive loss	(1,476,323)	(4,439,829)

The annexed notes from 1 to 46 and Annexures I (pages 1 to 9) & Annexure-II (Page 1 to 1) form an integral part of these unconsolidated financial statements.

Chairman

President and Chief Executive Officer

R Director

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Director

Chief Financial Officer

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#### Sindh Bank Limited Unconsolidated Statement of Changes in Equity For The Year Ended December 31, 2022

		Proposed			Capital Reserves				
	Share Capital	Ordinary shares to be issued on amalgamation	Shares Deposit Money	Reserves on amalgamation	Share Premium	Statutory Reserve *	Surplus / (Deficit) on revaluation of investments	Accumulated Loss **	Total
					(Rupees in '000')				
Balance as at January 01, 2021 Loss for the year ended December 31, 2021	19,710,130 -	3,814,298	2,000,000	19,443	51	1,451,928 -	(408,505) -	(7,510,224) (3,727,484)	19,077,121 (3,727,484)
Other comprehensive income /(loss) - net of tax	-	-	-	-	-	-	(7 3, 42)	797	(712,345)
Issue of Shares During the Period Share Deposit Money	5,814,298 -	(3,814,298) -	(2,000,000) 4,000,000	-	-	- -	-	-	- 4,000,000
Fair valuation adjustment of net assets of -Sindh Leasing Company Limited	-	-	-	(10,010)	-	-	-	-	(10,010)
Balance as at December 31, 2021	25,524,428		4,000,000	9,433	51	1,451,928	(1,121,647)	(11,236,911)	18,627,282
Loss for the year ended December 31, 2022	-	-	-	-	-	-	-	(1,385,750)	(1,385,750)
Other comprehensive income - net of tax Transfer to statutory reserve	-	-	-	-	-	-	(86,853)	(3,720)	(90,573)
Issue of shares during the year	4,000,000	-	(4,000,000)	-	-	-	-	-	-
Balance as at December 31, 2022	29,524,428			9,433	51	1,451,928	(1,208,500)	(12,626,381)	17,150,959

- \* Statutory reserve represents amount set aside as per the requirements of Section 21 of the Banking Companies Ordinance, 1962.
- \*\* As more fully explained in note 10.6.2 of these unconsolidated financial statements, unappropriated profit includes an amount of Rs.4,737.96 million net of tax as at December 31, 2022 (December 31, 2021: Rs. 7,184.65 million) representing additional profit arising from availing forced sale value benefit for determining provisioning requirement which is not available for the purpose of distribution of dividend to shareholders.

The annexed notes from 1 to 46 and Annexures - I (pages 1 to 9) & Annexure - II (pages 1 to 1) form an integral part of these unconsolidated financial statements.

Director

Chairman

President and Chief Executive Officer

Director Di

Chief Financial Officer



#### Sindh Bank Limited Unconsolidated Cash Flow Statement For The Year Ended December 31, 2022

	-	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES	Note	(Rupees	in '000)
Loss before taxation Less: Dividend income	_	(2,269,093) (253,607)	(6,064,101) (154,063)
Adjustments:		(2,522,700)	(6,218,164)
Depreciation Amortisation Provision and write offs -net Charge for defined benefit plan Gain on sale of operating fixed assets	29 29 31 37.1.4 28	942,051 35,219 1,938,638 98,588 (3,630) 3,010,866	950,371 35,085 5,822,916 95,085 (284) 6,903,173
(Increase) / Decrease in operating assets		488,166	685,009
Lendings to financial institutions Advances - net Other assets - net		(13,886,216) 2,124,135 (1,284,071) (13,046,152)	2,131,572 3,333,519 1,759,625 7,224,716
<b>Increase / (Decrease) in operating liabilities</b> Bills payable Borrowings Deposits and other accounts Other liabilities (excluding current taxation)		101,422 80,148,976 5,435,544 3,441,390 89,127,332	32,392 (35,591,910) 32,037,717 425,159 (3,096,642)
Contribution to gratuity fund Income tax paid <b>Net cash generated from operating activities</b>	- 37.1.3 -	76,569,346 (93,779) (441,118) 76,034,449	4,813,083 (72,270) (68,441) 4,672,372
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities Net investment in held-to-maturity securities Dividend received Investments in operating fixed assets Cash inflow from amalgamation of Sindh Leasing Company Ltd Fair valuation adjustment of net assets of Sindh Leasing Company Limited Sale proceeds of operating fixed assets disposed off Net cash (used in) / generated from investing activities CASH FLOW FROM FINANCING ACTIVITIES		(54,850,018) (24,222,699) 253,606 (1,866,555) - - 4,993 (80,680,673)	(6,169,074) 27,760 154,765 (914,173) - (10,010) <u>882</u> (6,909,850)
Shares deposit money Shares capital <b>Net cash generated from financing activities</b>		-	4,000,000 - 4,000,000
Increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year Cash and cash equivalents at the end of the year	35 =	(4,646,224) 20,434,492 15,788,268	1,762,522 18,671,970 20,434,492
The approved potes from 1 to 46 and Approverses 1 (pages 1 to 9) & Approver		and to D form a	n integral part

The annexed notes from I to 46 and Annexures - I (pages I to 9) & Annexure - II (pages I to I) form an integral part of these unconsolidated financial statements.

Chairman

President and

Chief Executive Officer

Director

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Director

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Chief Financial Officer

#### Sindh Bank Limited Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2022

#### I. STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Bank Limited (the Bank) was incorporated in Pakistan on October 29, 2010 as a public unlisted company and is engaged in Commercial Banking, Corporate and Investment related activities. The Bank operates 330 (2021: 330) branches including 8 (2021: 8) sub-branches and 14 (2021: 14) Islamic banking branches in Pakistan. The Bank's registered office is located at 3rd floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi, Pakistan.
- 1.2 The Government of Sindh, through its Finance Department owns 99.97% ordinary shares of the Bank.
- 1.3 VIS Credit Rating Company Limited has reaffirmed the long term entity rating of A+ (Single A Plus) and short term rating of A-I (A-one) in its report dated June 28, 2022.

#### 1.4 Going concern

Due to significant losses suffered by the Bank since the years 2018 and to address any material uncertainties, the management has been working on a Business Viability Plan approved by its Board of Directors in 73rd meeting held on September 13, 2019. The Plan aims to make the Bank a viable, self-sustaining institution. Important areas of focus where efforts are continuing and significant progress has been made are:

- Strengthening Bank's Capital -As planned, cash injection, of Rs. 11.7 billion was made in 2019 and Rs. 3.814 billion added during 2020 from amalgamation of Sindh Leasing Company Limited in Bank's Tier 1 Common Equity. A further amount of Rs. 4 billion has been received from GoS in the last quarter of 2021. Furthermore, in order to remain capital compliant, the Bank vide Letter No. SNDB/P&CEO/155/2022 dated December 09, 2022 has approached the Government of Sindh (GoS) with a request for fresh capital injection of Rs. 2 Billion before December 31, 2022 to avoid breach of the regulatory capital requirement. Moreover, the GoS has requested the State Bank of Pakistan for a deferment on the maintenance of Capital Adequacy Ratio vide letter No. F.D (FMH) 294(1)/2019-20/ dated December 30, 2022 for the next few months as well.
- Improving Business Volumes and Profitability-This involves the Bank taking pro-active measures to:
- i. Increase fee-based income from mainly trade-related business;
- ii) Improve Net Interest margin;
- a) Mobilize cost effective (CASA) deposits;
- b) Launch new asset products in the Consumer and SME segments;
- iii. make concerted efforts for recovery and reduction of Non-Performing Loans.
- iv. Take cost rationalization measures;
- Strengthening the Bank's Governance, Risk and Control environment.
- The management is confident that barring any unforeseen contingencies, the Bank will be able to stage a turnaround. The Government of Sindh, Bank's major shareholder holding 99.97 percent of the Bank's equity is fully committed to supporting the Bank, whenever required.
- **1.5** Listing of the Bank will be undertaken in future after improvement in Bank's financial position and Regulator's guidance on the matter.



#### 2. BASIS OF PRESENTATION

- 2.1 These unconsolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated 25 January 2018. These unconsolidated financial statements represent separate financial statements of the Bank. The consolidated financial statements of the bank is being issued separately.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by Banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017.
- 2.3 The financial results of the Islamic Banking branches have been consolidated in these unconsolidated financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking branches are disclosed in Annexure I to these unconsolidated financial statements.

#### 3. STATEMENT OF COMPLIANCE

- **3.1** This Un-consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017, Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act 2017 and the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). In case requirements of Banking Companies Ordinance 1962, the Companies Act 2017 or the directives issued by SBP and SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, Companies Act 2017, and the directives issued by the SBP and SECP shall prevail.
- **3.2** The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, the IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- **3.3** SECP has notified IFAS 3, 'Profit and Loss Sharing on Deposits' issued by the ICAP. IFAS 3 shall be followed with effect from the financial periods beginning on or after 01 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard had resulted in certain new disclosures in the financial statements of the Bank. However SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BPRD Circular 02 of 2018, as amended from time to time.

SECP, vide its SRO 56(1) 2016 dated January 28, 2016, has notified that requirements of IFRS 10 and section 228 of Companies Act 2017 will not be applicable with respect to investment in mutual funds established under trust structure.

### 3.4 Standards, interpretations of and amendments to published 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 01, 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated financial statements.

### 3.5 Standards, interpretations and amendments to published accounting and reporting standards that are relevant but not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard amendments, or interpretation and are not early adopted by the Bank:

Standard or Interpretation or Amendments	Effective date (annual periods beginning on or after)
Narrow scope amendments to IAS I, Practice statement 2 and IAS 8 $$	January 01, 2023
Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
Amendment to IFRS 16 - Leases on sale and leaseback	January 01, 2024
Amendment to IAS I - Non current liabilities with covenants	January 01, 2024

IFRS 9 - Financial Instruments has been made applicable in several overseas jurisdictions from January 01, 2018 and is progressively being adopted in others. The requirements of IFRS 9 are incorporated in the banks financial statements for the jurisdictions where IFRS 9 has been adopted. In terms of SBP's BPRD Circular Letter No. 03 of 2022 dated July 05, 2022 the effective date of implementation of IFRS 9 is January 01, 2024 for banks having assets size of less than Rs. 500 billion as per their Annual Financial Statements of December 31, 2021. Since Sindh Bank Limited has assets size of less than Rs. 500 billion as at December 31, 2021 therefore, the effective date of implementation of IFRS 9 would be January 01, 2024.

#### 3.6 Critical accounting estimates and judgments

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the unconsolidated financial statements are as follows:

- i) classification and impairment against investments (notes 5.3 and 31);
- ii) classification of and provision against advances (notes 5.4 and 31);
- iii) depreciation and amortization / useful lives of operating fixed assets (notes 5.5, 11 and 12);
- iv) taxation (note 5.8);
- v) staff retirement and other benefits (note 5.9);
- vi) fair value of derivatives (note 5.17); and
- vii) judgements made by management in identification and reporting segment information (note 41).



#### 4. BASIS OF MEASUREMENT

#### 4.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for certain investments and commitments in respect of foreign exchange and futures contracts which are measured at fair values and certain employee benefits and investments which are measured on present value basis.

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Bank operates. The unconsolidated financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency.

#### 4.2 Functional & Presentation of Currency

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

The amount are rounded off to the nearest thousand rupees except as stated otherwise.

#### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year, unless otherwise disclosed or specified.

#### 5.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks in current and deposit accounts, excluding term deposit with original term of greater than three months.

#### 5.2 Lending to / borrowing from Financial Institutions

The Bank enters into transactions of borrowings (repurchase) from and lending (reverse repurchase) to financial institutions at contracted rates for a specified period of time. These are reported as under:

#### 5.2.1 Repurchase / resale agreements

#### a) Sale of securities under repurchase agreement (repo)

Securities sold subject to repurchase agreements (repo) remain on the unconsolidated statement of financial position as investments and the counter party liability is included in borrowings from financial institutions. The difference between the sale and repurchase price is accrued over the period of the agreement using the effective interest rate method and recorded as expense.

#### b) Purchase of securities under resale agreement (reverse repo)

Securities purchased under agreements for resale (reverse repo) are recorded as lendings to financial institutions. These transactions are accounted for on the settlement date. The difference between the purchase and resale price is recognized as mark-up return income over the period of the agreement using the effective interest rate method.

#### 5.2.2 Bai Mujjal

In Bai Mujjal, the Bank sells Shariah compliant instruments on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the sale and the credit price is recognised over the credit period and recorded as income.



The bank classifies its investments as follows:

#### a) Held-for-trading

These are securities which are either acquired for generating profit from short-term fluctuations in market prices, interest rate movements, dealer's margin or are securities included in a portfolio in which a pattern of short-term profit taking exists.

#### b) Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold till maturity.

#### c) Available-for-sale

These are investments, other than that in subsidiary which do not fall under the held-for-trading and held-tomaturity categories.

#### d) Subsidiaries

Subsidiary is an entity over which the Bank has control. Investment in subsidiary is carried at cost less accumulated impairment losses, if any.

#### 5.3.1 Initial measurement

Investments other than those categorized as 'held-for-trading' are initially recognized at fair value and includes transaction costs associated with the investment. Investments classified as 'held-for-trading' are initially recognized at fair value and transaction costs are expensed in the unconsolidated profit and loss account.

#### 5.3.2 Subsequent measurement

#### Held-for-trading

Investments classified as held-for-trading are measured on subsequent reporting dates at fair value. Gain and losses on remeasurment are included in the profit and loss account.

#### Held-to-maturity

Investments classified as held-to-maturity are carried at amortized cost. Unquoted equity securities are valued at lower of cost and break-up value. Break-up value of unquoted equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses, if any.

#### Available-for-sale

Quoted securities classified as available-for-sale investments are measured on subsequent reporting dates at fair value. Any surplus / deficit arising thereon is kept in other comprehensive income and taken to the profit and loss account when actually realised upon disposal or when the investment is considered to be impaired.

Breakup value of unquoted equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses, if any.

#### Subsidiaries

Investments in subsidiaries are valued at cost less impairment, if any A reversal of an impairment loss on subsidiaries is recognized in the profit and loss account as it arises provided the increased carrying value does not exceed cost.



#### 5.3.3 Impairment

Impairment loss in respect of investments classified as available-for-sale and held-to-maturity is recognized on the basis of management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in market value of an equity security is considered as an objective evidence of impairment, significant means 30% decline in market value as compared to cost, except when uncertain circumstances such as material market volatility, uncertainty and other market impacting external events, in which cases, a higher percentage is also considered by the management for determination of what is presumed as significant decline. Provision for diminution in the value of term finance certificates is made as per the requirements of Prudential Regulations issued by the State Bank of Pakistan. In case of impairment of available-for-sale securities, the cumulative loss that has been recognized directly in the surplus / (deficit) on revaluation of securities on the unconsolidated statement of financial position below equity is removed there from and recognized in the unconsolidated profit and loss account. For investments classified as held-to-maturity, the impairment loss is recognized in the unconsolidated profit and loss account.

#### 5.3.4 Gain or loss on sale of investments is included in the profit and loss account in the year in which they arise.

#### 5.4 Advances

Advances are stated net of provisions for non-performing advances. Specific and general provisions are made based on appraisal of the loan portfolio that takes into account the requirements of the Prudential Regulations issued by the State Bank of Pakistan. The provisions against non-performing advances are charged to the unconsolidated profit and loss account. Advances are written off when there is no realistic prospect of recovery after explicit approval from the Board of Directors.

#### Ijarah Financing

Applying IFAS-2, assets underlying Ijarah have been carried at cost less accumulated depreciation and impairment, if any, and are shown under Islamic financing and related assets. Rentals accrued from Ijarah financing net of depreciation charge are taken to the unconsolidated profit and loss account. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is calculated from the date of delivery of respective assets to mustajir upto the date of maturity / termination of Ijarah agreement.

#### Diminishing Musharakah

In Musharakah based financing, the Bank enters into Musharakah for financing an agreed share of fixed assets with its customer and enters into periodic profit payment agreement for the utilization of the Bank's Musharakah share by the customer. Specific and general provisions are made in accordance with the requirement of prudential regulations and other directives issued by the SBP and charged to unconsolidated profit and loss account.

#### 5.5 Operating fixed assets and depreciation

#### 5.5.1 Property and equipment - owned

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in an asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future 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 expenses are charged to the unconsolidated profit and loss account as and when incurred.

Depreciation is charged to the unconsolidated profit and loss account applying the straight line method at the rates specified in note 11 to these unconsolidated financial statements after taking into account residual value, if significant. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each date of unconsolidated statement of financial position. Depreciation 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.

Gains or losses on disposal, if any, are recognized in the unconsolidated profit and loss account in the year in which they arise.

#### 5.5.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and related advances there against, if any, are carried under this head. These are transferred to specific assets as and when the assets become available for use.

#### 5.5.3 Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Bank as a Lessee

A lessee recognizes a right -of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments.

#### Right-of-use (RoU) Assets

The right-of-use assets recognised subsequent to the adoption of 'IFRS-16 Leases' are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

#### Lease Liability

At the commencement date of the lease, the Bank recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease

liability is increased to reflect the accretion of interest and reduced for the lease payments made.

#### Incremental borrowing rate

Borrowing rate that Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Bank estimated the Incremental borrowing rate using observable input such as market interest rates.

#### 5.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged to the unconsolidated profit and loss account applying the straight line method at the rates specified in note 11, to these unconsolidated financial statements from the date an intangible asset is available for use. The useful life and amortisation method are reviewed and adjusted, if appropriate, at each date of unconsolidated statement of financial position.



#### 5.7 Impairment

The carrying amount of assets is reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized immediately in the unconsolidated financial statements. The resulting impairment loss is taken to the unconsolidated profit and loss account.

#### 5.8 Taxation

Taxation (Income tax) expense relates to current and prior years and deferred tax. Income tax expense is recognized in the unconsolidated profit and loss account except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

#### a) Current

Provision for current tax is the tax payable on the expected taxable income for the year using tax rates enacted or substantively enacted at the reporting date and, any adjustment to tax payable relating to prior years, after taking into consideration available tax credits, rebates, tax losses etc.

#### b) Prior Year

This charge includes tax charge for prior years arising from assessments, changes in estimates and tax changes applied retrospectively.

#### c) Deferred

Deferred tax is recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

#### 5.9 Staff retirement and other benefits

#### a) Defined contribution plan

The Bank operates a recognised funded contributory provident fund for all its permanent employees to which equal contributions at the rate of 10 percent (2020: 10 percent) of basic salary are made by both the Bank and the employees. The contributions are recognized as employee benefit expense when they are due.

#### b) Defined benefit plan

The Bank operates recognised funded gratuity scheme for all its permanent employees who complete the prescribed eligibility period of service. Provision is made annually to meet the cost of such gratuity benefits on the basis of actuarial recommendations using the Projected Unit Credit Method.

#### c) Compensated absences

The Bank makes provision in the financial statements for its liabilities towards compensated absences. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.



#### 5.10 Acceptances

Acceptances comprise of undertakings made by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be simultaneously settled with reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions and are reported in "other assets" and "other liabilities" simultaneously.

#### 5.11 Provisions against 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 date of unconsolidated statement of financial position and are adjusted to reflect the current best estimate.

#### 5.12 Revenue recognition

Revenue is recognized to the extent that the economic benefit associated with the transaction will flow to the Bank and the revenue can be reliably measured.

- 5.12.1 Mark-up / return / interest on advances and on investments are recognized on a time proportion basis using the effective interest rate method except that mark-up / return / interest on non-performing advances and investments is recognized on receipt basis, in accordance with the requirements of the Prudential Regulations issued by the SBP. Where debt securities are purchased at a premium or discount, such premium or discount is amortised through the unconsolidated profit and loss account over the remaining period of maturity.
- 5.12.2 Dividend income from investments is recognized when the Bank's right to receive the dividend is established.
- 5.12.3 Fees, brokerage and commission on letters of credit / guarantees and from other avenues is accrued and is recognized on time proportion basis.
- 5.12.4 Financial advisory fees is recognized when the right to receive the fees is established.
- 5.12.5 Gain or loss on sale of investments is included in unconsolidated profit and loss account in the year in which they arise.
- 5.12.6 Rentals from Ijarah is recognized as income over the term of the contract net of depreciation expense.
- 5.12.7 Profit on Diminishing Musharakah is recognized in unconsolidated profit and loss account on accrual basis.

#### 5.13 Borrowings / deposits and their cost

Borrowings / deposits are recorded at the proceeds received. Borrowing / deposit costs are recognized as an expense in the period in which these are incurred using the effective mark-up / interest rate method.

#### 5.14 Proposed dividend and transfers between reserves

Dividends and appropriations to reserves, except appropriations which are by law required to be made subsequent to the date of statement of financial position are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the Balance Sheet Date' in the period in which they are approved / transfers are made.

#### 5.15 Earnings per share

The Bank presents basic earnings per share (EPS) which 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 / period. Diluted EPS is determined by adjusting the unconsolidated profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.



#### 5.16 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to Pak Rupees at the rates of exchange prevailing at the reporting date. Translation gains and losses are included in the unconsolidated profit and loss account.

#### 5.17 Financial instruments

#### a) Financial assets and liabilities

Financial assets and liabilities carried on the unconsolidated statement of financial position include cash and bank balances, lendings to financial institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposits, subordinated loans and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy notes associated with them.

#### b) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date at which the derivative contract is entered into and subsequently remeasured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets where fair value is positive and as liabilities where fair value is negative. Any changes in the fair value of derivative financial instruments are taken to unconsolidated profit and loss account.

#### 5.18 Offsetting

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

#### 5.19 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing particular products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and is subject to risks and rewards that are different from those of other segments.

#### **Business segments**

#### a) Corporate Finance

This includes investment banking activities such as mergers and acquisitions, underwriting, privatization, securitization, Initial Public Offerings (IPOs) and secondary private placements.

#### b) Trading and sales (Treasury)

This includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lendings and repos, brokerage debt and prime brokerage.

#### c) Retail Banking

This includes mortgage finance and personal loans to individual customers.

#### d) Commercial banking and others

This includes loans, deposits and other transactions with corporates, small and medium sized customers including agriculture business.



The Bank operates only in Pakistan.

#### 5.21 Commitments

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

#### 5.22 Provision against off balance sheet obligations

Provision for guarantees, claims and other off balance sheet obligations is made 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. Charge to unconsolidated profit and loss account is stated net of expected recoveries.

			2022	202
6	CASH AND BALANCES WITH TREASURY BANKS	Note -	(Rupees i	<b>n</b> '000)
	In hand			
	Local currency		4,593,287	4,293,826
	Foreign currency		112,285	75,646
		L	4,705,572	4,469,472
	With State Bank of Pakistan (SBP) in	r		
	Local currency current accounts	6.1	9,015,993	11,738,058
	Foreign currency current accounts	6.2	105,966	l 44,789
	Foreign currency deposit accounts			
	- Non Remunerative	6.3	104,727	96,290
	- Remunerative	6.4	205,270	78,4 0
			9,431,956	2,157,547
	With National Bank of Pakistan in			
	Local currency current accounts		22,429	2,657,534
	Local currency deposit accounts	6.5	5	15,866
			22,434	2,673,400
	Prize bonds	_	8,776	41,514
		35	4,   68, 738	19,341,933
		=		

- 6.1 This represents cash reserve required to be maintained with SBP as per the requirement of Section 22 of the Banking Companies Ordinance, 1962.
- 6.2 This represents US Dollar Settlement Account maintained with SBP.
- 6.3 This represents foreign currency (FCY) cash reserve maintained with SBP to comply with statutory reserve requirement applicable on Bank's FCY deposits.
- 6.4 This represents foreign currency special cash reserve maintained with SBP. The Bank is entitled to earn profit which is declared by SBP on a monthly basis. During the period, the SBP has declared 0% to 3.14% profits (2021 : Nil) per annum.
- 6.5 This includes savings account with National Bank of Pakistan carrying mark-up at 14.50% (2021: 8.25%) per annum.



7	BALANCES WITH OTHER BANKS	Note	2022 (Rupees	<u>2021</u> in '000)
	<b>In Pakistan</b> In current accounts In savings account	7.1	30  ,434  ,464	30 1,288 1,318
	<b>Outside Pakistan</b> In current accounts	7.2 35	I,618,066	<u> </u>

7.1 This includes savings account with a commercial bank carrying profit at the rate of 14.50% (2021: 8.25%) per annum.

**7.2** This includes Rs. 678.603 million (2021: Rs. 637.12 million) held in Automated Investment Plans. This balance is current in nature and in case this goes above a specified amount, the bank is entitled to earn interest from the correspondent banks at the agreed rates.

8	LENDINGS TO FINANCIAL INSTITUTIONS	Note	2022 2021 (Rupees in '000)	
	Repurchase agreement lendings (Reverse Repo) Musharaka arrangements	8.2 & 8.5 8.3 _	19,967,424 -	5,381,208 700,000
8.1	Particulars of lending In local currency	=	19,967,424	6,081,208
	In foreign currencies	-	19,967,424	6,081,208

8.2 This represents resale agreement lending with commercial bank and financial institutions carrying mark-up in the range of 15.75% to 16.20% (2021 10.50% : 10.70%) per annum maturing up to January 06, 2023 (2021: January 07, 2022 )

#### 8.4 Securities held as collateral against Lending to financial institutions

		2022			2021	
	Held by	Further	Total	He <b>l</b> d by	Further	Total
	Bank	given as	TOLA	Bank	given as	TOtal
		collateral			collateral	
			(Rupees ir	י '000)		
Market Treasury Bills	18,016,775	-	8,016,775	992,564	-	992,564
Pakistan Investment Bonds	1,975,600		,975,600	4,398,648	-	4,398,648
Total	19,992,375	-	19,992,375	5,391,212	-	5,391,212

2022

Surplus /

(Deficit)

Provision

for

diminution

Cost /

Amortised

cost

#### 9 INVESTMENTS

#### 9.1 Investments by type

Note				(Rupees	in '000)			
Available-for-sale securities								
Federal Government Securities								
Market Treasury Bills	64,108,973	-	(180,402)	63,928,57I	42,881,078	-	(64,239)	42,816,839
Pakistan Investment Bonds	17,616,725	-	(1,265,020)	16,351,705	17,815,867	-	(1,495,398)	16,320,469
Pakistan Investment Bonds - Floater	125,882,687		(167,136)	25,715,551	93,251,484	-	(204,160)	93,047,324
Government of Pakistan - Ijarah Sukuk	4,000,008	-	(14,598)	3,985,410	3,000,017	-	(10,927)	2,989,090
Shares								
Listed	2,785,332	(342,757)	(373,481)	2,069,094	2,596,504	(344,000)	(93,489)	2,159,015
Unlisted	-	-	-	-	-		-	-
Non-government debt securities								
Sukuk certificates		-	-	-	-	-	-	-
Mutual funds	215,049	(42,806)	19,492	191,735	215,049	(35,063)	29,450	209,436
	214,608,774	(385,563)	(1,981,145)	212,242,066	59,759,999	(379,063)	(1,838,763)	57,542,173
Held-to-maturity securities								
Federal Government Securities								
Market Treasury Bills	29,623,413	-		29,623,413	-			
Pakistan Investment Bonds	11,343,755	-		11,343,755	16,744,421	-	-	16,744,421
Preference Shares - Unlisted	77,708	(77,708)	-	-	77,708	(77,708)	-	-
Non-government debt securities								
Term finance certificates - Listed	224,235	-	-	224,235	224,235	-	-	224,235
Term finance certificates - Unlisted	858,949	(489,641)	-	369,308	858,997	(416,445)	-	442,552
	42, 28,060	(567,349)	-	41,560,711	7,905,361	(494,153)	-	7,41,208
Investment in Subsidiary								
Fully paid ordinary shares 9.3	750,000	-	-	750,000	750,000			750,000
Total Investments	257,486,834	(952,912)	(1,981,145)	254,552,777	178,415,360	(873,216)	(1,838,763)	75,703,38

202 I

Surplus /

(Deficit)

Carrying

Value

Provision

for

diminution

Cost /

Amortised

cost

----- (Rupees in '000) ------

Carrying

Value



#### 9.2 Investments by segments

investments by segments			2022		2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
				(Rupe	ees in '000)			
Federal Government Securities								
Market Treasury Bills	93,732,386	-	(180,402)	93,551,984	42,881,078	-	(64,239)	42,816,839
Pakistan Investment Bonds	154,843,167	-	(1,432,155)	153,411,012	127,811,772	-	(1,699,558)	126,112,214
Government of Pakistan - Ijarah Sukuk	4,000,008	-	(14,598)	3,985,410	3,000,017	-	(10,927)	2,989,090
	252,575,56	-	(1,627,155)	250,948,406	73,692,867	-	(1,774,724)	171,918,143
Shares								
Listed companies	2,785,332	(342,757)	(373,481)	2,069,094	2,596,504	(344,000)	(93,489)	2,159,015
Unlisted companies	77,708	(77,708)	-	-	77,708	(77,708)	-	-
	2,863,040	(420,465)	(373,481)	2,069,094	2,674,212	(421,708)	(93,489)	2,159,015
Non-government debt securities								
Term finance certificates - listed	224,235	-	-	224,235	224,235	-	-	224,235
Term finance certificates - unlisted	858,949	(489,641)	-	369,308	858,997	(416,445)	-	442,552
	1,083,184	(489,64 <b>1</b> )	-	593,543	<b>I</b> ,083,232	(416,445)	-	666,787
Mutual Funds								
Open ended	116,049	(42,806)	(4,269)	68,974	116,049	(35,063)	19,010	99,996
Islamic funds - REIT	99,000	-	23,760	22,760	99,000	-	0,440	109,440
	2 5,049	(42,806)	19,491	191,734	215,049	(35,063)	29,450	209,436
Investment in Subsidiary								
Sindh Microfinance Bank Ltd	750,000		-	750,000	750,000	-	-	750,000
Total Investments	2 <b>57,486,834</b>	(952,912)	(1,981,145)	254,552,777	78,415,360	(873,216)	(1,838,763)	175,703,381

#### 9.3 Details of investment in Subsidiary 2022 Total Profit after Comprehensive Incorporation Incorporation Percentage Total Total Name of Entity date Country holding (%) Assets Liabilities Revenue taxation - Rupees in '000 -Sindh Microfinance Bank Ltd 27-03-2015 Pakistan 00% 2,007,714 995,34**1** 469,686 2021

	Incorporation date	Incorporation Country	0		Total Liabilities	Total Revenue	Profit after taxation	Total Comprehensive Income
Name of Entity						Rupees in 'C	000	
Sindh Microfinance Bank Ltd	27-03-2015	Pakistan	100%	2,085,357	1,116,010	345,467	27,34	7 26,597

Tota

Income

43,026

41,409

2022 2021 (Rupees in '000) 9.4 Investments given as collateral Federal government securities 104,589,900 Pakistan Investment Bonds 24,987,500 Market Treasury Bills 104,589,900 24,987,500 9.5 Provision for diminution in value of investments 9.5.1 Opening balance 873.216 811,727 Charge / reversals Charge for the year 80,939 87,342 Reversals for the year \_ (25, 853)Reversal on disposals (1,243)61,489 Transfers - net 79,696 952,912 **Closing Balance** 873,216 2022 2021 Non Non 9.5.2 Particulars of classified debt securities performing Provision performing Provision investments investments (Category of classification) Rupees in '000 Domestic Other assets especially mentioned Substandard Doubtful 952,912 Loss 977,614 971,115 873,216 Total 977.614 952,912 971,115 873,216

**9.5.2.1** The Bank has availed the benefit of forced sale value of collateral against non-performing investment on the basis of the instructions of the State Bank of Pakistan. Had the benefit not been taken by the Bank, provision against non-performing investment would have been higher by Rs. 24.7 million (2021: Rs.97.9 million). The resultant increase in profit due to FSV benefit taken will not be available for distribution as cash and stock dividend to shareholders.

9.6	Quality of Available for Sale Sequeities	2022 Cc (Rupees	2021 ost
7.0	Quality of Available for Sale Securities	(Rupees	iii 000)
	Particulars regarding quality of Available for Sale (AFS) securities		
	Federal Government Securities - Government guaranteed		
	Pakistan Investment Bonds	143,499,412	111,067,351
	Market Treasury Bills	64,108,973	42,881,078
	Government of Pakistan - Ijarah Sukuk	4,000,008	3,000,017
		211,608,393	56,948,446
	Shares (Equities)		
	Listed Companies		
	Refinery	7,682	7,682
	Fertilizer	531,870	628,710
	Cement	63,745	63,745
	Power Generation & Distribution	364,285	267,863
	Oil & Gas Marketing Companies	597,630	499,881

Commercial Banks

I,220,120I,128,6232,785,3322,596,504



	2022	2021
	Co:	
Other investments (Mutual Funds)	(Rupees	in '000)
Listed		
AM2+	99,000	99,000
AA / AA-	28,459	28,459
A+ / A-	87,590	87,590
	215,049	215,049
	214,608,774	159,759,999
Equity Securities		
Listed Companies		
Pakistan Refinery Limited	7,682	7,682
Fauji Fertilizer Company Limited	280,283	405,573
Fauji Fertilizer Bin Qasim Limited	186,585	158,136
Fatima Fertilizer Company Limited	65,002	65,002
Thatta Cement Company Limited	63,745	63,745
Nishat Chunian Power Limited	201,358	54,068
Hub Power Company Limited	62,925	113,795
Sui Southern Gas Company Limited	64, 42	141,307
Sui Northern Gas Pipelines Limited	29,40	29,401
Oil & Gas Development Company Limited	9,384	95,715
Pak Petroleum Limited	32,476	95,451
Pakistan State Oil Limited	52,228	38,007
Summit Bank Limited	305,509	305,509
National Bank of Pakistan	233,102	315,716
Bank AlHabib Limited	39,007	39,768
Meezan Bank Ltd	85,390	-
Habib Bank Limited	205,598	87,726
United Bank Limited	80,853	70,724
MCB Bank Limited	207,721	243,315
Silk Bank Limited	62,941	65,864
	2,785,332	2,596,504

		2022	2021		
9.7	Particulars relating to Held to Maturity securities	Cost			
	Federal Government Securities - Government guaranteed	(Rupees i	n '000)		
	Pakistan Investment Bonds Market Treasury Bills	,343,755 29,623,4 3	6,744,42  -		
	Preference Shares - Unlisted Company	40,967,168	6,744,421		
	Al-Arabia Sugar Mills Ltd	77,708	77,708		
	Non Government Debt Securities				
	<b>Listed</b> Unrated	224,235	224,235		
	Un-listed				
	AA	119,785	119,832		
	BBB+	224,820	224,82 I		
	Unrated	514,344	514,344		
		858,949	858,997		
		42,128,060	7,905,36		

- **9.7.1** The market value of securities classified as held-to-maturity as at December 31, 2022 amounted to Rs. 40,242.39 million (December 31, 2021: Rs.18,251.87 million).
- **9.8** the Bank has requested the SBP to allow reclassification of PIB's from AFS to HTM category on book value. Reclassification request did not acceded, however SBP allowed Sindh Bank to stagger its mark to market losses of PIB AFS portfolio on quarterly basis @ 25% starting from September 30, 2022 and to completed by June 30, 2023.

#### 10 ADVANCES

		Perfor	ming	Non Performing		То	ta
	Note	2022	2021	2022	2021	2022	2021
				Rupees	s in '000		
Loans, cash credits, agriculture,							
running finances etc.		28,762,623	24,750,510	34,531,096	37,064,642	63,293,719	61,815,152
Common ditas finances	100	F 20F 042				F 20F 042	
Commodity finance	10.2	5,205,042	8,195,361	400.001		5,205,042	8,195,361
Net investment in finance lease	10.3	538,713	1,084,150	420,881	321,528	959,594	I,405,678
Islamic financing and related asse	ts						
Diminishing musharakah financing	10.4	1,021,768	1,191,226	11,898	4, 27	1,033,666	1,205,353
ljarah financing under IFAS 2	10.5	11,371	23,159		_	11,371	23,159
		35,539,517	35,244,406	34,963,875	37,400,297	70,503,392	72,644,703
Bills discounted and purchased		, , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , , -		. , ,	- , - , - , - ,		·
(excluding market treasury bills)							
Payable in Pakistan		386,782	375,343	-	-	386,782	375,343
Payable outside Pakistan		5,738	-	3,405	3,405	9,143	3,405
		392,520	375,343	3,405	3,405	395,925	378,748
Advances - gross	0.1	35,932,037	35,619,749	34,967,280	37,403,702	70,899,317	73,023,45
Provision for non-performing adv	/ances						
- Specific provision		-	-	26,186,673	24,339,746	26,186,673	24,339,746
- Specific provision on Leasing Por	rtfolio	-	-	903,104	896,640	903,104	896,640
- General provision against consur	mer						
and small enterprise advances		7,212	2,903	_	_	7,212	2,903
		7,212	2,903	27,089,777	25,236,386	27,096,989	25,239,289
Advances - Net of Provision		35,924,825	35,616,846	7,877,503	12,167,316	43,802,328	47,784,162



10.1	Particulars of advances (Gross)	<u>2022</u> (Rupees	<u>2021</u> in '000)
	In local currency In foreign currencies	70,899,317	73,023,451 - 73,023,451

**10.2** This represents commodity financing provided to Food Department, Government of Sindh, in syndication with other commercial banks.

### 10.3 Net investment in finance lease

	2022			2021				
	Not later than one year	Over one year and up to five years	Over five years	Total	Not later than one year	Over one year and up to five years	Over five years	Total
				Rupe	es in '000			
Lease rental	326,395	538,791	-	865,186	527,296	677,997	-	I,205,293
Residual value	217,996	19,886	-	237,882	84,187	278,181	-	362,368
Minimum lease payments	544,391	558,677	-	1,103,068	611,483	956, 78	-	1,567,661
Un-earned income for future periods Present value of minimum	(114,407)	(29,067)		(143,474)	(80,310)	(81,673)	-	(161,983)
lease payments	429,984	529,610	-	959,594	531,173	874,505	-	I,405,678

**10.3.1** This represents portfolio taken on the books of the Bank due to amalgamation of the Company

-	<u>2022</u> (Rupees	<u>2021</u> in '000)
-	8,526 1,025,140 1,033,666	l,816 l,203,537 l,205,353
	,37  	23,159
	 = 10.5.1 	(Rupees 8,526 1,025,140 1,033,666 10.5.1 11,371

### 10.5.1 Particulars of assets under ljarah

		Cost		202 Accun	2 nulated depreci	iation		
	As at January 01	Additions/ Settled	As at December 31	As at January 01	Charge/ settled	As at December 31	Book value As at	Rate of depreciation %
				(Rupees	s in '000)			
Vehicle Plant and machinery	37,866	(21,642)	16,224 28,000	28,341 14,366	(14,322) 4,468	14,019 18,834	2,205 9,166	Over the period
Total	65,866	(21,642)	44,224	42,707	(9,854)	32,853	,37	
		Cost		202 Accun	I nulated depreci	ation		
	As at January 01	Additions/ Settled	As at December 31	As at January 01	Charge/ settled	As at December 31	Book value As at	Rate of depreciation %
				(Rupees	in '000)			
Vehicle Plant and machinery	42,595	(4,729) (20,000)	37,866	24,009 28,584	4,332 (14,218)	28,341 14,366	<b>I</b> 3,634	Over the <b>I</b> jarah period
Total	90,595	(24,729)	65,866	52,593	(9,886)	42,707	23,159	



		2022	202
10.5.2	Future Ijarah payments receivable	(Rupee	s in '000)
	Not later than one year Later than one year and not later than one year	,37	8,586   4,573
		,37	23,159

10.6 Advances include Rs.34,967.28 (2021: Rs. 37,403.70) million which have been placed under non-performing status as detailed below:

		202	22	2021		
		Non		Non		
Category of Classification		Performing Loans	Provision	Performing Loans	Provision	
Domestic			(Rupees	in '000)		
Other Assets Especially Mentioned	0.6.1	26,794	-	27,270	-	
Substandard		10,979	36	20,125	1,625	
Doubtful		198,971	23,739	888,099	296,028	
Loss		34,730,536	27,066,002	36,468,208	24,938,733	
Total		34,967,280	27,089,777	37,403,702	25,236,386	

- **10.6.1** This represents non-performing portfolio of agricultural and small and medium enterprise financing classified as OAEM as per the requirements of the Prudential Regulations for Agricultural and Small and Medium Enterprise Financing issued by the State Bank of Pakistan.
- **10.6.2** The Bank has availed the benefit of forced sale value on plant and machinery under charge and mortgaged residential and commercial property (land and building only) held as collateral against non-performing advances on the basis of the instructions of the State Bank of Pakistan. Had the benefit not been taken by the Bank, specific provision against non-performing advances would have been higher by Rs.7,742.44 (2021: Rs.11,680.22) million. The resultant increase in profit due to FSV benefit taken will not be available for distribution as cash and stock dividend to shareholders.

### 10.6.3 Particulars of provision against advances

		2022			2021	
	Specific	General	Total	Specific	General	Total
			(Rupees	s in '000)		
Opening balance	25,236,386	2,903	25,239,289	19,500,410	2,208	9,502,618
Exchange adjustments	-	-	-	-	-	-
Charge for the year	2,718,477	4,309	2,722,786	5,976,561	695	5,977,256
Reversals	(860,608)	-	(860,608)	(334,983)	-	(334,983)
	I,857,869	4,309	1,862,178	5,641,578	695	5,642,273
Amounts (reversal)/charged off -						
agriculture loans	(4,478)	-	(4,478)	93,301	-	93,30 <b>1</b>
Net charge during the year	1,853,391	4,309	1,857,700	5,734,879	695	5,735,574
Fair value adjustment on net assets of						
Sindh Leasing Co. Ltd	-	-	-	I,097	-	I,097
Closing balance	27,089,777	7,212	27,096,989	25,236,386	2,903	25,239,289

### 10.6.3.1 Particulars of provision against advances

		2022			202	
	Specific	General	Total	Specific	General	Total
			(Rupee	s in '000)		
In local currency	27,089,777	7,212	27,096,989	25,236,386	2,903	25,239,289
In foreign currencies		_	_	_	_	_
5	27,089,777	7,212	27,096,989	25,236,386	2,903	25,239,289



**10.6.3.2** General provision against consumer loans represents provision maintained at an amount equal to 1% (2021: 1%) of the fully secured performing portfolio and 4% (2021: 4%) of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP. General provision against Small Enterprises financing represents provision maintained at an amount equal to 0% (2021: 0%) of the fully secured performing portfolio and 1% of the unsecured performing portfolio as required by the Prudential Regulations issued by the Prudential Regulations issued by SBP.

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			2022	2021
11	FIXED ASSETS	Note	(Rupees	in '000)
	Capital work-in-progress	[].]	26,725	73,166
	Property and equipment	11.2	1,312,351	I,264,760
	Right of use assets	11.5	2,693,446	1,809,671
			4,032,522	3,147,597
11.1	Capital work-in-progress			
	Civil works		4,325	4,396
	Equipment		2,041	1,541
	Advances to suppliers		20,359	67,229
		11.1.1	26,725	73,166
11.1.1	Movement in Capital work-in-progress			
	Opening balance		73,166	24,900
	Transfer in		211,216	153,701
	Transfer out		(257,657)	(105,435)
	Closing balance		26,725	73,166

### **II.2** Property and Equipment

2	Property and Equipment	2022						
		Lease hold improvements	Furniture and fixture	Computer and office equipment	Vehicles	Total		
				(Rupees in '000	))			
	At January 1, 2022				,			
	Cost / Revalued amount	1,324,292	562,730	1,721,214	384,506	3,992,742		
	Accumulated depreciation	5 2, 63	444,605	,526,022	245,192	2,727,982		
	Net book value	812,129	118,125	195,192	39,3 4	1,264,760		
	X							
	Year ended December 31, 2022	010,100			120 214			
	Opening net book value	812,129	118,125	195,192	39,314	1,264,760		
	Additions	66,740	6,593	84,200	78, 07	335,640		
	Movement in surplus on assets revalued							
	during the year	-	-	-	-	-		
	Acquisitions through business combinations Impairment loss recognised in the	-	-	-	-	-		
	profit and loss account - net							
	Disposals	(711)	<u>-</u> (10)	(24)	- (617)	(1,362)		
	Depreciation charge	(67,000)	(41,337)	(101,392)	(76,958)	(286,687)		
	Exchange rate adjustments	(07,000)	(1,557)	(101,372)	(70,750)	(200,007)		
	Other adjustments / transfers	_	_	_	-	_		
	Closing net book value	811,158	83,371	177,976	239,846	1,312,351		
						1,012,001		
	At December 31, 2022							
	Cost / Revalued amount	1,389,947	569,082	1,791,443	504,654	4,255,126		
	Accumulated depreciation	578,789	485,711	1,613,467	264,808	2,942,775		
	Net book value	811,158	83,371	177,976	239,846	1,312,351		
	Rate of depreciation (percentage)	5.00%	10.00%	33.33% & 20.0%	20.00%			
	Nate of depreciation (percentage)	J.00 /0	10.00%	<u> </u>	20.00%			



			2021		
	Lease hold improvements	Furniture and fixture	Computer and office equipment	Vehicles	Total
At January J. 2021		(	(Rupees in '000)	)	
At January 1, 2021 Cost / Revalued amount	1,313,615	558,926	1,673,221	383,290	3,929,052
Accumulated depreciation	440,384	392,386	1,429,524	245,937	2,508,231
Net book value	873,231	66,540	243,697	137,353	1,420,821
Year ended December 31, 2021					
Opening net book value	873,23 l	66,540	243,697	137,353	1,420,821
Additions	11,377	4,394	57,427	58,228	31,426
Movement in surplus on assets revalued					
during the year	-	-	-	-	-
Acquisitions through business combinations	-	-	-	-	-
Impairment loss recognised in the					
profit and loss account - net	-	-	-	-	-
Disposals	(392)	(27)	(147)	(31)	(597)
Depreciation charge	(65,790)	(52,782)	(105,783)	(56,229)	(280,584)
Exchange rate adjustments Other adjustments / transfers	- (( 197)	-	-	-	(6,306)
Closing net book value	<u>(6,297)</u> 812,129	-	<u>(2)</u> (2) (195,192	( <i>/</i> )  39,3 4	I,264,760
Closing her book value		110,125			1,204,700
At December 31, 2021					
Cost / Revalued amount	I,324,292	562,730	1,721,214	384,506	3,992,742
Accumulated depreciation	512,163	444,605	,526,022	245,192	2,727,982
Net book value	812,129	118,125	195,192	139,314	I,264,760
Rate of depreciation (percentage)	5.00%	10.00%	33.33% & 20.0%	20.00%	

11.3 The cost of fully depreciated furniture and fixture, office and computer equipment still in use amounted to Rs.1,743.80 million (2021: Rs.1,473.56 million).



### 11.4 Disposal

Description	Cost	Net Book Value	Sale Proceeds	Mode Of Disposal	Particular of The Purchaser
		(Ru	pees in '00	0)	
Computers & Office Equipment					
Items with WDV of below Rs. 250,000/- and cost of less than Rs. 1,000,000/-	15,297	746	1,922	Negotiation	Various
Motor Vehicles					
Toyota Corolla XLI	I,538	-	I,678	Tender	Abdul Razzaq
	I,664	-	_	As Per HR Policy	Ishfaque Ahmed Soomro
do	I,644	-	-	As Per HR Policy	Riaz Áhmed
Honda Civic	2,588	-	-	As Per HR Policy	Syed Nadeem Altaf
Suzuki Cultus	1,129	-	-	As Per HR Policy	Tariq Mahmood
do	1,124	-	-	As Per HR Policy	Syed Akram Hussain Zaidi
do	1,129	-	-	As Per HR Policy	Mubasharuddin Khan
do	1,250	-	-	As Per HR Policy	Rana Liaquat Ali Khan
do	1,300	152	52	As Per HR Policy	Syed Sohail Abbas Zaidi
do	,250	-	-	As Per HR Policy	Shoaib Naseem Khan
do	1,250	-	-	As Per HR Policy	Zahid Mahmood
do	1,129	-	-	As Per HR Policy	Haq Nawaz
do	1,129	-	-	As Per HR Policy	Beverly D'Souza
do	1,099	-	-	As Per HR Policy	Arshad Abbas Soomro
do	1,010	-	-	As Per HR Policy	Saima Aziz
do	1,250	-	-	As Per HR Policy	Muhammad Saleem
do	1,250	-	-	As Per HR Policy	Arsalan Sattar
Suzuki Wagon R	1,144	153	172	As Per HR Policy	Muhammad Yousif Kurio
do	1,054	-	-	As Per HR Policy	Syed Armaghan Ali
do	1,054	-	-	As Per HR Policy	Nizar Ali Tharani
do	1,054	-	-	As Per HR Policy	Badruddin Alam
do	1,054	-	-	As Per HR Policy	Ghulam Mustafa Shaikh
do	1,014	-	-	As Per HR Policy	Karam Hussain Mallah
do	1,054	-	-	As Per HR Policy	Noor Mustafa Barohi
do	, 04  ,0 4	104	104	As Per HR Policy As Per HR Policy	Wajid Ali Khushhal
do	I,014	-	-		Khushhal Zaashan Mirza
do	I,054	-	-	As Per HR Policy	Zeeshan Mirza
do	1,034	-	-	As Per HR Policy	Omar Waqar Muhammad Arif Ashraf
do do	1,014 1,054	-	-	As Per HR Policy As Per HR Policy	
	I,054	-	-	As Per HR Policy	Shakeel Ahmed
do	1,054	-	-	As Per HR Policy	Intikhab Ashraf
do	1,014 1,054	-	-	As Per HR Policy	Bu Ali Khan
do	I,034	-	-	As Per HR Policy	Imran Khalid
do	I,054	-	-	As Per HR Policy	Mohsin Ali Rahu
do	I,009	-	-	As Per HR Policy	Muhammad Awais Baig
do	I,007	-	-	As Per HR Policy	Syed Yasir Abbas
do	I,054	-	-	As Per HR Policy	Naveed Hussain
do	I,054	-	-	As Per HR Policy	Adnan Alam
do	I,054	-	-	As Per HR Policy	Sufia Laghari
do	1,054 1,104	29	-	As Per HR Policy	Khush Muhammad Ansari
do	I,104 I,054	127	127	As Per HR Policy	
Items with WDV of below Rs. 250,000/-	1,004	-	-		Syed Ahsan Ali
and cost of less than Rs. 1,000,000/-	I,264		757	Tender	Various
and cost of less than Ks. 1,000,000/-	7,648	-		As Per HR Policy	Various Various
	<u> </u>	617	3,071	TS TELLIN FUILY	various
TOTAL	73,256	I,363	4,993		



		2022	2021
11.5	RIGHT OF USE ASSETS	Rupees	in '000
	Year ended December 31		
	Opening net book value	1,809,671	1,819,646
	Additions	1,539,139	659,812
	Disposals	-	-
	Depreciation charge	(655,364)	(669,787)
	Closing net book value	2,693,446	1,809,671
	At December 31		
	Cost	4,875,656	3,840,056
	Accumulated depreciation	(2,182,210)	(2,030,385)
	Net book value	2,693,446	1,809,671
	Rate of depreciation (percentage)	10% to 100%	10% to 100%
12	INTANGIBLE ASSETS		
	Computer Software		
	At January I		
	Cost	373,835	292,861
	Accumulated amortisation and impairment	259,561	224,476
	Net book value	114,274	68,385
	Year ended December 31		`
	Opening net book value	114,274	68,385
	Additions:		
	- directly purchased	38,217	80,974
	Disposals	-	-
	Amortisation charge	(35,220)	(35,085)
	Other adjustments		
	Closing net book value	7,27	114,274
	At December 31		
	Cost	412,051	373,835
	Accumulated amortisation and impairment	294,780	259,561
	Net book value	7,27	4,274
	Rate of amortisation (percentage)	20%	20%
	Useful life	5 years	5 years

12.1 The cost of fully amortised software still in use amounted to Rs.227.226 million (2021: Rs. 188.78 million) .



### DEFERRED TAX ASSETS-NET 13

DEFERRED TAX ASSETS-NET	2022				
	At Jan I, 2022	Recognised in P&L A/C	Recognised in OCI	Recognised on Amalgamation (SLCL)	At Dec 31, 2022
		(R	lupees in '00	)0)	
Deductible Temporary Differences on				] []	
- Provision against advances - general	8,420,982	687,695	-	-	9,108,677
- Tax losses carried forward	3,319,583	461,028	2,378	-	3,782,989
- Provision for diminution in the value	0.47 705	(152.000)			04.052
of investments	247,735	(152,882)		-	94,853
- Deficit on revaluation of investments	717,118	-	55,529	-	772,647
- Others	705,534	279,755	-	-	985,289
- Others (RoU)	_	65,384	-	-	65,384
	13,410,952	1,340,980	57,907	-	14,809,839
Taxable Temporary Differences on					
- Accelerated tax depreciation -					
tangible fixed assets	(20,465)	16,668	-	-	(3,797)
- Net investment in Lease Finance	(131,859)	-	-	-	(131,859)
- Accelerated tax amortization - intangible assets	(6,095)	(6,042)	-	-	(12,137)
Ū.	(158,419)	10,626	_	-	(147,793)
	13,252,533	1,351,606	57,907	-	14,662,046

6,459,941

3,118,099

94,853

261,175

427,378

10,361,446

1,961,041

201,993

152,882

278,156

2,594,072

\_

2021

(509)

455,943

455,434

8,420,982

3,319,583

247,735

717,118

705,534

3,410,952

\_

		2021			
At Jan I, 2021	Recognised in P&L A/C	Recognised in OCI	Recognised on Amalgamation (SLCL)	At Dec 31, 2021	
(Rupees in '000)					

### Deductible Temporary Differences on

- Provision against advances general
- Tax losses carried forward
- Provision for diminution in the value of investments
- Deficit on revaluation of investments
- Others

### Taxable Temporary Differences on

- Accelerated tax depreciation tangible fixed assets
- Net investment in Lease Finance
- Accelerated tax amortization intangible assets

	(39,586)	19,121	_	_	(20,465)
	(131,859)	-	-	-	(131,859)
S	(7,674)	I,579	-	-	(6,095)
	(179,119)	20,700	_		(158,419)
	10,182,327	2,614,772	455,434		13,252,533

13.1 In this respect, the management of the Bank has prepared projections which have been approved by the Board of Directors of the Bank. The projections involve certain key assumptions underlying the estimation of future taxable profits, such as cost to income ratio of the Bank, deposit composition, growth of deposits and advances, investment returns, expected recoveries of classified advances, etc. The management believes that it is probable that the Bank will be able to achieve the profits projected in the projections and consequently the deferred tax asset will be fully realized in the future.

			2022	2021
14	OTHER ASSETS	Note	(Rupees in	'000)
14	OTHER ASSETS			
	Income/ Mark-up accrued in local currency	4.	4,261,207	3,045,472
	Accrued commission income		19,730	7,234
	Advances, deposits, advance rent and other prepayments		182,617	87,898
	Receivable against sale of shares		56,982	268,770
	Unrealised gain on forward forex revaluation - net		-	130,799
	Insurance premium receivable against agriculture loans		9,841	2,565
	Stationery and stamps on hand		18,966	7,984
	Dividends receivable		-	-
	Receivable against   Link ATM settlement account		305,152	-
	Advance Taxation - net		12,912	40,054
	Acceptances		-	-
	Insurance claims receivable		3,375	6,252
	Other receivables		56,909	53,734
			4,927,691	3,670,762
4.	Income/ Mark-up accrued in local currency			
	On loans and advances		1,629,075	692,013
	On investments		2,615,414	2,349,909
	Others		16,718	3,550
			4,261,207	3,045,472
15	BILLS PAYABLE			
	In Pakistan Outsida Pakistan		726,148	624,726
	Outside Pakistan		726,148	624,726



16	BORROWINGS	Note	2022 2021 (Rupees in '000)	
	<b>Secured</b> Borrowings from State Bank of Pakistan - Under export refinance scheme - Under long term finance facility	6.2   6.3	l,874,835 59,879	1,695,919 89,819
	Repurchase agreement borrowings - Secured - State Bank of Pakistan (SBP) - Other commercial banks / DFI's	16.4	105,000,000 - 105,000,000 106,934,714	25,000,000 - 25,000,000 26,785,738
6.	Particulars of borrowings with respect to Currencies		106,934,714	26,785,738
	In local currency In foreign currencies		06,934,7 4 -	26,785,738 -
	0		106,934,714	26,785,738

- **16.2** These represent borrowings from SBP under export refinance scheme at the rates ranging from 8% to 10% (2021: 1.00% to 2.00%) per annum having maturity upto six months.
- 16.3 These represent borrowings from SBP under long term finance facility at the rate of 3% (2021: 3.00%) per annum having maturity upto 5 years.
- 16.4 These represent repurchase agreement borrowings from State Bank of Pakistan at the rates ranging from 15.22% to 16.17% (2021: 10.12%) per annum maturing on February 24, 2023 (2021: February 18, 2022). The carrying value of securities given as collateral against these borrowings is given in note 9.4.

### 17 DEPOSITS AND OTHER ACCOUNTS

		2022			2021	
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Customers			Rupees	in '000		
Current deposits	57,625,016	538,290	58,163,306	61,100,359	393,151	61,493,510
Savings deposits	98,443,519	1,009,539	99,453,058	92,336,919	946,331	93,283,250
Term deposits	61,811,366	435,818	62,247,184	58,533,628	411,867	58,945,495
Margin and other deposits	480,506	-	480,506	563,852	_	563,852
	218,360,407	I,983,647	220,344,054	212,534,758	1,751,349	2 4,286, 07
Financial Institutions		[]				
Current deposits	53,242	24	53,266	47,372	19	47,391
Savings deposits	627,586		627,586	I,443,864		I,443,864
Term deposits	I,899,000		I,899,000	1,711,000		1,711,000
Margin and other deposits	120,044		I 20,044	120,044		120,044
	2,699,872	24	2,699,896	3,322,280	19	3,322,299
	221,060,279	1,983,671	223,043,950	215,857,038	1,751,368	217,608,406

17.1     Composition of deposits	I
	011,183 369,167
	709,765
- Banking Companies I4,847 - Non-Banking Financial Institutions 2,685,049 3,	8,437 313,862
- Private Sector 33,056,072 34,	95,992
<b>223,043,950</b> 217,	608,406

17.2 The SBP has set up a fully owned subsidiary – Deposit Protection Corporation (DPC), with an aim to provide protection to small depositors of banks operating in Pakistan. The Corporation has been set up through promulgation of the Deposit Protection Corporation Act, 2016, (the Act) and commenced its business with effect from 01 June 2018. Membership of the Deposit Protection Corporation is compulsory for all banks scheduled under sub-section (2) of section 37 of the State Bank of Pakistan Act, 1956. Under the arrangement, the objective of DPC would be to protect the depositors to the extent of the guaranteed amount, in case a member bank is notified as a failed institution by SBP.

The framework provided by DPC lays down the methodology for arriving at Eligible Deposits, as well as determining the premium amount payable under the regulations. The premium amount so determined are required to be deposited by all banks with DPC on a quarterly basis.

As at 31 December 2022, the deposits eligible to be covered under insurance arrangements amounted to Rs. 39,403.11 million (2021: Rs. 32,255.45 million) and premium paid amounted to Rs. 51.61 million (2021: Rs. 46.01 million).

81	OTHER LIABILITIES	R LIABILITIES		2021
			(Rupees in	
	Mark-up / return / interest payable in local currency		4,740,408	3,032,140
	Mark-up / return / interest payable in foreign currency		3,485	2,947
	Accrued expenses		281,813	24,448
	Net defined benefit liability		104,688	93,779
	Provision for compensated absences		250,602	224,032
	Payable against I Link ATM settlement account		-	47,032
	Payable against purchase of operating fixed assets		44,089	3,660
	Payable against purchase of shares		309,248	205,890
	Retention money		56,547	60,701
	Federal excise duty / sales tax on services payable		I,835	6,185
	Lease liability	8.1	2,861,097	2,073,301
	Withholding tax payable		20,919	36,542
	Forex fwd Reval Impact		692,112	-
	Acceptances		-	-
	Security deposit against leases	8.2	237,882	362,368
	Others		389,83 I	259,232
			9,994,556	6,542,257
8.1	Lease liability	-		
	Opening balance		2,073,301	2,119,589
	Impact of adoption of IFRS 16		-	-
	Additions / renewals		1,539,139	659,812
	Borrowing cost		221,035	227,250
	Payments		(972,378)	(933,350)
	Closing balance	-	2,861,097	2,073,301
	Current lesse lisbility		945 904	005 010
	Current lease liability		865,906	885,940
	Non current lease liability	-	1,995,191	1,187,361
		-	2,861,097	2,073,301



18.2 These represent interest free security deposits received from lessees against lease contracts of Sindh Leasing Company Limited was amalgamated into the Bank, and are adjustable against residual value of leased assets at the expiry of the respective lease terms.

### 19 SHARE CAPITAL - NET

### 19.1 Authorised capital

2022	2021		2022	2021	
Number of shares			(Rupees in '000)		
3,000,000,000	2,800,000,000	Ordinary shares of Rs.10 each	30,000,000	28,000,000	

### 19.2 Issued, subscribed and paid-up share capital

		Fully paid in cash:		
2,552,442,817	1,971,013,000	Ordinary shares of Rs.10 each	25,524,428	9,710,130
400,000,000	200,000,000	Right shares of Rs.10 each issued during the year	4,000,000	2,000,000
-	381,429,817	Ordinary shares of Rs. 10 issued as consideration of amalgamation	-	3,814,298
2,952,442,817	2,552,442,817		29,524,428	25,524,428
2,752,112,017	2,352,112,017		27,321,120	

19.3 The Government of Sindh, through its Finance Department, owns 99.97% ordinary shares of the Bank.

20	SHARES DEPOSIT MONEY	Note	2022 2021 (Rupees in '000)	
	Opening balance Shares deposit money Right shares issued during the year	20.1	4,000,000 	2,000,000 4,000,000 (2,000,000) 4,000,000
21	PROPOSED ORDINARY SHARES TO BE ISSUED ON AMALGAMATION			
	Opening balance Shares issued during the year	21.1	- 	3,814,298 (3,814,298) -

21.1 As per the Scheme of Amalgamation during the year, the Bank issued 381,429,817 ordinary shares of the Bank to the sole shareholder (Government of Sindh) of Sindh Leasing Company Limited on the basis of the swap ratio of I (one) ordinary share of Sindh Bank Limited for every 0.9176 ordinary shares of Sindh Leasing Company Limited, as consideration for the merger.

		2022	202
		(Rupees in '000)	
22	DEFICIT ON REVALUATION OF ASSETS		
	Available-for-sale securities		
	Federal government securities	(1,627,156)	(1,774,724)
	Fully paid ordinary shares - listed	(373,481)	(93,489)
	Units of mutual funds (units / certificates)	Ì 19,492	29,450
		(1,981,145)	(1,838,763)
	Related deferred taxation	772,645	717,116
		(1,208,500)	(1,121,647)

			2022	202
23	CONTINGENCIES AND COMMITMENTS	Note	(Rupees ir	000)
	-Guarantees -Commitments -Other contingent liabilities	23.1 23.2	4,475,012 167,300,904 -	4,635,678 52,600,081
			171,775,916	57,235,759
23.I	Guarantees:			
	Financial guarantees Performance guarantees Other guarantees		695,773 2,684,368 1,094,871 4,475,012	1,059,301 2,722,244 854,133 4,635,678
23.2	Commitments:			
	Documentary credits and short-term trade-related transactions - letters of credit Commitments in respect of:		549,961	536,689
	- forward foreign exchange contracts	23.2.I	32,362,486	12,941,129
	- forward lending, borrowings and credits Other commitments	23.2.2	134,388,457 -	39,122,263 -
			167,300,904	52,600,081
23.2. I	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		6,669,577 	6,740,279 <u>6,200,850</u> 12,941,129
23.2.2	Commitments in respect of forward lending, borrowings and credits			12,7 11,127
	Forward repurchase agreement borrowing Forward resale agreement lending Undrawn formal standby facilities, credit lines and		06,368,6 2  9,984,859	25,103,970 5,382,772
	other commitments to lend	23.2.2.	8,034,986	8,635,521
			134,388,457	39,122,263

### 23.2.2.1 Commitments to extend credit

The Bank enters into commitments to extend credit in the normal course of its business but these are revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

### 23.3 Contingencies

- **23.3.1** The Income Tax returns of the Bank have been filed up to the tax year 2022 (accounting year ended December 31, 2021) and amendment of deemed assessment were carried out till tax year 2020, whereby certain disallowances to the taxable income were made.
- **23.3.2** Appeals against amended orders were filed before Commissioner Inland Revenue Authority (CIRA), these appeals decided in bank's favor and thereby deleted the impugned demands.

With respect to Bank's operations in Azad Jammu & Kashmir (AJK), bank has filed income tax returns upto tax year 2022 (accounting year ended December 31, 2021) with the tax authorities of AJK. The Commissioner has issued amended assessment orders upto tax year 2019. The Bank has filed appeals which are pending at CIRA.

23.3.3 Government of Sindh through the Sindh WWF Act, 2014, has introduced levy of SWWF. As per Sindh WWF Act, 2014, banks / Financial institutions are included in definition of "Industrial Establishment" Sindh WWF is imposed at the rate of 2% to the total income. Since the Bank is trans provincial entity and the operations of the Bank in also in other Provinces and in Azad Jammu & Kashmir as well, the Bank along with other banks have filed a suit before Honorable Sindh High Court and challenged the vires of SWWF, which is pending for adjudication.



### 23.3.4 Sindh Leasing Company Limited - Amalgamated

The Income Tax returns of the Ex-Sindh Leasing Company Limited have been filed up to the tax year 2021 (accounting year ended December 31, 2020, interim period). ACIR initiated proceedings under section 122(5A) of the Ordinance which were finalized through order, increasing taxable income to Rs. 40,242,222 and raising additional tax demand of Rs. 2,974,421. The tax demand was duly paid under protest.

Appeal was filed before the Commissioner Inland Revenue Appeals (CIRA) on March 22, 2022 which was decided in Bank's favour and thereby deleting the whole of the impugned tax demand, accordingly, the refund application filed.

Withholding tax monitoring proceedings of tax year 2015, 2018 and 2019 were initiated under section 176 of the income tax ordinance, 2001 read with rule 44 of income tax rules, 2002 by tax authorities, however, order not yet passed.

### 23.3.5 Significant Matters

Land Acquisition Officer Matiari and Deputy Commissioner Naushero Feroz maintained accounts with two branches of the bank located at Matiari since October 14, 2022 and at Naushero Feroz since December 31, 2014 respectively. The designated district government official(s) have made cash withdrawals to the tune of Rs. 5.7 Billion from the respective accounts as singly authorized signatory for land acquisition of Sukkur - Hyderabad Motorway (M-6). The matter is under investigation by the government agencies with simultaneous recovery of cash in process. The legal counsel has opined that the Bank has no financial exposure in this matter.

23.3.6	Other Contingent Liabilities	2022 (Rupees in	<u>2021</u> '000)
	Claims against the Bank not acknowledged as debts	792,500	792,500

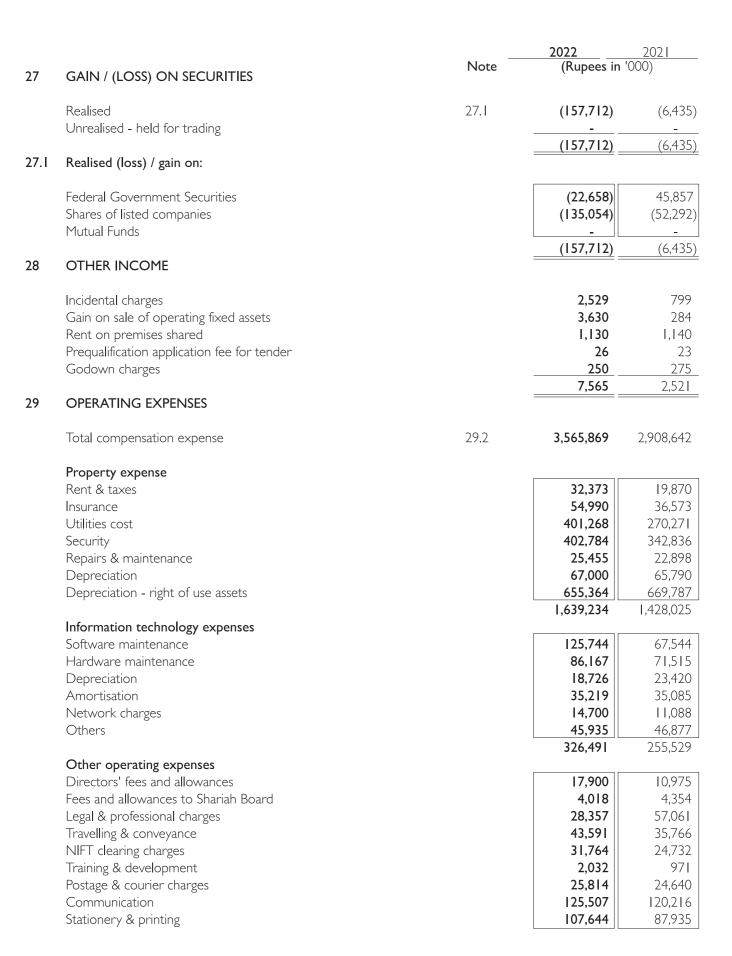
These mainly represent counter claims filed by the ex-employees of the Bank for damages purported to be sustained by them consequent to the termination from the Bank's employment. Based on legal advice, the management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.

24MARK-UP/RETURN/INTEREST EARNEDNote(Rupees in '000)	
On Loans and advances 24.1 <b>5,204,543</b> 4,	,138,961
On Investments <b>29,811,880</b> 17,	,031,925
On Lendings to financial institutions I,331,571	639,863
On Balances with banks 29,768	15,337
<b>36,377,762</b> 21,	,826,086

24.1 This includes income from Leasing business amounting to Rs.63.85 (2021: 116.56) million.

### 25 MARK-UP/RETURN/INTEREST EXPENSED

Deposits Borrowings Lease liability against right of use assets	16,357,329 14,482,979 221,035 31,061,343	10,342,439 6,352,028 <u>227,249</u> 16,921,716
5 FEE AND COMMISSION INCOME		
Branch banking customer fees Consumer finance related fees Card related fees (debit cards) Commission on trade Commission on guarantees Credit related fees Commission on remittances including home remittances Others	63,120 2,189 213,977 59,043 51,888 17,000 20,223 874 428,314	46,706 1,186 162,838 56,026 41,787 18,779 23,772 864 351,958





		2022	2021
	Note	(Rupees in '000)	
Marketing, advertisement & publicity		56,558	44,607
Donations	29.3	50,003	-
Auditor's Remuneration	29.4	12,755	12,410
Repairs & maintenance		126,805	106,782
Brokerage and commission		9,280	12,239
Entertainment Expenses		62,650	54,374
Fees and subscription		68,817	59,776
Insurance expenses		13,675	9,938
Premium of deposit protection fund		51,609	46,007
Depreciation		200,961	191,374
Others		155,082	158,040
		I,194,822	1,062,197
		6,726,416	5,654,393

**29.1** Total cost for the year included in other operating expenses relating to Janitorial outsourced activities is Rs. 112.528 million (2021: 106.81 million). These expenses represent payments made to companies incorporated in Pakistan.

### 29.2 Total compensation expense

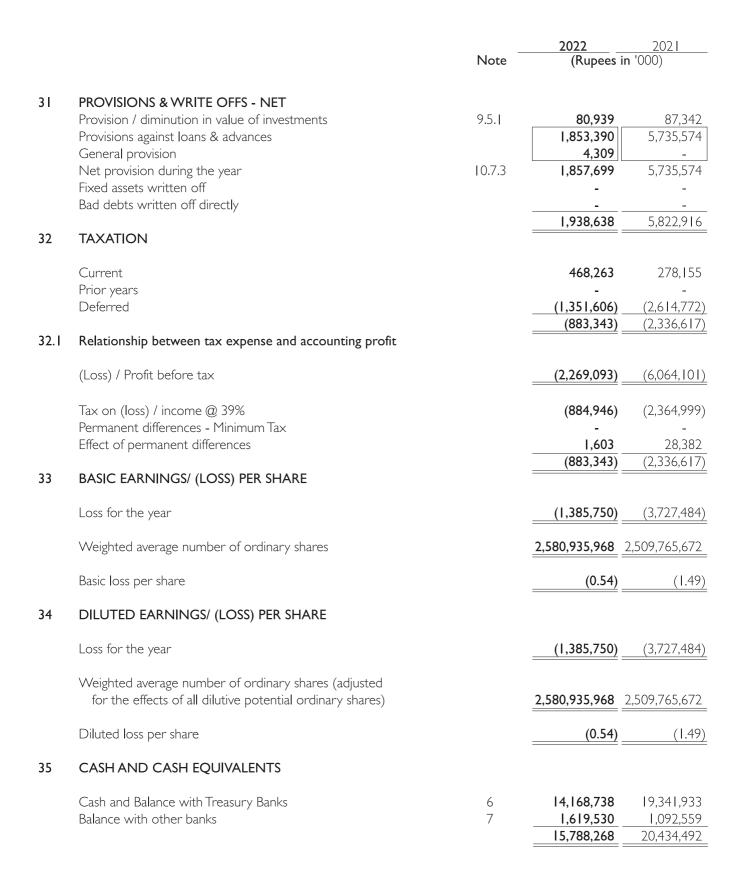
Managerial Remuneration	r	
- Fixed	2,175,509	1,718,663
-Variable Cash Bonus / Awards	12,349	12,664
Charge for defined benefit plan	98,589	95,085
Contribution to defined contribution plan	117,742	99,324
Rent & house maintenance	602,965	521,898
Utilities	123,274	05,444
Medical	123,350	05,443
Conveyance	114,356	97,701
Employee old age benefits contribution	17,602	14,889
Leave Fare Assistance Allowances	65,868	18,019
Leave Encashment	40,905	52,693
Staff Insurances	69,874	65,594
Others	3,486	I,225
	3,565,869	2,908,642

### 29.3 Details of donations

Distribution of tents amounting to Rs. 50 mn was provided under Provincial Disaster Management Authority Program in the province of Sindh 50,003 -

### 29.4 Auditors' remuneration

Audit fee Fee for other statutory certifications Special certifications and sundry advisory services	0,497  , 66 549	9,998 1,111 760
Out-of-pocket expenses	543	541
OTHER CHARGES	<u> </u>	2,4 0
Penalties imposed by the State Bank of Pakistan Others	9,793 -	67,640 -
	9,793	67,640





36

	2022         2021           Note         Number
STAFF STRENGTH	
Permanent Temporary / on contractual basis	<b>1,894</b> 1,829 <b>98</b> 151
Total staff strength	<b>I,992</b> I,980

**36.1** In addition to the above 502 (2021: 478) staff from outsourcing services companies were assigned to the Bank.

### 37 DEFINED BENEFIT AND CONTRIBUTION PLANS

### 37.1 Defined benefit plan

The Bank operates a recognised gratuity plan for all its permanent and full time employees in the management cadre who have completed the minimum qualifying period of three years. Contributions are made to the fund in accordance with the recommendations of an actuary. Employees are entitled to the benefits under the plan which comprise of the last drawn basic salary for each completed year of service, subject to completion of minimum three years services with the Bank. The number of employees covered under the schemes are 1,885 (2021: 1785).

### 37.1.1 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2022 using the Projected Unit Credit Method. Following are the significant assumptions used in the actuarial valuation:

	Note	2022	2021	
- Discount rate		14.25%	12.25%	
- Expected rate of increase in salaries-short term		10.00%	10.00%	
- Expected rate of increase in salaries-long term		13.25%	11.25%	
- Expected return on plan assets		14.25%	12.25%	
- Duration (Years)		10.43	10.83	
		2022	2021	
37.1.2 Reconciliation of net defined benefit liability		(Rupees in	(Rupees in '000)	
Present value of defined benefit liability Fair value of plan assets Payable to defined benefit plan	37.1.5 37.1.6 37.1.3	737,312 (632,624) 104,688	611,779 (518,000) 93,779	
37.1.3 Movement in net defined benefit liability				
Opening balance Charge to profit and loss during the year Remeasurement loss recognized in OCI Bank's contribution Closing balance	37.1.4 37.1.4	93,779 98,589 6,099 (93,779) 104,688	72,270 95,085 (1,306) (72,270) 93,779	

	2022	2021
37.1.4 Charge for defined benefit plan		000)
In profit and loss		
Current service cost	92,845	91,381
Interest cost - net	5,743	3,704
Past service cost	-	-
Charge for the year	98,588	95,085
In other comprehensive income		
Remeasurement (gain) / loss on defined benefit obligation	(6,877)	(8,995)
Remeasurement loss on plan assets	12,976	7,689
	6,099	(1,306)
37.1.5 Changes in present value of defined benefit liability		
Opening balance	611,779	498,760
Current service cost	92,845	91,381
Interest cost	72,901	50,124
Past service cost		
Benefits paid	(33,336)	( 9,49 )
Actuarial loss / (gain) on obligation		
- Experience assumptions	(6,877)	(8,995)
Closing balance	737,312	611,779
37.1.6 Fair value of plan assets		
Fair value of plan assets at the beginning of the year	518,000	426,490
Expected return on plan assets	67,157	46,420
Bank's contributions	93,779	72,270
Benefits paid	(33,336)	(19,491)
Actuarial loss on assets - experience assumptions	(12,976)	(7,689)
Fair value of plan assets at the end of the year37.1.7	632,624	5 8,000
37.1.7 Plan assets comprise		
Balance held in bank accounts	632,624	518,000
		510,000

### 37.1.8 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2022 (Rupees ii	<u>2021</u> 1 '000)
Discount rate (1% variation)	666,398	550,860
Future salary growth (1% variation)	824,154	686,605
Future mortality (1 year variation)	737,637	612,429

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.



**37.1.9** The expected gratuity expense for the year commencing January 01, 2023 works out to Rs.108.655 million (2022: Rs. 95.63 million).

### 37.1.10 Maturity analysis

The weighted average duration of the defined benefit obligation works out to be 10.83 years. Expected benefit payments for the next five years are:

2022

2024

2025

2024

2027

	2023	2024	2025	2026	2027
		(	Rupees in '0	00)	
Expected benefit payments	56,886	44,428	46,486	40,933	61,202

### 37.1.11 Risks Associated with Defined Benefit Plans

### **Investment Risks**

The risk arises when the actual performance of the investment is lower than expectation. This is managed by formulating the investment plan in consultation with the trustee and the actuary.

### Longevity Risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

### Salary Increase Risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final Salary, the benefit amount increases similarly. The risk is managed by actuarial valuations and accounting for benefits based on that.

### Withdrawal Risk

The risk of actual withdrawals varying with the actuarial assumptions can pose a risk to the benefit obligation. The movement of the liability can go either way.

### 37.2 Defined contribution plan

The Bank operates a recognised provident fund plan for all its permanent employees. Equal monthly contributions are made, both by the Bank and its employees, to the fund at the rate of 10% of basic salary of the employees. The minimum qualifying period of service for the purpose of the Bank's contribution is one year. The contribution made by the Bank and its employees during the year amounted to Rs.235.48 (2021: Rs.198.65) million. The number of employees as at December 31, 2022 eligible under the plan were 1,835 (2021: 1,829).

### 38 COMPENSATED ABSENCES

The Bank grants compensated absences to all its regular employees as per service rules. Minimum qualifying period for encashment is three years of service. Regular employees are entitled to 30 days privilege leave for each completed year of service. Unutilized privilege leave is accumulated upto a maximum of 60 days which would be encashed at the time of retirement from the regular service of the Bank or severance of service except in case of dismissal. This is encashable on the basis of last drawn gross salary. The Bank recognises the liability for compensated absences in respect of employees in the period in which these are earned up to the balance sheet date. The provision of Rs. 250.603 (2021: Rs.224.03) million has been made on the basis of actuarial recommendations.

		<u>2022</u> 2021 (Rupees in '000)				
38. I	Movement of compensated absences					
	Opening balance	224,032	179,686			
	(Reversal) / Expense for the year	40,906	52,693			
	Benefit paid during the year	(14,335)	(8,347)			
	Closing balance	250,603	224,032			

### 39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

### 39.1 Total Compensation Expense

				2022			
		Directors					
	Chairman	Executives (other than CEO)	Non- Executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
			(	Rupees in '	000')		
Fees and Allowances Managerial Remuneration	3,175	-	14,725	2,780	-	-	-
- Fixed	-	-	-	-	14,545	124,086	80,043
- Variable Cash Bonus / Awards	-	-	-	-	-	1,000	-
Charge for defined benefit plan	-	-	-	-	I,437	9,854	6,228
Contribution to defined contribution p	lan -	-	-	-	1,455	11,668	7,872
Rent & house maintenance	-	-	-	-	6,545	55,839	36,019
Utilities	-	-	-	-	1,455	12,409	8,004
Medical	-	-	-	-	1,455	12,409	8,004
Conveyance	-	-	-	I,340	1,644	26,773	34,575
Bonus	-	-	-	-	2,082	19,897	13,286
Others	300			-	1,150	6,365	11,326
Total	3,475		14,725	4,120	31,768	290,300	205,357
Number of Persons			6	2	I	25	36

2022

2021

		Directors					
	Chairman	Executives (other than CEO)	Non- Executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
				(Rupees in	' 000')		
Fees and Allowances	2,325	-	8,650	3,780	-	-	-
Managerial Remuneration					ΙΛΕΛΕ		
- Fixed	-	-	-	-	4,545	104,855	67,475
- Variable Cash Bonus / Awards	-	-	-	-	-	I,330	I,083
Charge for defined benefit plan	-	-	-	-	1,403	2,027	5,795
Contribution to defined contribution p	lan -	-	-	-	I,455	9,336	6,603
Rent & house maintenance	-	-	-	-	6,545	47,185	30,364
Utilities	_	-	-	-	I,455	0,485	6,747
Medical	-	-	-	-	I,455	0,485	6,747
Conveyance	-	-	-	574	1,005	9,269	22,469
Bonus	-	-	-	-	2,424	6,087	0,086
Others	1,322	-	-	-	1,518	0,526	8,213
Total	3,647	-	8,650	4,354	31,805	241,585	165,582
Number of Persons	I	-	4	3	I	27	37

- **39.1.1** The President and Chief Executive Officer and certain executives of the Bank are provided with free use of Bank maintained cars.
- **39.1.2** The term "Key Management Personnel" means the following functional responsibilities:
- (a) Any executive or key executive, acting as second to CEO, by whatever name called, and including the Chief Operating Officer (COO) and Deputy Managing Director.
- (b) Any executive or key executive reporting directly to the CEO / President or the person mentioned in (a) above.

The term 'Material Risk Taker' and 'Material Risk Controller' have the same meaning as defined in revised guidelines on remuneration practice issued by the State Bank of Pakistan vide BPRD circular No. 1 of 2017.



- 39.1.3 The terms Directors/ Executive Directors/ Non-Executive Directors, CEO and Key Executives have same meaning as defined in Prudential Regulations (PRs) for Corporate and Commercial Banking. For the purpose of these disclosures Key Executive will also include Executives who have direct reporting line to the President/CEO or BoD or its Committees.
- **39.2** Meeting Fees paid to Directors for participation in Board and Committee Meetings

						)22			
					For	Board Commi	ttee		
Sr. No.	Name of Directors	For Board Meetings	Audit Committee	Risk Management Committee	Procurement I.T. & Security Committee	Resource & Remuneration	Special Asset Management Committee	Nomination Committee	Total Amount Paid
					(Rupees	in ' 000')			
I	Mr. Anis Ahmed Khan	I,800	-	-	375	200	600	200	3,175
2	Mr. Sajid Jamal Abro	I,650	175	575	-	200	600	200	3,400
3	Mr. Asif Jahangir	2,050	400	200	175	-	-	-	2,825
4	Mr. Javaid Bashir Sheikh	2,050	750	575	-	-	-	-	3,375
5	Mr. Mohammed Aftab Alam	I,450	400	-	375	-	600	200	3,025
6	Mr. Adnan Ali Khan	750	-	-	200	200	-	-	1,150
7	Mrs. Masooma Hussain	600	350	-	-	-	-	-	950
	Total Amount Paid	10,350	2,075	I,350	1,125	600	I,800	600	17,900

			202				
			For Boa	ard Committe	ee		
For Board Meetings	Audit Committee	Risk Management Committee	I.T. Commi	Reso ttee Remur	urce & neration	Nomination Committee	Total Amount Paid
		(f	Rupees ir	n'000')			
1,550	950	575	_	_	-	-	3,075
1,550	-	-	200	575	-	-	2,325
500	-	-	200	400	-	-	1,100
1,050	75	-	-	75	-	-	1,400
1,550	950	575	-	-	-	-	3,075
6,200	2,075	1,150	400	1,150	-	-	10,975
	Meetings	Meetings         Committee           1,550         950           1,550         -           500         -           1,050         175           1,550         950	For Board         Audit         Management           Meetings         Committee         Committee	For Board Meetings         Audit Committee         Risk Management Committee         I.T. Committee	For Board Meetings         Audit Committee         Risk Management Committee         I.T. Committee         Hu Resound Committee	For Board Meetings         Audit Committee         Risk Management Committee         I.T. Committee         Human Resource & Committee	For Board Committee           For Board Meetings         Audit Committee         Risk Management Committee         I.T. Resource & Resource & Remuneration Committee         Nomination Committee

### 39.3 Remuneration paid to Shariah Board Members

Remuneration paid to Sharian Board Flemi	2022			2021		
ltems	Chairman	Member	Resident Member	Chairman	Member	Resident Member
			(Rupees	in ' 000')		
Managerial Remuneration (Fixed)	1,561	1,517	<u> </u>	I,83́6	,291	653
Fuel Allowances	470	470		155	287_	32
Total Amount	2,031	I,987		,99	I,578	785
Total Number of Persons	<u> </u>	<u> </u>		<u> </u>	<u> </u>	<u> </u>

### 40 FAIR VALUE MEASUREMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.17 to these financial statements.

The repricing profile, effective rates and maturity profile are stated in note 44.2.6 to these financial statements.

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



### 40.1 Fair value of financial assets

IFRS 13 requires the Bank to make fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

- Level I: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.
- 40.2 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 debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP.

On balance sheet financial instruments Financial assets measured at fair value	, , , , , , , , , , , , , , , , , , ,		202 Enir )		
Pakistan Investment Bonds- $142,067,256$ - $142,067,256$ Market Treasury Bills- $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $63,928,571$ - $2,069$ Units of mutual funds68,975122,760-19- $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,983,510$ - $3,923,527,510,510$ - $3,923,527,510,510,510,510,510,510,510,510,510,510$			Level 2	Level 3	
Ijarah Sukuk - GoP       -       3,985,410       -       3,985         Sukuk bonds       -       2,138,069       210,103,997       -       212,24         Off balance sheet financial instruments       -       16,669,577       -       16,669         Foreign exchange contracts (purchase)       -       15,692,909       -       15,692         Foreign exchange contracts (sale)       -       15,692,909       -       15,692         On balance sheet financial instruments       -       15,692,909       -       15,692         Financial assets measured at fair value       -       -       16,669,577       -       16,669         Available-for-sale securities       -       15,692,909       -       15,692       -       -         Pakistan Investment Bonds       -       109,367,793       -       109,366       -       42,816,839       42,814         Shares of listed companies       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <td< th=""><th>Pakistan Investment Bonds Market Treasury Bills Shares of listed companies Term finance certificates - Listed</th><th>-</th><th>63,928,571 - -</th><th>- - -</th><th> 42,067,256 63,928,57  2,069,094 -  9 ,735</th></td<>	Pakistan Investment Bonds Market Treasury Bills Shares of listed companies Term finance certificates - Listed	-	63,928,571 - -	- - -	42,067,256 63,928,57  2,069,094 -  9 ,735
Off balance sheet financial instrumentsForeign exchange contracts (purchase)Foreign exchange contracts (sale)-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,577-16,669,579-17,692,000-17,193-18,19319,364	ljarah Sukuk - GoP	-	3,985,410	-	3,985,410
Foreign exchange contracts (sale)	Off balance sheet financial instruments	2,138,069		-	212,242,066
2021Easistic constraintsCon balance sheet financial instruments Financial assets measured at fair valueAvailable-for-sale securitiesPakistan Investment Bonds-109,367,793-109,36Market Treasury Bills-42,816,839-42,816Shares of listed companies2,159,0152,159Term finance certificates - ListedUnits of mutual funds99,996109,440-209Jjarah Sukuk - GoP-2,298,090-2,989Sukuk bondsOff balance sheet financial instruments	Foreign exchange contracts (purchase)		16,669,577	_	16,669,577
Fair ValueOn balance sheet financial instruments Financial assets measured at fair valueLevel ILevel 2Level 3TAvailable-for-sale securities	Foreign exchange contracts (sale)		15,692,909	_	15,692,909
On balance sheet financial instruments Financial assets measured at fair value			Fair	/alue	Total
Pakistan Investment Bonds       -       109,367,793       -       109,36         Market Treasury Bills       -       42,816,839       -       42,816         Shares of listed companies       2,159,015       -       -       2,159         Term finance certificates - Listed       -       -       -       -         Units of mutual funds       99,996       109,440       -       209         Ijarah Sukuk - GoP       -       -       -       -         Sukuk bonds       -       -       -       -         Off balance sheet financial instruments       -       -       -       -					
Market Treasury Bills       -       42,816,839       -       42,816         Shares of listed companies       2,159,015       -       -       2,159         Term finance certificates - Listed       -       -       -       -         Units of mutual funds       99,996       109,440       -       209         Ijarah Sukuk - GoP       -       2,989,090       -       2,989         Sukuk bonds       -       -       -       -         Off balance sheet financial instruments       -       -       -       -	Available-for-sale securities				
Units of mutual funds       99,996       109,440       -       209         Ijarah Sukuk - GoP       -       2,989,090       -       2,989         Sukuk bonds       -       -       -       -       -         Off balance sheet financial instruments       -       155,283,162       -       157,54	Market Treasury Bills Shares of listed companies	- 2,159,015		- - -	109,367,793 42,816,839 2,159,015
Off balance sheet financial instruments	Units of mutual funds Ijarah Sukuk - GoP	99,996 -			209,436 2,989,090
		2,259,011	155,283,162	-	57,542,173
Foreign exchange contracts (purchase) - 6,740,279 - 6,740			( 7 40 070		( 7 40 070
			= :	-	6,740,279
Foreign exchange contracts (sale)         -         6,200,850         -         6,200	Foreign exchange contracts (sale)	-		-	6,200,850



### The valuation techniques used for the above assets are disclosed below:

Item	Valuation techniques and input used
Fully paid-up ordinary shares /close end mutual funds	Fair value is determined on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Open ended mutual funds	Fair value is based on redemption prices as at the close of the business day.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page).
"Government of Pakistan (GoP) - Ijarah Sukuks"	Fair values derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

### 41 SEGMENT INFORMATION

### 41.1 Segment Details with respect to Business Activities

Segment Details with respect to Busi	Business Activities 2022					
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total	
Profit & Loss		(	(Rupees in '000	)		
Net mark-up/return/interest income	16,703,966	40,824	_	(11,428,371)	5,316,419	
Inter segment revenue - net	(22,136,445)	10,021	_	22,136,445	5,510,117	
Non mark-up / interest income	606,009	453	_	482,873	I,089,335	
Total Income	(4,826,470)	41,277		11,190,947	6,405,754	
Segment direct expenses	(101,900)	(5,528)	_	(5,375,967)	(5,483,395)	
Inter segment expense allocation	(125,281)	(30,618)	_	(1,096,915)	(1,252,814)	
Total expenses	(227,181)	(36,146)		(6,472,882)	(6,736,209)	
Provisions	(80,939)	-	-	(1,857,699)	(1,938,638)	
(Loss) / Profit before tax	(5,134,590)	5,131	-	2,860,366	(2,269,093)	
Balance Sheet						
Cash & Bank balances	9,432,65 l	-	-	6,355,617	l 5,788,268	
Investments	254,552,777	-	-	-	254,552,777	
Net inter segment lending	-	-	-	181,249,550	181,249,550	
Lendings to financial institutions	19,967,424	-	-	-	19,967,424	
Advances - performing	47,748	470,947	-	35,406,130	35,924,825	
- non-performing	-	1,800	-	7,875,703	7,877,503	
Others	4,903,213	2,574		18,833,743	23,739,530	
Total Assets	288,903,813	475,321	-	249,720,743	539,099,877	
Borrowings	105,059,879	-	-	I,874,835	106,934,714	
Subordinated debt	-	-	-	-	-	
Deposits & other accounts	-	-	-	223,043,950	223,043,950	
Net inter segment borrowing	180,782,307	467,243	-	-	181,249,550	
Others	2,440,114	8,078_		8,272,512	10,720,704	
Total liabilities	288,282,300	475,321	-	233,191,297	521,948,918	
Equity	621,513			16,529,446	17,150,959	
Total Equity & liabilities	288,903,813	475,321		249,720,743	539,099,877	
Contingencies & Commitments	158,715,957			13,059,959	171,775,916	



			2021		
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total
Profit & Loss			(Rupees in '000	))	
Net mark-up/return/interest income	11,358,794	25,334		(6,479,758)	4,904,370
Inter segment revenue - net	(15,927,013)	20,001	_	15,927,013	1,701,570
Non mark-up / interest income	185,749	59	-	390,138	576,478
Total Income	(4,382,470)	25,925		9,837,393	5,480,848
Segment direct expenses	(97,564)	(5,318)	-	(4,477,571)	(4,580,453)
Inter segment expense allocation	(114,158)	(19,001)		(1,008,421)	(1,141,580)
Total expenses	(211,722)	(24,319)	-	(5,485,992)	(5,722,033)
Provisions	(87,343)	-		(5,735,573)	(5,822,916)
(Loss) / Profit before tax	(4,681,535)	I,606		(1,384,172)	(6,064,101)
<b>Balance Sheet</b> Cash & Bank balances	12,158,168	-	_	8,276,324	20,434,492
Investments	75,703,38	-	-	-	75,703,38
Net inter segment lending	-	-	-	72,676,536	72,676,536
Lendings to financial institutions	6,081,208		-	-	6,081,208
Advances - performing	48,256	194,447	-	35,374,143	35,616,846
- non-performing	4 770 220	4,978	-	12,162,338	12,167,316
Others <b>Total Assets</b>	4,778,330	8,060		<u>    15,398,776   </u> 243,888,117	<u>20,185,166</u> 442,864,945
Total Assets	170,707,545	207,403		243,000,117	442,004,743
Borrowings	25,089,819	-	-	1,695,919	26,785,738
Subordinated debt	-	-	-	-	-
Deposits & other accounts		200,025	-	217,608,406	217,608,406
Net inter segment borrowing Others	72,476,5   349,767	7,460	-	- 6,809,756	172,676,536 7,166,983
Total liabilities	197,916,097	207,485		226,114,081	424,237,663
Equity	853,246		-	17,774,036	18,627,282
Total Equity & liabilities	198,769,343	207,485		243,888,117	442,864,945
Contingencies & Commitments	43,427,871			13,807,888	57,235,759
5				<u>·</u>	· · · · ·

### 42 RELATED PARTY TRANSACTIONS

The related parties of the Bank comprise associated undertakings, directors, staff retirement funds and key management personnel (including their associates).

Transactions with related parties includes deposits, advances and other banking services which are carried out on an arm's length basis. Transaction with executives and key management persons are undertaken at terms in accordance with employment agreements and service rules. Contributions to and accruals in respect of staff retirement benefit plans are made in accordance with the terms of the benefit plan. Remuneration of the President & Chief Executive Officer and directors are determined in accordance with the terms of their appointment.

Government of Sindh (GoS) through its Finance Department holds 99.96% shareholding in the Bank and therefore entities which are owned and / or controlled by the GoS, or where the GoS may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transactions with Governmentrelated entities. Such transactions include lending to, deposits from and provision of other banking services to such entities. However, it is impracticable to disclose transactions with all other entities owned or controlled by GoS.

The details of balances and transactions with related parties, other than those disclosed under respective notes, during the year are as follows:

	2022					2021			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties	
				(Rupees	in '000')				
<b>Investments</b> Opening balance Investment made during	-	-	750,000	-	-	-	750,000	-	
the year Investment redeemed /	-	-	-	-	-	-	-	-	
disposed off during the year Closing balance	-	-	750,000				750,000		
Advances Opening balance	_	184,296		_	-	72.054	_	-	
Addition during the year Repaid during the year	-	73,125 104,370	-	-	-	20,834 29,496	-	-	
Transfer in / (out) - net Closing balance	-	<u>38,155</u> 191,206				<u> </u>			
Other Assets									
Interest / mark-up accrued Other receivable		233 233	3				3		
Deposits and other accounts		233		=		=	=	=	
Opening balance Received during the year	767 20,783	923,785	5,147,175	16,435,032	22,930   62,069	433,809	77,313 1,320,699	20,942,544	
Withdrawn during the year Transfer in / (out) - net Closing balance	19,132 	<u> </u>	<u> </u>		184,201 (31 767	) (48,778)	I,358,712 		
Other Liabilities									
Interest / mark-up payable	2	3,949	400	28,249	22	321	234	<u> </u>	

	2022			2021				
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
				(Rupees i	in '000')			
Income								
Mark-up / return / interest earned	-	7,067	-	-	-	7,857	-	-
Fee and commission income	2	. 27	478	39	3	4	104	36
Net gain on sale of securities	-	-	5	232	-	-	6	251
Other income	-	-	-	1,130	-	-	-	<b>I</b> , <b>I</b> 40
Expense								
Mark-up / return / interest paid	61	7,820	3,753	200,472	272	2,95	<b>I</b> ,534	45,250
Remuneration paid	-	253,087	-	-	-	214,470	-	-
Contribution to provident fund	-	12,512	-	-	-	0,280	-	-
Provision for gratuity	-	11,964	-	-	-	12,729	-	-
Other staff benefits	-	27,569	-	-	-	23,617	-	-
Directors' meeting fee	17,900		-	-	10,975	-	-	-
Other expenses Insurance premium paid	500	-	-	22,889	1,322	-	-	-
insurance premium paid	-	-	-	122,007	-	-	-	123,777
Others								
Sale of Government Securities	-	-	123,035	5,544,300	-	-	27,000	3,755,500
"Purchase of Government								
Securities"	-	-	-	-	-	-	-	1,575,000
Gratuity paid	-	-	-	-	-	4,647	-	-
Leave encashment paid Insurance claims settled	-	-	-	26,032	-	2,126	-	3,259
"Expenses recovered under	-	-	-	20,032	-	-	-	J, LJ /
agency arrangement"	-	-	-	77	-	-	-	128

As at the date of unconsolidated statement of financial position, loans/advances and deposits related to government related entities and its related entities amounted to Rs. 5,205.04 million (note 10.2) and Rs. 109,724.26 million (note 17). The above includes deposits amounting to Rs. 34,328.51 (2021: Rs.30,744.37) million received through the Finance Department, Government of Sindh.

	2022	2021
	Rup	ees in '000
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR): Paid-up capital (net of losses)		
Capital Adequacy Ratio (CAR):	6,898,047	14,287,517
Eligible Common Equity Tier I (CET I) Capital Eligible Additional Tier I (ADT I) Capital	2,288,600 -	5,689,232 -
Total Eligible Tier I Capital	2,288,600	5,689,232
Eligible Tier 2 Capital	7212	
Total Eligible Capital (Tier I + Tier 2)	2,295,812	5,689,232
Risk Weighted Assets (RWAs):		
Credit Risk	26,979,421	29,004,835
Market Risk	6,237,413	,647,75
Operational Risk	9,454,405	7,165,969
Total	42,671,239	47,818,555
Common Equity Tier I Capital Adequacy ratio	5.38%	.90%
Tier I Capital Adequacy Ratio	5.38%	.90%
Total Capital Adequacy Ratio	5.38%	11.90%
Notional minimum capital requirements prescribed by SBP		
CETI minimum ratio	6.00%	6.00%
Tier I minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Total capital minimum ratio plus CCB		
Approach followed for determining Risk Weighted Assets	11.50%	11.50%
Credit Risk Market Risk	Comprehensive Maturity method	Comprehensive Maturity method
Operational Risk	Basic Indicator	Basic Indicator
	2022	2021
	Rup	
<b>Leverage Ratio (LR):</b> Eligible Tier-I Capital	2,288,600	5,689,232
Total Exposures	338,819,641	267,438,712
Leverage Ratio (%)	0.68%	2.13%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	132,719,755	26,415,608
Total Net Cash Outflow	37,666,184	28,640,693
Liquidity Coverage Ratio (%)	352%	441%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	59,888,54	67,053,194
Total Required Stable Funding	78,670,959	65,172,730
Net Stable Funding Ratio	203%	256%



**43.1** The full disclosures on the Capital Adequacy, Leverage Ratio & Liquidity requirements as per SBP instructions issued from time to time are placed on the Bank's website. The link to the full disclosure is available at http://www.sindhbankltd.com/financials/basel-statements.

### 44. RISK MANAGEMENT

The Bank's risk management framework encompasses the culture, processes and structure and is directed towards the effective management of potential opportunities and threats to the Bank. The prime objective of the Bank's risk management strategy is to abandon the traditional approach of 'managing risk by silos' and to put in place integrated risk and economic capital management capabilities that will enable the Bank to achieve integrated view of risks across its various business operations and to gain strategic advantage from its risk management capabilities.

The Board of Directors (BOD) keeps an oversight on the Bank-wide risk management framework and approves the risk management strategy and policies of the Bank. The Board Risk Management Committee (BRMC), ensures that the Bank maintains a complete and prudent integrated risk management framework at all times and ensures that the risk exposures are maintained within acceptable levels. BRMC is responsible for reviewing the extent of design and adequacy of risk management framework. BRMC oversight ensures that risks are managed within the level of tolerance and risk appetite of the Bank.

### 44.1 Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability is impaired resulting in economic loss to the Bank. The objective of credit risk management is to keep credit risk exposure within permissible level, relevant to the Bank's risk appetite and capital, to maintain the soundness of assets and to ensure returns commensurate with risk. The Bank takes necessary measures to control such risk by evaluating, measuring and monitoring credit exposures.

The Bank has a comprehensive pre-approval evaluation process of credit risk embedded within Risk Management Division. The risk evaluation function is an integral part of Credit Risk Management Framework and is independent from the risk taking function. The credit evaluation department will independently identify actual and potential risks both on individual and on portfolio basis including adherence to relevant internal policies, procedures and related regulatory guidelines.

In addition to monitoring credit limits specified in the Prudential Regulations of the State Bank of Pakistan, the credit limit structure of the Bank includes internal limits as established by the BOD and senior management. Credit Limits along with credit concentration is monitored on a regular basis and any exceptions are reported to the relevant authorities for their timely action where necessary.

The Bank uses comprehensive Approach for assessing the capital charge for Credit risk.

### 44.1.1 Lendings to financial institutions

Details of Lending to financial institutions and provision held by various sectors are as follows:

		Gross Lendings		Non Performing Lendings		ision Id
	2022	2021	2022	2021	2022	2021
			(Rupee:	s 000)		
Public/ Government	-	-	-	-	-	-
Private	19,967,424	6,081,208	-		-	
Total	19,967,424	6,081,208	-		-	

Segmental information by the class / nature of business, distribution and provision held is given below:

	Gross Investment		Non Performing Investment		Provision held	
	2022	2021	2022	2021	2022	2021
			(Rupee	s 000)		
Govt. of Pakistan	252,551,803	173,692,868	-	-	-	_
Banks	2,538,960	2,447,510	278,701	279,945	278,701	279,945
Cement	63,745	63,745	34,923	34,923	34,923	34,923
Fertilizer	531,870	628,710	22,684	22,684	22,684	22,684
Financial	238,809	215,049	42,806	35,063	42,806	35,063
Petroleum	192,385	4,41	6,449	6,449	6,449	6,449
Power (electricity), Gas & Water	777,210	634,286	-	-	-	-
Sugar	592,052	592,051	592,05 I	592,05	567,350	494,152
Total	257,486,834	178,415,360	977,614	971,115	952,913	873,216

### 44.1.2.1 Credit risk by public / private sector

··· -·································	Gross Investments		Non Performing Investments		Provision held	
	2022	202	2022	2021	2022	2021
			Amount	Rs. 000		
Public/ Government	253,377,525	174,540,528	6,449	6,449	6,449	6,449
Private	4,109,309	3,874,832	971,165	964,666	946,464	866,767
Total	257,486,834	178,415,360	977,614	971,115	952,913	873,216

### 44.1.3 Advances

Segmental information by the class / nature of business and by distribution of advances, Non performing advances & provision held is given below:

	Adva Gre		Non Performing Advances		Prov he	
	2022	2021	2022	2021	2022	2021
			(Rupe	es 000)		
Pharmaceuticals	268,796	69,822	-	-	-	-
Agriculture business	I,376,383	1,561,830	I,203,409	1,321,325	1,112,904	1,055,014
Manufacturing of textile	802,264	814,823	43,863	33,186	33,186	33,186
Cement	64,377	64,377	-	-	-	-
Transport, storage and	<b>FT OO</b> (					
communication	57,824	343,550	-	-	-	-
Wholesale and retail trade	1,623,116	1,558,247	462,575	463,950	350,511	277,924
Mining and quarrying Hotel and restaurants	6,782,029 865,234	5,075,453 981,130	-	-	-	-
Petroleum	3,039,883	3,213,557	2,022,460	2,022,460	2,022,460	2,022,460
Media channels	2,220,936	I,576,852	2,022,400	I,475,685	2,022,400	392,830
Manufacture of basic iron and steel	2,256,314	2,187,544	I,756,740	I,756,740	I,642,645	I,532,889
Sugar	20,559,081	20,424,172	17,122,073	17,623,859	12,350,339	12,024,843
Automobile and transportation	, ,	, ,	, ,	, ,	, ,	, ,
equipment	2,446,607	2,469,659	2,434,209	2,434,209	2,299,625	,940,286
Chemicals and chemical products	1,121,652	1,194,117	1,103,884	I,I03,884	1,079,225	,062,925
Financial	1,828,881	1,939,927	1,177,884	1,177,884	480,446	447,069
Rice & Wheat	699,487	695,151		-	-	-
Construction, real estate and societies	2,959,973	4,024,784	2,556,722	2,901,023	1,821,612	1,559,387
Food	5,508,539	8,348,167	152,806	152,806	152,806	147,536
Insurance Bowen electricity and gas	1,467	3,254 9,462,932	2,948,239	- 3,030,104	2,626,535	- 2,026,974
Power, electricity and gas Domestic Appliances	8,900,159 1,659,365	I,557,208	2,740,237	3,030,104	2,020,555	2,026,774
Education	117,554	1,337,200	- 11,898	I5,732	-   ,48	4,419
Individuals	I,897,753	1,409,410	2,004	6,921	I,702	I,943
Others	3,841,643	4,028,822	1,968,514	I,883,934	1,104,300	696,701
Total	70,899,317	73,023,451	34,967,280	37,403,702	27,089,777	25,236,386



44.1.3.1 Credit risk by public / private sector	Advances (Gross)		Non Performing Advances		Provision held	
	2022	2021	2022	2021	2022	2021
			(Rupe	es 000)		
Public/ Government Private <b>Total</b>	65,689,030				27,089,777 27,089,777	

### 44.1.4 Contingencies and Commitments

Segmental information by the class / nature of business and by distribution of Contigencies and Commitments is given below:

	2022	2021
	Rupees	s in '000
Chemical and pharmaceuticals	27,730	20,000
Manufacturing of textile	63,926	74,805
Transport, storage and communication	128,900	28,500
Wholesale and retail trade	1,107,525	909,285
Petroleum	6,99	6,99
Manufacture of basic iron and steel	11,543	08,031
Sugar	21,223	33,590
Automobile and transportation equipment	49,802	44,666
Financial	159,565,957	44,274,652
Construction, real estate and societies	289,365	633,753
Domestic Appliances	14,000	366,444
Power, electricity and gas	1,454,425	1,527,171
Education	30,830	3,830
Others	858,713	358,520
Total	163,740,930	48,600,238

### 44.1.4.1 Credit risk by public / private sector

Public/ Government	105,000,000	25,000,000
Private	58,740,930	23,600,238
Total	163,740,930	48,600,238

### 44.1.5 Concentration of Advances

The bank's top 10 exposures (funded and non-funded) aggregated Rs. 28,724.62 million (2021: Rs. 30,297.41 million) as follows:

Funded	28,670,815	29,800,814
Non Funded	53,801	496,595
Total Exposure	28,724,616	30,297,409

44.1.5.1 The sanctioned limits against these top 10 exposures aggregated Rs. 32,461.52million (2021: Rs. 36,612.81 million).

### 44.1.5.2 Total Funded Facilities Classified

Classified funded facilities of the bank's top 10 exposures are as follows:

	202	22	2021		
	Classified	Provision held	Classified	Provision held	
		Amou	nt Rs. 000		
OAEM	-	-	-	-	
Substandard	-	-	-	-	
Doubtful	-	-	-	-	
Loss	0,175,435	7,074,074	10,345,023	7,113,124	
Total	10,175,435	7,074,074	10,345,023	7,113,124	

### 44.1.6 Advances - Province/Region-wise Disbursement & Utilization

				2022			
Name of Province /				UTILIZAT	ION		
Region	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit- Baltistan
				(Rupee	es) 000		
Punjab Sindh KPK including FATA Balochistan Islamabad	22,827,862 34,643,340 246,989 1,975,405 1,112,975	22,827,862 - - - - -	34,643,340 - - -	246,989 - -	- - 579,775 -	- - 1,395,629 1,112,975	- - - -
AJK including Gilgit- Baltistan Total	24,007 60,830,578	<u>-</u> 22,827,862	34,643,340		- 579,775	<u>-</u> 2,508,604	24,007 24,007
				2021			
Name of Province /				UTILIZAT	ION		
Region	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit- Baltistan
				(Rupee	es) 000		
Punjab Sindh KPK including FATA Balochistan Islamabad AlK including Gilgit	20,612,020 31,655,002 11,764 642,881 873,522	20,578,071 23,097 - - I,881	32,336 31,629,596 - - -	- - - - - - -	, 1,613 2,309 - 642,881 -	- - - 871,641	- - - -
AJK including Gilgit- Baltistan <b>Total</b> Market risk	83,790 <b>53,878,979</b>	20,603,049	31,661,932		646,803	871,641	83,790 83,790

### 44.2 Market risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates, foreign exchange rates, equity prices and market conditions. Market Risk management aims to provide risk management practices that are integrated in key strategic, capital and financial planning process and day-to-day business processes across the Bank. The Bank's market risk management policies set out risk management parameters, governance and control framework as well as reporting arrangements.

The Bank has developed a market risk management framework to efficiently and effectively monitor and manage market risk in every transaction of Banking and Trading Book.



### 44.2.1 Balance sheet split by trading and banking books

		2022			202	
	Banking book	Trading book	Total	Banking book	Trading book	Total
			(Rupe	es in '000)		
Cash and balances with			、 I	,		
treasury banks	14,168,738	-	4, 68,738	19,341,933	-	9,34 ,933
Balances with other banks	1,619,530	-	1,619,530	1,092,559	-	1,092,559
Lendings to financial institutions	19,967,424	-	19,967,424	6,081,208	-	6,081,208
Investments	254,552,777	-	254,552,777	75,703,38	-	75,703,381
Advances	43,802,328	-	43,802,328	47,784,162	-	47,784,162
Fixed assets	4,032,522	-	4,032,522	3,147,597	-	3,147,597
Intangible assets	7,27	-	7,27	114,274	-	14,274
Deferred tax assets	14,662,046	-	14,662,046	3,252,533	-	3,252,533
Other assets	4,927,691	-	4,927,691	3,670,762		3,670,762
	357,850,327	-	357,850,327	270,188,409		270,188,409

### 44.2.2 Foreign exchange risk

The foreign exchange risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency positions. The objective of the foreign exchange risk management is to minimize the adverse impact of foreign exchange rate movements on the assets and liabilities mismatch (tenor and position) and maximize earnings. The Bank limits its currency exposure to the extent of statutory net open position prescribed by the SBP except in the cases where exemption is provided by SBP. Foreign exchange open and mismatch positions are controlled through close monitoring and are marked to market on a daily basis.

	20	22	
Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees	in '000)	
355,705,216	338,764,756	(976,669)	5,963,79
1,145,576	1,637,318	976,669	484,927
754,313	163,013	-	591,301
15,559	-	-	15,559
184,824	I 34,282	-	50,542
I,404	-	-	I,404
6,528	-	-	6,528
36,906	-	-	36,906
357,850,327	340,699,368	-	17,150,959
	355,705,216 1,145,576 754,313 15,559 184,824 1,404 6,528 36,906	Assets Liabilities	Assets         Liabilities         sheet items            (Rupees in '000)         in '000)           355,705,216         338,764,756         (976,669)           1,145,576         1,637,318         976,669           754,313         163,013         -           15,559         -         -           184,824         134,282         -           1,404         -         -           6,528         -         -           36,906         -         -



		20	21	
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
		(Rupees	in '000)	
Pakistan Rupee	268,514,921	249,806,814	(539,429)	8,168,678
United States Dollar	1,150,568	1,418,470	539,429	271,527
Great Britain Pound	310,086	235,336	-	74,750
Euro	64,518	100,507	-	64,011
Japanese Yen	1,259	-	-	1,259
Saudi Riyal	9,533	-	-	9,533
UAE Dirham	37,390	-	-	37,390
Chines Yen	134			134
	270,188,409	251,561,127		8,627,282

### 44.2.3 Foreign exchange risk

	202	2	2021	
Impact of 1% change in foreign exchange rates on:	Banking	Trading	Banking	Trading
	book	Book	book	Book
Tates on.		(Rupees	in '000)	
- Profit and loss account	(2,117)	(9,767)	679	(5,394)
- Other comprehensive income	-	-	-	

### 44.2.4 Equity position risk

The Bank's equity exposure is managed within the SBP limits for overall investment and per scrip exposure. In addition, there are also internal limits for each scrip.

	2022	2	202	21
Impact of 5% change in equity	Banking book	Trading Book	Banking book	Trading Book
prices on:		(Rupees	in '000)	
- Profit and loss account	-	-	-	-
- Other comprehensive income	(839,543)	-	(122,308)	-

### 44.2.5 Yield / interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates, including changes in the shape of the yield curve. Interest rate risk is inherent in the Bank's business and arises due to the mismatches in the contractual maturities or repricing of on- and off-balance sheet assets and liabilities. The Bank uses maturity Gap limits to monitor asset and liability gaps. Any breach are report to ALCO where it is discussed and appropriate action will be taken.

	2022	2	202	21
Impact of 1% change in interest rates on:	Banking book	Trading Book	Banking book	Trading Book
		(Rupees	s in '000)	
- Profit and loss account	-	-	-	-
- Other comprehensive income	(6,780,309)	-	(1,551,744)	-

# 44.2.6 Mismatch of interest rate sensitive assets and liabilities

The Bank manages this risk by matching / re-pricing the assets and liabilities. The Assets and Liabilities Committee (ALCO) of the Bank monitors and manages / mark-up rate risk as a result of mismatches or gaps in the amount of interest / mark-up based assets and liabilities that mature or reprice in a given period. Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The Bank is exposed to interest the interest rate risk with the objective of limiting the potential adverse effects on the profitability of the Bank.

							2022					
						Exposed to	Exposed to Yield / Interest risk	t risk				
	Effective Yield / Interest rate	Total	Upto I month	Over I to 3 months	Over 3 to 6 months	Over 6 months to   year	Over I to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
						(R	(Rupees in '000)					
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		14,168,738	205,275	I	I	I	ļ	I	ı	İ	ı	13,963,463
Balances with other banks	1.29%		I,434	ı	ı	ı	•	ı	•	ı	ı	1,618,096
Lendings to financial institutions	13.70%		19,967,424	I	ı	ı	ı	ı	•	į		ı
Investments	12.58%		110,950,595	64,677,692	48,733,044	248,938	3,141,807	9,095,852	8,435,137	6,258,882		3,010,830
Auvalices Other assets	1.34%	43,802,328 4.927.691	3,829,/3/	2,492,455	6,193,029	4,884,063 -		219,025	1,/08,6//	11,16/,8/9	,3//,833	94,306 4.977.691
Linkilikine L		339,038,488	144,954,465	67,170,147	54,926,073	5,133,001	4,977,131	9,314,877	10,143,814	17,426,761	1,377,833	23,614,386
Liabilites Bills navable		776 148										776   4B
Borrowings from financial institutions	13.45%	106,	50.000.000	56.874.835			59.879			1		
Deposits and other accounts Other liabilities	8.25%		94,641,259	20,511,196	11,852,319	35,635,375 	93,272	722,360	448,549	322,500		58,817,120 9 994 556
		340,699,368	144,641,259	77,386,031	11,852,319	35,635,375	153,151	722,360	448,549	322,500		69,537,824
On-balance sheet gap		(1,660,880)	313,206	(10,215,884)	43,073,754	(30,502,374)	4,823,980	8,592,517	9,695,265	17,104,261	1,377,833	(45,923,438)
Off-balance sheet financial instruments												
Documentary creats and short-term trade related transactions		5,024,973	26,275	26,275 2,422,018	319,145	916,140	398,511	3,698	835,156	4,030	•	ı
Commitments in respect of :												
Forward foreign exchange contracts - purchase		16,669,577	2,810,100	3,859,477	ı	ı		ı	ı	ı		·
FOLWARD FOR EXCITATING CUTIL ACLS - SATE Purchase and rescale arreaments - Landing		(15,692,909)	(15,211,160)	(481,/49)	ı	I	ı	I	ı	I		ı
s and reputrhase agreements - horrowing		19,984,859	17,764,637 /50 010 175/	- 155 450 437)	ı	ı		ı	ı	ı	ı	ı
Off-balance sheet gap		(80.382.112) (80.382.112)	(43,208,101)		319,145	916,140	398,511	3,698	835,156	4,030	•	
Total vield / Interest Risk Sensitivity Gab			(47 894 895)	(47 894 895) (49 866 575)	43 397 899	(79 586 734)	5 222 491	8 596 7 I 5	10 530 421	17 108 291 1 377 833 (45 973 438)	1 377 833	(45 973 438)
Cumulative yield / Interest Risk Sensitivity Gap			(42,894,895)	(92,761,470)	(49,368,571)	(78,954,805)	(37,732,314)	(37,732,314) (65,136,099) (54,605,678)	(54,605,678)	(37,497,387) (36,119,554) (82,042,992)	(36,119,554)	(82,042,992)
<b>Reconciliation with total assets:</b> Assets as per above												
Fixed assets		339,038,488										
Intangible assets Deferred tax asset		4,032,522 117.271										
Assets as per unconsolidated statement of financial position		14,662,046										
Reconciliation with total liabilities:		125,000,105										

340,699,368 340,699,368

Liabilities as per unconsolidated statement of financial position

Deferred tax liability

Reconciliation with total liabilities: Liabilities as per above



00	2	5	
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	Non-interest bearing financial instruments
	Above 10 years
	Over 5 to 10 years
	Over 3 to 5 Over 5 to 10 years years
*	Over 2 to 3 years
ald / Interest ris	Over I to 2 ( years
Exposed to Yi	Over 6 months to 1 year
	Over 3 to 6 months
	Over I to 3 Over 3 to months months
	Upto I month
	Total
	Effective Yield / Interest rate

---- (Rupees in '000) -----

# On-balance sheet financial instruments

0.84% 7.67% 7.83% 5.44%

<u>Liabilities</u>
Bills payable
Borrowings from financial institutions
Deposits and other accounts
Other liabilities

7.15% 5.11%

### On-balance sheet gap

instruments
financial
: sheet
Off-balance

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	Commitments in respect of:	Forward foreign exchange contracts - purchase	Forward foreign exchange contracts - sale	Purchase and resale agreements - lending	Sale and repurchase agreements - borrowing	Off-balance sheet gap	Total yield / Interest Risk Sensitivity Gap
--	----------------------------	-----------------------------------------------	-------------------------------------------	------------------------------------------	--------------------------------------------	-----------------------	---------------------------------------------

# Cumulative yield / Interest Risk Sensitivity Gap

econciliation with total	assets:	
econciliation with	g	
econciliation	with	
Å <	conc	A

Assets as per above	Fixed assets	ntangible assets	Deferred tax asset	Assets as per unconsolidated statement of financial position	
Assets as	ixed ass	ntangible	beferred	ssets as	

## Reconciliation with total liabilities:

as per above	tax liability	as per unconsolidated statement of financial position
Liabilities as per abov	Deferred tax liabilit	Liabilities as per une

1	I	1	6,311,498	6,031,922	1	12,343,420	I	I	415,000	1	415,000	11,928,420
1	I	I	17,480,817	196,884	I	17,677,701	I	I	94,830	I	94,830	17,582,871
1	I	I	3,946,113	384,155	1	4,330,268	I	I	59,414	I	59,414	4,270,854
1	I	ı	I	1,294,297	I	1,294,297	1	89,819	645,655	ı	735,474	558,823
	ı	1	5,648,600	1,746,110	1	7,394,710	i	ı	12,873,131	1	12,873,131	(5,478,421)
1	I	1	46,249,402	347,243	I	46,596,645	i	I	21,005,052	1	251,561,127 117,894,998 29,091,447 21,005,052	25,591,593
1	I	ı	30,605,089	1,894,087	1	32,499,176	I	1,695,919	27,395,528	ı	29,091,447	3,407,729
194,276	1,288	6,081,208	62,343,412	35,514,022	I	253,674,005 104,134,206	1	25,000,000	92,894,998	I	117,894,998	2,112,878 (13,760,792)
19,341,933	1,092,559	6,081,208	175,703,381	47,784,162	3,670,762	253,674,005	624,726	26,785,738	217,608,406	6,542,257	251,561,127	2,112,878

- 62,224,798 - 65,542,257 - 69,391,781 296,606 (42,284,805)

3,118,450 78,836 3,670,762 27,106,976

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253,674,005 3,147,597 114,274 13,252,533 270,188,409
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### 44.3 Liquidity risk

position of the Bank on at least monthly basis and takes appropriate measures where required. The Bank uses liquidity gap ladder to assess the liquidity gaps stress tests of SBP are conducted, on a periodic basis, to test the adequacy of liquidity contingency plan and to identify the extent of liquidity stress that the The Bank monitors its liquidity risk through various liquidity ratios and liquidity risk indicators. Any deviations or breaches are reported to the relevant authorities for timely action. Moreover, Asset and Liability Management Committee (ALCO), a senior management committee, also reviews the liquidity and liquidity needs in different time buckets, under normal and stressed scenarios, whereas, the Contingency Funding Plan (CFP) of the Bank is also in place. The ALCO reviews the current economic situation, projected cash flows and asset / liability mix and approves strategy for managing liquidity. Mandatory Bank is able to take in current conditions.

# 44.3.1 Maturity of assets and liabilities (based on contractual maturities)

	Total	Upto I Day	Over I to 7 days	Over 7 to 14 days	Over 14 Days to 1 months	Over I to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Above 9 months to I years	Over I to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets							(Rupees in '000)	(000' ni						
Cash and balances with treasury banks	4,168.738	14.168.738			•				•					
Balances with other banks		1.619.530				ı					,	,		
Lending to financial institutions	9,967,424	9,967,424	1	ı	ı		,		1				•	1
Investments	254,552,777	<b>, 1</b>	ı	29,862,895	ı	44,264,248	20,493,874	45,787,204	ı	61,550,377	23,699,591	9,095,852	12,670,070	7,128,666
Advances	43,802,328	5,232,297	66,632	947,120	73,273	2,347,791	2,227,756	6,239,654	1,667,495	4,218,476	3,055,958	1,110,309	3,665,039	12,950,528
Fixed assets	4,032,522	1	1	ı	82,102	55,377	55,377	167,976	69,822	69,822	673,750	673,753	1,334,492	650,051
Intangible assets	117,271		•		3,213	3,213	3,213	9,745	9,852	9,852	39,087	39,096		ı
Deferred tax assets	14,662,046	I		733,102	733,102	1,466,205	1,466,205	1,466,205	1,466,205	2,199,307	2,199,307	2,932,408	ı	ı
Other assets	4,927,691	1,545,140	57,409	787,591	1,060,737	306,148	431,234	558,633	ı	37,474	1	ı		43,325
	357,850,327	42,533,129	124,041	32,330,708	1,952,427	48,442,982	24,677,659	54,229,417	3,313,374	68,285,308	29,667,693	13,851,418	17,669,601	20,772,570
Liabilities														
Bills payable	726,148	726,148	•	•		•	•	•		•	•			
Borrowings from financial institutions	106,934,714	1	105,000,000	ı	ı	ı	1,874,835		ı	ı	59,879		1	ı
Deposits and other accounts	223,043,950	223,043,950 156,898,568	1,323,178	269,267	1,753,252	5,357,040	6,370,352	11,852,426	7,463,627	30,149,813	95,597	725,184	463,146	322,500
Deferred tax liability	•		ı	ı	ı	ı	I	ı	ı	I	I	ı	į	ı
Other liabilities	9,994,556	539,144	613,648	1,084,537	1,009,534	747,456	178,128	946,625	2,042,251	361,576	791,997	582,605	1,097,055	'
	340,699,368	340,699,368 158,163,860 106,936,826	106,936,826	1,353,804	2,762,786	6,104,496	8,423,315	12,799,051	9,505,878	30,511,389	947,473	1,307,789	1,560,201	322,500
Gap	17,150,959	17,150,959 (115,630,731)(106,81	106,812,785)	30,976,904	(810,359)	42,338,486	16,254,344	41,430,366	(6,192,504)	37,773,919	28,720,220	12,543,629	16,109,400	20,450,070
Share capital - net	29,524,428													
Reserves	1,461,412													
Shares deposit money														
Deficit on revaluation of assets	(1,208,500)													
Accumulated Loss	(12,626,381)													
Net assets	1 /, 1 50,959													



	Over 5 years		I
	Over 3 to 5 years		I
	Over 2 to 3 years		ı
	Over I to 2 years		I
	Above 9 months to I years		1
	Over 6 to 9 months		I
2021	Over 3 to 6 months	(000,	I
20	Over 2 to 3 months	(Rupees in	I
	Over I to 2 months	(Rupees in '000)	I
	Over  4 Days to   months		I
	Over 7 to 14 days		1
	Over   to 7 days		I
	Upto   Day		,341,933 19,341,933
	Total		19,341,933
			N

ssets	
Ass	

Cash and balances with treasury banks	6
Balances with other banks	
Lending to financial institutions	9
Investments	175
Advances	47
Fixed assets	m
Intangible assets	
Deferred tax assets	$\underline{\frown}$
Other assets	m
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Reserves Shares deposit money
Shares deposit money
Deficit on revaluation of investments
Accumulated loss
Net assets

25,524,428 1,461,412 4,000,000 (1,121,647) (11,236,911) 18,627,282

2,311 2,311 417,311 18,654,484

370,886 370,886 431,763 9,796,531

-750,550 1,488,544 73,972,570

 312.383
 693.597
 902.611
 236.132
 142.710

 5.944.767
 16.690.428
 21.919.093
 6.875.386
 7.043.536

 2.230.415
 (2.560.160)
 (17,206.168)
 1.251.423
 22.2281.139

1,103,728 25,214,207 -993,446

415,000 1 I

--110,282

--60,877

-89,819 648,175

-6,900,826

6,639,254 i.

--5,632,384 | 14,300,912 | 21,016,482

i.

	I	I	7,181,329	11,197,096	672,883	I	1	20,487	19,071,795
	I	I	20,792,625	4,577,354	947,956	I	ı	1	26,317,935
	I	I	3,946,113	3,109,040	484,533	38,101	2,650,507	ı	10,228,294
	T	I	68,109,873	4,840,744	484,530	38,087	1,987,880	ı	75,461,114
	I						1,987,880		
	I	I	5,326,466	1,343,362	122,128	9,600	1,325,253	I	8,126,809
	ı	I	845,374	1,975,778	120,801	9,496	1,325,253	436,223	4,712,925
	T	I	1,129,505	11,171,423	39,824	3,130	1,325,253	461,133	14,130,268
	Т	I	3,955,868	2,328,061	39,824	3,130	1,325,253	523,046	8,175,182
	I	I	20,621,287	938,173	112,990	3,130	662,627	1,133,085	23,471,292
	I	I	18,239,683	259,094	ı	I	662,627	I	19,161,404
	I	I	I	13,526		I	I	3,357	I 6,883
	1,092,559 1,092,559	6,081,208	ı	4,482,308	ı	ı	ı	991,825	31,989,833
	1,092,559	6,081,208	175,703,381	47,784,162	3,147,597	114,274	13,252,533	3,670,762 991,825	270,188,409
2									

44.3.2 Maturity of assets and liabilities (based on SBP BSD Circular No. 03 date February 22, 2011)

					Over 6	2022				
	Total	Upto I month	Over I to 3 months	Over 3 to 6 months	months to I year	Over I to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
					(Rup	(Rupees in '000)				
Cash and balances with treasury banks Balances with other banks poolinger of formotial institutions	14,168,738 1,619,530	3,385,525 1,619,530 19,67,474	4,356,444	1,577,116 -	4,735,711	113,942 -				
	254,552,777 43,802,328	29,862,894 6,319,322	64,758,122 4,575,548	45,787,204 6,239,654	61,550,377 5,591,554	23,699,591 3,350,375	10,818,832 1,110,307	10,947,090 3,665,039	6,378,667 11,572,697	750,000 1,377,832
Operating fixed assets Intangible assets Other asset	4,032,522 117,271 14,662,046 4,927,691	82,102 3,213 1,466,204 3,450,879	110,753 6,425 2,932,410 737,382	167,976 9,745 1,466,205 558,633	339,644 19,704 3,665,512 137,474	673,750 39,087 2,199,307	673,753 39,097 2,932,408	1,334,492 - -	650,052 - 43,323	
	357,850,327	66, I 57,093	77,477,084	55,806,533	76,039,976	30,076,052	I5,574,397	I 5,946,62I	I 8,644,739	2,127,832
Bills payable Borrowings from financial institutions Deposits and other accounts Deferred tax liability Other liabilities	726,148 106,934,714 223,043,950 -	726,148 105,000,000 31,445,722 3,246,861	- 1,874,835 47,671,790 925,583	27,542,230 946,625	- - 114,777,781 - 2,403,827	- 59,879 95,597 - 791,997	- - 725,184 - 582,605	- - 463,146 - 1,097,058	322,500	
	340,699,368 17,150,959	140,418,731 (74,261,638)	50,472,208 27,004,876	28,488,855 27,317,678	117,181,608 (41,141,632)	947,473 29,128,579	1,307,789 14,266,608	1,560,204 14,386,417	322,500 18,322,239	2,127,832
Share capital - net Reserves Shares deposit money Deficit on revaluation of assets Accumulated Loss Net assets	29,524,428 1,461,412 - (1,208,500) (12,626,381) 17,150,959									

Where an asset or a liability does not have a contractual maturity date, the period in which these are assumed to mature have been taken as expected date of maturity, based on the criteria determined by ALCO of the Bank.



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Asset         (Topologian         (Topologian <th(topologian< th=""> <th(< th=""><th></th><th>Total</th><th>month</th><th>months</th><th>months</th><th>months to I year</th><th>years</th><th>years</th><th>years</th><th>years years</th><th>years</th></th(<></th(topologian<>		Total	month	months	months	months to I year	years	years	years	years years	years
alarces with treasury banks $\begin{bmatrix} 19,341,933\\ 1,022,559\\ 1,022,559\\ 1,022,559\\ 1,022,559\\ 1,022,559\\ 1,022,538\\ 1,503,208\\ 2,6081,208\\ 2,6081,208\\ 3,8060,969\\ 3,8060,969\\ 3,8060,969\\ 3,8060,969\\ 3,8060,969\\ 3,8060,969\\ 3,845,374\\ 1,75,738\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 1,12,990\\ 3,147,597\\ 3,147,597\\ 3,131,33\\ 1,987,809\\ 3,1495,506\\ 5,318,411\\ 3,738,926\\ 6,91,127\\ 2,123,630\\ 1,695,919\\ 3,495,506\\ 3,384,811\\ 3,738,926\\ 6,91,127\\ 2,137,600\\ 1,695,919\\ 3,495,506\\ 3,384,811\\ 3,738,926\\ 9,015,4829\\ 3,313,13\\ 1,987,890\\ -2\\ 9,916,997\\ -2\\ 1,237,630\\ 1,98,697\\ -2\\ 1,237,662\\ 2,556,710\\ 3,87,153\\ -2\\ 1,237,50\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,71\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,71\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,556,710\\ -2\\ 2,554,428\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,557,428\\ -2\\ 2,557,428\\ -2\\ 2,557,428\\ -2\\ 2,557,428\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,556,710\\ -2\\ 2,557,428\\ -2\\ 2,557,123\\ -2\\ 2,556,710\\ -2\\ 2,557,123\\ -2\\ 2,556,710\\ -2\\ 2,557,123\\ -2\\ 2,556,71\\ -2\\ 2,557,123\\ -2\\ 2,556,71\\ -2\\ 2,557,123\\ -2\\ 2,556,71\\ -2\\ 2,557,123\\ -2\\ 2,556,71\\ -2\\ 2,557,123\\ -2\\ 2,556,71\\ -2\\ 2,557,123\\ -2\\ 2,556,71\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,557,123\\ -2\\ 2,5$	Assets					(Rupe	(000' ni se				
th other banks instructions the family intructions in the family instructions in the family instructions in the family interval int	Cash and balances with treasury banks	19,341,933	6,156,198	4,733,243	2,078,543	4,336,814	2,037,135	1		1	
Imancial institutions         6.081.208         6.081.208         5.085.373         845.373         3.0881.724         6.81.09.873           instructions         175.703.381         33860/567         5.085.373         845.373         3.0381.724         6.81.09.873           instructions         17.3703.381         33860/567         5.095.373         845.373         2.930.117         4.802.192           instructions         114.274         3.130         1.3799.00         7.349.56         1.92.080         38.087           sets         114.274         3.130         6.261         3.495.57         2.128.267         38.087         4.902.192           sets         114.274         3.130         6.261         3.495.567         1.920.800         38.087           sets         13.325.253         1.325.253         2.128.267         38.087         2.475.66           sets         270.188.406         6.445.5.67         2.7038.695         6.791.482         1.927.800           sets         270.186.60         5.7038.695         6.791.488         1.926.800         7.459.69           sets         217.608.406         3.4495.506         7.455.600         7.458.64         7.458.64           sets         217.608.406         3.4495.506 <td>Balances with other banks</td> <td>1,092,559</td> <td>1,092,559</td> <td>1</td> <td>1</td> <td>1</td> <td>. 1</td> <td>1</td> <td>1</td> <td>I</td> <td>I</td>	Balances with other banks	1,092,559	1,092,559	1	1	1	. 1	1	1	I	I
set as the asset in the asset i	Lendings to financial institutions	6,081,208	6,081,208	I	I	1	ļ	I	1	1	I
	Investments	175,703,381	38,860,969	5,085,373	845,374	30,881,724	68,109,873	3,946,112	20,694,727	6,529,229	750,000
find assets $3,147,597$ $11,2,990$ $79,649$ $120,801$ $244,256$ $484,530$ setssets $3,130$ $6,260,506$ $1,325,253$ $3,31,133$ $1,987,880$ sets $1,225,523$ $1,232,525$ $2,560,506$ $1,325,523$ $3,31,133$ $1,987,880$ set $2,21,282,67$ $2,650,506$ $1,325,523$ $3,31,133$ $1,987,880$ set $2,70,188,409$ $6,453,675$ $2,719,626$ $3,4495,506$ $3,733,8926$ $9,01,6429$ $6,48,175$ setfrom financial institutions $2,673,738$ $2,500,000$ $1,695,919$ $3,7432,826$ $9,01,54,829$ $6,48,175$ setfrom financial institutions $2,673,738$ $2,500,000$ $1,695,919$ $3,7433,926$ $9,01,54,829$ $6,48,175$ setfrom financial institutions $2,673,732$ $3,133,839,26$ $9,01,54,829$ $6,48,175$ set $1,875,730$ $3,733,89,26$ $9,01,54,829$ $6,48,175$ set $1,605,980$ $9,02,611$ $3,8741,537$ $2,5771,637$ set $1,61,762$ $2,558,67,10$ $3,8741,537$ $2,5771,153$ al - net $1,646,1412$ $2,5554,428$ $2,591,537$ $2,591,537$ $2,591,537$ set $1,61,647$ $1,206,691,51$ $2,926,60,15$ $3,8741,557$ $2,5771,153$ set $2,554,428$ $2,554,428$ $2,591,537$ $9,0533,671$ $2,5771,153$ set $1,646,941,75$ $2,554,801,51$ $2,92,530,591$ $2,5771,153$ set $1,61,61,72$	Advances	47,784,162	5,693,100	13,499,484	1,975,778	2,930,117		3,109,040	4,577,354	10,308,316	888,781
gible assets $114,274$ $3,130$ $6,261$ $9,496$ $19,200$ $38,087$ red tax asset $1,325,253$ $1,325,253$ $1,325,253$ $3,31,133$ $1,987,880$ red tax asset $3,570,525$ $2,128,267$ $964,179$ $446,223$ $3,31,133$ $1,987,880$ r assets $2,70,188,409$ $61,433,675$ $2,003,695$ $6,71,468$ $41,82,6850$ $77,459,697$ axyble $2,77,826$ $2,4726$ $6,24,726$ $6,24,726$ $                                                 -$ <t< td=""><td>Operating fixed assets</td><td>3,147,597</td><td>112,990</td><td>79,649</td><td>120,801</td><td>244,256</td><td></td><td>484,533</td><td>947,956</td><td>672,882</td><td>I</td></t<>	Operating fixed assets	3,147,597	112,990	79,649	120,801	244,256		484,533	947,956	672,882	I
mod tax asset         1,325,253         1,325,254         2,650,506         1,325,253         3,313,133         1,987,880           sr assets         3,670,762         2,1128,267         984,179         41,826,850         77,459,697           r assets         3,670,752         2,128,267         984,179         41,826,850         77,459,697           r assets         3,670,762         2,128,267         2,718,695         6,74726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726         6,24,726	ntangible assets	114,274	3,130	6,261	9,496	19,200		38,100	1	1	I
r asets sets 2128.267 984.179 436.233 101.606 - 1	Deferred tax asset	13,252,533	1,325,254	2,650,506	1,325,253	3,313,133	_	2,650,507	1	I	I
Ities270,188,40961,453,67527,038,6956,791,46841,826,85077,459,697Itiesagable624,726624,726624,726649,175 $=$	Other assets	3,670,762	2,128,267	984,179	436,223	101,606	1	'	1	1	20,487
lites           ayable         624,726         6.24,726         6.24,726         6.24,726         6.94,126         -         -         -         89,819         -         -         -         89,819         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -		270,188,409	61,453,675	27,038,695	6,791,468	41,826,850	77,459,697	10,228,292	26,220,037	17,510,427	I,659,268
ayable     624,726     624,726     634,726     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -	Lablittes										
Solutions         26,785,738         25,000,000         1,695,919          89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,819         89,816         89,816         89,816         89,816         89,816         89,816         89,216         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         89,816         <	sills payable	624,726	624,726		1		1	I	-	1	1
sits and other accounts     217,608,406     34,455,506     53,884,811     37,838,926     90,154,829     648,175       red tax liability     -     -     -     -     -     -     -       red tax liability     -     -     -     -     -     -     -       red tax liability     -     -     -     -     -     -     -       red tax liability     -     -     -     -     -     -     -       red tax liabilities     -     -     -     -     -     -     -       251,561,127     62,257,862     55,86,710     38,741,537     90,533,671     1,488,544       res     -     -     -     -     -     -     -       a capital - net     1,461,412     -     25,524,428     -     75,950,699     (48,706,821)     75,971,153       res     -     -     -     -     -     -     -     -       a capital - net     1,461,412     -     25,524,428     -     75,950,669     (48,706,821)     75,971,153       res     -     -     -     -     -     -     -     -       a capital - net     -     -     -     -	sorrowings from financial institutions	26,785,738	25,000,000	1,695,919	I	1	89,819	I	1	1	I
med tax lability         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Deposits and other accounts	217,608,406	34,495,506	53,884,811	37,838,926	90,154,829	648,175	60,877	110,282	415,000	I
r liabilities 6.542.57 2.137.630 1.005,980 902.611 378.842 750.550 251.561.127 6.2.257.862 56.586.710 38.741.537 90.533.671 1.488.544 18.7.05.51.15 (29.5.48.015) (31.950.069) (48.706.821) 75.971,153 rest near the table of assets 1.461.412 4.400.000 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647) 1.121.647 (1.121.647 (1.121.647) 1.121.647 (1.1	Deferred tax liability	1	I	I	T	I	T	I	1	T	I
251.561.127         62.257.862         56.586,710         38,741.537         90,533,671         1,488,544           res         18,627,282         (804,187)         (29,548,015)         (31,950,069)         (48,706,821)         75,971,153           res         25,524,428         1,461,412         25,524,428         1,461,412         1,461,412           reve         1,461,412         0,000,000         (1,121,647)         0,11,216,412         1,461,412           mulated Loss         (11,236,911)         (11,236,911)         (11,236,911)         (11,236,911)         (11,236,911)	Other liabilities	6,542,257	2,137,630	1,005,980	902,611	378,842	750,550	370,886	993,446	2,312	I
I8.627,282         (804,187)         (29,548,015)         (31,950,069)         (48,706,821)         75,971,153           res         res         25,524,428         1,461,412         25,524,428         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461,412         1,461		251,561,127	62,257,862	56,586,710	38,741,537	90,533,67	1,488,544	431,763	1,103,728	417,312	ı
of assets	Gap	18,627,282	(804,187)			(48,706,821)	75,971,153	9,796,529	25,116,309	17,093,115	1,659,268
of assets	bhare capital - net	25,524,428									
of assets	Reserves	1,461,412									
	onares deposit money	(7777 I CI I)									
	Peticu di l'evaluation di assets Accumulated Loss	(11,236,911)									
Net assets [18,627,282]	Net assets	18,627,282									

Where an asset or a liability does not have a contractual maturity date, the period in which these are assumed to mature have been taken as expected date of maturity, based on the criteria determined by ALCO of the Bank.



## 44.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events.

The Bank strives to manage operational risk within acceptable levels through sound operational risk management practices.

The Bank has set up a separate Operational Risk Management (ORM) Unit. ORM Unit resides within Risk Management Division (RMD). Its responsibility is to implement Operational Risk management tools across the bank for effective measurement and monitoring of operational risk faced by different areas of the Bank.

## 45. GENERAL

**45.1** Figures have been rounded off to the nearest thousand rupee.

## 46. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue by the Board of Directors on March 08, 2023.

Director

Director

Chief Financial Officer

Chairman

President and Chief Executive Officer









# ISLAMIC MODE

## **\*FEATURES**

- Repayment period from 01 to 25 years
- Financing amount PKR 500,000/- to PKR 75,000,000/-
- Affordable profit rates
- Minimum documentation
- Quick processing
- Partial and premature adjustment allowed

\* Terms & Conditions Apply

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# OFFERING A WIDE RANGE OF ISLAMIC BANKING SOLUTIONS

Deposits (PKR/FCY) Basic Banking Account Asaan Account Sa'adat Current Account Sa'adat Savings Account Sa'adat Daily Product Account Sa'adat Business Account Sa'adat Term Deposit Sa'adat Mohtarma Account

Finance/Trade Sa'adat Ijarah Sa'adat Murabaha (Local & Import) Sa'adat Diminishing Musharaka **Trade Services** (Import / Export Letter of Guarantee) **Consumer Financing** (Auto & House) Sa'adat Sukoon Salary Financing

**Other Services** Utility Bills Payment SMS Banking Debit Card **Online Banking** RTGS Same Day Clearing (Local & Intercity) Home Remittances FX portal for foreign exchange applications/requests

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Annexure I ISLAMIC BAKNING BUSINESS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

**ANNEXURE - I** 



## ISLAMIC BANKING BUSINESS STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

## **ISLAMIC BANKING BUSINESS**

The Bank commenced its Islamic Banking operations effective from June 26, 2014 and is operating with 14 Islamic Banking branches and 13 Islamic Banking Windows in Conventional branches (2021: 14 Branches and 13 Islamic Banking Windows) at the end of year. The statement of financial position, profit and loss account and cash flow statement of the Islamic banking division are as follows:

		2022	2021
Assets	Note	(Rupees in	'000)
	_		
Cash and balances with treasury banks		308,289	319,466
Balances with other banks		1,091	83,994
Due from financial institutions	1	-	700,000
Investments	2	4,108,170	3,098,530
Islamic financing and related assets	3	1,033,556	1,214,895
Fixed assets		170,539	178,015
Intangible assets		3,333	4,333
Deferred tax assets		_	190
Due from head office	6	14,563	20,457
Other assets		194,838	79,145
		5,834,379	5,699,025
Liabilities		, ,	
Bills payable		7,279	2,600
Due to financial institutions		1,000,000	250,000
Deposits and other accounts	5	3,933,951	4,623,856
Deferred tax liability		6,437	_
Due to head office	6	_	_
Other liabilities	Ŭ	233,055	226,815
		5,180,722	5,113,271
Net Assets	—	653,657	585,754
	=		
Represented By			
Islamic banking fund		1,100,000	1,100,000
Reserves		_	_
Surplus / (deficit) on revaluation of investments		2,725	(297)
Accumulated loss	7	(449,068)	(513,949)
	·	653,657	585,754
	=		
CONTINGENCIES AND COMMITMENTS	8		
	0		

## ANNEXURE - I

## ISLAMIC BANKING BUSINESS PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 (Rupees in	2021 '000)
Profit / return on financing, investments and placements earned Return on deposits and other dues expensed Net income earned	  2 _	701,231 446,704 254,527	415,094 
Other income			
Fee, commission and brokerage income Income from dealing in foreign currencies Dividend income Gain on sale / redemption of securities Other income <b>Total income</b>		8,248 374 14,400 - 387 23,409 277,936	7,083 (103) 11,880 - 437 19,297 136,125
Other expenses			
Administrative expenses Other charges		215,172	188,733 -
Profit / (loss) before provision	-	215,191 62,745	188,733 (52,608)
Provisions and write offs -net Extra ordinary / unusual items <b>Profit / (loss) before taxation</b>	-	2,136 	(6,432)  (59,040)
Taxation		-	-
Profit / (loss) after taxation	-	64,881	(59,040)



## Annexure - I

## Islamic Banking Business Cash Flow Statement For The Year Ended December 31, 2022

· · · · · · · · · · · · · · · · · · ·		2022	2021
	Note	(Rupees i	n '000)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		64,881	(59,040)
Less: Dividend income		(14,400)	(11,880)
Adjustments	_	50,481	(70,920)
Depreciation		39,565	41,783
Amortisation		I,000	667
Provision against non-performing loans and advances - net		(2,136)	6,432
	_	38,429	48,882
(Increase) / decrease in operating assets		88,910	(22,038)
	_		
Balances with and due from financial institutions		700,000	543,245
Islamic financing and related assets - net		183,475	I,027,841
Due from head office		5,894	33,56 l
Other assets		(115,693)	(24,386)
(Decrease) / increase in operating liabilities		773,676	1,580,261
	_		
Bills payable		(5,321)	(3,610)
Due to financial institutions		750,000	250,000
Deposits and other accounts		(689,905)	(455,022)
Due to head office		-	-
Other liabilities		6,240	(14,775)
	_	61,014	(223,407)
Income tax paid		923,600	1,334,816
Net cash flow from / (used in) operating activities	_	923,600	 I,334,816
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in securities	Г	(999,991)	(1,403,563)
Dividend received		[4,400]	(1,+03,363)   1,880
Investment in operating fixed assets		(32,089)	(40,657)
Net cash flow (used in) / from investing activities	L	(1,017,680)	(1,432,340)
		(1,017,000)	(1,132,310)
CASH FLOW FROM FINANCING ACTIVITIES			100,000
Islamic Banking Fund	_		100,000
Net cash from financing activity		-	100,000
Increase in cash and cash equivalents	_	(94,080)	2,476
Cash and cash equivalents at beginning of the year		403,460	400,984
Cash and cash equivalents at end of the year	10 -	309,380	403,460
· · · ·	=		

				2022			2021	
I	DUE FROM FINANCIAL INSTITUTIONS	Note	In local currencies	In foreign currencies	Total	In local currencies	In foreign currencies	Total
					(Rupee	es in '000')		
	Bai Mujjal Mushamka anna annanta	1.1	-	-	-	-	-	-
	Musharaka arrangements		-	-	-	700,000 700,000	-	700,000 700,000
1.1	Bai Mujjal Placement		_	_	_	_	-	-
	Less : Deferred income				-			
					_			_

#### 2 INVESTMENTS

2022

	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Federal Government Securities:				(Rupees in	'000')			
- Ijarah Sukuks	4,000,008	-	(14,598)	3,985,410	3,000,017	-	(10,927)	2,989,090
Islamic Fund: -Listed Companies Total Investments	<u> </u>		<u>23,760</u> 9,162	<u> 22,760</u> 4,108,170	<u> </u>		<u> </u>	<u> </u>

#### 3 ISLAMIC FINANCING AND RELATED ASSETS

			(Rupees i	<b>n</b> '000)
	ljarah financing under IFAS 2	3.1	,37	23,159
	Diminishing musharakah financing	_	1,033,666	I,205,353
			1,045,037	1,228,512
	Less: provision against Islamic financing	F	r	
	- Specific		(11,481)	(13,617)
	- General		-	-
		-	(11,481)	(13,617)
	Islamic financing and related assets - net of provision	-	1,033,556	1,214,895
		-		
		Note	2022	2021
I	ljarah financing under IFAS 2	_	(Rupees i	<b>n</b> '000)

3.1	ljarah	financing un	der IFAS 2
-----	--------	--------------	------------

Net book value of assets
Advance against Ijarah financing

||,37|

-

||,37|

\_

2021

Note \_\_\_\_\_\_2022 \_\_\_\_

3.1.1

2021

23,159

-

23,159



## 3.1.1 Particulars of assets under Ijarah

		Cost		2022 Accum	2 Julated depreci	ation		
	As at January 01	Additions/ Settled	As at December 31	As at January 01	Charge/ settled	As at December 31	Book value As at Decembe3 I	Rate of depreciation %
				(Rupees	in '000)			
Vehicle Plant and machinery <b>Total</b>	37,866 28,000 65,866	(21,642)	16,224 28,000 44,224	28,341 14,366 42,707	(14,322) 4,468	14,019 18,834	2,205 9,166	Over the Ijarah period
Total		(21,642)			(9,854)	32,853	11,371	
				202	I			
		Cost		Accum	nulated depreci	ation		
	As at January 01	Additions/ Settled	As at December 31	As at January 01	Charge/ settled	As at December 31	Book value As at Decembe3 I	Rate of depreciation %
				(Rupees	in '000)			
Vehicle Plant and machinery	42,595 48,000	(4,729) (20,000)	37,866 28,000	24,009 28,584	4,332 (14,218)	28,341 14,366	9,525  3,634	Over the Ijarah period
Tota	90,595	(24,729)	65,866	52,593	(9,886)	42,707	23,159	

		2022	2021
3.1.2	Future ljarah payments receivable	(Rupees ir	n '000)
	Not later than one year	,37	8,586
	Later than one year and not later than five years	-	4,573
	Over five years		-
		,37	23,159
4	SECTOR WISE PORTFOLIO		
	Chemical and chemical products	9,166	I 3,634
	Construction, real estate and societies	-	-
	Education	,898	4, 27
	Food	165,000	65,000
	Hotel and restaurants	-	-
	Power, electricity and gas	521,131	620,580
	Transport, Storage and Communication	27,452	82,355
	Wholesale and retail trade	286,525	3 3,525
	Individuals	11,488	4,154
	Insurance	1,467	3,254
	Others	10,911	0,998
	Pharmaceuticals	-	885
	Gross Financing	1,045,037	1,228,512
	Govt. of Pakistan	3,985,410	2,989,090
	Power, electricity and gas	-	-
	Financial Institutions	22,760	09,440
	Total Invested Funds	5,153,207	4,327,042

5	DEPOSITS		2022		2021					
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total			
				Rupees i	n '000					
	Customers									
	Current deposits	791,885	1,081	792,966	516,991	1,135	518,126			
	Savings deposits	I,904,738	6,040	1,910,778	1,417,331	99,465	1,516,796			
	Term deposits	500,121	-	500,121	I,453,523	-	I,453,523			
	Margin and other deposits	28,768	-	28,768	5,015	-	5,015			
		3,225,512	7,121	3,232,633	3,392,860	00,600	3,493,460			
	Financial Institutions		·							
	Current deposits	2,711	-	2,711	1,917	-	1,917			
	Savings deposits	98,577	-	98,577	673,449	-	673,449			
	Term deposits	600,000	-	600,000	455,000	-	455,000			
	Margin and other deposits	30	_	30	30	_	30			
		701,318		701,318	I,I30,396		1,130,396			
		3,926,830	7,121	3,933,951	4,523,256	100,600	4,623,856			
					2	2022	2021			
						(Rupees in '	)00)			
5.I	Composition of deposits									
	- Individuals					870,384	752,935			
	- Government (Federal and Prov	incial)				382,186	154,767			
	- Public Sector Entities	·····)				131,353	29,790			
	- Banking Companies					484	468			
	- Non-Banking Financial Institutio	ns				700,834	,129,928			
	- Private Sectors	15				848,710	2,455,968			
	Thrate Sectors					933,951	4,623,856			
							1,025,050			
5.2	As at 31 December 2022, the	deposits elig	ible to be cov	vered under	insurance ar	rangements a	mounted to			
	Rs. 1,274.73 million (2021: Rs. 855	.37 million) ar	id premium pai	d amounted t	o Rs. 1.37 mil	lion (2021 : Rs.	1.44 million).			
					2	022	2021			

6	DUE FROM / (TO HEAD OFFICE)	<u>2022</u> 2021 (Rupees in '000)				
	Interbranch transaction account (daily basis)	14,563	20,457			
7	ACCUMULATED LOSS					
	Opening Balance	(5 3,949)	(454,909)			
	Add: Islamic Banking profit/(loss) for the year	64,881	(59,040)			
	Less: Taxation	-	-			
	Less: Reserves	-	-			
	Less: Transferred / Remitted to Head Office	_	-			
	Closing Balance	(449,068)	(5 3,949)			



101	The real Linded December 51, 2022	2022	2021
		(Rupee	<b>s in</b> '000)
8	CONTINGENCIES AND COMMITMENTS		
•			
	-Guarantees	78,6 7	151,016
	-Letter of Credit	353,321	-
	-Commitments		
•		531,939	151,016
9	CHARITY FUND		
	Opening Balance	666	7
		000	/
	Additions during the period		
	Received from customers on account of delayed payment	48	I I
	Profit on charity saving account	-	-
	Other	972	658
	Developts (utilization during the period	1,020	659
	Payments / utilization during the period Education		
	Charity organisation	1,465	_
	Hospital	-	-
		I,465	
	Closing Balance	221	666
10			
0	CASH AND CASH EQUIVALENT		
	Cash and balances with treasury banks	308,289	319,466
	Balances with other banks	1,091	83,994
		309,380	403,460
Ш	PROFIT / RETURN ON FINANCING, INVESTMENTS		
	AND PLACEMENTS EARNED		
	Profit earned on:		
	Financing	l 73,047	172,108
	Investments	468,260	44,080
	Placements	59,924	98,905
	On deposits with financial institutions		I
		701,231	415,094
12	RETURN ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts	383,290	253,414
	Due to Financial Institutions	383,290	253,414 28,465
	Amortisation of lease liability against right-of-use assets	23,589	16,387
		446,704	298,266
		,	·

## 13 POOL MANAGEMENT

**13.1** Sindh Bank Limited - SA' ADAT Islamic Banking Division is maintaining the following pools for profit declaration and distribution:

### 13.1.1 General Pool, Special Pools and FI Pools

Priority of utilization of funds in pools will be as follows:

- Depositors Funds
- Equity Funds

Priority of utilization of funds in the FI pool shall be: - FI Funds

- Equity Funds

#### 13.1.2 Weightages for distribution of profit in general pool

Profits are calculated on the basis of weightages assigned to different tiers and tenors. These weightages are announced monthly. While considering weightages emphasis shall be given to the quantum, type and period of risk assessed by applying following factors:

- Contracted period, nature and type of deposits/fund.
- Payment cycle of profit on such deposits/fund i.e. monthly, quarterly or on maturity.
- Magnitude of Risk.

Any change in profit sharing weightages of any category of deposit/fund providers shall be applicable from next period.

### 13.1.3 Special and Financial Institution Pools.

Profit is calculated and distributed on the basis of pre agreed Profit Sharing Ratio.

### 13.1.4 Identification and allocation of Pool related income and expenditure

The allocation of income and expenditure to different pools is being done based on a pre-defined basis and accounting principles as mentioned below.

Any direct expenditure shall be charged to respective pools, while indirect expenses including the establishment costs shall be borne by Sindh Bank - Islamic Banking Division (SNDB - IBD) as Mudarib. The direct expenses to be charged to the pool may include depreciation for Ijarah assets, insurance / Takaful expenses of pool assets, stamp fees or documentation charges, brokerage fee on purchase of securities, impairment / losses due to physical damages to specific assets in pool etc. However, this is not an exhaustive list. SNDB - IBD pool management framework and the respective pool creation memo may identify and specify these and may similar expenses to be charged to the pool.



#### 13.1.5 Parameters associated with risks and rewards

Following are the consideration attached with risks and rewards of pools:

- Period, return, safety, security and liquidity of investment;
- All financing proposal under process at various stages and likely to be extended in the near future;
- Expected withdrawal of deposits according to the maturities affecting the deposit base;
- Maturities of funds obtained under Modaraba arrangements from Head Office and Islamic Banking Financial Institutions;
- Elements of risks associated with different kind of investments;
- Regulatory requirements; and
- Shariah compliance.

## 13.1.6 Basis of Profit allocation

13.

13.

During the year, the profit was distributed between Mudarib and Rubbal Maal as per following profit sharing ratio based upon gross income less direct expenses.

	_	2022	2021
	Rubbal Maal	(Rupees in 67.70%	65.00%
	Mudarib	32.30%	35.00%
.1.7	MUDARIB'S SHARE (in amount and percentage of distributable income)		
	Rubbul Maal (%)	67.70%	65.00%
	Rubbul Maal (amount)	40,659	37,616
	Mudarib (%)	32.30%	35.00%
	Mudarib (amount)	19,265	16,959
.1.8	Amount and percentage of mudarib's share transferred to depositors thought Hiba		
	Mudarib's share	19,265	16,959
	Hiba	4,604	4,039
	Hiba percentage of mudarib's share	23.90%	23.82%

In addition to the General Pool, 12 Special Pools were maintained as on December 31, 2022.

Amount and percentage of Mudarib's share transferred to depositors thought Hiba for Special Pool during 2022.

	<u>2022</u> (Rupees in '0	202 I 000)
Mudarib's share	32,730	8, 56
Hiba	8,790	8, 2
Hiba percentage of mudarib's share	26.86%	23.82%

## 13.1.9 Profit rate earned vs profit rate distributed to the depositors during the year

	2022	2021		
	Perso	Persontage		
Profit rate earned	14.32%	10.51%		
Profit rate distributed to depositors	9.29%	5.63%		



## Statement Showing Written-off Loans Or Any Other Financial Relief of Rupees Five Hundred Thousand Or Above Provided During The Year Ended 31-Dec-2022

Annexure - II

	Outstanding Liabilities at beginning of year															
Sr. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Principal	Interest / Mark-up	Other than Interest/ Mark-up	Total	Principal written- off	Interest/ Mark-up written-off/ waived *	Other financial relief provided	Total (9+10+11)					
Ι	2	3	4	5	6	7	8	9	10	П	12					
Rupees in '000																
	National Gases	"i) Khawaja Ali Kamal Majid CNIC # 42301-8273075-3"	Anver Majid	191,285	70,044		261,329		* 61,330		* 61,330					
	Limited	"ii) Sara Tarin Majid CNIC # 42201-0625574-4"	Khawaja Ali Kamal Majid				al	Kamal								
2	"Syed Adil Hussain	"Syed Adil Hussain CNIC # 42101-1816053-9"	Syed Mahamid Hussain	4,090	703		4,793		165		165					
			TOTAL:	195,375	70,747	-	266,122	-	61,495	-	61,495					

Relief includes amounts which would be due to the Bank under contractual arrangements whether or not accrued in the books.

\*Waiver of cost of fund allowed as per decree.











# Islamic Mode

## **\*FEATURES**

- Repayment period from 01 to 25 years
- Financing amount PKR 500,000/- to PKR 75,000,000/-
- Affordable profit rates
- Minimum documentation
- Quick processing
- Partial and premature adjustment allowed •

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# Shariah Board Report

For the year ended December 31, 2022

By the grace of Almighty ALLAH Sindh Bank - Islamic Banking has accomplished another year of operation. The Board of Directors (BODs) and management are responsible to provide effective and comprehensive Shariah compliance environment in line with Shariah Governance Framework (SGF) issued by State Bank of Pakistan (SBP) to ensure conformity of Sindh Bank - Islamic Banking operations and products with Shariah principles.

#### Shariah Board (SB) Meetings

During the year, Shariah Board of Sindh Bank Limited conducted four meetings. Minutes of the meetings were recorded and submitted to SBP in accordance with the regulatory requirement.

#### Shariah Compliance

SB has reviewed and evaluated the bases and Shariah principles used in products & services, agreements & contracts, transactional structures and policies introduced and revised by Sindh Bank - Islamic Banking during the year.

Shariah Compliance Department (SCD) has also conducted Shariah reviews under the guidance of the Shariah Board including examination of different transactions on sample basis and obtained all necessary information and explanations which were considered sufficient evidence to form an opinion and provide reasonable assurance whether Sindh Bank - Islamic Banking had complied with the respective Shariah rules and guidelines issued by SB and SBP.

In compliance with SBP instruction, SCD also conducted pre-disbursement review of profit & loss distribution to the depositors on monthly basis. Internal Shariah Audit also conducted quarterly post-disbursement audits of profit distribution and presented their reports to the SB.

Sindh Bank - Islamic Banking has provided adequate resources to Shari'ah Compliance Department enabling them to discharge their duties effectively and ensuring the Shari'ah Compliance environment.

#### **Shariah Audit**

Sindh Bank - Islamic Banking have dedicated Internal Shariah Audit is in place, playing a significant role in ensuring Shariah compliance under the guidelines provided by SB and SBP.

#### **Product Development**

Shariah Board has approved Fifteen (15) Products Policies, SOPs, and procedures developed and revised by the Product development department of Sindh Bank - Islamic Banking. These Products were developed/revised by considering the market requirement, regulatory instructions and such Financing schemes announced by Government of Pakistan.

#### **Training & Capacity Building**

Training and development plays a vital role in the capacity building of human resource and helps in optimizing their utilization for flourishing & promotions of Islamic Banking Industry. Sindh Bank - Islamic Banking particularly focuses on human resource development by providing in-house and external trainings opportunities. During the year SB and SCD provided Islamic Banking & Finance trainings to various staff. Further, Sindh Bank - Islamic Banking has utilized the online digital training platform of NIBAF to abreast its staff with the fundamental knowledge of Islamic Banking & Finance. Islamic Banking department staff have attended the Islamic Banking sessions organized by NIBAF on various topics. In order to spread the teachings of Holy Quran and enhancing the awareness of Islamic Banking & Finance, SCD has started a practice to deliver Quranic Verses to all staff.

#### Charity

During the year Sindh Bank - Islamic Banking recovered charity of PKR. 1,019,000/- and has been credited into charity account. Accumulated charity amount of PKR 1,465,000 have been distributed in Sindh Government account for Flood Victims.

#### **Shariah Board Opinion**

In the light of Shariah reviews carried out based on test check basis, internal and external Shariah audit reports, SB is of the opinion that;

- I. Sindh Bank Islamic Banking has complied with Shari'ah rules and principles in the light of Fatawa, rulings and guidelines issued by its Shari'ah Board and SBP.
- 2. Sindh Bank Islamic Banking has a comprehensive mechanism in place to ensure Shari'ah compliance in its overall operations.
- 3. Sindh Bank Islamic Banking has a well-defined system in place which is sound enough to ensure that any earnings realized from sources or by means prohibited by Shari'ah have been credited to charity account and are being properly utilized.
- 4. Sindh Bank Islamic Banking has complied with the SBP guidelines & instructions on profit & loss distribution and Pool Management.
- 5. Training and capacity building department is in place to strengthen the level of awareness of staff and management in understanding the importance of products and processes as well as the Shariah Compliance.
- 6. The Shari'ah Board has been provided adequate resources enabling it to discharge its duties effectively.

#### **Recommendations from Shariah Board**

On the basis of above, SB recommend that;

- I. Qualified and appropriate resources should be hired on vacant position;
- 2. Islamic Banking and Shariah related trainings at all levels should be enhanced across all regions, particularly trainings for senior management and branch staff should be scheduled on priority. Preferably, customer awareness sessions should also be organized;
- 3. New Islamic Banking branches should be opened all over Pakistan to increase business;
- 4. Shariah compliance review of branches should be extended to all regions;

Shari'ah Board would like to take this opportunity to offer praise to ALLAH Almighty and seek His guidance and tawfeeq for further progress, development and prosperity of Islamic Banking, under the sincere efforts of senior management of Sindh bank and State Bank of Pakistan.

Mufti Muhammad Nadeem Siddiquie RSBM / Head-SCD **Mufti Zeeshan Abdul Aziz** Member Shariah Board Mufti Hassan Ashraf Usmani Chairman Shariah Board



## شرىعە بورڈ كى رائے: نمونہ جات کی بنیاد پر لیے گئے شرعی جائزے،اندرونی اور بیرونی شریعہ آ ڈٹ کی رپورٹس کی روثنی میں،شریعہ بورڈ کی رائے یہ ہے کہ: ا۔ سندھ بینک اسلامی بینکنگ نے شریعہ بورڈ اوراسٹیٹ بینک آف یا کستان کے جاری کردہ فناوٹی،احکام اور ہدایات کی روشی میں شرعی قوانین اوراصولوں کے مطابق کا م کیا ہے۔ ۲۔ سندھ بینک اسلامی بینکنگ کے پاس مجموعی آپریشنز کوشرعی اصولوں کے مطابق یقینی بنانے کے لئے ایک جامع طریقہ ءکارموجود ہے۔ سر۔ سندھ بینک اسلامی بینکنگ کے پاس ایسانظام موجود ہے کہ جس سے ریقینی بنایا جا سکے کہ شرعاً ممنوع ذرائع سے حاصل ہونے والی آمدنی صدقات کے اکاؤنٹ میں جمع کردگ گئی ہےاور مناسب طریقے سےاستعال کی جارہی ہے۔ ۴۔ سندھ بینک اسلامک بینکنگ نے منافع اور نقصان کی تقشیم اور پول مینجنٹ سے متعلق اسٹیٹ بینک کے رہنما خطوط اور ہدایات کی تعمیل کی ہے۔ ۵ ۔ ملاز مین اورا نظامیہ میں شعور کی سطح کو مضبوط بنانے کے لئے تربیت اور صلاحیت کی تعمیر کا شعبہ موجود ہے تا کہ مصنوعات اور طریقہ ءکار کے ساتھ ساتھ شرعی لغمیک اہمیت کو تمجھا جا سکے۔ ۲ - این فرائض کومؤ ثر طریقے سے انحام دینے کے لیے شریعہ بورڈ کومناسب دسائل فراہم کیے گئے ہیں۔ شرىيە بور دىسفارشات: مندرجه بالانكات كى بنيادير،شريعه بورد سفارش كرتا ہے كه: خالى اساميوں يرلائق اورمناسب اميد واروں كونتخب كياجائے۔ \_1 تمام بيجنز كتمام سطحوں پرشر بعدادراسلامك بينكنگ سے متعلق ٹرينگ كاام تتمام كياجائ بالخصوص اعلى عہديداروں اور براخج اسٹاف كی ٹرينگ ترجيحى بنيادوں پر مرتب كی جائز جيحاصار فين ۲\_ کی آگھی کیلئے سیشن منعقد کیا جائے۔ برنس کی توسیع کیلئے بورے پاکستان میں اسلامک بینکنگ کی نٹی برانچز کھولی جا کیں \_٣ تمام ریجنز کیلئے شریعہ کمپلائنش ریویوکا دائر ہوسیج کیا جائے۔ ٢

شریعہ بورڈ اس موقع پراللہ تعالی کاشکرادا کرتا ہے اور سندھ بینک کی سینئر پنجمنٹ اور اسٹیٹ بینک آف پاکستان کی مخلصا نہ کاوشوں نے ذریعے اسلامی بینکنگ کی تغییر، ترقی اورخوشحالی کے لئے اللہ تعالیٰ کی توفیق اور ہدایت کا طلب گارہے۔

مفتي محدند يم صديقي مفتى ذيبثان عبدالعزيز رېزېلېزىپ شرىچە بور دىمبر/ مېڈ-شرىچە كمپلا ئىنس ۋىار شىن . ممبرشر بعهربورڈ

مفتی حسان اشرف عثانی چیئر مین شریعه بورد







شريجه بورد ر بورث

31 دئمبر 2022

اللہ تعالیٰ کے فضل سے سندھ بینک اسلامی بینکٹک کا مزیدایک سالہ آپریشن کلمل ہوگیا ہے۔اسٹیٹ بینک آف پاکستان (ایس بی پی) کے جاری کردہ شریعہ گورننس فریم درک (ایس جی ایف) کے مطابق بورڈ آف ڈائیر یکٹرزاورا نرظامیہ مؤ ثراور جامع شرعی قبیل کے ماحول کوفراہم کرنے کے لئے ذمہ دار ہیں تا کہ سندھ بینک کے اسلامی بینک تک آپریشن اور مصنوعات شرعی اصولوں کے مطابق رہیں۔

شریعہ بورڈ کے اجلاس:

دورانِ سال سندھ بینک کمیٹٹہ سے شریعہ بورڈ کے چاراجلاس منعقد ہوئے۔اجلاس کی کارروانی محفوظ کی گٹی اورریگولیٹری ضروریات کے تحت اسٹیٹ بینک آف پاکستان کوجع کروادی گٹی۔

شرعى تقميل:

شریعہ بورڈ نے سال کے دوران سندھ بینک اسلامی بینکنگ کی طرف سے پیش کر دہ مصنوعات وخد مات ، معاہدوں ،ٹرانز یکشنزاور پالیسیوں کی جانچ/نظر ثانی کی اوران کی بنیا دوں اوران میں استعال کیے گئے شرعی اصولوں کا جائزہ لیا۔

شرعی تخیل سے شعب نے شریعہ بورڈ کی رہنمائی سے تحت نمونہ جات کی بنیاد پر مختلف ٹرانز بیشنز کی جانچ پڑتال کی اورتمام ضروری معلومات اور وضاحتیں حاصل کیں، جو کہ بطور شوت رائے قائم کرنے ک لیے کافی ہیں کہ سندھ بینک اسلامی بینکنگ نے شریعہ بورڈ اور اسٹیٹ بینک آف پاکستان کی طرف سے جاری کردہ متعلقہ شرعی قوانین اور ہدایات کے مطابق عمل کیا ہے۔ اسٹیٹ بینک آف پاکستان کی ہدایات کے مطابق، شرعی تخیل کے شعبے نے ماہانہ طور پر فضح اور نقصان کی تقسیم کاقبل از تر سیل جائزہ لیا۔ اندرونی شریعہ آڈٹ نے منافع کی تقسیم کا بعد از ترسل سہ ماہی جائزہ لیا ور شریعہ بورڈ کواپئی کی ہدایات کے مطابق، شرعی تخیل کے شعبے نے ماہانہ طور پر فضح اور نقصان کی تقسیم کاقبل از تر سیل جائزہ لیا۔ اندرونی شریعہ آڈٹ نے منافع کی تقسیم کا بعد از تر سیل سہ ماہی جائزہ لیا اور شریعہ بورڈ کواپئی ر پورٹ پیش کی ۔ سندھ بینک اسلا مک بینکنگ نے شریعہ کی ایک ٹی کے مطاب اندرونی شریعہ آڈٹ نے منافع کی تقسیم کا بعد از تر سیل سے ماہی بینک اسلامی بیک بیک نگ نے شریعہ کی ایک سے میں تا کہ وہ اپنے زائض کومؤ تر طریعے سے اداکر سیل سے مادی جائزہ لیا اور شریعہ بیل کے سندھ بینگ ایل ہور کی میں بیک آف پا کستان

ریست سند ه بینک اسلامک بینکنگ میں غیر جانبدارانها ندرونی شرایعه آ ڈٹ موجود ہے، جوشریعہ بورڈاوراسٹیٹ بینک آف پاکستان کی فراہم کر دہ ہدایات کے تحت شرعی تقیل کویتینی بنانے میں اہم کر دارادا کررہا ہے۔ پر دڈکٹ ڈویلپینٹ ڈیار شمنٹ

پر سال میں میں پر سال ہوتا ہے۔ سندھ بینک کے شریعہ بورڈ نے پراڈکٹ ڈوبلیہنٹ کی وضع اور نظر ثانی کی ہوئی **15** مصنوعات کی پالیسیوں، ایس او پیز اورطریقہ کارکومنظور کیا۔ان مصنوعات کومار کیٹ کی ضروریات، ریگولیڑ کی ہدایات اور حکومت کی اعلان کر دہ فنانس اسیموں کو مدنظرر کھتے ہوئے وضع یا مرتب کیا گیا۔

تربيت اورتعمير صلاحيت:

انسانی وسائل کی صلاحیت کی تعمیروتر قی اور اسلامی بینکنگ انڈسٹر کی کوفروغ دینے میں تربیت اہم کر دار ادا کرتی ہے۔ سندھ بینک اسلامی بینکنگ خاص طور پر داخلی اور خارجی تر بیتی مواقع فراہم کر کے انسانی وسائل کی ترقی پر خاص توجہ مرکوز کرتا ہے۔ دورانِ سال شریعہ بورڈ اورشریع کم پاکنٹ ڈپارشنٹ نے مختلف علے کواسلا مک بینکنگ اور فنانس کی تربیت فراہم کی ۔ مزید ، سندھ بینک اسلامک بینکنگ نے اپنے عملے کواسلامی بینکاری اور مالیات کی بنیا دی معلومات سے روشناس کرانے کے لیے NIBAF کے آن لائن ڈیجیٹل ٹرینگ پلیٹ فارم کا استعمال کیا ہے۔

مختلف عنوانات پرNIBAF کے تحت مرتب کئے گئے اسلامک بینکنگ پروگرامز میں اسٹاف نے شرکت کی۔ قرآن پاک کی تعلیمات کوعام کرنے اور اسلامی بینکاری اور مالیات کے بارے میں آگا ہی بڑھانے کے لیے، شریعہ کم پلائنس ڈپارٹمنٹ نے نمام عملے کو قرآنی آیات پہنچانے کی مثق کا آغاز کیا ہے۔ صدقہ:

روال سال سندھ بینک اسلامک بینکنگ نے چیریٹی کی مدیس 1,019,000 روپے وصول کرکے چیریٹی اکاؤنٹ میں جمع کئے۔ چیریٹی کی مجموعی قرم 1,465,000 سندھ حکومت کے سیلاب متاثرین کیلئے اکاؤنٹ میں تقسیم کردیئے گئے۔



## Naveed Zafar Ashfaq Jaffery & Co.

**Chartered Accountants** 

A member firm of



An Association of Independent Accounting Firms

## INDEPENDENT AUDITOR'S REPORT

## To the members of Sindh Bank Limited

## **Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the annexed consolidated financial statements of Sindh Bank Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated profit and loss account, the consolidated statement of comprehensive loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

## Basis for Opinion

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

Emphasis of Matter

We draw attention to:

- a) Note 1.3 to consolidated financial statements on the 'Going Concern' which indicates the existence of material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern. However, the management is confident that the Bank will be able to stage a turn-around and the Government of Sindh, Bank's sole sponsor and major shareholder has demonstrated its commitment to supporting the Bank, whenever required. We are in agreement with the management for addressing the Going Concern issue.
- b) Note 23.3.5 to consolidated financial statements on Significant Matters which describes that the district government officials being single authorized signatory of the bank account holder have made cash withdrawals to the tune of Rs. 5.7 billion for Sukkur - Hyderabad Motorway (M-6) from the bank accounts maintained at Matiari and Naushahro Feroze branches respectively.

Our opinion in not modified in respect of the above matters.

### Information Other than the Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

3-B, ATS Centre, 30 West, Block "A" Fazal-ul-Haq Road, Blue Area, Islamabad, Pakistan Ph: +92-51-2878530-32, 2822785 Fax: +92-51-2206283 E-mail: isl@nzaj.com.pk Web: www.nzaj.com.pk In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.



## Naveed Zafar Ashfaq Jaffery & Co.

**Chartered Accountants** 

A member firm of



An Association of Independent Accounting Firms 3-B, ATS Centre, 30 West, Block "A" Fazal-ul-Haq Road, Blue Area, Islamabad, Pakistan Ph: +92-51-2878530-32, 2822785 Fax: +92-51-2206283 E-mail: isl@nzaj.com.pk Web: www.nzaj.com.pk

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditor's report is Shah Naveed Saeed.

Place: Islamabad Date: March 10, 2023 UDIN: AR202210596xyDwmsOaX

Naveed Zafar Ashfaq Jaffe

Chartered Accountants

# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022



## Sindh Bank Limited Consolidated Statement of Financial Position As At December 31, 2022

	-	2022	2021
	Note	<b>(Rupees in</b> '000)	
ASSETS			
Cash and balances with treasury banks	6	14,204,082	19,364,832
, Balances with other banks	7	2,014,183	1,508,412
Lendings to financial institutions	8	19,967,424	6,081,208
Investments	9	253,857,565	75,428,966
Advances	10	45,105,226	48,728,627
Fixed assets		4,113,696	3,233,545
Intangible assets	12	124,022	6,67
Deferred tax assets - net	13	14,662,219	13,253,786
Other assets	4	5,048,053	3,770,967
		359,096,470	271,487,014
LIABILITIES			
Bills payable	15	726,148	624,726
Borrowings	16	107,244,714	27,535,738
Deposits and other accounts	17	223,632,712	217,842,678
Liabilities against assets subject to finance lease		-	_
Subordinated debt		-	_
Deferred tax liabilities		_	_
Other liabilities	18	10,079,561	6,637,242
	· - [	341,683,135	252,640,384
NET ASSETS		17,413,335	18,846,630
REPRESENTED BY			
REFRESENTED BI			
Share capital - net	19	29,524,428	25,524,428
Reserves		1,526,805	1,516,452
Shares deposit money	20	-	4,000,000
Proposed Ordinary shares to be issued on amalgamation	21	-	-
Deficit on revaluation of assets	22	(1,208,500)	(1,121,647)
Accumulated Loss		(12,429,398)	(11,072,603)
	-	17,413,335	18,846,630
CONTINGENCIES AND COMMITMENTS	23	=	

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chairman

President and Chief Executive Officer

Director

Director

A,

Chief Financial Officer

## Sindh Bank Limited Consolidated Profit and Loss Account For The Year Ended December 31, 2022

		2022	2021
	Note	(Rupees in	n '000)
Mark-up / Return / Interest Earned	24	36,842,955	22,170,060
Mark-up / Return / Interest Expensed	25	31,181,376	16,982,024
Net Mark-up / return / Interest Income	_	5,661,579	5,188,036
NON MARK-UP / INTEREST INCOME			
Fee and Commission Income	26	427,836	351,958
Dividend Income		253,607	154,063
Foreign Exchange Income		557,561	74,371
Income / (Loss) from derivatives		-	-
Gain / (Loss) on securities	27	(157,712)	(6,435)
Other Income	28	7,565	2,521
Total non-markup/interest Income	_	I,088,857	576,478
Total Income		6,750,436	5,764,514
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	7,000,000	5,876,794
Other charges	30	9,834	67,640
Total non-markup/interest expenses	_	7,009,834	5,944,434
LOSS BEFORE PROVISIONS		(259,398)	(179,920)
Provisions and write offs - net Extra ordinary / unusual items	31	1,952,454 -	5,838,368
LOSS BEFORE TAXATION	_	(2,211,852)	(6,018,288)
Taxation	32	(867,513)	(2,318,152)
LOSS AFTER TAXATION	_	(1,344,339)	(3,700,136)
	_	Rupee	es
Basic Loss per share			
	33 =	(0.52)	(1.47)
Diluted Loss per share	34 =	(0.52)	(1.47)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Director

a july Director Chief Financial Officer

Chairman

President and Chief Executive Officer

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## Sindh Bank Limited Consolidated Statement of Comprehensive Income For The Year Ended December 31, 2022

	<u>2022</u> (Rupees i	<u>2021</u> n '000)
Loss after taxation for the year	(1,344,339)	(3,700,136)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (Deficit) / surplus on revaluation of investments - net of tax	<u>(86,853)</u> (1,431,192)	(713,142) (4,413,278)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain on defined benefit obligations - net of deferred tax	(2,103)	47
Total comprehensive loss	(1,433,295)	(4,4 3,23 )

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chairman

President and D Chief Executive Officer

Director

a ju

Director

Chief Financial Officer

## Sindh Bank Limited Consolidated Statement of Changes in Equity For The Year Ended December 31, 2022

Share Capital         Proposed Ordinary hares to be issued on amagamation         Shares Deposit Money         Reserves on amagamation         Share Premium         Statutory Reserve*         Depositors' protection fund reserve         Surplus / (Deficit) on revaluation of investments         Accumulated Loss #**         Total					Capital Reserve						
Balance as at January 01, 2021       19,710,130       3,814,298       2,000,000       19,443       51       1,490,492       9,640       (408,505)       (7,365,678)       19,269,871         Loss for the year ended December 31, 2021       -       -       -       -       -       -       (713,142)       47       (713,095)         Transfer to statutory reserve       -       -       -       -       -       (5,469)       -       -       (5,469)       -         Transfer to depositors' protection fund       -       -       -       -       1,367       -       (1,367)       -         -5% of the profit after tax for the year       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -			Ordinary shares to be issued on	Deposit				protection fund reserve	(Deficit) on revaluation of		Total
Loss for the year ended December 31, 2021						(Rupee	s in '000) -				
Loss for the year ended December 31, 2021       -       -       -       -       -       -       (3,700,136)       (3,700,136)       (3,700,136)         Other comprehensive income - net of tax       -       -       -       -       -       -       -       (713,142)       47       (713,095)         Transfer to statutory reserve       -       -       -       -       -       -       (5,469)       -         -5% of the profit after tax for the year       5,814,298       (3,814,298)       (2,000,000)       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <t< td=""><td>Balance as at January 01, 2021</td><td>19,710,130</td><td>3,814,298</td><td>2,000,000</td><td>19,443</td><td>51</td><td>1,490,492</td><td>9,640</td><td>(408,505)</td><td>(7,365,678)</td><td>19,269,871</td></t<>	Balance as at January 01, 2021	19,710,130	3,814,298	2,000,000	19,443	51	1,490,492	9,640	(408,505)	(7,365,678)	19,269,871
Transfer to statutory reserve       -       -       -       -       5,469       -       -       (5,469)       -         Transfer to depositors' protection fund       -       -       -       -       -       5,469       -       -       (1,367)       -         Issue of shares during the year       5,814,298       (3,814,298)       (2,000,000)       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       <		-	-	-	-	-	-	_	-	(3,700,136)	(3,700,136)
Transfer to depositors' protection fund       - 5% of the profit after tax for the year	Other comprehensive income - net of tax	-	-	-	-	-	-	-	(713,142)	47	(713,095)
- 5% of the profit after tax for the year       -       -       -       -       1,367       -       (1,367)       -         Issue of shares during the year       5,814,298       (3,814,298)       (2,000,000)       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	Transfer to statutory reserve	-	-	-	-	-	5,469	-	-	(5,469)	-
Issue of shares during the year       5,814,298       (3,814,298)       (2,000,000)       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -<	Transfer to depositors' protection fund										
Shares deposit money       -       -       4,000,000       -       -       -       -       4,000,000         Fair valuation adjustment of net assets of Sindh       Leasing Company Limited       -       -       -       -       -       -       -       4,000,000         Balance as at December 31, 2021       25,524,428       -       4,000,000       9,433       51       1,495,961       11,007       (11,072,603)       18,846,630         Loss for the year ended December 31, 2022       -       -       -       -       -       -       (1,344,339)         Other comprehensive income - net of tax       -       -       -       -       -       -       (86,853)       (2,103)       (88,956)	- 5% of the profit after tax for the year	-	-	-	-	-	-	1,367	-	(1,367)	-
Fair valuation adjustment of net assets of Sindh	Issue of shares during the year	5,814,298	(3,814,298)	(2,000,000)	-	-	-	-	-	-	
net assets of Sindh       -       -       -       -       -       -       -       -       (10,010)         Balance as at December 31, 2021       25,524,428       -       4,000,000       9,433       51       1,495,961       11,007       (11,121,647)       (11,072,603)       18,846,630         Loss for the year ended December 31, 2022       -       -       -       -       -       -       (1,344,339)         Other comprehensive income - net of tax       -       -       -       -       (86,853)       (2,103)       (88,956)	Shares deposit money	-	-	4,000,000	-	-	-	-	-	-	4,000,000
Leasing Company Limited       -       -       -       -       -       -       -       -       (10,010)         Balance as at December 31, 2021       25,524,428       -       4,000,000       9,433       51       1,495,961       11,007       (1,121,647)       (11,072,603)       18,846,630         Loss for the year ended December 31, 2022       -       -       -       -       -       -       (1,344,339)       (1,344,339)         Other comprehensive income - net of tax       -       -       -       -       (86,853)       (2,103)       (88,956)	,										
Balance as at December 31, 2021       25,524,428       -       4,000,000       9,433       51       1,495,961       11,007       (1,121,647)       (11,072,603)       18,846,630         Loss for the year ended December 31, 2022       -       -       -       -       -       (1,344,339)       (1,344,339)         Other comprehensive income - net of tax       -       -       -       -       -       (86,853)       (2,103)       (88,956)											
Loss for the year ended December 31, 2022	0 1 /			<u> </u>				-		-	
Other comprehensive income - net of tax (86,853) (2,103) (88,956)	Balance as at December 31, 2021	25,524,428	-	4,000,000	9,433	51	1,495,961	11,007	(1,121,647)	(11,072,603)	18,846,630
Other comprehensive income - net of tax (86,853) (2,103) (88,956)	Loss for the year ended December 31, 2022	-	-	-	-	-	-	-	-	(1,344,339)	(1.344.339)
	· · · · · · · · · · · · · · · · · · ·	-	-	-	-	-	-	-	(86.853)	( ,	( )
Tail valuation adjustiment of met assets of	Fair valuation adjustment of net assets of								,		( · · /
Sindh Leasing Company Limited	Sindh Leasing Company Limited	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	Transfer to statutory reserve	-	-	-	-	-	8,282	-	-	(8,282)	-
Transfer to depositors' protection fund	Transfer to depositors' protection fund										
- 5% of the profit after tax for the year 2,071 - (2,071) -	- 5% of the profit after tax for the year	-	-	-	-	-	-	2,07	-	(2,071)	-
Issue of shares during the year (4,000,000 (4,000,000)	Issue of shares during the year	4,000,000		(4,000,000)							-
Balance as at December 31, 2022         29,524,428         9,433         51         1,504,243         13,078         (1,208,500)         (12,429,398)         17,413,335	Balance as at December 31, 2022	29,524,428	<u> </u>	<u> </u>	9,433	51	I,504,243	I 3,078	(1,208,500)	(12,429,398)	17,413,335

\* Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962 in case of the Bank and under Microfinance Institution Ordinance, 2001 and Prudential Regulations "R-4 - Statutory Reserve" in the case of Sindh Microfinance Bank, to create a reserve fund to which shall be credited an amount equal to at least 20% of its annual profits after taxes.

- \*\* The Sindh Microfinance Bank Limited is required under Microfinance Institutions Ordinance, 2001 to contribute 5% of its annual after tax profit to the Depositors' Protection Fund and profit earned on investments of the fund shall also be credited to the fund.
- \*\*\* As more fully explained in note 10.6.2 of these consolidated financial statements, unappropriated profit includes an amount of Rs. 4,737.96 million net of tax as at December 31, 2022 (December 31, 2021: Rs. 7,184.65 million) representing additional profit arising from availing forced sale value benefit for determining provisioning requirement which is not available for the purpose of distribution of dividend to shareholders.

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Director

Director

Chairman

President and Chief Executive Officer

tor

Chief Financial Officer



## Sindh Bank Limited Consolidated Cash Flow Statement For The Year Ended December 31, 2022

		2022	2021
CASH FLOW FROM OPERATING ACTIVITIES	Note	(Rupees	in '000)
Loss before taxation		(2,211,852)	(6,018,288)
Less: Dividend income	-	(253,607)	(154,063)
A division entre		(2,465,459)	(6,172,351)
Adjustments: Depreciation	29	963,303	969,595
Amortisation	29	36,232	36,009
Provision and write offs -net	31	1,945,818	5,836,071
Written-off operating fixed assets	2714	-	-
Charge for defined benefit plan Gain on sale of operating fixed assets	37.1.4 28	04, 37 (3,630)	99,431 (284)
Call of sale of operating fixed assets	20 [	3,045,860	6,940,822
	-	580,401	768,471
(Increase) / Decrease in operating assets	Г		2 1 2 1 5 7 2
Lendings to financial institutions		(13,886,216)	2,131,572 2,929,705
Advances - net Other assets - net		l,758,522 (l,291,153)	I,774,197
	L	(13,418,847)	6,835,474
Increase / (Decrease) in operating liabilities	Г		22.222
Bills payable			
Borrowings Deposits and other accounts		79,708,975 5,790,034	(35,591,910) 32,207,699
Other liabilities (excluding current taxation)		3,434,002	460,480
	_	89,034,433	(2,891,339)
	2712	76,195,987	4,712,606
Contribution to gratuity fund Income tax paid	37.1.3	(99,643) (469,603)	(84,851) (95,126)
Net cash generated from operating activities	-	75,626,741	4,532,629
		,	1,002,027
CASH FLOW FROM INVESTING ACTIVITIES	Г		
Net investment in available-for-sale securities		(54,850,018)	(6,169,074)
Net investment in held-to-maturity securities Dividend received		(23,801,902) 253,607	240,108 154,765
Investments in operating fixed assets		(1,888,400)	(970,533)
Fair valuation adjustment of net assets of Sindh Leasing Company Limited		-	`(10,010)
Sale proceeds of operating fixed assets disposed off		4993	882
Net cash (used in) / generated from investing activities		(80,281,720)	(6,753,862)
CASH FLOW FROM FINANCING ACTIVITIES			
Shares deposit money		-	4,000,000
Issue of share capital		_	_
Net cash generated from financing activities		-	4,000,000
Increase in cash and cash equivalents	-	(4,654,979)	1,778,767
Cash and cash equivalents at the beginning of the year	-	20,873,244	9,094,477
Cash and cash equivalents at the end of the year	35 =	16,218,265	20,873,244

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

President and

Director

A

Chief Financial Officer Director

Chairman

Chief Executive Officer

## Sindh Bank Limited Notes to the Consolidated Financial Statements For The Year Ended December 31, 2022

## I. STATUS AND NATURE OF BUSINESS

The "Group" consists of:

## I.I Holding Company

- 1.1.1 Sindh Bank Limited (the Bank) was incorporated in Pakistan on October 29, 2010 as a public unlisted company and is engaged in Commercial Banking, Corporate and Investment related activities. The Bank operates 330 (2021: 330) branches including 8 (2021: 8) sub-branches and 14 (2021: 14) Islamic banking branches in Pakistan. The Bank's registered office is located at 3rd floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi, Pakistan.
- 1.1.2 The Government of Sindh, through its Finance Department owns 99.97% ordinary shares of the Bank.
- 1.1.3 VIS Credit Rating Company Limited has reaffirmed the long term entity rating of A+ (Single A Plus) and short term rating of A-I (A-one) in its report dated June 28, 2022.

## I.2 Subsidiary company

## 1.2.1 Sindh Microfinance Bank Limited

Sindh Microfinance Bank Limited (the Microfinance Bank) was incorporated on March 27, 2015 as a public company limited by shares under the provision of the companies Act, 2017 (previously Companies Ordinance, 1984). The Microfinance Bank obtained Microfinance banking license from State Bank of Pakistan (SBP) on October 16th, 2015, to operate in Sindh Province. Subsequently the Microfinance Bank has received the certificate of commencement of business from Securities & Exchange Commission of Pakistan (SECP) on November 30, 2015. The Microfinance Bank's registered office is situated at 39/F, 2nd Floor, Muhammad Ali Cooperative Housing Society, Karachi. The Microfinance Bank's principal business will be to provide Microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Microfinance Bank operates with a network of 19 (2021: 18) branches and 71 (2021: 62) services centers. The Bank holds 99.99% shares of the Microfinance Bank and remaining shares are held by the nominees of the Bank.

The credit rating companies PACRA has maintained the long term rating of the Microfinance Bank at "A-" and short term rating at "A2" as of March 29, 2022.

## I.3 Going concern

Due to significant losses suffered by the Bank since the years 2018 and to address any material uncertainties, the management has been working on a Business Viability Plan approved by its Board of Directors in 73rd meeting held on September 13, 2019. The Plan aims to make the Bank a viable, self-sustaining institution. Important areas of focus where efforts are continuing and significant progress has been made are:

Strengthening Bank's Capital -As planned, cash injection, of Rs. 11.7 billion was made in 2019 and Rs. 3.814 billion added during 2020 from amalgamation of Sindh Leasing Company Limited in Bank's Tier 1 Common Equity. A further amount of Rs. 4 billion has been received from GoS in the last quarter of 2021. Furthermore, in order to remain capital compliant, the Bank vide Letter No. SNDB/P&CEO/155/2022 dated December 09, 2022 has approached the Government of Sindh (GoS) with a request for fresh capital injection of Rs. 2 Billion before December 31, 2022 to avoid breach of the regulatory capital requirement. Moreover, the GoS has requested the State Bank of Pakistan for a deferment on the maintenance of Capital Adequacy Ratio vide letter No. F.D (FMH) 294(1)/2019-20/ dated December 30, 2022 for the next few months as well.



- Improving Business Volumes and Profitability-This involves the Bank taking pro-active measures to:
- i. Increase fee-based income from mainly trade-related business;
- ii) Improve Net Interest margin;
- a) Mobilize cost effective (CASA) deposits;
- b) Launch new asset products in the Consumer and SME segments;
- iii. make concerted efforts for recovery and reduction of Non-Performing Loans.
- iv. Take cost rationalization measures;
- Strengthening the Bank's Governance, Risk and Control environment.
- The management is confident that barring any unforeseen contingencies, the Bank will be able to stage a turnaround. The Government of Sindh, Bank's major shareholder holding 99.97 percent of the Bank's equity is fully committed to supporting the Bank, whenever required.
- 1.4 Listing of the Bank will be undertaken in future after improvement in Bank's financial position and Regulator's guidance on the matter.

## 2. BASIS OF PRESENTATION

- **2.1** These consolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated 25 January 2018. These consolidated financial statements represent separate financial statements of the Group.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by Group from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017.

## 3. STATEMENT OF COMPLIANCE

- **3.1** These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017, Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act 2017, provisions of and directives issued under the Companies Act 2017 and the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). In case requirements of Banking Companies Ordinance 1962, the Companies Act 2017 or the directives issued by SBP and SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, Companies Act 2017, and the directives issued by the SBP and SECP shall prevail.
- 3.2 The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, the IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

**3.3** SECP has notified IFAS 3, 'Profit and Loss Sharing on Deposits' issued by the ICAP. IFAS 3 shall be followed with effect from the financial periods beginning on or after 01 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard had resulted in certain new disclosures in the financial statements of the Group. However SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Group to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BPRD Circular 02 of 2018, as amended from time to time.

SECP, vide its SRO 56(1) 2016 dated January 28, 2016, has notified that requirements of IFRS 10 and section 228 of Company Act 2017 will not be applicable with respect to investment in mutual funds established trust structure.

## 3.4 Standards, interpretations of and amendments to published 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 Group's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in these consolidated financial statements.

**3.5** Standards, interpretations and amendments to published accounting and reporting standards that are relevant but not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard amendments, or interpretation and are not early adopted by the Group:

Standard or Interpretation or Amendments	Effective date (annual periods beginning on or after)
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	January 01, 2023
Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
Amendment to IFRS 16 - Leases on sale and leaseback	January 01, 2024
Amendment to IAS I - Non current liabilities with covenants	lanuary 01, 2024

As per Stale Bank of Pakistan (SBP)' BPRD circular letter no. 24 of 2021, IFRS 9 'Financial Instruments' is applicable to banks / DFIs / MFBs effective January I, 2022. The aforementioned circular letter contained instructions for quarterly parallel reporting purposes to the SBP only and it was stated that final instructions will be issued based on the results of parallel reporting. However, banks have submitted their reservations on instructions issued for parallel reporting through the Pakistan Banks Association (PBA) and requested that they are addressed in the final instructions to be issued. The reservations are pervasive and points of contention inter alia include, retaining some relaxations given presently in the Prudential Regulations, prescription of macro-economic variables, retaining meal regulatory requirements related to IFRS 9 related areas on overseas branches, impact on capital adequacy ratio, adequacy of significant increase in credit risk criteria, future tax impact of any reversals, recording of expected credit loss on local currency denominated Government securities, further clarifications required in certain the areas etc.

Due to fact that final instructions have not yet been issued and the large number of reservations over the draft instructions. The banks are collectively of the opinion that impact on initial application of IFRS 9 cannot be determined as required under IAS 8.

IFRS 9 - Financial Instruments has been made applicable in several overseas jurisdictions from January 01, 2018 and is progressively being adopted in others. The requirements of IFRS 9 are incorporated in the banks financial statements for the jurisdictions where IFRS 9 has been adopted. In terms of SBP's BPRD Circular Letter No. 03 of 2022 dated July 05, 2022 the effective date of implementation of IFRS 9 is January 01, 2024 for banks having assets size of less than Rs. 500 billion as per their Annual Financial Statements of December 31, 2021. Since Sindh Bank Limited has assets size of less than Rs. 500 billion as at December 31, 2021 therefore, the effective date of implementation of IFRS 9 would be January 01, 2024.



## 3.6 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the consolidated financial statements are as follows:

- i) classification and impairment against investments (notes 5.3 and 31);
- ii) classification and provision against advances (notes 5.4 and 31);
- iii) depreciation and amortization / useful lives of operating fixed assets (notes 5.5, 5.6, 11 and 12);
- iv) taxation (note 5.8);
- v) staff retirement and other benefits (note 5.9);
- vi) fair value of derivatives (note 5.17); and
- vii) judgements made by management in identification and reporting segment information (note 41).

## 4. BASIS OF MEASUREMENT

### 4.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for certain investments and commitments in respect of foreign exchange and futures contracts which are measured at fair values and certain employee benefits and investments which are measured on present value basis.

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

### 4.2 Functional & Presentation of Currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

The amount are rounded off to the nearest thousand rupees except as stated otherwise.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year, unless otherwise disclosed or specified.

### 5.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks in current and deposit accounts, excluding term deposit with original term of greater than three months.

## 5.2 Lending to / borrowing from Financial Institutions

The Group enters into transactions of borrowings (repurchase) from and lending (reverse repurchase) to financial institutions at contracted rates for a specified period of time. These are reported as under:

## 5.2.1 Repurchase / resale agreements

## a) Sale of securities under repurchase agreement (repo)

Securities sold subject for repurchase agreements (repo) remain on the consolidated statement of financial position as investments and the counter party liability is included in borrowings from financial institutions. The difference between the sale and repurchase price is accrued over the period of the agreement using the effective interest rate method and recorded as expense.

### b) Purchase of securities under resale agreement (reverse repo)

Securities purchased under agreements for resale (reverse repo) are recorded as lendings to financial institutions. These transactions are accounted for on the settlement date. The difference between the purchase and resale price is recognized as mark-up return income over the period of the agreement using the effective interest rate method.

## 5.2.2 Bai Mujjal

In Bai Mujjal, the Group sells Shariah compliant instruments on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the sale and the credit price is recognised over the credit period and recorded as income.

### 5.3 Investments

The group classifies its investments as follows:

### a) Held-for-trading

These are securities which are either acquired for generating profit from short-term fluctuations in market prices, interest rate movements, dealer's margin or are securities included in a portfolio in which a pattern of short-term profit taking exists.

### b) Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold till maturity.

### c) Available-for-sale

These are investments, other than that in subsidiary which do not fall under the held-for-trading and held-tomaturity categories.

## 5.3.1 Initial measurement

Investments other than those categorized as 'held-for-trading' are initially recognized at fair value and includes transaction costs associated with the investment. Investments classified as 'held-for-trading' are initially recognized at fair value and transaction costs are expensed in the consolidated profit and loss account.



### 5.3.2 Subsequent measurement

#### Held-for-trading

Investments classified as held-for-trading are measured on subsequent reporting dates at fair value. Gain and losses on remeasurement are included in the profit and loss account.

#### Held-to-maturity

Investments classified as held-to-maturity are carried at amortized cost. Unquoted equity securities are valued at lower of cost and break-up value. Break-up value of unquoted equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses, if any.

#### Available-for-sale

Quoted securities classified as available-for-sale investments are measured on subsequent reporting dates at fair value. Any surplus / deficit arising thereon is kept other comprehensive income and taken to the profit and loss account when actually realised upon disposal or when the investment is considered to be impaired.

Break-up value of unquoted equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses, if any.

### 5.3.3 Impairment

Impairment loss in respect of investments classified as available-for-sale and held-to-maturity is recognized on the basis of management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in market value of an equity security is considered as an objective evidence of impairment, significant means 30% decline in market value as compared to cost, except when uncertain circumstances such as material market volatility, uncertainty and other market impacting external events, in which cases, a higher percentage is also considered by the management for determination of what is presumed as significant decline. Provision for diminution in the value of term finance certificates is made as per the requirements of Prudential Regulations issued by the State Bank of Pakistan. In case of impairment of available-for-sale securities, the cumulative loss that has been recognized directly in the surplus / (deficit) on revaluation of securities on the consolidated statement of financial position below equity is removed there from and recognized in the consolidated profit and loss account. For investments classified as held-to-maturity, the impairment loss is recognized in the consolidated profit and loss account.

5.3.4 Gain or loss on sale of investments is included in the profit and loss account in the year in which they arise.

# 5.4 Advances

Advances are stated net of provisions for non-performing advances. Specific and general provisions are made based on appraisal of the loan portfolio that takes into account the requirements of the Prudential Regulations issued by the State Bank of Pakistan. The provisions against non-performing advances are charged to the consolidated profit and loss account. Advances are written off when there is no realistic prospect of recovery after explicit approval from the Board of Directors.

#### Ijarah Financing

Applying IFAS-2, assets underlying Ijarah have been carried at cost less accumulated depreciation and impairment, if any, and are shown under Islamic financing and related assets. Rentals accrued from Ijarah financing net of depreciation charge are taken to the consolidated profit and loss account. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is calculated from the date of delivery of respective assets to mustajir upto the date of maturity / termination of Ijarah agreement.

#### Diminishing Musharakah

In Musharakah based financing, the Group enters into Musharakah for financing an agreed share of fixed assets with its customer and enters into periodic profit payment agreement for the utilization of the Groups Musharakah share by the customer. Specific and general provisions are made in accordance with the requirement of prudential regulations and other directives issued by the SBP and charged to consolidated profit and loss account.

# 5.5 Operating fixed assets and depreciation

### 5.5.1 Property and equipment - owned

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in an asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated profit and loss account as and when incurred.

Depreciation is charged to the consolidated profit and loss account applying the straight line method at the rates specified in note 11 to these consolidated financial statements after taking into account residual value, if significant. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each date of consolidated statement of financial position. Depreciation 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.

Gains or losses on disposal, if any, are recognized in the consolidated profit and loss account in the year in which they arise.

### 5.5.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and related advances there against, if any, are carried under this head. These are transferred to specific assets as and when the assets become available for use.

#### 5.5.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

# Group as a Lessee

A lessee recognizes a right -of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments.

# Right-of-use (RoU) Assets

The right-of-use assets recognised subsequent to the adoption of 'IFRS-16 Leases' are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

#### Lease Liability

At the commencement date of the lease, the Group recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

#### Incremental borrowing rate

Borrowing rate that Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimated the Incremental borrowing rate using observable input such as market interest rates.



#### 5.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged to the consolidated profit and loss account applying the straight line method at the rates specified in note I I, to these consolidated financial statements from the date an intangible asset is available for use. The useful life and amortisation method are reviewed and adjusted, if appropriate, at each date of consolidated statement of financial position.

#### 5.7 Impairment

The carrying amount of assets is reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized immediately in the consolidated financial statements. The resulting impairment loss is taken to the consolidated profit and loss account.

#### 5.8 Taxation

Taxation (Income tax) expense relates to current and prior years and deferred tax. Income tax expense is recognized in the consolidated profit and loss account except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

#### a) Current

Provision for current tax is the tax payable on the expected taxable income for the year using tax rates enacted or substantively enacted at the reporting date and, any adjustment to tax payable relating to prior years, after taking into consideration available tax credits, rebates, tax losses etc.

# b) Prior Year

This charge includes tax charge for prior years arising from assessments, changes in estimates and tax changes applied retrospectively.

#### c) Deferred

Deferred tax is recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

#### 5.9 Staff retirement and other benefits

#### a) Defined contribution plan

The Group operates a recognised funded contributory provident fund for all its permanent employees to which equal contributions at the rate of 10 percent (2021: 10 percent) of basic salary are made by both the Group and the employees. The contributions are recognized as employee benefit expense when they are due.

#### b) Defined benefit plan

The Group operates a recognised funded gratuity scheme for all its permanent employees who complete the prescribed eligibility period of service. Provision is made annually to meet the cost of such gratuity benefits on the basis of actuarial recommendations using the Projected Unit Credit Method.

#### c) Compensated absences

The Group makes provision in the financial statements for its liabilities towards compensated absences. Liability under the scheme is determined on the basis of actuarial advice using the Projected Unit Credit Method.



# 5.10 Acceptances

Acceptances comprise of undertakings made by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be simultaneously settled with reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions and are reported in "other assets" and "other liabilities" simultaneously.

# 5.11 Provisions against liabilities

Provisions are recognized when the Group 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 date of consolidated statement of financial position and are adjusted to reflect the current best estimate.

### 5.12 Revenue recognition

Revenue is recognized to the extent that the economic benefit associated with the transaction will flow to the Group and the revenue can be reliably measured.

- 5.12.1 Mark-up / return / interest on advances and on investments are recognized on a time proportion basis using the effective interest rate method except that mark-up / return / interest on non-performing advances and investments is recognized on receipt basis, in accordance with the requirements of the Prudential Regulations issued by the SBP. Where debt securities are purchased at a premium or discount, such premium or discount is amortised through the consolidated profit and loss account over the remaining period of maturity.
- 5.12.2 Dividend income from investments is recognized when the Group's right to receive the dividend is established.
- 5.12.3 Fees, brokerage and commission on letters of credit / guarantees and from other avenues is accrued and is recognized on time proportion basis.
- 5.12.4 Financial advisory fees is recognized when the right to receive the fees is established.
- 5.12.5 Gain or loss on sale of investments is included in consolidated profit and loss account in the year in which they arise.
- 5.12.6 Rentals from Ijarah is recognized as income over the term of the contract net of depreciation expense.
- 5.12.7 Profit on Diminishing Musharakah is recognized in consolidated profit and loss account on accrual basis.

# 5.13 Borrowings / deposits and their cost

Borrowings / deposits are recorded at the proceeds received. Borrowing / deposit costs are recognized as an expense in the period in which these are incurred using the effective mark-up / interest rate method.

# 5.14 Proposed dividend and transfers between reserves

Dividends and appropriations to reserves, except appropriations which are by law required to be made subsequent to the date of statement of financial position are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the Balance Sheet Date' in the period in which they are approved / transfers are made.

# 5.15 Earnings per share

The Group presents basic earnings per share (EPS) which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year / period. Diluted EPS is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.



# 5.16 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to Pak Rupees at the rates of exchange prevailing at the reporting date. Translation gains and losses are included in the consolidated profit and loss account.

### 5.17 Financial instruments

# a) Financial assets and liabilities

Financial assets and liabilities carried on the consolidated statement of financial position include cash and bank balances, lendings to financial institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposits, subordinated loans and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy notes associated with them.

### b) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date at which the derivative contract is entered into and subsequently remeasured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets where fair value is positive and as liabilities where fair value is negative. Any changes in the fair value of derivative financial instruments are taken to consolidated profit and loss account.

# 5.18 Offsetting

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

# 5.19 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing particular products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and is subject to risks and rewards that are different from those of other segments.

#### **Business segments**

# a) Corporate Finance

This includes investment banking activities such as mergers and acquisitions, underwriting, privatization, securitization, Initial Public Offerings (IPOs) and secondary private placements.

# b) Trading and sales (Treasury)

This includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lendings and repos, brokerage debt and prime brokerage.

#### c) Retail Banking

This includes mortgage finance and personal loans to individual customers.

#### d) Commercial banking and others

This includes loans, deposits and other transactions with corporates, small and medium sized customers including agriculture loans.

#### Geographical segments

# 5.20 The Group operates only in Pakistan.

### 5.21 Commitments

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

### 5.22 Provision against off balance sheet obligations

Provision for guarantees, claims and other off balance sheet obligations is made when the Group 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. Charge to consolidated profit and loss account is stated net of expected recoveries.

		2022	2021
CASH AND BALANCES WITH TREASURY BANKS	Note	(Rupees	in '000)
In hand			
Local currency		4,594,195	4,294,590
Foreign currency		112,285	175,646
		4,706,480	4,470,236
With State Bank of Pakistan (SBP) in			
Local currency current accounts	6.1	9,042,458	11,755,480
Foreign currency current accounts	6.2	105,966	44,789
Foreign currency deposit accounts:			
- Non Remunerative	6.3	104,727	96,290
- Remunerative	6.4	205,270	178,410
		9,458,421	2,174,969
With National Bank of Pakistan in			
Local currency current accounts		22,428	2,657,534
Local currency deposit accounts	6.5	7,977	20,579
	-	30,405	2,678,113
Prize bonds		8,776	41,514
	35	4,204,082	19,364,832

- 6.1 This represents cash reserve required to be maintained with SBP as per the requirement of Section 22 of the Banking Companies Ordinance, 1962.
- 6.2 This represents US Dollar Settlement Account maintained with SBP.
- 6.3 This represents foreign currency (FCY) cash reserve maintained with SBP to comply with statutory reserve requirement applicable on Group's FCY deposits.
- 6.4 This represents foreign currency special cash reserve maintained with SBP. The Group is entitled to earn profit which is declared by SBP on a monthly basis. During the period, the SBP has declared 0% to 3.14% profits (2021 : Nil profits) per annum.
- 6.5 This includes savings account with National Bank of Pakistan carrying mark-up at 14.5% (2021: 8.25%) per annum.

2021

2022



7 BALANCES WITH OTHER BANKS	Note	2022 2021 (Rupees in '000)		
<b>In Pakistan</b> In current account In savings account	7.1	2,025 394,091	3,069 404, 02	
Outside Pakistan In current accounts	7.2	396,116 <u>1,618,067</u> 2,014,183	417,171 <u>1,091,241</u> 1,508,412	

- 7.1 This includes savings account with commercial banks and microfinance banks carrying mark-up ranging from 14.5% to 18.5% (2021: 7.25% to 11.75%) per annum.
- 7.2 This includes Rs. 678.603 million (2021: Rs. 637.12 million) held in Automated Investment Plans. This balance is current in nature and in case this goes above a specified amount, the Group is entitled to earn interest from the correspondent banks at the agreed rates.

8	Lendings to financial institutions	Note	2022 2021 (Rupees in '000)	
	Repurchase agreement lendings (Reverse Repo) Musharaka arrangements	8.2 & 8.3	19,967,424	5,381,208 700,000
8. I	Particulars of lending		19,967,424	6,081,208
	In local currency In foreign currencies		19,967,424 -	6,081,208 -
	0		19,967,424	6,081,208

- 8.2 This represents resale agreement lending with commercial bank and financial institutions carrying mark-up in the range of 15.75% to 16.20% (2021 10.50% : 10.70%) per annum maturing up to January 07, 2022 (2021: January 07, 2022 ).
- 8.3 Securities held as collateral against Lending to financial institutions

	2022					
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
			(Rupees	in '000)		
Market Treasury Bills	18,016,775	-	18,016,775	992,564	-	992,564
Pakistan Investment Bonds	I,975,600	-	I,975,600	4,398,648		4,398,648
Total	19,992,375	-	19,992,375	5,391,212	-	5,391,212

# 9. INVESTMENTS

		2022					20	21	
9.1	Investments by types	Cost / Amortised	Provision for	Surplus / (Deficit)	Carrying Value	Cost / Amortised	Provision for	Surplus / (Deficit)	Carrying Value
		cost	diminution			cost	diminution		
					(Rupe	es in '000)			
	Available-for-sale securities								
	Federal Government Securities Market Treasury Bills	64,108,973		(180,402)	63,928,57I	42,881,078		(64,239)	42,816,839
	Pakistan Investment Bonds	17,616,725		(1,265,020)		17,815,867	_	(1,495,398)	16,320,469
	Pakistan Investment Bonds - Floater	125,882,687			125,715,551	93,251,484	_	(1,475,570) (204,160)	93,047,324
	Government of Pakistan - Jarah Sukuk	4,000,008	-	(14,598)		3,000,017	-	(10,927)	2,989,090
	Shares							, ,	
	Listed	2,785,332	(342,757)			2,596,504	(344,000)	(93,489)	2,159,015
	Mutual funds	215,049	(42,806)		191,735	215,049	(35,063)	29,450	209,436
		214,608,774	(385,563)	(1,981,145)	212,242,066	59,759,999	(379,063)	(1,838,763)	[57,542,[73
	Held-to-maturity securities Federal Government Securities				]				
	Market Treasury Bills	29,678,20I	_	-	29,678,201	25,585	_	_	25,585
	Pakistan Investment Bonds	11,343,755	-	-	11,343,755	16,744,421	-	-	16,744,421
	Preference Shares - Unlisted	77,708	(77,708)	-	-	77,708	(77,708)	-	-
	Term Deposit Accounts	-	-	-	-	450,000	-	-	450,000
	Non-government debt securities								
	Term finance certificates- Listed	224,235	- (400 (41)	-	224,235	224,235		-	224,235
	Term finance certificates- Unlisted	858,949 42, <b>1</b> 82,848	(489,641) (567,349)	-	369,308 41,615,499	858,997 8,380,946	(416,445) (494,153)	-	442,552 17,886,793
	Total Investments	256,791,622	(952,912)	(1.981.145)	253,857,565	178,140,945	(873,216)		175,428,966
			20	22			20	21	
9.2	Investments by segments	Cost / Amortised	Provision for	22 Surplus / (Deficit)	Carrying Value	Cost / Amortised	Provision for	2 I Surplus / (Deficit)	Carrying Value
9.2	Investments by segments		Provision	Surplus / (Deficit)	Value	Amortised cost	Provision for diminution	Surplus / (Deficit)	
9.2		Amortised	Provision for	Surplus / (Deficit)	Value	Amortised	Provision for diminution	Surplus / (Deficit)	
9.2	Federal Government Securities	Amortised 	Provision for	Surplus / (Deficit)	Value (Rupe	Amortised  es in '000)	Provision for diminution	Surplus / (Deficit)	Value
9.2		Amortised	Provision for	Surplus / (Deficit) (180,402)	Value (Rupe	Amortised cost es in '000) 42,906,663	Provision for diminution	Surplus / (Deficit)	
9.2	Federal Government Securities Market Treasury Bills	Amortised 	Provision for	Surplus / (Deficit) (180,402) (1,432,155) (14,598)	Value (Rupe 93,606,772 153,411,012 3,985,410	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017	Provision for diminution -	Surplus / (Deficit) (64,239) (1,699,558) (10,927)	Value 42,842,424 126,112,214 2,989,090
9.2	<b>Federal Government Securities</b> Market Treasury Bi <b>ll</b> s Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk	Amortised cost 93,787,174 154,843,167	Provision for	Surplus / (Deficit) (180,402) (1,432,155) (14,598)	Value (Rupe 93,606,772 153,411,012	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017	Provision for diminution - -	Surplus / (Deficit) (64,239) (1,699,558) (10,927)	Value 42,842,424 126,112,214
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349	Provision for diminution 	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155)	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452	Provision for diminution - - - -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724)	Value 42,842,424 126,112,214 2,989,090 171,943,728
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies	Amortised <u>cost</u> 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332	Provision for diminution 	Surplus / (Deficit) (180,402) (1,432,155) (14,598)	Value (Rupe 93,606,772 153,411,012 3,985,410	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504	Provision for diminution - - - - (344,000)	Surplus / (Deficit) (64,239) (1,699,558) (10,927)	Value 42,842,424 126,112,214 2,989,090
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708	Provision for diminution - - - (342,757) (77,708)	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) -	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 -	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708	Provision for diminution - - - (344,000) (77,708)	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) -	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 -
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies	Amortised <u>cost</u> 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332	Provision for diminution 	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155)	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504	Provision for diminution - - - - (344,000)	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724)	Value 42,842,424 126,112,214 2,989,090 171,943,728
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235	Provision for diminution - - - (342,757) (77,708)	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) -	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 -	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235	Provision for diminution - - - (344,000) (77,708) (421,708) -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) -	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Non-government debt securities	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235 858,949	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) -	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235 369,308	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235 858,997	Provision for diminution - - - - (344,000) (77,708) (421,708) - (416,445)	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) -	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235 442,552
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Non-government debt securities Term finance certificates - listed Term finance certificates - unlisted	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235	Provision for diminution - - - (342,757) (77,708) (420,465)	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) - (373,481) -	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235	Provision for diminution - - - (344,000) (77,708) (421,708) -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) -	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Non-government debt securities Term finance certificates - listed Term finance certificates - unlisted Mutual Funds	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235 858,949 1,083,184	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) - (373,481) - - -	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235 369,308 593,543	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235 858,997 1,083,232	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) - (93,489) - (93,489) -	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235 442,552 666,787
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Unlisted companies Non-government debt securities Term finance certificates - listed Term finance certificates - unlisted Mutual Funds Open ended	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235 858,949 1,083,184 116,049	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) - (373,481) - - (373,481) - - (4,269)	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235 369,308 593,543 68,974	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235 858,997 1,083,232 116,049	Provision for diminution - - - - (344,000) (77,708) (421,708) - (416,445)	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) - (93,489) - (93,489) - 19,010	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235 442,552 666,787 99,996
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Non-government debt securities Term finance certificates - listed Term finance certificates - unlisted Mutual Funds	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235 858,949 1,083,184 116,049 99,000	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) - (373,481) - (373,481) - (4,269) 23,760	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235 369,308 593,543 68,974 122,760	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235 858,997 1,083,232 116,049 99,000	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) - (93,489) - (93,489) - 19,010 10,440	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235 442,552 666,787 99,996 109,440
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Unlisted companies Non-government debt securities Term finance certificates - listed Term finance certificates - unlisted Mutual Funds Open ended	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235 858,949 1,083,184 116,049	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) - (373,481) - - (373,481) - - (4,269)	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235 369,308 593,543 68,974	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235 858,997 1,083,232 116,049	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) - (93,489) - (93,489) - 19,010	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235 442,552 666,787 99,996
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Non-government debt securities Term finance certificates - listed Term finance certificates - listed Term finance certificates - unlisted Mutual Funds Open ended Islamic funds - REIT	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235 858,949 1,083,184 116,049 99,000	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) - (373,481) - (373,481) - (4,269) 23,760	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235 369,308 593,543 68,974 122,760	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235 858,997 1,083,232 116,049 99,000	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) - (93,489) - (93,489) - 19,010 10,440	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235 442,552 666,787 99,996 109,440
9.2	Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Government of Pakistan - Ijarah Sukuk Shares Listed companies Unlisted companies Non-government debt securities Term finance certificates - listed Term finance certificates - unlisted Term finance certificates - unlisted Mutual Funds Open ended Islamic funds - REIT Others	Amortised cost 93,787,174 154,843,167 4,000,008 252,630,349 2,785,332 77,708 2,863,040 224,235 858,949 1,083,184 116,049 99,000	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (180,402) (1,432,155) (14,598) (1,627,155) (373,481) - (373,481) - (373,481) - (4,269) 23,760 19,491 -	Value (Rupe 93,606,772 153,411,012 3,985,410 251,003,194 2,069,094 - 2,069,094 224,235 369,308 593,543 68,974 122,760	Amortised cost es in '000) 42,906,663 127,811,772 3,000,017 173,718,452 2,596,504 77,708 2,674,212 224,235 858,997 1,083,232 116,049 99,000 215,049 450,000	Provision for diminution - - - - - - - - - - - - - - - - - - -	Surplus / (Deficit) (64,239) (1,699,558) (10,927) (1,774,724) (93,489) - (93,489) - (93,489) - 19,010 10,440 29,450 -	Value 42,842,424 126,112,214 2,989,090 171,943,728 2,159,015 - 2,159,015 224,235 442,552 666,787 99,996 109,440 209,436



			_	2022	2021	
9.3	Investments given as collateral		_	(Rupees in '000)		
	Federal government securities Pakistan Investment Bonds Market Treasury Bills			104,589,900 -	24,987,500 -	
			_	104,589,900	24,987,500	
9.4	Provision for diminution in value of investments		_			
9.4. I	Opening balance			873,216	811,727	
	<b>Charge / reversals</b> Charge for the year Reversals for the year			80,939	87,342	
	Reversal on disposals			(1,243)	(25,853)	
	Transfers - net			79,696	61,489	
	Amounts written off Closing Balance		_	952,912	873,216	
9.4.2	Particulars of classified debt securities (Category of classification)	20	22	20	21	
		Non		Non		
		performing investments	Provision	performing investments	Provision	
	Category of classification		(Rupe	es in '000)		
	Domestic		(			
	Other assets especially mentioned	-	-	-	-	
	Substandard	-	-	-	-	
	Doubtful Loss	977,614	952,912	- 2 971,115	- 873,216	

**9.4.2.1** The Group have availed the benefit of forced sale value of collateral against non-performing investment on the basis of the instructions of the State Bank of Pakistan. Had the benefit not been taken by the Group, provision against non-performing investment would have been higher by Rs. 24.7 million (2021: Rs.97.9 million). The resultant increase in profit due to FSV benefit taken will not be available for distribution as cash and stock dividend to shareholders.

977,614

952,912

971,115

873,216

		2022	2021
		Cost	t
9.5	Quality of Available for Sale Securities	(Rupees ii	n '000)
	Particulars regarding quality of Available for Sale (AFS) securities		

Federal Government Securities - Government guaranteed		
Pakistan Investment Bonds	143,499,412	111,067,351
Market Treasury Bills	64,108,973	42,881,078
Government of Pakistan - Ijarah Sukuk	4,000,008	3,000,017
,	211,608,393	156,948,446
Shares - Listed Companies		1
Refinery	7,682	7,682
Fertilizér	531,870	628,710
Cement	63,745	63,745
Power Generation & Distribution	364,285	267,863
Oil & Gas Marketing Companies	597,630	499,881
Commercial Banks	1,220,120	1,128,623
	2,785,332	2,596,504

Total

	2022	2021
	Cost	t
	(Rupees ii	n '000)
Other investments (Mutual Funds)		
Listed	[] [	
AM2+	99,000	99,000
AA / AA-	28,459	28,459
A+ / A-	87,590	87,590
	215,049	215,049
	214,608,774	59,759,999
Equity Securities - Listed Companies		
Pakistan Refinery Limited	7,682	7,682
Fauji Fertilizer Company Limited	280,283	405,573
Fauji Fertilizer Bin Qasim Limited	186,585	58, 36
Fatima Fertilizer Company Limited	65,002	65,002
Thatta Cement Company Limited	63,745	63,745
Nishat Chunian Power Limited	201,358	54,068
Hub Power Company Limited	162,925	113,795
Sui Southern Gas Company Limited	164,142	41,307
Sui Northern Gas Pipelines Limited	129,401	29,401
Oil & Gas Development Company Limited	119,384	95,715
Pak Petroleum Limited	132,476	95,451
Pakistan State Oil Limited	52,228	38,007
Summit Bank Limited	305,509	305,509
National Bank of Pakistan	233,102	315,716
Bank AlHabib Limited	39,007	39,768
Meezan Bank Limited	85,390	-
Habib Bank Limited	205,598	87,726
United Bank Limited	80,853	70,724
MCB Bank Limited	207,721	243,315
Silk Bank Limited	62,941	65,864
	2,785,332	2,596,504



		2022	2021	
		(Rupees in '000)		
9.6	Particulars relating to Held to Maturity securities		-	
	Federal Government Securities - Government guaranteed			
	Pakistan Investment Bonds	11,343,755	6,744,421	
	Market Treasury Bills	29,678,201	25,585	
		41,021,956	6,770,006	
	Preference Shares - Unlisted Company			
	Al-Arabia Sugar Mills Ltd	77,708	77,708	
	Non Government Debt Securities			
	Listed			
	Unrated	224,235	224,235	
	Un-listed			
	AA	9,785	119,832	
	BBB+	224,820	224,821	
	Unrated	514,344	514,344	
		858,949	858,997	
	Term deposit accounts			
	Microfinance Banks		450,000	
		42,182,849	8,380,946	

- **9.6.1** The market value of securities classified as held-to-maturity as at December 31, 2022 amounted to Rs. 40,297.18 million (December 31, 2021: Rs.18,277.89 million).
- **9.7** the Bank has requested the SBP to allow reclassification of PIB's from AFS to HTM category on book value. Reclassification request did not acceded, however SBP allowed Sindh Bank to stagger its mark to market losses of PIB AFS portfolio on quarterly basis @ 25% starting from September 30, 2022 and to completed by June 30, 2023.

### 10 ADVANCES

ADVANCES	Performing Non Performing		Tot	tal		
Note	2022	2021	2022	2021	2022	2021
			(Rupe	es '000)		
Loans, cash credits, agriculture,					ıı	
running finances etc.	30,047,225	25,697,729	34,567,552	37,075,254	64,614,777	62,772,983
Commodity finance 10.2	5,205,042	8,195,361	_	_	5,205,042	8,195,361
Net investment in finance lease 10.3			420,881	321,528		
Islamic financing and related assets						
Diminishing musharakah financing 10.4	1,021,768	1,191,226	I I ,898	4, 27	I,033,666	I,205,353
Ijarah financing under IFAS 2 10.5			11,070	17,12/	1,035,000	23,159
	36,824,119		35,000,331	37410909	71,824,450	73,602,534
Bills discounted and purchased	50,021,117	50,171,025	55,000,551	57,110,707	71,021,130	75,002,551
(excluding market treasury bills)						
Payable in Pakistan	386,782	375,343	_	_	386,782	375,343
Payable outside Pakistan	5,738		3,405	3,405		
	392,520	375,343	3,405	3,405	395,925	378,748
Advances - gross 10.1		36,566,968		37,414,314		73,981,282
Provision for non-performing advance	s					
- Specific provision	-	_	26,192,048	24,343,891	26,192,048	24,343,891
- Specific provision on Leasing portfolic	<b>-</b>	-	903,104	896,640	903,104	896,640
- General provision against consumer						
and small enterprise advances	19,997	12,124	_	_	19,997	12,124
	19,997	12,124	27,095,152	25,240,531	27,115,149	25,252,655
Advances - Net of Provision	37,196,642	36,554,844	7,908,584	12,173,783	45,105,226	48,728,627



10.1	Particulars of advances (Gross)	2022 (Rupees	2021 s in '000)
	In local currency	72,220,375	73,981,282
	In foreign currencies	72,220,375	73,981,282

10.2 This represents commodity financing provided to Food Department, Government of Sindh, in syndication with other commercial banks.

# 10.3 Net investment in finance lease

		2	022			203	21	
	Not later than one year	Over one year and less than five years	Over five years and above	Total	Not later than one year	Over one year and less than five years	Over five years and above	Total
				(Rupee	es in '000)			
Lease rental	326,395	538,791	-	865,186	527,296	677,997	-	1,205,293
Residual value	217,996	19,886	-	237,882	84,187	278,181	-	362,368
Minimum lease payments	544,391	558,677	-	1,103,068	611,483	956,178	-	1,567,661
Un-earned income for futur periods	re (114,407)	(29,067)	-	(143,474)	(80,310)	(81,673)	-	(161,983)
Present value of minimum lease payments	429,984	529,610	-	959,594	531,173	874,505	-	I,405,678

# **10.3.1** This represents portfolio taken on the books of the Bank due to amalgamation of Sindh Leasing Company Limited.

10.4	Diminishing musharakah financing	Note	2022 2021 (Rupees in '000)	
10.5	Advance against musharakah Diminishing musharakah		8,526 1,025,140 1,033,666	,8 6   
10.5	ljarah financing under IFAS 2			
	Net book value of assets Advance against Ijarah financing	10.5.1	,37	23,159
	· · · · · · · · · · · · · · · · · · ·		,37	23,159

# 10.5.1 Particulars of assets under Ijarah

				202	22			
		Cost		Accur	nulated depred	iation		
	As at January 01	Additions/ Settled	As at December 31	As at January 01	Charge/ Settled	As at December 31	Book value As at December 31	Rate of depreciation %
				(Rupees	s in '000)			
Vehicle Plant and machinery <b>Total</b>	37,866 28,000 65,866	(21,642) - (21,642)	16,224 28,000 44,224	28,341 14,366 42,707	(14,322) 4,468 (9,854)	14,019 18,834 32,853	2,205 9,166 11,371	Over the Ijarah period
				:				
				202	21			
		Cost		Accur	mulated depred	iation		
	As at January 01	Additions/ Settled	As at December 31	As at January 01	Charge/ Settled	As at December 31	Book value As at December 31	Rate of depreciation %
				(Rupee	s in '000)			
Vehicle	42,595	(4,729)	37,866	24,009	4,332	28,341	9,525	Over the
Plant and machinery	48,000	(20,000)	28,000	28,584	(14,218)	4,366	13,634	ljarah period
Total	90,595	(24,729)	65,866	52,593	(9,886)	42,707	23,159	

2022



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10.5.2	Future Ijarah payments receivable	<u>2022</u> (Rupees	<u>2021</u> s in '000)
	Not later than one year Later than one year and not later than five years	,37	8,586   4,573
	Later than one year and not later than live years	,37	23,159

10.6 Advances include Rs.35,003.74 (2021: Rs. 37,414.31) million which have been placed under non-performing status as detailed below:

	2022	20	2021		
Classification	Non rforming Provision loans	Non performing Ioans	Provision		
Note	(Rupe	es in '000)			
	· ·	,			
s Especially Mentioned 10.6.1	52,185 -	29,037	-		
· ,	12,914 51	21,655	2,007		
	207,444 27,97	895,204	299,581		
	,731,193 27,066,65	36,468,418	24,938,943		
	27,095,15	<b>2</b> 37,414,314	25,240,531		
– Note s Especially Mentioned 10.6.1	forming loans Provision (Rupe 52,185 - 12,914 51 207,444 27,97 5,731,193 27,066,655	performing loans es in '000) 29,037 21,655 895,204 36,468,418	 2,( 299,5 24,938,9		

- **10.6.1** This represents non-performing portfolio of agricultural and small and medium enterprise financing classified as OAEM as per the requirements of the Prudential Regulations for Agricultural and Small and Medium Enterprise Financing issued by the State Bank of Pakistan.
- **10.6.2** The Group has availed the benefit of forced sale value (FSV) on plant and machinery under charge and mortgaged residential and commercial property (land and building only) held as collateral against non-performing advances on the basis of instructions of the State Bank of Pakistan. Had the benefit not been taken by the Group, specific provision against non-performing advances would have been higher by Rs.7,742.44 million (2021: Rs. 11,680.22 million). The resultant increase in profit due to FSV benefit taken will not be available for distribution as cash and stock dividend to shareholders.

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#### 10.6.3 Particulars of provision against advances

1 0		2022			2021	
	Specific	General	Total	Specific	General	Total
			(Rupees	in '000)		
Opening balance	25,240,531	12,124	25,252,655	19,501,319	7,488	9,508,807
Exchange adjustments	<b></b>	-			_	
Charge for the year	2,726,401	7,873	2,734,274	5,985,775	4,636	5,990,411
Reversals	(860,610)	-	(860,610)	(334,983)	-	(334,983)
	1,865,791	7,873	1,873,664	5,650,792	4,636	5,655,428
Amounts charged off - agriculture loans Net charge / (reversal)	(4,478)	-	(4,478)	93,301	-	93,301
during the year	1,861,313	7,873	1,869,186	5,744,093	4,636	5,748,729
Fair value adjustment on net assets of Sindh Leasing Co. Ltd	-	-	-	I,097	-	1,097
Amounts written off	(6,692)	-	(6,692)	(5,978)	_	(5,978)
Closing balance	27,095,152	19,997	27,115,149	25,240,531	12,124	25,252,655

# 10.6.3.1 Particulars of provision against advances

		2022			2021	
	Specific	General	Total	Specific	General	Total
			(Rupees	in '000)		
In local currency	27,095,152	19,997	27,115,149	25,240,531	2, 24	25,252,655
In foreign currencies	_	-	-	_	_	_
0	27,095,152	19,997	27,115,149	25,240,531	2, 24	25,252,655

**10.6.3.2** General provision against consumer loans represents provision maintained at an amount equal to 1% (2021: 1%) of the fully secured performing portfolio and 4% (2021: 4%) of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP. General provision against Small Enterprises financing represents provision maintained at an amount equal to 0% (2021: 0%) of the fully secured performing portfolio and 1% of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP.

	FIXED ASSETS	Note <sup>–</sup>	2022 (Rupees ii	2021 n '000)
	Capital work-in-progress Property and equipment Right of use assets	.    .3   .6	26,725 1,340,419 2,746,552 4,113,696	73,166 1,282,018 1,878,361 3,233,545
11.1	<b>Capital work-in-progress</b> Civil works Equipment Advances to suppliers	=	4,325 2,041 20,359 26,725	4,396 1,541 67,229 73,166
11.2	<b>Movement in Capital work-in-progress</b> Opening balance Transfer in Transfer out Write off Closing balance	=	73,166 211,216 (257,657) - 26,725	24,900  53,70  (105,435) - 73,166

# 11.3 Property and Equipment

Property and Equipment			2022		
i	Lease hold improvements	Furniture and fixture	Computer and office equipment	Vehicles	Total
			(Rupees in '000)	)	
At January 1, 2022			· · · · · · · · · · · · · · · · · · ·		
Cost / Revalued amount	1,327,578	565,447	1,739,565	390,935	4,023,525
Accumulated depreciation	512,703	445,688	1,536,232	246,884	2,741,507
Net book value	814,875	119,759	203,333	44,05	1,282,018
Year ended December 31, 2022					
Opening net book value	814,875	9,759	203,333	44,05	1,282,018
Additions	67,009	6,623	99,688	180,341	353,661
Movement in surplus on assets reva					
during the year	-	-	-	-	-
Acquisitions through business					
combinations	-	-	-	-	-
Impairment loss recognised in the					
profit and loss account - net	-	-	-	-	-
Disposals	(711)	(10)	(24)	(617)	(1,362)
Depreciation charge	(67,172)	(41,611)	(106,423)	(78,692)	(293,898)
Exchange rate adjustments	-	-	-	-	-
Other adjustments / transfers	-	-	-	-	-
Closing net book value	814,001	84,761	196,574	245,083	1,340,419
At December 31, 2022					
Cost / Revalued amount	1,393,502	571,829	1,825,281	5 3,3 6	4,303,928
Accumulated depreciation	579,501	487,068	1,628,707	268,233	2,963,509
Net book value	814,001	84,761	196,574	245,083	1,340,419
Rate of depreciation (percentage)	5.00%	10.00%	33.33% & 20.0%	20.00%	

			2021		
	Lease hold improvements	Furniture and fixture	Computer and office equipment	Vehicles	Total
			(Rupees in '000)		
At January 1, 2021					
Cost / Revalued amount	1,316,822	561,644	I,688,779	389,718	3,956,963
Accumulated depreciation	440,762	393,197	I,436,575	246,347	2,516,881
Net book value	876,060	68,447	252,204	43,37	1,440,082
Year ended December 31, 2021					
Opening net book value	876,060	68,447	252,204	[43,37]	440,082
Additions	11,456	4,393	60,219	58,228	134,296
Movement in surplus on assets revalue	d				
during the year	-	-	-	-	-
Acquisitions through business combina	tions –	-	-	-	-
Impairment loss recognised in the					
profit and loss account - net	-	-	-	-	-
Disposals	(392)	(27)	(147)	(31)	(597)
Depreciation charge	(65,952)	(53,054)	(108,941)	(57,511)	(285,458)
Exchange rate adjustments	_	-	-	-	_
Other adjustments / transfers	(6,297)		(2) _	(6)	(6,305)
Closing net book value	814,875	119,759	203,333	44,05	1,282,018
At December 31, 2021					
Cost / Revalued amount	I,327,578	565,447	1,739,565	390,935	4,023,525
Accumulated depreciation	512,703	445,688	1,536,232	246,884	2,741,507
Net book value	814,875	119,759	203,333	44,05	1,282,018
				· · ·	· · · ·
Rate of depreciation (percentage)	5.00%	10.00%	33.33% & 20.0%	20.00%	

11.4 The cost of fully depreciated furniture and fixture, office and computer equipment still in use amounted to Rs. 1,749.28 million (2021: Rs.1,476.54 million).

# II.4 Disposal

Description	Cost	Net Book Value	Sale Proceeds	Mode Of Disposal	Parttculars of The Purchaser
		(Ruj	pees in '000	))	
Computers & Office Equipment					
Items with WDV of below Rs. 250,000/- and cost of less than Rs. 1,000,000/-	15,297	746	I,922	Negotiation	Various
Motor Vehicles					
Toyota Corolla XLI do Honda Civic Suzuki Cultus do dodo dodo	1,538 1,664 2,588 1,129 1,124 1,129 1,250 1,250 1,300	- - - - - - - - - - - - - -	I,678 - - - - - - 152	Tender As Per HR Policy As Per HR Policy	Abdul Razzaq Ishfaque Ahmed Soomro Riaz Ahmed Syed Nadeem Altaf Tariq Mahmood Syed Akram Hussain Zaidi Mubasharuddin Khan Rana Liaquat Ali Khan Syed Sohail Abbas Zaidi

Description	Cost	Net Book Value	Sale Proceeds	Mode Of Disposal	Parttculars of The Purchaser							
	(Rupees in '000)											
do	,250	-	-	As Per HR Policy	Shoaib Naseem Khan							
do	,250	-	-	As Per HR Policy	Zahid Mahmood							
do	1,129	-	-	As Per HR Policy	Haq Nawaz							
do	1,129	-	-	As Per HR Policy	Beverly D'Souza							
do	1,099	-	-	As Per HR Policy	Arshad Abbas Soomro							
do	1,010	-	-	As Per HR Policy	Saima Aziz							
do	1,250	-	-	As Per HR Policy	Muhammad Saleem							
do	1,250	-	-	As Per HR Policy	Arsalan Sattar							
Suzuki Wagon R	1,144	153	72	As Per HR Policy	Muhammad Yousif Kurio							
do	1,054	-	-	As Per HR Policy	Syed Armaghan Ali							
do	I,054	-	-	As Per HR Policy	Ńizar Ali Tharani							
do	I,054	-	-	As Per HR Policy	Badruddin Alam							
do	1,054	-	-	As Per HR Policy	Ghulam Mustafa Shaikh							
do	1,014	-	-	As Per HR Policy	Karam Hussain Ma <b>ll</b> ah							
do	I,054	-	-	As Per HR Policy	Noor Mustafa Barohi							
do	Í,104	84	84	As Per HR Policy	Wajid Ali							
do	1,014	_	_	As Per HR Policy	Khushhal							
do	I,054	_	_	As Per HR Policy	Zeeshan Mirza							
do	1,054	_	_	As Per HR Policy	Omar Wagar							
do	1,014	_	_	As Per HR Policy	Muhammad Arif Ashraf							
do	1,054	_	_	As Per HR Policy	Zeeshan Zulfiqar							
do	1,054	_	_	As Per HR Policy	Shakeel Ahmed							
do	1,014	_	_	As Per HR Policy	Intikhab Ashraf							
do	1,054	_	_	As Per HR Policy	Bu Ali Khan							
do	1,034	_	_	As Per HR Policy	Imran Khalid							
do	1,054	_	_	As Per HR Policy	Mohsin Ali Rahu							
do	I,009	_	_	As Per HR Policy	Muhammad Awais Baig							
do	I,007	-	-	As Per HR Policy	Syed Yasir Abbas							
do	I,054	-	-	As Per HR Policy	Naveed Hussain							
do	I,054	-	-	As Per HR Policy	Adnan Alam							
do	I,054	-	-									
do	1,034 1,104	129	-  29	As Per HR Policy	Sufia Laghari Khush Muhammad Ansari							
				As Per HR Policy								
ltama with M(D)/ of balaw Pa 250,000/	I,054	-	-	As Per HR Policy	Syed Ahsan Ali							
Items with WDV of below Rs. 250,000/-	1074		757	Tarter	Variaus							
and cost of less than Rs. 1,000,000/-	I,264	-	757	Tender	Various							
do	<u> </u>	617	3,071	As Per HR Policy	Various							
TOTAL	73,256	1,363	4,993									



		2022	2021
		(Rupees	s in '000)
11.6	RIGHT OF USE ASSETS		
	Year ended December 31		
	Opening net book value	1,878,361	I,849,749
	Additions	I,537,597	712,749
	Disposals	-	-
	Depreciation charge	(669,406)	(684,137)
	Closing net book value	2,746,552	1,878,361
	At December 31		
	Cost	4,945,865	3,923,097
	Accumulated depreciation	(2,   99, 3   3)	(2,044,736)
	Net book value	2,746,552	1,878,361
	Rate of depreciation (percentage)	10% to 100%	10% to 100%
12	INTANGIBLE ASSETS - Computer Software		
	At January I		
	Cost	380,220	298,694
	Accumulated amortisation and impairment	263,549	227,540
	Net book value	6,67	71,154
	Year ended December 31		
	Opening net book value	6,67	71,154
	Additions:		
	- directly purchased	43,584	81,526
	Disposals	-	-
	Amortisation charge	(36,232)	(36,009)
	Other adjustments	124,022	-
	Closing net book value At December 31,	124,022	6,67
	Cost	423,803	380,220
	Accumulated amortisation and impairment	299,781	263,549
	Net book value	124,022	116,671
	Rate of amortisation (percentage)	20%	20%
	Useful life	5 year	5 year
		:	· · · · ·

12.1 The cost of fully amortised software still in use amounted to Rs.227.23 million (2021: Rs. 188.78 million) .



#### DEFERRED TAX ASSETS-NET 3

DEFERRED TAX ASSETS-INET	2022				
	At Jan I, 2022	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2022	
		(Rupees	in '000)		
Deductible Temporary Differences on					
- Provision against advances - general	8,424,857	692,962	-	9,117,819	
- Tax losses carried forward	3,319,583	461,689	1,717	3,782,989	
- Provision for diminution in the value of investments	247,735	(152,882)	-	94,853	
- Deficit on revaluation of investments	717,118		55,529	772,647	
- Accelerated tax depreciation - right to use assets	(11,049)	(1,253)	-	(12,302)	
- Others	714,855	356,157	-	1,071,012	
	3,4   3,099	1,356,673	57,246	14,827,018	
Taxable Temporary Differences on					
- Accelerated tax depreciation - tangible fixed assets	(21,330)	15,920	-	(5,410)	
- Others	(197)	(15,401)	-	(15,598)	
- Net investment in Lease Finance	(131,859)	-	-	(131,859)	
- Accelerated tax amortization - intangible assets	(5,927)	(6,005)	_	(11,932)	
	(159,313)	(5,486)		(164,799)	
	13,253,786	1,350,187	57,246	4,662,219	

	At Jan I, 2021	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2021
		(Rupees	n '000)	
	6,461,736	1,963,121	_	8,424,857
	3,118,099	201,993	(509)	3,319,583
tments	94,853	152,882	_	247,735
	261,175	-	455,943	717,118
ssets	(8,730)	(2,319)	_	(11,049)
	438,87 I	275,984	_	714,855
	10,366,004	2,591,661	455,434	3,4 3,099
assets	(40,491)	19,161	_	(21,330)
	(197)	-	_	(197)
	(131,859)	-	_	(131,859)
ets	(7,673)	I,746	_	(5,927)
	(180,220)	20,907		(159,313)
	10,185,784	2,612,568	455,434	13,253,786

Deductible Temporary Differences on

- Provision against advances general
- Tax losses carried forward
- Provision for diminution in the value of investr
- Deficit on revaluation of investments
- Accelerated tax depreciation right to use as
- Others

Taxable Temporary Differences on

- Accelerated tax depreciation tangible fixed a - Others
- Net investment in Lease Finance
- Accelerated tax amortization intangible asser



13.1 In this respect, the management of the Group have prepared projections which have been approved by the Board of Directors of the Group. The projections involve certain key assumptions underlying the estimation of future taxable profits, such as cost to income ratio of the Group, deposit composition, growth of deposits and advances, investment returns, expected recoveries of classified advances, etc. The management believes that it is probable that the Group will be able to achieve the profits projected in the projections and consequently the deferred tax asset will be fully realized in the future.
2022 2021

			2022	202
		Note	(Rupees in	'000)
4	OTHER ASSETS			,
• •				
	Income/ Mark-up accrued in local currency	[4.]	4,331,108	3,107,249
	,	17.1		
	Accrued commission income		19,730	7,234
	Advances, deposits, advance rent and other prepayments		195,156	101,478
	Receivable against sale of shares		56,982	268,770
	Unrealised gain on forward forex revaluation - net		, _	130,799
			9,84 l	12,565
	Insurance premium receivable against agriculture loans			
	Stationery and stamps on hand		18,966	7,984
	Dividend receivable		-	-
	Receivable against I Link ATM settlement account		305,152	-
	Advance Taxation - net		50,834	64,901
	Insurance claims receivable		3,375	16,252
	Other receivables		56,909	53,735
			5,048,053	3,770,967
4.	Income/ Mark-up accrued in local currency			
	- On loans and advances		I,697,226	753,170
	- On investments		2,615,414	2,349,910
	- Others			
	- Others		18,468	4,169
			4,331,108	3,107,249
15	BILLS PAYABLE			
	In Pakistan		726,148	624,726
	Outside Pakistan			_
			726,148	624,726
6	BORROWINGS			
	Secured			
	Borrowings from State Bank of Pakistan			
	- Under export refinance scheme	6.2	1,874,835	1,695,919
	- Under long term finance facility	6.3	59,879	89,819
	Repurchase agreement borrowings - Secured			
	<ul> <li>State Bank of Pakistan(SBP)</li> </ul>	6.4	105,000,000	25,000,000
	<ul> <li>Other commercial banks / DFIs</li> </ul>		_	-
			105,000,000	25,000,000
	Unsecured		,,,	20,000,000
	- State Bank of Pakistan(SBP)	6.5	310,000	750,000
		10.0	310,000	750,000
	- Other microfinance bank			
1.4.1			107,244,714	27,535,738
6.1	Particulars of borrowings with respect to Currencies			
	In local currency		07,244,714	27,535,738
	In foreign currencies		<u> </u>	
	U		107,244,714	27,535,738

- **16.2** These represent borrowings from SBP under export refinance scheme at the rates ranging from 8% to 10% (2021: 1.00% to 2.00%) per annum having maturity upto six months.
- 16.3 These represent borrowings from SBP under long term finance facility at the rate of 3% (2021: 3.00%) per annum having maturity upto 5 years.
- 16.4 These represent repurchase agreement borrowings from State Bank of Pakistan at the rates ranging from 15.22% to 16.17% (2021: 10.12%) per annum maturing on February 24, 2023 (2021: February 18, 2022). The carrying value of securities given as collateral against these borrowings is given in note 9.3.
- 16.5 This represent borrowings from SBP under LOC fund of Microfinance Bank Ltd at the rate of 6 month kibor +1% / -1% (2021: 6 month kibor +1% / -1%) per annum having maturity upto 5 years.

# 17 DEPOSITS AND OTHER ACCOUNTS

L

		2022			2021	
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Customers			Rupees	in '000		
Current deposits	57,625,139	538,290	58,163,429	61,100,484	393,151	61,493,635
Savings deposits	98,451,962	I,009,539	99,461,501	92,107,801	946,331	93,054,132
Term deposits	62,121,959	435,818	62,557,777	58,783,628	411,867	59,195,495
Margin and other deposits	480,506	_	480,506	563,852	_	563,852
	218,679,566	I,983,647	220,663,213	212,555,765	1,751,349	214,307,114
Financial Institutions						
Current deposits	53,242	24	53,266	47,372	19	47,391
Savings deposits	897,189	-	897,189	1,657,129	-	1,657,129
Term deposits	I,899,000	-	I,899,000	1,711,000	-	1,711,000
Margin and other deposits	120,044	-	I 20,044	120,044	-	120,044
	2,969,475	24	2,969,499	3,535,545	9	3,535,564
	221,649,041	1,983,671	223,632,712	2 6,09 ,3 0	1,751,368	217,842,678

17.1 Composition of deposit	:S	<u>2022</u> (Rupees	2021 in '000)
- Individuals - Government (Federal - Public Sector Entities - Banking Companies - Non-Banking Financial - Private Sectors	,	33,467,773 150,415,341 3,580,365 264,863 2,648,298 <u>33,256,072</u> 223,632,712	24,032,190 153,369,167 2,709,765 258,453 3,277,111 <u>34,195,992</u> 217,842,678

17.2 The SBP has set up a fully owned subsidiary – Deposit Protection Corporation (DPC), with an aim to provide protection to small depositors of banks operating in Pakistan. The Corporation has been set up through promulgation of the Deposit Protection Corporation Act, 2016, (the Act) and commenced its business with effect from 01 June 2018. Membership of the Deposit Protection Corporation is compulsory for all banks scheduled under sub-section (2) of section 37 of the State Bank of Pakistan Act, 1956. Under the arrangement, the objective of DPC would be to protect the depositors to the extent of the guaranteed amount, in case a member bank is notified as a failed institution by SBP.

The framework provided by DPC lays down the methodology for arriving at Eligible Deposits, as well as determining the premium amount payable under the regulations. The premium amount so determined are required to be deposited by all banks with DPC on a quarterly basis.

As at 31 December 2022, the deposits eligible to be covered under insurance arrangements amounted to Rs. 39,403.11 million (2021: Rs. 32,255.45 million) and premium paid amounted to Rs. 51.61 million (2021: Rs. 46.01 million).



		_	2022	2021
		Note	(Rupees in	'000)
8	OTHER LIABILITIES			
	Mark-up / return / interest payable in local currency		4,776,890	3,059,322
	Mark-up / return / interest payable in foreign currency		3,485	2,947
	Accrued expenses		282,605	125,093
	Net defined benefit liability		107,192	98,875
	Payable against I Link ATM settlement account		-	47,032
	Provision for compensated absences		250,603	224,033
	Payable to employees' provident fund		784	929
	Payable against purchase of operating fixed assets		44,089	3,660
	Payable against purchase of shares		309,248	205,890
	Retention money		56,547	60,701
	Federal excise duty / sales tax on services payable		1,835	4,599
	Lease liability	8.	2,896,585	2,129,702
	Forex Fwd Reval Impact Withholding tax payable		692,112 23,742	- 37,116
	Acceptances		23,742	57,110
	Security deposit against leasess	8.2	237,882	362,368
	Others	1012	395,962	264,975
		-	10,079,561	6,637,242
		-		
8.1	Lease liability			
	Opening balance		2,129,702	2,141,076
	Impact of adoption of IFRS 16		-	-
	Additions / renewals		1,539,139	723,384
	Borrowing cost		235,296	233,766
	Payments	_	(1,007,552)	(968,524)
	Closing balance	-	2,896,585	2,129,702
	Current lease liability	-	901,394	942,341
	Non current lease liability	_	1,995,191	1,187,361
		_	2,896,585	2,129,702
		=		

18.2 These represent interest free security deposits received from lessees against lease contracts of Sindh Leasing Company Limited was amalgamated into the Bank, and are adjustable against residual value of leased assets at the expiry of the respective lease terms.

# 19 SHARE CAPITAL-NET

9.1	Authorised cap	oital			
	2022	2021		2022	2021
	Number	of shares		Number o	f shares
	3,000,000,000	2,800,000,000	Ordinary shares of Rs.10 each	30,000,000	28,000,000
19.2	lssued, subscrib share capital	ed and paid-up	fully paid in Cash		
	2,552,442,817	1,971,013,000	Ordinary shares of Rs. 10 each	25,524,428	19,710,130
	400,000,000	200,000,000	Right shares of Rs.10 each issued during the year	4,000,000	2,000,000
	-	381,429,817	Ordinary shares of Rs. 10 issued as consideration of amalgamation	-	3,814,298
	2,952,442,817	2,552,442,817	-	29,524,428	25,524,428

**19.3** The Government of Sindh, through its Finance Department, owns 99.97% ordinary shares of the Bank.



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20	SHARES DEPOSIT MONEY	2022 (Rupees	<u>2021</u> in '000)
	Opening balance Shares deposit money Right shares issued during the year	4,000,000 (4,000,000) 	2,000,000 4,000,000 (2,000,000) 4,000,000

To meet the CAR requirement, the sponsor of the Group, GoS has injected Rs 4 billion as an 'advance against issuance of shares' to support the Group's Capital Adequacy requirement, with the condition that this amount shall be returned upon reversal of provision by the Bank against the Non Performing Advances. In this regard the Group has requested SBP to approve this condition of sponsors.

21	PROPOSED ORDINARY SHARES TO BE ISSUED ON AMALGAMATION	Note	(Rupees in '000)
	Opening balance Shares issued during the year	21.1	- 3,814,298 - (3,814,298)

21.1 As per the Scheme of Amalgamation during the year, the Bank issued 381,429,817 ordinary shares of the Bank to the sole shareholder (Government of Sindh) of Sindh Leasing Company Limited on the basis of the swap ratio of I (one) ordinary share of Sindh Bank Limited for every 0.9176 ordinary shares of Sindh Leasing Company Limited, as consideration for the merger.

			2022	2021
22	DEFICIT ON REVALUATION OF ASSETS - NET OF DEFERRED TAX	Note	<u>2022</u> (Rupees i	<u>202  </u> in '000)
		Note	(Rupees	
	Available-for-sale securities			
	Federal government securities		(1,627,156)	(1,774,724)
	Fully paid ordinary shares - listed		(373,481)	(93,489)
	Units of mutual funds (units / certificates)		19,492	29,450
			(1,981,145)	(1,838,763)
	Related deferred taxation		772,645	717,116
			(1,208,500)	(1,121,647)
23	CONTINGENCIES AND COMMITMENTS			
	-Guarantees	23.I	4,475,012	4,635,678
	-Commitments	23.2	167,300,904	52,600,081
	-Other contingent liabilities	ZJ.Z	107,500,704	52,000,001
			171,775,916	57,235,759
23.1	Guarantees:			
	Financial guarantees		695,773	1,059,301
	Performance guarantees		2,684,368	151,016
	Other guarantees		1,094,871	3,425,361
			4,475,012	4,635,678
23.2	Commitments:			
	Documentary credits and short-term trade-related transactions			<b></b>
	- letters of credit		549,96 l	536,689
	Commitments in respect of:			
	- forward foreign exchange contracts	23.2.I	32,362,486	12,941,129
	- forward lending, borrowings and credits	23.2.2	134,388,457	39,122,263
	Other commitments		l 67,300,904	<u> </u>
23.2.	Commitments in respect of forward foreign exchange contracts			
20.2.				
	Purchase		6,669,577	6,740,279
	Sale		15,692,909	6,200,850
			32,362,486	12,941,129



23.2.2	Commitments in respect of forward lending, borrowings and credits	Note	2022 (Rupees i	<u>2021</u> n '000)
	Forward repurchase agreement borrowing Forward resale agreement lending Undrawn formal standby facilities, credit lines and		106,368,612 19,984,859	25,103,970 5,382,772
	other commitments to lend	23.2.2.1	8,034,986 134,388,457	8,635,521 39,122,263

# 23.2.2.1 Commitments to extend credit

The Group makes commitments to extend credit in the normal course of its business but these are revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

# 23.3 Contingencies

- 23.3.1 The Income Tax returns of the Bank have been filed up to the tax year 2022 (accounting year ended December 31, 2021) and amendment of deemed assessment were carried out till tax year 2020, whereby certain disallowances to the taxable income were made.
- 23.3.2 Appeals against amended orders were filed before Commissioner Inland Revenue Authority (CIRA), these appeals decided in bank's favor and thereby deleted the impugned demands.

With respect to Bank's operations in Azad Jammu & Kashmir (AJK), bank has filed income tax returns upto tax year 2022 (accounting year ended December 31, 2021) with the tax authorities of AJK. The Commissioner has issued amended assessment orders upto tax year 2019. The Bank has filed appeals which are pending at CIRA.

23.3.3 Government of Sindh through the Sindh WWF Act, 2014, has introduced levy of SWWF. As per Sindh WWF Act, 2014, banks / Financial institutions are included in definition of "Industrial Establishment" Sindh WWF is imposed at the rate of 2% to the total income. Since the Bank is trans provincial entity and the operations of the Bank in also in other Provinces and in Azad Jammu & Kashmir as well, the Bank along with other banks have filed a suit before Honorable Sindh High Court and challenged the vires of SWWF, which is pending for adjudication.

# 23.3.4 Sindh Leasing Company Limited - Amalgamated

The Income Tax returns of the Ex-Sindh Leasing Company Limited have been filed up to the tax year 2021 (accounting year ended December 31, 2020, interim period). ACIR initiated proceedings under section 122(5A) of the Ordinance which were finalized through order, increasing taxable income to Rs. 40,242,222 and raising additional tax demand of Rs. 2,974,421. The tax demand was duly paid under protest.

Appeal was filed before the Commissioner Inland Revenue Appeals (CIRA) on March 22, 2022 which was decided in Bank's favour and thereby deleting the whole of the impugned tax demand, accordingly, the refund application filed.

Withholding tax monitoring proceedings of tax year 2015, 2018 and 2019 were initiated under section 176 of the income tax ordinance, 2001 read with rule 44 of income tax rules, 2002 by tax authorities, however, order not yet passed.

# 23.3.5 Significant Matters

Land Acquisition Officer Matiari and Deputy Commissioner Naushahro Feroze maintained accounts with two branches of the bank located at Matiari since October 14, 2022 and at Naushahro Feroze since December 31, 2014 respectively. The designated district government official(s) have made cash withdrawals to the tune of Rs. 5.7 Billion from the respective accounts as singly authorized signatory for land acquisition of Sukkur - Hyderabad Motorway (M-6). The matter is under investigation by the government agencies with simultaneous recovery of cash in process. The legal counsel has opined that the Bank has no financial exposure in this matter.



		2022	2021
23.3.6 Other Contingent Liabilit	ies	(Rupees	in '000)
Claims against the Bank no	ot acknowledged as debts	792,500	792,500

These mainly represent counter claims filed by the ex-employees of the Bank for damages purported to be sustained by them consequent to the termination from the Bank's employment. Based on legal advice, the management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.

24	MARK-UP/RETURN/INTEREST EARNED	Note	<u>2022</u> (Rupees	<u>2021</u> in '000)
	On Loans and advances On Investments On Lendings to financial institutions On Balances with banks	24.1	5,596,350 29,816,335 1,331,570 <u>98,700</u> 36,842,955	4,392,768 17,032,008 639,863 105,421 22,170,060

24.1 This includes income from Leasing business amounting to Rs.63.85 (2021: 116.56) million.

# 25 MARK-UP/RETURN/INTEREST EXPENSED

	Deposits Borrowings Lease liability against right of use assets Others		16,424,938 14,524,511 231,927 	10,344,503 6,403,756 233,765 - 16,982,024
26	FEE & COMMISSION INCOME	:	31,101,370	10,702,024
	Branch banking customer fees Consumer finance related fees Card related fees (debit cards) Commission on trade Commission on guarantees Credit related fees Commission on remittances including home remittances Others		62,642 2,189 213,977 59,043 51,888 17,000 20,223 <u>874</u> 427,836	46,706 I,186 I 62,838 56,026 41,787 I 8,779 23,772 <u>864</u> 351,958
27	GAIN / (LOSS) ON SECURITIES	:	427,030	
	Realised 2 Unrealised - held for trading	27.1	(157,712)	(6,435)
27. I	Realised (loss) / gain on:	:	(157,712)	(6,435)
	Federal Government Securities Shares of listed companies Units of mutual funds Others investments		(22,658) (135,054) - -	45,857 (52,292) - -
28	OTHER INCOME	=	(157,712)	(6,435)
	Incidental charges Gain on sale of operating fixed assets Rent on premises shared Prequalification application fee for tender Godown charges Others		799 3,630 1,130 26 250 1,730 7,565	799 284 1,140 23 275 - 2,521



			2022	2021
29	OPERATING EXPENSES	Note	(Rupees ir	
27	OPERATING EXPENSES			
	Total compensation expense	29.2	3,764,016	3,073,628
	Property expense			
	Rent & taxes		32,373	19,870
	Insurance		54,990	36,573
	Utilities cost		408,588	274,792
	Security		402,784	342,836
	Repairs & maintenance		26,018	25,116
	Depreciation		67,000	65,952
	Depreciation- right of use assets		669,406	684,137
			1,661,159	1,449,276
	Information technology expenses			
	Software maintenance		128,645	67,544
	Hardware maintenance		86,167	71,515
	Depreciation		18,726	26,578
	Amortisation		36,232	36,009
	Network charges		14,700	I I,088
	Others		45,935	<u>51,492</u> 264,226
	Other operating expenses		550, 105	201,220
	Directors' fees and allowances		18,380	11,545
	Fees and allowances to Shariah Board		4,018	4,354
	Legal & professional charges		28,501	57,205
	Travelling & conveyance		52,649	40,050
	NIFT clearing charges		33,872	24,732
	Depreciation		208,171	92,928
	Training & development		3,180	I,532
	Postage & courier charges		25,814	24,640
	Communication		130,312	123,969
	Stationery & printing		110,796	89,771
	Marketing, advertisement & publicity		56,813	44,930
	Donations	29.3	50,003	_
	Auditor's Remuneration	29.4	13,441	13,139
	Repairs & maintenance		131,273	106,835
	Brokerage and commission		9,280	12,239
	Entertainment Expenses		62,650	54,374
	Premium of deposit protection fund		51,609	46,007
	Fees and subscription		75,647	66,182
	Insurance expenses		16,760	13,177
	Others		161,251	162,055
			1,244,420	I,089,664
			7,000,000	5,876,794
			· · · · · · · · · · · · · · · · · · ·	

**29.1** Total cost for the year included in other operating expenses relating to Janitorial outsourced activities is Rs. 112.52 million (2021: 106.81 million). These expenses represent payments made to companies incorporated in Pakistan.



			2022	2021
29.2	No Total compensation expense	ote	(Rupees in '000)	
	Managerial Remuneration - Fixed - Variable Cash Bonus / Awards etc. Charge for defined benefit plan		2,363,049 12,349 104,137	I,873,837 I2,664 99,431
	Contribution to defined contribution Plan Rent & house maintenance Utilities Medical		22,80  602,965  23,274  23,350	04,790 52 ,898  05,444  05,443
	Conveyance Employee old age benefits contribution Leave Fare Assistance Allowances Leave Encashment		123,330   4,356   7,602  65,868  40,905	97,701 14,889 12,809 57,903
	Staff Insurances Others staff		69,874 3,486 3,764,016	65,594 <u>1,225</u> 3,073,628
29.3	<b>Details of donations</b> Distribution of tents amounting to Rs. 50 mn was Provided under provincia in the province of Sindh	al Disast		
29.4	Auditors' remuneration			
	Audit fee Fee for other statutory certifications Special certifications and sundry advisory services Out-of-pocket expenses		,083  ,266 549 543	10,597 1,134 798 610
30	OTHER CHARGES		3,44	3, 39
	Penalties imposed by the State Bank of Pakistan Others		9,834 -	67,640 -
31	PROVISIONS & WRITE OFFS - NET		9,834	67,640
	Provisions / diminution in value of investments 9 Provisions against Ioans & advances General provision	9.4.1	80,939 I,864,879 4,309	87,342 5,748,729
		0.6.3	I,869,188	5,748,729
	Bad debts written off directly		<u>2,327</u> 1,952,454	<u>2,297</u> 5,838,368
32	TAXATION			
	Current Prior years		483,674 -	294,416 -
	Deferred		(1,351,187) (867,513)	(2,612,568) (2,318,152)
32.I	Relationship between tax expense and accounting profit			
	Loss before tax		(2,211,852)	(6,018,288)
	Tax on (loss) / income at applicable rates Effect of prior year on current taxation		(862,622)	(2,347,132)
	Effect of permanent differences		(4,891) (867,513)	



22		-	2022 2021 (Rupees in '000)	
33	BASIC EARNINGS/ (LOSS) PER SHARE			
	Loss for the year		(1,344,339)	(3,700,136)
	Weighted average number of ordinary shares		2,580,935,968	2,509,765,672
	Basic loss per share		(0.52)	(1.47)
34	DILUTED EARNINGS/ (LOSS) PER SHARE			
	Loss for the year		(1,344,339)	(3,700,136)
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)		2,580,935,968	2,509,765,672
	Diluted loss per share		(0.52)	(1.47)
			2022	2021
35	CASH AND CASH EQUIVALENTS	Note	(Rupees	
	Cash and Balance with Treasury Banks Balance with other banks	6 7	4,204,082 2,014,183  6,218,265	19,364,832 1,508,412 20,873,244
		_	2022	2021
			(Numb	er)
36	STAFF STRENGTH			
	Permanent Temporary / on contractual basis Total staff strength	36.1	2,097 <u>296</u> 2,393	2,082 248 2,330
	iotai staii su ciigui	1.0C	2,375	

**36.1** In addition to the above 502 (2021: 478) staff from outsourcing service companies were assigned to the Bank.

# 37 DEFINED BENEFIT AND CONTRIBUTION PLANS

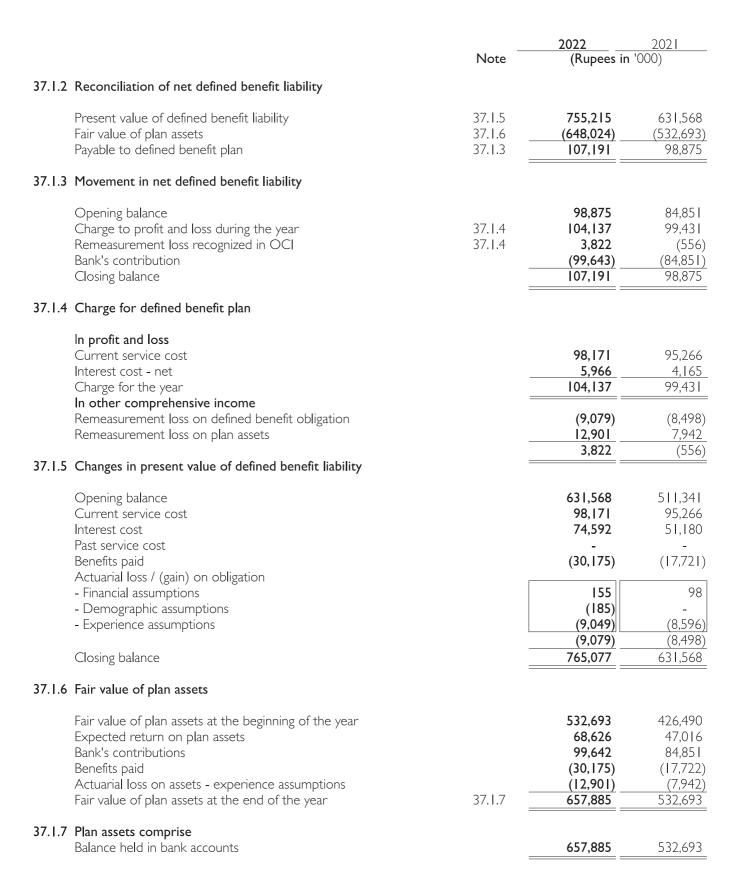
#### 37.1 Defined benefit plan

The Group operates a recognised gratuity plan for all its permanent and full time employees in the management cadre who have completed the minimum qualifying period of three years. Contributions are made to the fund in accordance with the recommendations of an actuary. Employees are entitled to the benefits under the plan which comprise of the last drawn basic salary for each completed year of service, subject to completion of minimum three years services with the Group. The number of employees covered under the schemes are 2,286 (2021: 2,135).

### 37.1.1 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2022 using the Projected Unit Credit Method. Following are the significant assumptions used in the actuarial valuation:

	20222021
- Discount rate	<b>14.25% - 14.50%</b> 11.75% - 12.25%
- Expected rate of increase in salaries-short term	<b>10% to 13.5%</b> 10.00% - 10.75%
- Expected rate of increase in salaries-long term	<b> 3.25% -  3.50%</b>  0.75% -   .25%
- Expected return on plan assets	<b>14.25%</b> 12.25%
- Duration (Years)	<b>10.43</b> 10.83





# 37.1.8 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2022(Rupees	<u>2021</u> in '000)
Discount rate (1% variation)	683,211	565,910
Future salary growth (1% variation)	842,742	703,673
Future mortality (I year variation)	737,637	612,429

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.

**37.1.9** The expected gratuity expense for the year commencing January 01, 2023 works out to Rs.108.66 million (2022: Rs. 95.63 million).

# 37.1.10 Maturity analysis

The weighted average duration of the defined benefit obligation works out to be 10.83 years. Expected benefit payments for the next five years are:

	2023	2024	2025	2026	2027
		(R	upees in '000) -		
Expected benefit payments	59,923	47,796	51,385	45,002	73,910

# 37.1.11 Risks Associated with Defined Benefit Plans

# Investment Risks

The risk arises when the actual performance of the investment is lower than expectation. This is managed by formulating the investment plan in consultation with the trustee and the actuary.

# Longevity Risks

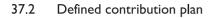
The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

# Salary Increase Risk

The risk that the final salary at the time of cessation of service is higher than what we assumed. Since the benefit is calculated on the final Salary, the benefit amount increases similarly. The risk is managed by actuarial valuations and accounting for benefits based on that.

# Withdrawal Risk

The risk of actual withdrawals varying with the actuarial assumptions can pose a risk to the benefit obligation. The movement of the liability can go either way.



The Group operates a recognised provident fund plan for all its permanent employees. Equal monthly contributions are made, both by the Group and its employees, to the fund at the rate of 10% of basic salary of the employees. The minimum qualifying period of service for the purpose of the Group's contribution is one year. The contribution made by the Group and its employees during the year amounted to Rs.246 million (2021: Rs.209.58 million). The number of employees as at December 31, 2022 eligible under the plan were 2,147 (2021: 2082).

# 38 COMPENSATED ABSENCES

The Group grants compensated absences to all its regular employees as per service rules. Minimum qualifying period for encashment is three years of service. Regular employees are entitled to 30 days privilege leave for each completed year of service. Unutilized privilege leave is accumulated upto a maximum of 60 days which would be encashed at the time of retirement from the regular service of the Group or severance of service except in case of dismissal. This is encashable on the basis of last drawn gross salary. The Group recognises the liability for compensated absences in respect of employees in the period in which these are earned up to the balance sheet date. The provision of Rs.250.60 million (2021: Rs.224.03 million) has been made on the basis of actuarial recommendations.

		<u>2022</u> (Rupees	2021 in '000)
38. I	Movement of compensated absences		
	Opening balance	224,032	179,686
	Expense / (Reversal) for the year	40,906	52,693
	Benefit paid during the year	(14,335)	(8,347)
	Closing balance	250,603	224,032



# 39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

# 39.1 Total Compensation Expense

				2022			
		Directors					
	Chairman	Executives (other than CEO)	Non- Executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
			(R	upees in ' 0	00')		
Fees and Allowances	3,175	-	15,205	2,780	, _	-	-
Managerial Remuneration							
- Fixed	-	-	-	-	23,207	34, 22	80,043
- Variable Cash Bonus / Awards	-	-	-	-	-	1,000	-
Charge for defined benefit plan	-	-	-	-	1,437	9,854	6,228
Contribution to defined contribution pla	an -	-	-	-	2,321	12,672	7,872
Rent & house maintenance	-	-	-	-	10,443	60,355	36,019
Utilities	-	-	-	-	2,321	13,413	8,004
Medical	-	-	-	-	2,321	13,413	8,004
Conveyance	-	-	-	1,340	1,644	26,773	34,575
Bonus Others	300	-	-	-	3,622 1,150	21,420 16,365	3,286   ,326
Total	3,475		15,205	4,120	48,466	309,387	205,357
Number of Persons	<u> </u>		9	2	2	31	36
				2021			
		Directors					
	Chairman	Executives (other than CEO)	Non- Executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
			(Ru	pees in ' 00	0')		
Fees and Allowances Managerial Remuneration	2,325	-	9,220	3,780	-	-	-
- Fixed	-	_	-	_	23,784	114,706	67,475
- Variable Cash Bonus / Awards	-	-	-	-	-	I,330	I,083
Charge for defined benefit plan	_	-	-	_	I,403	12,027	5,795
Contribution to defined contribution pla	an -	-	-	-	2,379	0,321	6,603
Rent & house maintenance	-	-	-	-	10,702	51,618	30,364
Utilities	-	-	-	-	2,379	11,470	6,747
Medical	-	-	-	-	2,379		6,747
Conveyance	-	-	-	574	I,005		22,469
Bonus	-	-	-	-	3,964		0,086
Others	1,322		60		1,518		8,213
Total	3,647		9,280	4,354	49,513	260,261	165,582
Number of Persons	<u> </u>		8	3	2	35	37

**39.1.1** The President and Chief Executive Officer and certain executives of the Group are provided with free use of Group maintained cars.

**39.1.2** The term "Key Management Personnel" means the following functional responsibilities:

- (a) Any executive or key executive, acting as second to CEO, by whatever name called, and including the Chief Operating Officer (COO) and Deputy Managing Director.
- (b) Any executive or key executive reporting directly to the CEO / President or the person mentioned in (a) above.

The term 'Material Risk Taker' and 'Material Risk Controller' have the same meaning as defined in revised guidelines on remuneration practice issued by the State Bank of Pakistan vide BPRD circular No. 1 of 2017.

**39.1.3** The terms Directors/ Executive Directors/ Non-Executive Directors, CEO and Key Executives have same meaning as defined in Prudential Regulations (PRs) for Corporate and Commercial Banking. For the purpose of these disclosures Key Executive will also include Executives who have direct reporting line to the President/CEO or BoD or its Committees.

# 39.2 Meeting Fees paid to Directors for participation in Board and Committee Meetings

						2022				
				For Board Committee						
Sr. No.	Name of Directors	For Board Meetings	Audit Committee	Risk Management Committee	I.T. Committee	Human Resource & Remuneration Committee	Special Asset Management Committee	Nomination Committee	Total Amount Paid	
					Ar	nount Rs. 000 -				
1	Mr. Anis Ahmed Khan	,800	-	-	375	200	600	200	3,175	
2	Mr. Sajid Jamal Abro	1,650	175	575	-	200	600	200	3,400	
3	Mr. Asif Jahangir	2,050	400	200	175	-	-	-	2,825	
4	Mr. Javaid Bashir Sheikh	2,050	750	575	-	-	-	-	3,375	
5	Mr. Mohammed Aftab Alam	1,450	400	-	375	-	600	200	3,025	
6	Mr. Adnan Ali Khan	750	-	-	200	200	-	-	1,150	
7	Mrs. Masooma Hussain	600	350	-	-	-	-	-	950	
8	Mr.Abdul Quddus Khan	80	-	-	-	-	-	-	80	
9	Mr. Abdul Sattar Jumani	40	-	-	-	-	-	-	40	
0	Dr. Noor Muhammad Soomro	o 40	-	-	-	-	-	-	40	
11	Mr. Ghulam Mustafa Suhag	80	-	-	-	-	-	-	80	
2	Mr. Farooq Ahmed	40	-	-	-	-	-	-	40	
3	Ms.Naila Masood	40	-	-	-	20	-	-	60	
4	"Mr. Shamsuddin Khan	40	-	-	-	20	-	-	60	
5	"Mr. Sikandar Abbasi _	80				·	<u> </u>		80	
	Total Amount Paid	10,790	2,075	I,350	1,125	640	I,800	600	18,380	

No.Name of DirectorsMeetingsCommitteeManagement CommitteeCommitteeManagement CommitteeManagement CommitteeCommitteeManagement CommitteeCommitteeManagement CommitteeCommitteeAmount CommitteeIMr. Javaid Bashir Sheikh1,550950575							2021				
Sr. No.Name of DirectorsFor Board MeetingsAudit CommitteeNisk Management CommitteeI.T. CommitteeResource & Remuneration CommitteeAsset Management CommitteeNomination Amount Rs.000IMr. Javaid Bashir Sheikh1,550950575<			For Board Committee								
I       Mr. Javaid Bashir Sheikh       1,550       950       575       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -		Name of Directors			Management		Resource & Remuneration	Åsset Management		Total Amount Paid	
2       Mr. Anis Ahmed Khan       1,550       -       -       200       575       -       -       2         3       Mr. Sami Ul Haq Khilji       500       -       -       200       400       -       -       1         4       Mr. Asif Jahangir       1,050       175       -       -       175       -       -       1         5       Mrs. Masooma Hussain       1,550       950       575       -       -       -       -       3         6       Mr. Abdul Sattar Jumani       110       -       -       -       -       -       -       -       -       -       -       3         7       Mr. Farooq Ahmed       110       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -						An	nount Rs. 000 ·				
3       Mr. Sami Ul Haq Khilji       500       -       -       200       400       -       -       I         4       Mr. Asif Jahangir       I,050       I75       -       -       I75       -       -       I         5       Mrs. Masooma Hussain       I,550       950       575       -       -       -       -       35         6       Mr. Abdul Sattar Jumani       II0       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -<	I I	Mr Javaid Bashir Sheikh	I,550	950	575	-	-	-	-	3,075	
4       Mr. Asif Jahangir       1,050       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       -       -       175       175       175       175	2	Mr Anis Ahmed Khan	1,550	-	-	200	575	-	-	2,325	
5       Mrs. Masooma Hussain       I,550       950       575       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <td< td=""><td>3</td><td>Mr. Sami Ul Haq Khilji</td><td>500</td><td>-</td><td>-</td><td>200</td><td>400</td><td>-</td><td>-</td><td>1,100</td></td<>	3	Mr. Sami Ul Haq Khilji	500	-	-	200	400	-	-	1,100	
6       Mr. Abdul Sattar Jumani       110       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -<	4	Mr Asif Jahangir	,050	75	-	-	175	-	-	<b>I</b> ,400	
7       Mr. Farooq Ahmed       I 10       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	5	Mrs, Masooma Hussain	,550	950	575	-	-	-	-	3,075	
8       Mr. Noor Muhammad Soomro       110       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	6	Mr.Abdul Sattar Jumani	110	-	-	-	-	-	-	110	
9         Mr. Shamsuddin Khan         60         -         -         20         -         -           10         Ms.Naila Masood         110         -         30         -         20         -         -	7	Mr Farooq Ahmed	110	-	-	-	-	-	-	110	
10 Ms.Naila Masood110 30 20	8	Mr. Noor Muhammad Soomro	) IIO	-	-	-	-	-	-	110	
	9	Mr. Shamsuddin Khan	60	-	-	-	20	-	-	80	
	0	Ms.Naila Masood	110		30_		20			60	
Total Amount Paid6,7002,0751,1804001,190		Total Amount Paid	6,700	2,075	1,180	400	1,190	-	-	11,545	

# 39.3 Remuneration paid to Shariah Board Members

Remaner acion para to shariari board rite		2022			202	
ltems	Chairman	Member	Resident Member	Chairman	Member	Resident Member
			Amoun	t Rs. 000		
Managerial Remuneration (Fixed)	1,561	1,517	-	I,836	1,291	653
Fuel Allowances	470	470	_	55	287	132
Total Amount	2,031	I,987	_	1,991	I,578	785
Total Number of Persons	<u> </u>		-			



### 40 FAIR VALUE MEASUREMENTS

IFRS I3 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy as stated in note 5.17 to these financial statements.

The repricing profile, effective rates and maturity profile are stated in note 44.2.6 to these financial statements.

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

#### 40.1 Fair value of financial assets

IFRS 13 requires the Group to make fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

- Level I: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.
- **40.2** The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Group essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP.

		2022					
		Fair	Value				
	Level	Level 2	Level 3	Total			
		(Rupee	s in '000)				
On balance sheet financial instruments			,				
Financial assets measured at fair value							
Available-for-sale securities							
Pakistan Investment Bonds	-	142,067,256	-	142,067,256			
Market Treasury Bills	-	63,928,571	-	63,928,571			
Shares of listed companies	2,069,094	-	-	2,069,094			
Term finance certificates - Listed	-	-	-	-			
Units of mutual funds	68,975	22,760	-	191,735			
ljarah Sukuk - GoP	-	3,985,410	-	3,985,410			
Sukuk bonds	-	-	-	-			
	2,138,069	210,103,997	-	212,242,066			
Off balance sheet financial instruments							
Foreign exchange contracts (purchase)		16,669,577	-	16,669,577			
Foreign exchange contracts (sale)	-	15,692,909	-	15,692,909			



	2021					
	Fair Value					
	Level I	Level 2	Level 3	Total		
On balance sheet financial instruments		(Rupee	es in '000)			
Financial assets measured at fair value						
Available-for-sale securities						
Pakistan Investment Bonds	-	09,367,793	-	09,367,793		
Market Treasury Bills	-	42,816,839	-	42,816,839		
Shares of listed companies	2,159,015	-	-	2,159,015		
Units of mutual funds	99,996	09,440	-	209,436		
Ijarah Sukuk - GoP		2,989,090		2,989,090		
	2,259,011	155,283,162		157,542,173		
Off balance sheet financial instruments						
Foreign exchange contracts (purchase)		6,740,279		6,740,279		
Foreign exchange contracts (sale)		6,200,850		6,200,850		

# The valuation techniques used for the above assets are disclosed below.

ltem	Valuation techniques and input used
Fully paid-up ordinary shares /close end mutual funds	Fair value is determined on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Open ended mutual funds	Fair value is based on redemption prices as at the close of the business day.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page).
Government of Pakistan (GoP) - Ijarah Sukuks	Fair values derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.



# 41 SEGMENT INFORMATION

# 41.1 Segment Details with respect to Business Activities

	2022					
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total	
			(Rupees in '0	00)		
Profit & Loss						
Net mark-up/return/interest income	16,703,966	385,984	-	(  ,428,37 )	5,661,579	
Inter segment revenue - net	(22,136,445)	-	-	22,136,445	-	
Non mark-up / interest income	606,009	453	-	482,395	I,088,857	
Total Income	(4,826,470)	386,437	-	, 90,469	6,750,436	
Segment direct expenses	(101,900)	(4,027)	-	(5,375,967)	(5,481,894)	
Inter segment expense allocation	(125,281)	(30,618)		(1,372,041)	(1,527,940)	
Total expenses	(227,181)	(34,645)	-	(6,748,008)	(7,009,834)	
Provisions	(80,939)	(13,816)		(1,857,699)	(1,952,454)	
(Loss) / Profit before tax	(5,134,590)	337,976		2,584,762	(2,211,852)	
Balance Sheet						
Cash & Bank balances	9 <b>,432,65</b> 1	429,997	_	6,355,617	16,218,265	
Investments	253,802,777	54,788	_	0,000,017	253,857,565	
Net inter segment lending	750,000	(750,000)	_	181,249,550	181,249,550	
Lendings to financial institutions	19,967,424	(750,000)	_	-	19,967,424	
Advances - performing	47,748	1,742,765	_	35,406,130	37,196,643	
- non-performing	-	32,880	_	7,875,703	7,908,583	
Others	4,903,213	211,034	-	18,833,743	23,947,990	
Total Assets	288,903,813	1,721,464	-	249,720,743	540,346,020	
Borrowings	105,059,879	310,000	-	I,874,835	07,244,714	
Subordinated debt	-	-	-	-	-	
Deposits & other accounts	-	588,762	-	223,043,950	223,632,712	
Net inter segment borrowing	180,782,307	467,243	-	-	81,249,550	
Others	2,440,114	93,084		8,272,511	10,805,709	
Total liabilities	288,282,300	1,459,089	-	233,191,296	522,932,685	
Equity	621,513	262,375		6,529,447	17,413,335_	
Total Equity & liabilities	288,903,813	1,721,464		249,720,743	540,346,020	
Contingencies & Commitments	158,715,957	-		13,059,959	171,775,916	

	2021						
	Trading and sales	Retail banking	Corporate finance	Commercial banking and others	Total		
			(Rupees in '000')				
Profit & Loss							
Net mark-up/return/interest income	11,358,794	309,000	-	(6,479,758)	5,188,036		
Inter segment revenue - net	(15,927,013)	-	-	5,927,013	-		
Non mark-up / interest income	85,749	59		390,138	576,478		
Total Income	(4,382,470)	309,591	-	9,837,393	5,764,514		
Segment direct expenses	(97,564)	(227,720)	-	(4,477,57 <b>1</b> )	(4,802,855)		
Inter segment expense allocation	(114,158)	(19,001)		(1,008,420)	<u>( , 4 ,579)</u>		
Total expenses	(211,722)	(246,721)	-	(5,485,99 <b>1</b> )	(5,944,434)		
Provisions	(87,343)	(15,452)		(5,735,573)	(5,838,368)		
(Loss) / Profit before tax	(4,681,535)	47,418		(1,384,171)	(6,018,288)		
Balance Sheet							
Cash & Bank balances	2, 58, 68	438,752	-	8,276,324	20,873,244		
Investments	74,953,38	475,585	-	-	75,428,966		
Net inter segment lending	750,000	(750,000)	-	72,676,536	72,676,536		
Lendings to financial institutions	6,081,208	-	-	-	6,081,208		
Advances - performing	48,256	1,132,445	-	35,374,143	36,554,844		
- non-performing	-	,445	-	2,62,338	2,173,783		
Others	4,778,330	97,863		5,398,776	20,374,969		
Total Assets	198,769,343	I,506,090		243,888,117	444,163,550		
		750 000					
Borrowings	25,089,819	750,000	-	1,695,919	27,535,738		
Subordinated debt	-	-	-	-	-		
Deposits & other accounts	-	234,272	-	217,608,406	217,842,678		
Net inter segment borrowing	72,476,5	200,025	-	-	72,676,536		
Others	349,767	102,446		6,809,755	7,261,968		
Total liabilities	97,9 6,097	I,286,743	-	226,114,080	425,316,920		
Equity	853,246	219,347		17,774,037	8,846,630		
Total Equity & liabilities	198,769,343	I,506,090		243,888,117	444,163,550		
Contingencies & Commitments	43,427,871	-	_	13,807,888	57,235,759		

# 42 RELATED PARTY TRANSACTIONS

The related parties of the Group comprise associated undertakings, directors, staff retirement funds and key management personnel (including their associates).

Transactions with related parties includes deposits, advances and other banking services which are carried out on an arm's length basis. Transaction with executives and key management persons are undertaken at terms in accordance with employment agreements and service rules. Contributions to and accruals in respect of staff retirement benefit plans are made in accordance with the terms of the benefit plan. Remuneration of the President & Chief Executive Officer and directors are determined in accordance with the terms of their appointment.

Government of Sindh (GoS) through its Finance Department holds 99.95% shareholding in the Group and therefore entities which are owned and / or controlled by the GoS, or where the GoS may exercise significant influence, are related parties of the Group. The Group in the ordinary course of business enters into transactions with Governmentrelated entities. Such transactions include lending to, deposits from and provision of other banking services to such entities. However, it is impracticable to disclose transactions with all other entities owned or controlled by GoS.

The details of balances and transactions with related parties, other than those disclosed under respective notes, during the year are as follows:



	2022			2021			
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties	
Investments			(Rupees	in '000')			
Opening balance Investment made during the year Investment redeemed / disposed off during the year	-	-	-	- - _	-	-	
Closing balance	-	-	=				
Advances							
Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Closing balance	- - - -	211,252 77,693 104,370 38,155 222,730		- - - -	201,487 23,311 34,450 20,904 211,252	-	
Other Assets							
Interest / mark-up accrued Other receivable	-	233  50			58 	50	
Deposits and other accounts			=				
Opening balance Received during the year Withdrawn during the year Transfer in / (out) - net Closing balance	767 20,783 19,132 2,683 5,101	923,785 732,137 71,934	6,435,032  6,736,272 	22,930 162,069 184,201 (31 	433,815 412,641 )(48,778	20,942,544 20,882,872 )	
Other Liabilities							
Premium payable Interest / mark-up payable	21 21		28,249 28,249	22 22			



### 42 RELATED PARTY TRANSACTIONS

4

RELATED PARTY TRAINSACTIC	JN2	2022		2021			
[	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties	
Income:			(Rupees	in '000)			
Mark-up / return / interest earned	-	8,079		-	7,857	-	
Fee and commission income		2 27		3	8 4		
Net gain on sale of securities	-	-	232	-	-	251	
Other income	-	-	1,130	-	-	1,140	
Expense:							
Mark-up / return / interest paid	6	I 7,820	200,472	272	2,951	145,250	
Remuneration paid	-	253,087	7 -	-	214,470	) –	
Contribution to provident fund	-	17,570	) -	-	0,280	) –	
Provision for gratuity	-	17,512	2 -	-	12,729	-	
Other staff benefits	-	27,569	) -	-	23,617	-	
Directors' meeting fee	18,38		-	0,975		-	
Other expenses	50	0 -	-	I,322	-	-	
Insurance premium paid	-	-	25,748	-	-	23,999	
Others:							
Sale of Government Securities	-	-	5,544,300	-	-	3,755,500	
Purchase of Government Securitie	es -	-	119,668	-	-	I,575,000	
Gratuity paid	-	-	5,863	-	4,647		
Leave encashment paid	-	-	-	-	2,126	, –	
Expenses recovered under agency							
arrangement	-	-	77	-	-	128	
Insurance claims settled	-	-	26,032	-	-	3269	

As at the date of consolidated statement of financial position, loans/advances and deposits related to government related entities and its related entities amounted to Rs. 5,205.04 million (note 10.2) and Rs. 109,724.26 million (note 17). The above includes deposits amounting to Rs. 34,328.51 (2021: Rs.30,744.37) million received through the Finance Department, Government of Sindh.

43	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY	<u>2022</u> 2021 (Rupees in '000)		
	<b>Minimum Capital Requirement (MCR):</b> Paid-up capital (net of losses)	17,095,030	14,451,825	
	<b>Capital Adequacy Ratio (CAR):</b> Eligible Common Equity Tier I (CET I) Capital Eligible Additional Tier I (ADT I) Capital	3,343,643	6,719,213	
	Total Eligible Tier I Capital Eligible Tier 2 Capital	3,343,643 19,997	6,719,213 10,967	
	Total Eligible Capital (Tier I + Tier 2)	3,363,640	6,730,180	



	2022	2021
Risk Weighted Assets (RWAs):	(Кире	<b>es in</b> '000)
Credit Risk Market Risk Operational Risk	28,233,237 6,537,413 10,052,361	30,836,591 12,089,179 7,692,311
Total	44,823,011	50,618,081
Common Equity Tier I Capital Adequacy ratio	7.46%	13.27%
Tier I Capital Adequacy Ratio	7.46%	3.27%
Total Capital Adequacy Ratio	7.50%	13.30%
Notional minimum capital requirements prescribed by SBP Common Equity Tier I minimum ratio Tier I minimum ratio Total capital minimum ratio plus CCB	6.00% 7.50% 10.00% 11.50%	6.00% 7.50% 10.00% 11.50%
Approach followed for determining Risk Weighted Assets		
Credit Risk Market Risk Operational Risk	Comprehensive Maturity Basic Indicator	Comprehensive Maturity Basic Indicator
	2022	2021
Leverage Ratio (LR):	(Rupe	<b>es in</b> '000)
Eligible Tier-I Capital Total Exposures Leverage Ratio (%)	3,343,643 350,271,053 0.95%	6,719,213 265,491,048 2.53%
<b>Liquidity Coverage Ratio (LCR):</b> Total High Quality Liquid Assets Total Net Cash Outflow Liquidity Coverage Ratio (%)	132,719,755 37,666,184 352%	126,415,608 
<b>Net Stable Funding Ratio (NSFR):</b> Total Available Stable Funding Total Required Stable Funding Net Stable Funding Ratio	159,888,541 78,670,959 203%	167,053,194 65,172,730 256%

**43.1** The full disclosures on the Capital Adequacy, Leverage Ratio & Liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosures shall be short and clear and be provided within this note such as, the link to the full disclosure is available at http://www.sindhbankltd.com/financials/basel-statements.



### 44. RISK MANAGEMENT

The Group's risk management framework encompasses the culture, processes and structure and is directed towards the effective management of potential opportunities and threats to the Group. The prime objective of the Group's risk management strategy is to abandon the traditional approach of 'managing risk by silos' and to put in place integrated risk and economic capital management capabilities that will enable the Group to achieve integrated view of risks across its various business operations and to gain strategic advantage from its risk management capabilities.

The Board of Directors (BOD) keeps an oversight on the Group-wide risk management framework and approves the risk management strategy and policies of the Group. The Board Risk Management Committee (BRMC), ensures that the Group maintains a complete and prudent integrated risk management framework at all times and ensures that the risk exposures are maintained within acceptable levels. BRMC is responsible for reviewing the extent of design and adequacy of risk management framework. BRMC oversight ensures that risks are managed within the level of tolerance and risk appetite of the Group.

### 44.1 Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability is impaired resulting in economic loss to the Group. The objective of credit risk management is to keep credit risk exposure within permissible level, relevant to the Group's risk appetite and capital, to maintain the soundness of assets and to ensure returns commensurate with risk. The Group takes necessary measures to control such risk by evaluating, measuring and monitoring credit exposures.

The Group has a comprehensive pre-approval evaluation process of credit risk embedded within Risk Management Division. The risk evaluation function is an integral part of Credit Risk Management Framework and is independent from the risk taking function. The credit evaluation department will independently identify actual and potential risks both on individual and on portfolio basis including adherence to relevant internal policies, procedures and related regulatory guidelines.

In addition to monitoring credit limits specified in the Prudential Regulations of the State Bank of Pakistan, the credit limit structure of the Group includes internal limits as established by the BOD and senior management. Credit Limits along with credit concentration is monitored on a regular basis and any exceptions are reported to the relevant authorities for their timely action where necessary.

The Group uses comprehensive Approach for assessing the capital charge for Credit risk.

### **44.1.1** Lendings to financial institutions

Details of Lending to financial institutions and provision held by sectors

	Gross Lendings		Non Performing Lendings		Provision held	
	2022	2021	2022	2021	2022	2021
			(Rupees ii	n '000')		
Public/ Government	-	-	-	-	-	-
Private	19,967,424	6,081,208	-			
Total	19,967,424	6,081,208	-			



### 44.1.2 Investments

Segmental information by the class / nature of business, distribution and provision held is given below:

	Gross Investments		Non Performing		Provision held	
	2022	2021	2022	2021	2022	2021
			(Rupees	in '000)		
Government of Pakistan	252,606,591	73,718,453	_	_	-	-
Banks	I,788,960	2,147,510	278,701	279,945	278,701	279,944
Cement	63,745	63,745	34,923	34,923	34,923	34,923
Fertilizer	531,870	628,710	22,684	22,684	22,684	22,684
Financial	238,809	2 5,049	42,806	35,063	42,806	35,063
Petroleum	192,385	4 , 4	6,449	6,449	6,449	6,449
Power (electricity), Gas & Water	777,210	634,286	-	-	-	_
Sugar	592,052	592,05 l	592,05 l	592,05 l	567,350	494,153
Total	256,791,622	78,140,945	977,614	971,115	952,913	873,216

### 44.1.2.1 Credit risk by public / private sector

	Gross Investments	Non Performing Investments	Provision held	
	<b>2022</b> 2021	<b>2022</b> 2021	<b>2022</b> 2021	
		(Rupees in '000')		
Public/ Government	253,403,110 174,566,1	3 <b>6,449</b> 6,449	<b>6,449</b> 6,449	
Private	<b>3,388,512</b> 3,574,83	<b>971,165</b> 964,666	<b>946,464</b> 866,767	
Total	<b>256,791,622</b> 178,140,94	45 <b>977,614</b> 971,115	<b>952,913</b> 873,216	

### 44.1.3 Advances

Segmental information by the class / nature of business and by distribution of advances, Non performing advances & provision held is given below:

	Advances (Gross)		Non Performing Advances		Provision held	
	2022	2021	2022	2021	2022	2021
			(Rupe	es 000)		
Pharmaceuticals	268,796	69,822	-	-	-	-
Agriculture business	l,376,383	1,561,830	1,203,409	1,321,325	1,112,904	1,055,014
Manufacturing of textile	802,264	8 4,823	43,863	33,186	33,186	33,186
Cement	64,377	64,377	-	-	-	-
Transport, storage and communicatior		343,550	-	-	-	-
Wholesale and retail trade	1,623,116	I,558,247	462,575	463,950	350,511	277,924
Mining and quarrying	6,782,029	5,075,453	-	-	-	-
Hotel and restaurants	865,234	981,130	-	-	-	-
Petroleum	3,039,883	3,213,557	2,022,460	2,022,460	2,022,460	2,022,460
Media channels	2,220,936	I,576,852	-	I,475,685	-	392,830
Manufacture of basic iron and steel	2,256,314	2,187,544	1,756,740	I,756,740	<b> </b> ,642,645	,532,889
Sugar	20,559,081	20,424,172	17,122,073	7,623,859	2,350,339	2,024,843
Automobile and transportation						
equipment	2,446,607	2,469,659	2,434,209	2,434,209	2,299,625	,940,286
Chemicals and chemical products	1,121,652	1,194,117	1,103,884	I,I03,884	I,079,225	,062,925
Financial	,828,88	1,939,927	1,177,884	I,I77,884	480,446	447,069
Rice & Wheat	699,487	695,151	-	-	-	-
Construction, real estate and societies		4,024,784	2,596,716	2,901,023	l,828,893	,559,387
Food	5,508,539	8,348,167	152,806	52,806	152,806	47,536
Insurance	1,467	3,254	-	-	-	-
Power, electricity and gas	8,900,159	9,462,932	2,948,239	3,030,104	2,626,535	2,026,974
Domestic Appliances	1,659,365	I,557,208	-	-	-	-
Education	117,555	8,663	11,898	15,732	,48	4,49
Individuals	1,897,753	,409,4 0	2,004	6,92	1,702	1,943
Others	5,162,700	4,986,653	<u> ,964,976</u>	<u> </u>	<u> </u>	700,846_
Total	72,220,375	73,981,282	35,003,736	37,414,314	27,095,152	25,240,53 l

44.1.3.1 Credit risk by public / private sector	Advances (Gross)		Non Performing Advances		Provision held	
	2022	2021	2022	2021	2022	2021
			(Rupees	in '000)		
Public/ Government	5,210,287	8,195,361	-	-	-	-
Private	67,010,088	<u>65,785,921</u>	35,003,736	37,414,314	27,095,152	25,240,531
Total	72,220,375	73,981,282	35,003,736	37,414,314	27,095,152	25,240,531
			-			



### 44.1.4 Contingencies and Commitments

Segmental information by the class / nature of business and by distribution of Contingencies and Commitments is given below:

	2022	2021
	(Rupees in	. '000)
Chemical and pharmaceuticals	27,730	20,000
Manufacturing of textile	63,926	74,805
Transport, storage and communication	I 28,900	128,500
Wholesale and retail trade	1,107,525	909,285
Petroleum	6,99	6,99
Manufacture of basic iron and steel	11,543	08,031
Sugar	21,223	33,590
Automobile and transportation equipment	49,802	44,666
Financial	159,565,957	44,274,652
Construction, real estate and societies	289,365	633,753
Domestic Appliances	14,000	366,444
Power, electricity and gas	I,454,425	1,527,171
Education	30,830	3,830
Others	858,713	358,520
Total	163,740,930	48,600,238
	2022	2021
44.1.4.1 Credit risk by public / private sector	(Rupees in	
Public/ Government	105,000,000	41,161
Private	58,740,930	48,559,077
Total	163,740,930	48,600,238

### 44.1.5 Concentration of Advances

The Group's are top 10 exposures (funded and non-funded) aggregated Rs. 28,724.62 million (2021: Rs. 30,297.41 million) as follows:

2022	2021	
(Rupees ir	000)	
28,670,815	29,800,814	
53,80 l	496,595	
28,724,616	30,297,409	
	53,801	

44.1.5.1 The sanctioned limits against these top 10 exposures aggregated Rs. 32,461.52 million (2021: Rs. 36,612.81 million).

### 44.1.5.2 Total Funded Facilities Classified

Classified funded facilities of the group's top 10 exposures are as follows:

	2022		2021		
	Classified	Provision held	Classified	Provision held	
		(Rupees ir	n '000')		
OAEM	-	-	-	-	
Substandard	-	-	-	-	
Doubtful	-	-	-	-	
Loss	10,175,435	7,074,074	0,345,023	7,113,124	
Total	10,175,435	7,074,074	0,345,023	7,113,124	

### 44.1.6 Advances - Province/Region-wise Disbursement & Utilization

				2022			
				UTILIZAT	ION		
Name of Province / Region	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit- Baltistan
				(Rupees	in '000')		
Punjab Sindh KPK including FATA Balochistan Islamabad AJK including Gilgit-	22,827,862 34,643,340 246,989 1,975,405 1,112,975	22,827,862 - - - -	34,643,340 - - - -	 246,989 	- - 579,775 -	- - 1,395,629 1,112,975	- - - -
Baltistan	24,007			-		-	24,007
Total	60,830,578	22,827,862	34,643,340	246,989	579,775	2,508,604	24,007
				2021			
				UTILIZAT	ION		
Name of Province / Region	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit- Baltistan
				(Rupees i	in '000')		
Punjab Sindh KPK including FATA	20,612,020 31,655,002 11,764	20,578,071 23,097	32,336 31,629,596 -	- -   ,764	1,613 2,309 -	- - -	- - -
Balochistan Islamabad AJK including Gilgit-	642,881 873,522	-  ,88	-	-	642,88   -	- 871,641	-
Baltistan Total	<u>83,790</u> <u>53,878,979</u>	- 20,603,049	<u>-</u> <u>31,661,932</u>	 11,764	<u> </u>	871,641	<u>83,790</u> 83,790

### 44.2 Market risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates, foreign exchange rates, equity prices and market conditions. Market Risk management aims to provide risk management practices that are integrated in key strategic, capital and financial planning process and day-to-day business processes across the Group. The Group's market risk management policies set out risk management parameters, governance and control framework as well as reporting arrangements.

The Group have developed a market risk management framework to efficiently and effectively monitor and manage market risk in every transaction of Banking and Trading Book.



### 44.2.1 Balance sheet split by trading and banking books

		2022			2021	
	Banking book	Trading book	Total	Banking book	Trading book	Total
			(Rupees	in '000')		
Cash and balances with				·		
treasury banks	14,204,082	-	4,204,082	9,364,832	-	9,364,832
Balances with other banks	2,014,183	-	2,014,183	1,508,412	-	1,508,412
Lendings to financial						
institutions	19,967,424	-	19,967,424	6,081,208	-	6,081,208
Investments	253,857,565	-	253,857,565	75,428,966	-	75,428,966
Advances	45,105,226	-	45,105,226	48,728,627	-	48,728,627
Fixed assets	4,113,696	-	4,113,696	3,233,545	-	3,233,545
Intangible assets	124,022	-	124,022	6,67	-	6,67
Deferred tax assets	4,662,219	-	4,662,219	3,253,786	-	3,253,786
Other assets	5,048,053		5,048,053	3,770,967	-	3,770,967
	359,096,470	-	359,096,470	271,487,014	-	271,487,014

### 44.2.2 Foreign exchange risk

The foreign exchange risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency positions. The objective of the foreign exchange risk management is to minimize the adverse impact of foreign exchange rate movements on the assets and liabilities mismatch (tenor and position) and maximize earnings. The Group limits its currency exposure to the extent of statutory net open position prescribed by the SBP except in the cases where exemption is provided by SBP. Foreign exchange open and mismatch positions are controlled through close monitoring and are marked to market on a daily basis.

	202	2	
Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees i	n '000)	
356,951,360 1,145,576 754,313 15,559 184,824 1,404 6,528 36,906 359,096,470	339,748,523 1,637,318 163,013 - 134,282 - - - - - - - - - - - - -	(976,669) 976,669 - - - - - - - -	16,226,168 484,927 591,301 15,559 50,542 1,404 6,528 36,906 17,413,335
		)	,
Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees i	in '000)	
269,813,526 1,150,568 310,086 164,518 1,259 9,533 37,390 134 271,487,014	250,886,071 1,418,470 235,336 100,507 - - - - 252,640,384	(539,429) 539,429 - - - - - - - - - -	18,388,026 271,527 74,750 64,011 1,259 9,533 37,390 134 18,846,630
	356,951,360 1,145,576 754,313 15,559 184,824 1,404 6,528 36,906 359,096,470 Assets 269,813,526 1,150,568 310,086 164,518 1,259 9,533 37,390 134	Assets         Liabilities	Assets         Liabilities         sheet items



### 44.2.3 Foreign exchange risk

_	202	2	202	.
Impact of 1% change in foreign exchange rates on :	Banking	Trading	Banking	Trading
	book	Book	book	Book
-		(Rupees	in '000)	
- Profit and loss account	(2,117)	(9,767)	679	(5,394)
- Other comprehensive income		-	-	-

### 44.2.4 Equity position risk

Equity position risk in trading book arises due to change in price of shares or levels of equity indices.

The Group's equity and mutual fund exposure is managed within the SBP limits for overall investment and per scrip exposure. In addition, there are internal limits for trading positions as well as stop loss limits, dealer limits, future contracts limits and continuous funding system limits.

	202	2	202	<u> </u>
Impact of 5% change in equity prices on :	Banking book	Trading Book	Banking book	Trading Book
		(Rupees	in '000)	
- Profit and loss account - Other comprehensive income	- (839,543)	-	- (122,308)	-

### 44.2.5 Yield / interest rate risk

Yield / interest rate risk reflects the degree of vulnerability of an organization to adverse changes in mark-up / interest rates. Such risk taking is normal in a financial institution and could be an important source of profit earning. However, excess yield / interest rate risk may create a serious threat to a Group's returns and capital base. ALCO, Treasury Division and RMD monitor the repricing / mismatch risks, basis risks, yield curve risks, and option risks on a continuous basis to minimize the yield / interest rate risk.

	202	2	202	<u> </u>
Impact of 1% change in interest rates on :	Banking book	Trading Book	Banking book	Trading Book
		(Rupee	s in '000)	
- Profit and loss account - Other comprehensive income	(6,780,309)	-	- (1,551,744)	-

### 44.2.6 Mismatch of interest rate sensitive assets and liabilities

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The Group is exposed to interest / mark-up rate risk as a result of mismatches or gaps in the amount of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Group manages this risk by matching / re-pricing the assets and liabilities. The Assets and Liabilities Committee (ALCO) of the Bank monitors and manages the interest rate risk with the objective of limiting the potential adverse effects on the profitability of the Group.

2022

						Exposed to	Exposed to Yield / Interest risk	t risk				
	Effective Yield / Interest rate	Total	Upto I month	Over I to 3 months	Over 3 to 6 months	Over 6 months to   year	Over I to 2 years	Over 2 to 3 years	Over 3 to 5 ( years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
						(R	(Rupees in '000)					
On-balance sheet financial instruments Assers												
Cash and balances with treasury banks		14,204,082	217,704	•	•		•	•		•		13,986,378
Balances with other banks Lendings to financial institutions	1.29%-17.50% 13.70%	2,014,183 19,967,424	381,995 19,967,424									1,632,188 -
Investments	12.58%-16.85%	253,857,565	10,950,595	64,677,692	48,787,832	248,938	3,141,807	9,095,852	8,435,137	6,258,882		2,260,830
Advances Other assets	7.34%-44.00%	45,105,226 5,048,053	13,829,737	2,492,455 -	7,495,927 -	4,884,063	I,835,324 -	219,025	1,708,677	11,167,879 -	1,377,833 -	94,306 5,048,053
i lities		340,196,533	145,347,455	67,170,147	56,283,759	5,133,001	4,977,131	9,314,877	10,143,814	17,426,761	1,377,833	23,021,755
Bills payable		726,148	•	•	•	•				•	•	726,148
Borrowings from financial institutions Deposits and other accounts	8.00%-   3.45% 6.35%-8.69%	107,244,714 223,632,712	50,000,000 94,641,259	56,874,835 20,511,196	- 11,852,319	310,000 36,224,137	59,879 93,272	722,360	448,549	322,500		58,817,120
Other liabilities		10,079,561		-	- 010 -	-		-	140 140		ı	10,079,561
		341,683,133	707 107	/10.215.004/	11,852,319	30,334,137	101,001	0 122,360	448,549	322,000	-	67,627,827
On-balance sheet gap		(1,486,602)	/06,196	(10,215,884)	44,431,440	(31,401,136)	4,823,980	8,592,517	7,675,265	17,104,261	1,3//,833	(46,601,0/4)
Off-balance sheet financial instruments Dominantary medits and short-term trade related transactions		5 074 973	176 775	7 477 018	319145	916 140	398 511	3 698	835 156	4 030	ľ	
Commitments in respect of:		C / / 1 70'C	071707	2,122,010		01.01			001.000	000'F	I	I
Forward foreign exchange contracts - purchase		16,669,577	2,810,100	13,859,477	ı	I		•	ı	·	ı	·
Forward toreign exchange contracts - sale		(15,692,909)	(15,211,160)	(481,749)	•		ı	•	ı			·
Furchase and resale agreements - lenging		19,984,859	19,984,859 /E0.010.17E/	-	1	ļ	İ	I	I	ļ		I
Jate and reputchase agreements - John Jowing Total vield / Interact Rick Senctrivity Gan		(100,300,012)	(c/l%l2/)c)	(39,450,491)	319145	916 140	398 511	3 698	835 156	4 030		
Total vield / Interest Risk Sensitivity Gan		(20,202,112)	(10,200,101) (47 501 905)	(49,866,575)	44 750 585	(30 484 996)	5 222 491	8 596 715	10 530 471	162 801 21	377 833	(46.601.074)
Cumulative yield / Interest Risk Sensitivity Gap			(42,501,905)	(92,368,480)	(47,617,895)		(72,880,400)	(64,284,185)	(53,753,764)	(53,753,764) (36,645,473) (35,267,640)	1 11	(81,868,714)
Reconciliation with total assets:												
Assets as per above		340,196,533										
Fixed assets		4,237,718										
Deferred tax asset		4,662,219										
Assets as per consolidated												
statement of financial position		359,096,470										
Reconciliation with total liabilities:												
Liabilities as per above		341,683,135										
Deferred tax liability		ı										
Liablittes as per consolidated et-stampert of financial position		341 683 135										

341,683,135

statement of financial position



202

	2					Exposed to Yie	Exposed to Yield / Interest risk	×				Non interest
	Effective Yield / Interest rate	Total	Upto I month	Over I to 3 months	Over 3 to 6 months	Over 6 months to   year	Over   to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 3 to 5 Over 5 to 10 years years	Above 10 years	Non-Interest bearing financial instruments
						(Rup	(Rupees in '000)					
On-balance sheet financial instruments												
Assets		0007700	0,010									
Cash and balances with treasury banks	1 110/ 10 110/	19,364,832	194,260	I	1	I	1	1	I	1	ı	19,170,572
Balances with other banks	7.75%-10.75%	1,508,412	403,049	I	1	I	1	I	T	1	I	1,105,363
Lendings to financial institutions	7.67%	6,081,208	6,081,208	1	1	I	1	I	I	1	I	ı
Investments	7.83%-14.40%	175,428,966	62,368,997	31,055,089	46,249,402	5,648,600	I	3,946,113	17,480,817	6,311,498	I	2,368,450
Advances	5.44%-34.00%	48,728,627	35,514,023	1,894,087	347,243	2,690,575	1,294,297	384,155	196,884	6,031,922	296,606	78,835
Other assets		3,770,967 254,883,012		37 949 176	- 46 596 645	- 8 339 175	- 1 794 797	- 4 330 768	- 17 677 701	- 17 343 420	- 796.606	3,770,967 76,494,187
Liabilities												101111107
Bills payable		624,726	I	1	1	I	I	I	I	1	I	624,726
Borrowings from financial institutions	7.15%-8.00%	27,535,738	25,750,000	1,695,919	Ţ	I	89,819	I	I	1	I	. 1
Deposits and other accounts	5.11%-6.24%	217,842,678	93,129,145	27,395,528	21,005,052	12,873,131	645,655	59,414	94,830	415,000	I	62.224.923
Other liabilities		6,637,242	Т	I		I	T	I	I	1	I	6.637.242
	1	252,640,384	118,879,145	29,091,447	21,005,052	12,873,131	735,474	59,414	94,830	415,000	,	69.486.891
On-balance sheet gan		7 747 K78	(14317608)	3 857 779	75 591 593	(4 533 956)	558,873	4 770 R54	17587871	11978470	796 ANA	(NUT COD CN)
Off-balance sheet financial instruments		11-11-11-11-11-11-11-11-11-11-11-11-11-	(0001/1011)	14 11 10010	0,01-000-	(00000000)	2425555	- 0010 / 411		01:07/1-1	00010 14	(17,72,101)
Documentary credits and short-term trade related transaction												
Commitments in respect of :												
Forward foreign exchange contracts - purchase		5,172,367	63,658	873,462	365,786	2,349,252	523,442	326,883	400	669,484	I	Ţ
Forward foreign exchange contracts - sale		6,740,279		6,476,960	I	3,405	I	I	I	I	I	I
Purchase and resale agreements - lending		(6,200,850)	$\sim$	I	I	I	I	I	I	I	I	1
Sale and repurchase agreements - borrowing		5,382,772		I	I	I	I	I	1	I	T	I
Total yield / Interest Risk Sensitivity Gap		(25,103,970)	(25,103,970)	1	1	1	ı	T	1	1	1	Т
Total yield / Interest Risk Sensitivity Gap		(14,009,402)	(25,598,476)	7,350,422	365,786	2,352,657	523,442	326,883	400	669,484	1	T
Cumulative yield / Interest Risk Sensitivity Gap			(39,916,084)	11,208,151	25,957,379	(2,181,299)	1,082,265	4,597,737	17,583,271	12,597,904	296,606	(42,992,704)
			(39,916,084)	(28,707,933)	(2,750,554)	(4,931,853)	(3,849,588)	748,149	18,331,420	30,929,324	31,225,930	(11,766,774)
Reconciliation with total assets:												
Assets as per above		254,883,012										
Fixed assets		3,350,216										
Deferred tax asset		13,253,786										
Assets as per consolidated												
statement of financial position		2/1,48/,014										
Reconciliation with total liabilities:												
Liabilities as per above		252,640,384										
Deferred tax liability Liabilities as per consolidated		I										
statement of financial position		252,640,384										
_		n.										

### 44.3 Liquidity risk

in place. The ALCO reviews the current economic situation, projected cash flows and asset / liability mix and approves strategy for managing appropriate liquidity. Mandatory stress tests of SBP are conducted, on a periodic basis, to test the adequacy of liquidity contingency plan and to identify the extent of The Group monitors its liquidity risk through various liquidity ratios and liquidity risk indicators. Any deviations or breaches are reported to the relevant gaps and liquidity needs in different time buckets, under normal and stressed scenarios. Whereas, the Contingency Funding Plan (CFP) of the Group is also authorities for timely action. Moreover, Asset and Liability Management Committee (ALCO), a senior management committee, also reviews the liquidity position of the Group on at least monthly basis and takes appropriate measures where required. The Group uses liquidity gap ladder to assess the liquidity liquidity stress that the Group is able to take in current conditions.

# 44.3.1 Maturity of assets and liabilities (based on contractual maturities)

							2022	22						
	Total	Upto I	Over I to 7	Over 7 to	Over 14 days to 1	Over I to 2	Over 2 to 3	Over 3 to 6	Over 6 to 9	Over 9 months	Over I to	Over 2 to	Over 3 to 5	Over
		ы	days	1 4 days	month	monuns	months	months	months	to   years	2 years	3 years	years	o years
							(Bureas in 1000)	1000' ui						
Assets							(ivabces	(000 111					1	
Cash and balances with treasury banks		14,204,082 14,204,082	ı	ı	ı	1	ı	1	ı	I		ı	ı	I
Balances with other banks	2,014,183	2,014,183 2,014,183	ı	·		•	•		•	ı		ı	•	ı
Lending to financial institutions	19,967,424	19,967,424 19,967,424	ı	·	ı		ı		1	ı		1	1	ı
Investments	253,857,565	ı	ı	29,862,895	ı	44,264,248	20,493,874	45,841,992		61,550,377	23,699,591	9,095,852	2,670,070	6,378,666
Advances	45,105,226	5,232,297	66,632	947,120	180,734	2,992,559	2,765,062	6,239,654	1,667,495	4,218,476	3,087,482	1,110,309	3,646,877	12,950,528
Fixed assets	4,113,696	1	1	ı	82,102	55,377	55,377	67,976	69,822	69,822	673,750	673,753	1,334,492	731,225
Intangible assets	124,022	ı	ı		3,213	3,213	3,213	9,745	9,852	9,852	39,087	45,847	•	ı
Deferred tax assets	14,662,219	į	ı	733,102	733,102	1,466,205	1,466,205	1,466,205	1,466,205	2,199,307	2,199,307	2,932,581	ı	ı
Other assets	5,048,053	1,545,140	57,409	787,591	1,060,737	306,148	431,234	675,364		141,105				43,325
	359,096,470 42,963,126	42,963,126	124,041	124,041 32,330,708	2,059,888	49,087,750	25,214,965	25,214,965 54,400,936	3,313,374	3,313,374 68,288,939	29,699,217	29,699,217 13,858,342 17,651,439	17,651,439	20,103,744
Liabilities														
Bills payable	726,148	726,148			1	•	•					•	•	I
Borrowings from financial institutions	107,244,714	1	05,000,000	·	ı	310,000	1,874,835	ı	1	ı	59,879	1	1	ı
Deposits and other accounts	223,632,712	223,632,712 156,898,568	1,323,178	269,267	1,753,252	5,357,040	6,370,352	11,852,426	7,623,970	30,149,813	238,297	1,010,903	463,146	322,500
Deferred tax liability	1		ı	ı				1				1		
Other liabilities	10,079,561	539,144	613,648	1,084,537	1,056,130	747,456	178,128	947,167	2,042,251	361,576	829,989	582,480	1,097,055	I
	341,683,135	341,683,135 158,163,860 106,936,826	06,936,826	1,353,804	2,809,382	6,414,496	8,423,315	12,799,593	9,666,22	30,511,389	1,128,165	1,593,383	1,560,201	322,500
Gap	17,413,335	17,413,335 (115,200,734) (106,81	106,812,785)	30,976,904	(749,494)	42,673,254	16,791,650	41,601,343	(6,352,847)	37,777,550	28,571,052	12,264,959	16,091,238	19,781,244
Shara canital - nat														

Share capital - net Reserves Shares deposit money Shares deposit mones Accumulated Loss **Net assets** 

29,524,428 1,526,805 -(1,208,500) (12,429,398) 17,413,335



## 44.3.1 Maturity of assets and liabilities (based on contractual maturities)

Total         Upto I         Over days         Over I (a)								202	_						
Total         Day         I to 7         days         days         days         days         days         days         days         total         2 to 3         3 to 6         6 to 9         9 months         I to 7           arres with treasury banks         19,364,832         19,364,832         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td< td=""><td></td><td></td><td></td><td>Over</td><td>Over 7 to</td><td>Over 14</td><td>Over 1 to 2</td><td>Over</td><td>Over</td><td>Over</td><td>Over</td><td>Over</td><td>Over</td><td>Over</td><td>Over</td></td<>				Over	Over 7 to	Over 14	Over 1 to 2	Over	Over	Over	Over	Over	Over	Over	Over
The server instructions         Total institutions         Total institutions         Total is the server instructions         Total is t		Total		I to 7	14 dave	days to	months	2 to 3	3 to 6	6 to 9	9 months	to	2 to	3 to 5	E viearc
(Rupees in '000)         ancial institutions         1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,412       1,508,738       6,810,9873       1,508,738       6,810,9873       1,579,505       845,374       5,326,466       25,555,558       681,09873       1,640,744       1,773,881       4,840,744       1,233,545       1,273,381       4,840,744       1,232,533       1,325,533       1,325,533       1,325,533       1,325,533       1,325,533       1,325,533       1,325,533       1,325,533       1,325,533       1,325,533       1,3807       1,3807       2,325,746       1,325,533       1,597,800       1,981,900       1,981,900       1,325,533       1,325,533       1,325,533       1,597,800       1,981,900       1,325,533       1,325,533       1,325,533       1,544,114       1       1       1,325,5			Lay	days		month		months	months	months	to I year	2 years	3 years	years	c jacqi c
ances with treasury barks [9,364,832] 19,364,832 - [30,364,832] - [50,3412] 1,508,412 1,508,412 1,508,412 - [50,364,812] 1,508,412 1,508,412 - [50,364,812] 1,508,412 1,508,412 - [12,428] 2,06,21,287 3,981,453 1,579,505 845,374 5,326,466 2,5555,258 68,109873 48,4370 48,1303 1,333,545 1,5173,881 4,840,744 4,510 1,21,182 1,333,545 1,5173,881 4,840,744 1,081,257 2,328,061 11,171,423 2,549,411 1,343,362 1,773,881 4,840,744 4,500 1,398,24 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,130 3,132,5,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,325,253 1,326 1,326 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1,356 1	<u>Assets</u>							(Rupe	(000' ni se						
other banks       1,508,412       1,508,412       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	Cash and balances with treasury banks	19,364,832					1			1			1		1
ancial institutions 6,081,208 6,081,208 - [8,239,68] 20,621,287 3,981,453 1,579,505 845,374 5,326,466 25,555,258 681/09873 1,753,881 4,840,744 4,840,744 1,343,362 1,773,881 4,840,744 4,840,744 1,333,545 1,343,545 1,343,362 1,773,881 4,840,744 4,840,744 1,323,545 1,333,545 1,325,555 1,28 12,0120 8,10987,880 1,987,880 1,987,880 1,987,880 1,382,525 1,325,555 1,325,555 1,325,555 1,325,555 1,325,555 1,325,555 1,325,555 1,325,555 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,325 1,325,555 1,325,555 1,325,555 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,325 1,325,555 1,325,555 1,325,555 1,326 1,326 1,326 1,326 1,326 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,326 1,326 1,326 1,326 1,326 1,326 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,325 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,325 2,33 1,325,555 1,326 1,326 1,326 1,326 1,326 1,326 1,325 2,33 1,325,555 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,325 2,33 1,325,555 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1	Balances with other banks	1,508,412	1,508,412	I	I	I	I	ı	1	I	ı	I	I	I	I
175,428,966       -       -       -       18,239,683       20,621,287       3,981,453       1,579,505       845,374       5,326,466       25,555,558       68,109,873         48,728,627       4,482,308       13,526       259,094       1,081,257       2,328,061       11,171,423       2,549,941       1,343,362       1,773,881       4,840,744         3,233,545       -       -       -       3,130       3,130       3,130       3,132       2,549,941       1,21,28       484,630         3,233,545       -       -       -       3,130       3,130       3,130       3,496       9,600       9,600       9,600       9,600       9,607       3,8087         assets       13,253,578       1,092,028       3,357       -       1,133,085       5,230,46       1,355,553       1,987,880       1,987,880       1,987,880       1,987,880         assets       13,253,573       1,325,523       1,325,523       1,325,523       1,325,523       1,987,880       1,987,880       1,987,880       1,987,880       1,987,880       1,987,880       1,987,880       2,546,114       1       1       1       1       1       1       1       1       1       1       1,355,523       1,325,523       <	Lending to financial institutions	6,081,208	6,081,208	I	I	1	I	I	1	I	1	I	I	I	i
48,728,627         4,482,308         13,526         259,094         1,081,257         2,328,061         11,171,423         2,549,941         1,343,362         1,773,881         4,840,744           3233,545         -         -         31,30         39,824         39,824         120,801         122,128         4,844,530           ets         116,671         -         -         31,30         31,30         34,455         120,801         122,128         4,84,530           assets         13,253,766         -         -         112,990         33,824         39,824         120,801         120,800         19,87,880           assets         13,255,376         1,092,028         3,357         662,627         1,325,523         1,325,523         1,325,523         1,987,880         1,987,880           271,487,014         32,558,788         16,883         19,161,404         23,614,376         8,200,767         14,580,268         5,250,353         75,461,114         1           624,726         624,726         624,726         624,726         5,500,000         -         75,000         1,695,519         2,550,353         75,461,114         1           27,555,738         16,4726         5,614,376         8,200,767         14,580,2	Investments	175,428,966	I	I	18,239,683	20,621,287	3,981,453	1,579,505	845,374	5,326,466	25,555,258	68,109,873	3,946,113	20,792,625	6,431,329
ets 116,671	Advances	48,728,627	4,482,308	13,526	259,094	1,081,257	2,328,061	11,171,423	2,549,941	1,343,362	1,773,881	4,840,744	3,110,580	4,577,354	11,197,096
ets 116,671 3,130 3,130 3,130 3,130 9,496 9,600 9,600 38,087 assets 13,233786 1,325,253 1,325,253 1,325,253 1,987,880 1,987,880 1,987,880 2,967,807 1,987,880 1,987,880 1,987,880 2,967,807 1,987,880 2,975,978 1,016,06 - 101,606 - 101,606 - 101,606 2,176 2,257,733 1,255,753 1,255,753 1,255,753 75,461,114 1 2,125,753 1,255,753 1,255,753 1,255,753 75,461,114 1 2,125,753 1,255,753 1,255,753 1,557,758 1,000,00 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,095,919 1,000 1,000 1,000 1,095,919 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000 1,000	Fixed assets	3,233,545	I	I	I	112,990		39,824	120,801	122,128	122,128	484,530	484,533	947,956	758,831
13,253,786         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Intangible assets	116,671	I	I	I	3,130		3,130	9,496	9,600	9,600	38,087	40,498	I	I
3.770,967         1,092,028         3.357         -         1,133,085         523,046         461,133         436,223         -         101,606         -         -         101,606         -         1           271,487,014         32,528,788         16,883         19,161,404         23,614,376         8,200,767         14,580,268         5,287,088         8,126,809         29,550,353         75,461,114         1           271,487,014         32,528,788         16,883         19,161,404         23,614,376         8,200,767         14,580,268         5,287,088         8,126,809         29,550,353         75,461,114         1           27,535,738         16,24,726         624,726         52,000000         -         75,0000         1,695,919         -         89,126           27,535,738         167,106         -         750,000         1,695,919         -         89,819	Deferred tax assets	13,253,786	I	I	662,627	662,627	_	1,325,253	1,325,253	1,325,253	1,987,880	1,987,880	2,651,760	1	I
271,487,014     32,528,788     16,883     19,161,404     23,614,376     8,200,767     14,580,268     5,287,088     8,126,809     29,550,353     75,461,114     10,2       624,726     624,726     25,000,000     -     -     750,000     1,695,919     -     -     89,819       27,535,738     151,052,000     1,695,919     1,695,919     -     -     89,819	Other assets	3,770,967	1,092,028	3,357	I	1,133,085		461,133	436,223	I	101,606	1	ı	I	20,489
624,726 624,726 624,726 25,000,000 - 750,000 1,695,919 - 89,819 89,819 89,819 89,819		271,487,014	32,528,788	16,883	19,161,404	23,614,376	8,200,767	14,580,268	5,287,088	8,126,809	29,550,353	75,461,114	10,233,484	26,317,935	18,407,745
624,726 624,726	Liabilities														
27,535,738 - 25,000,000 - 750,000 1,695,919 89,819		624,726	624,726	I	į	1	1	I	1	I	I	i	I	į	1
	Bills payable	27,535,738	I	25,000,000	I	I	750,000	1,695,919	1	I	ı	89,819	I	I	I
21/34/2/2 0 22/342 2 20/102 2 20/102 2 20/102 2 20/102 2 20/102 2 2 2 2 2 1/20 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Borrowings from financial institutions	217,842,678	155,179,522	1,083,185	580,262	5,257,109	5,632,384	14,300,912	21,016,482	6,639,254	6,904,826	662,583	60,877	110,282	415,000

Bills payable Borrowings from financial institutions Deposits and other accounts Deferred tax liability Other liabilities

415,000 -2,311 417,311 17,990,434

110,282 993,446 1,103,728 25,214,207

ī

431,763 9,801,721

73,958,162 1,502,952

(2,110,160) (16,632,005) 1,251,423 22,502,817

1,506,000 6,694,767

18,846,630 125,186,434) (26,091,260) 18,560,495 18,081,230

16,690,428 21,919,093 6,875,386

370,886

750,550

142,710

236,132

902,611 ī

693,597

312,383

5,257,109 276,037 5,533,146

580,262 20,647 606'009

ı

7,047,536 ī

### Gap

Share capital-net
Reserves
Share deposit money
Deficit on revaluation of assets
Accumulated Loss
Net assets

5,524,428	1,516,452	4,000,000	1,121,647)	1,072,603)	8,846,630
25,5		4,0	[.]	(II,0	18,8

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ç	2
2	2

44.3.2 Maturity of assets and liabilities (based on SBP BSD Circular No. 03 date February 22, 2011)

						2022				
	Total	Upto I month	Over I to 3 months	Over 3 to 6 months	Over 6 months to I year	Over I to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Assets					(Rup	(Rupees in '000)				
Cash and balances with treasury banks	14,204,082	3,384,109	4,356,444	1,577,116	4,772,471	113,942		•	•	•
Balances with other banks Lendines to financial institutions	2,014,183	2,014,183 19.967.424				1 1				
Investments	253,857,565	29,862,894	64,758,122	45,841,992	61,550,377	23,699,591	10,818,832	10,947,090	6,378,667	1
Advances	45,105,226	6,426,783	4,575,548	6,884,422	6,128,860	3,363,738	1,110,307	3,665,039	11,572,697	1,377,832
Operating fixed assets	4,113,696	82,102	10,753	67,976	339,644	673,750	673,753	1,334,492	731,226	ı
Intangible assets	124,022	3,213	6,425	9,745	19,704	39,087	45,848	·		
Deferred tax asset	14,662,219	1,466,204	2,932,410	1,466,205	3,665,512	2,199,307	2,932,581	ı	ı	1
Other assets	5,048,053	3,567,610	737,382	558,633	137,474	•			46,954	
	359,096,470	66,774,522	77,477,084	56,506,089	76,614,042	30,089,415	15,581,321	15,946,621	18,729,544	1,377,832
Liabilities										
Bills payable	726,148	726,148	I	i	1		ı	I	1	1
Borrowings from financial institutions	107,244,714	105,310,000	1,874,835			59,879	·	·	ı	•
Deposits and other accounts	223,632,712	31,445,722	47,671,790	27,702,573	114,777,781	238,297	725,184	748,865	322,500	ı
Deferred tax liability	I	I	ı	ı	I	1	I	I	ļ	ı
Other liabilities	10,079,561	3,293,457	925,583	947,167	2,403,827	829,863	582,605	1,097,059		
	341,683,135	140,775,327	50,472,208	28,649,740	117,181,608	1,128,039	1,307,789	1,845,924	322,500	1
Gap	17,413,335	(74,000,805)	27,004,876	27,856,349	(40,567,566)	28,961,376	14,273,532	14,100,697	18,407,044	1,377,832
Share capital - net	29,524,428									
Keserves	cU8,92C,1									
Shares deposit money										
Deficit on revaluation of assets	(1,208,500)									
Accumulated Loss	17 413 335									

Where an asset or a liability does not have a contractual maturity date, the period in which these are assumed to mature have been taken as expected date of maturity, based on the criteria determined by ALCO of the Bank.



Total         Upon 1         Over 1 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3         Over 3 o 3							202				
Image: construction of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts of the starts		Total	Upto I month	Over I to 3 months	Over 3 to 6 months	Over 6 months to   year	Over I to 2 years	Over 2 to 3 years	Over 3 to 5 years		Above I0 years
s         [19364332         6.179097         4/73241         2.078541         4.336814         2.037,135         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td>Assets</td> <td></td> <td></td> <td></td> <td></td> <td> (Rupe</td> <td> (000' ni se</td> <td></td> <td></td> <td></td> <td></td>	Assets					(Rupe	(000' ni se				
6.081.206       6.081.206       5.35.5.3       87.95       3.081.72       6.081.206       5.55.5.3       87.95       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.5.2.3       5.55.55.2.3       5.55.55.4.2.3	والمعمارية بالمعممة بالمغام المعمارية	100 170 01	2 170 007	CVCCCLV	7 070 E 4 2	V 10 7CC V	3017000				
1,506,412       1,506,412       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -	Cash and Dalances with treasury Danks	700'100'21	0,177,077	7,/ 00,440	2,0/0,275	1,000,014	CC14/CD17	i.	1	ı	I
6,081,208         6,081,208         5,533,73         870,959         3088,1724         6,507,870         3,944,112         2,064,771         6,539,239           175,448,966         3880,966         5353,73         870,959         3088,1724         661,078         3,132,521         2,507,870         5,503,803         6,533,33         807,954         103,083,16         7,7344         10,308,316         7,7345         10,308,316         7,7345         103,083,16         7,7364         7,588,30         7,588,30         7,313,133         1,97,786         7,588,30         7,588,316         7,586,315         7,586,315         7,586,315         7,586,315         7,586,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         17,635         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,315         7,596,316         11,10,228         11,10,228         11,10	Balances with other banks	1,508,412	1,508,412	T	1	1	1	Т	1	1	I
175,428,966       388,0969       5535,373       870,9549       2,530,173       575,4734       6,529,229         48,728,627       58,18,244       1,3499,484       2,549,941       2,540,173       5,027,870       31,28521       4,577,334       10,308,316         16,671       3,130       0,564       1,320,533       3,31,133       1,987,880       2,651,760       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - </td <td>Lendings to financial institutions</td> <td>6,081,208</td> <td>6,081,208</td> <td>I</td> <td>I</td> <td>I</td> <td>I</td> <td>I</td> <td>I</td> <td>I</td> <td>I</td>	Lendings to financial institutions	6,081,208	6,081,208	I	I	I	I	I	I	I	I
	nvectments	175 428 966	38,860.969	5,535,373	870.959	30.881.774	68 109.873	3,946,112	20.694.777	6169779	I
3.233,545         11.2,900         77,649         120,801         244,536         484,530         484,533         947,956         758,830           116,671         3.130         6,261         9,496         19,200         38,087         40,497         -         -           12,5553         12,555,56         1,235,553         101,606         1,330         2,651,760         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Advances	48.728.627	5,818,244	13.499.484	2.549.94	2.930.117	5.027.870	3,128,521	4,577,354	0.308.316	888.780
I16,671         3.130         6.261         9.496         19.200         38,087         40,497         -         -         -           3.770965         1.325,524         2,660,506         1.325,523         313,133         1,987,880         2,651,760         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td< td=""><td>Operating fixed assets</td><td>3.233.545</td><td>112.990</td><td>79,649</td><td>120,801</td><td>244,256</td><td>484.530</td><td>484.533</td><td>947,956</td><td>758,830</td><td>I</td></td<>	Operating fixed assets	3.233.545	112.990	79,649	120,801	244,256	484.530	484.533	947,956	758,830	I
13,253,766       1,325,254       2,650,506       1,325,253       3,313,133       1,987,880       2,651,760       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - </td <td>Intangible assets</td> <td>116.671</td> <td>3,130</td> <td>6.26</td> <td>9,496</td> <td>19.200</td> <td>38,087</td> <td>40.497</td> <td>. 1</td> <td>I</td> <td>I</td>	Intangible assets	116.671	3,130	6.26	9,496	19.200	38,087	40.497	. 1	I	I
3770967         2228470         984,179         456,223         101,606         1111         1111         1115,66,375         115,56,375           271,487,014         62,117,774         27,488,695         7,391,216         41,826,850         77,685,375         10251,423         26,220037         17,596,375           624726         624,726         624,726         16,95,919         37,838,926         90,158829         66,2583         60,877         110,282         415,000           217,842,678         34,711,370         53,884,811         37,838,926         90,158829         66,2583         60,877         110,282         415,000           217,842,678         34,711,370         53,884,811         37,838,926         90,158829         66,2583         60,877         110,282         415,000           217,842,670         38,741         37,838,926         90,357,611         1,500,592         37,0866         993,446         2,312           255,244,038         1,005,980         90,341,537         750,550         370,866         93,446         2,312           255,244,288         1,150,572         431,763         7,103,212         1,037,28         41,7312           255,244,288         1,566,000         1,200,937,51         7,505,502	Deferred tax asset	13.253.786	.325.254	2.650.506	.325,253	3.313,133	1.987.880	2.651.760	I	I	ı
271,487,014       62,117,774       27,488,695       7,391,216       41,826,850       77,685,375       10,251,423       26,220,037       17,596,375         27,535,738       25,750,000       1,695,919       -       89,819       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       <	Other assets	3.770.967	2.228.470	984.179	436.223	101.606	1	I	I	1	20.489
624,726       624,726       624,726       624,726       624,726       1,695,919       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <td></td> <td>271,487,014</td> <td>62,117,774</td> <td>27,488,695</td> <td>7,391,216</td> <td>41,826,850</td> <td>77,685,375</td> <td>10,251,423</td> <td>26,220,037</td> <td>17,596,375</td> <td>909,269</td>		271,487,014	62,117,774	27,488,695	7,391,216	41,826,850	77,685,375	10,251,423	26,220,037	17,596,375	909,269
624,726       624,726       624,726       624,726       624,726       624,726       624,726       624,726       1005,910       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <td>Liabilities</td> <td></td>	Liabilities										
27,535,738       25,750,000       1,695,919       90,158,829       89,819       415,000       415,000         21,7842,678       34,711,370       53,884,811       37,838,926       90,158,829       66,2583       60,877       110,282       415,000         6,637,242       2,232,615       1,005,980       902,611       37,842       750,550       37,086       993,446       2,312         25,2640,384       6,3318,711       56,586,710       38,741,537       90,537,671       1,502,952       41,7312       41,7312         25,524,428       (1,200,933)       (29,098,015)       31,350,321)       (48,710,821)       76,182,423       9,819,660       25,116,309       17,179,063         25,524,428       (1,01,21,647)       (1,02,16,30)       (1,103,126)       31,350,321)       (48,710,821)       76,182,423       9,819,660       25,116,309       17,179,063         25,524,428       (1,01,21,647)       (1,01,21,647)       76,182,102       76,182,123       9,819,660       25,116,309       17,179,063         16,164,500       (11,01,21,647)       (11,01,21,647)       76,182,123       9,819,660       25,116,309       17,179,063         18,846,630       (11,01,21,647)       (11,01,21,647)       9,819,660       25,116,309       17,179,063 <td>Bills payable</td> <td>624,726</td> <td>624,726</td> <td>I</td> <td>1</td> <td>1</td> <td>1</td> <td>I</td> <td></td> <td>1</td> <td>ı</td>	Bills payable	624,726	624,726	I	1	1	1	I		1	ı
217,842,678       34711,370       53,884,811       37,838,926       90,158,829       66,2583       60,877       110,282       415,000         6,637,242       2,232,615       1,005,980       902,611       378,842       750,550       370,886       993,446       2,312         18,846,630       (1,200,937)       (29,098,015)       (31,350,321)       (48,710,821)       76,182,423       9,819,660       25,116,309       17,179,063         25,524,428       1,516,452       (1,200,937)       (29,098,015)       (31,350,321)       (48,710,821)       76,182,423       9,819,660       25,116,309       17,179,063         25,524,428       1,516,452       (1,107,1647)       76,182,423       9,819,660       25,116,309       17,179,063         15,16,452       (1,107,1647)       (1,107,1647)       76,182,423       9,819,660       25,116,309       17,179,063         18,846,630       (1,107,1647)       11,002,1633       17,179,063       17,179,063       17,179,063         18,846,630       11,002,1633       11,002,1633       17,179,063       17,179,063       17,179,063	Borrowings from financial institutions	27,535,738	25,750,000	1,695,919	I	I	89,819	T	I	1	1
6637.242         2.232.615         1.005.980         902.611         378.842         750.550         370.866         993.446         2.312           252.640.384         6.3.318.711         56.586.710         38.741.537         90.537.671         1.502.952         431.763         1.103.728         417.312           18,846.630         (1.2009377)         (29.098,015)         (31.350.321)         (48,710,821)         76.182.423         9,819.660         25.116.309         17,179.063           25.524.428         1,516.452         48,710,821)         76.182.423         9,819.660         25.116.309         17,179,063           15.16.452         (11,072.647)         (12,020333)         (29,135.0321)         (48,710,821)         76.182.423         9,819,660         25.116.309         17,179,063           15.16.452         (11,072.647)         (12,02333)         (11,072.647)         76.182.423         9,819,660         25.116.309         17,179,063           18,846.630         (11,072.647)         (11,072.647)         (11,072.647)         17,179,063         17,179,063	Deposits and other accounts	217,842,678	34,711,370	53,884,811	37,838,926	90,158,829	662,583	60,877	110,282	415,000	I
6637,242         2.232.615         1.005,980         902.611         378.842         750.550         370.886         993.446         2.312           252.640,384         6.3318711         56.586/710         38.741.537         90.537.671         1.502.952         431.763         1.103.728         417.312           18.846.630         (1.200.937)         (29.098.015)         (31.350.321)         (48.710.821)         76.182.423         9.819.660         25.116.309         17.179.063           25.524.428         1.516.452         48.710.821)         76.182.423         9.819.660         25.116.309         17.179.063           15.16.452         4.000.000         (1.21.647)         (1.1072.603)         1.102.72.613         17.179.063         18.846.630           18.846.630         13.126         1.824.423         9.819.660         25.116.309         17.179.063	Deferred tax liability	I	I	I	I	I	i	1	I	I	I
252.640.384       6.3.318.711       56.586.710       38.741.537       90.537.671       1.502.952       431.763       1.103.728       417.312         18,846.630       (1.200.937)       (29,098,015)       (31.350.321)       (48,710,821)       76,182.423       9,819,660       25,116,309       17,179,063         25,524,428       1.516,452       4,000,000       1.121,647       1.121,647       1.121,647         aney       (1,1072,603)       1.121,642       1.120,7463       1.121,647       1.131,642	Other liabilities	6,637,242	2,232,615	1,005,980	902,611	378,842	750,550	370,886	993,446	2,312	I
I8.846,630         (1.200,937)         (29,098,015)         (31,350,321)         (48,710,821)         76,182,423         9,819,660         25,116,309         17,179,063           Drey         25,524,428         1,516,452         4,000,000         1,116,473         1,121,6473         1,121,6473         1,121,6433         1,132,603         1,11,072,603         1,132,6633         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,6433         1,132,64333         1,132,6433         1,132,6433		252,640,384	63,318,711	56,586,710	38,741,537	90,537,671	1,502,952	431,763	1,103,728	417,312	I
ney stion of assets	Gap	18,846,630	(1,200,937)	(29,098,015)	(31,350,321)	(48,710,821)	76,182,423	9,819,660	25,116,309	17,179,063	909,269
Ч	Share capital-net	25,524,428									
Υ	Reserves	1,516,452									
Υ	Share deposit money	4,000,000									
id Loss	Deficit on revaluation of assets	(1,121,647)									
	Accumulated Loss	(11,072,603)									
	Net assets	18,846,630									

Where an asset or a liability does not have a contractual maturity date, the period in which these are assumed to mature have been taken as expected date of maturity, based on the criteria determined by ALCO of the Bank.



### 44.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events.

The Group strives to manage operational risk within acceptable levels through sound operational risk management practices.

The Group has set up a separate Operational Risk Management (ORM) Unit. ORM Unit resides within Risk Management Division (RMD). Its responsibility is to implement Operational Risk management tools across the group for effective measurement and monitoring of operational risk faced by different areas of the Group.

### 45. GENERAL

**45.1** Figures have been rounded off to the nearest thousand rupee.

### 46. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue by the Board of Directors on March 08 2023.

Chairman

President and

Director

a puby Director Chief Financial Officer









### **ISLAMIC MODE**

### **\*FEATURES**

- Financing Amount from PKR 50,000 to PKR 1,500,000
- Financing up to 4 years
- Prompt and hassle free processing with minimum documentation
- Low profit rate •



### Notice Of 12th Annual General Meeting

NOTICE is hereby given that the 12th Annual General Meeting of Sindh Bank Limited will be held on March 30, 2023 at 10.00 a.m at Sindh Bank's Head Office, Federation House, Clifton, Karachi, to transact the following business:-

### **A-Ordinary Business:**

- I- To confirm the minutes of 07th Extra Ordinary General Meeting held on 16th November, 2022.
- 2- To receive, consider and adopt the Audited consolidated/un-consolidated Financial Statements of the Bank for the year ended 31st December, 2022, together with Directors' and Auditors' Reports thereon and pass necessary resolutions in this regard.
- 3- To consider and approve appointment of new Auditors of the Bank for the year 2023 and fix their remuneration.

### **B-Special Business:**

- A. To approve payment of remuneration and provision of certain facilities to the President/CEO of the Bank.
- B. To grant post facto approval for the payment of remuneration to non-executive Directors and payment of 20% remuneration of the fee of Board / Committee Meetings for performing extra services other than directorship to the Chairman of Board, as per BPRD Circular No.05 of 2021.
   C. Any other business with the permission of the chair.
- A statement of material facts under section 134(3) of the Companies Act, 2017 relating to aforesaid special business to be transacted is appended below:

By order of the Board;

### Muhammad Irfan Zafar

Company Secretary

### NOTES:

- i. A member entitled to attend and vote at the I2th Annual General Meeting of the Bank may appoint another member as his / her proxy to attend and vote instead of him / her. The proxy shall have the right to attend, speak and vote in place of the member appointed him at the meeting.
- ii. The instrument appointing a proxy should be signed by the member(s) or by his / her Attorney, duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
- iii. The Proxy Form duly completed, must be deposited at the Bank's Registered Office at 3rd Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi not less than 48 hours before the time of holding the meeting.
- iv. CDC account holder or sub-account holder appointing a proxy should furnish attested copies of his / her own as well as the proxy's CNIC / Passport with the proxy form. The proxy shall also produce his / her original CNIC or passport at the time of meeting. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form.

The Share transfer books of the company will remain closed from March 24, 2023 to March 30, 2023 (both days inclusive). CDC Transaction IDs received in order at the Registered Office of the Company up to the close of business on March 22, 2023 will be considered as on time for the determination of shareholder's entitlement to attend and vote at the meeting. Members are required to notify immediately changes, if any, in their registered address.

### STATEMENT U/S 134 (3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS

This statement sets out the material facts concerning the Special Business given in above Special Business of above agenda, to be transacted at the I2th Annual General Meeting of Sindh Bank Limited (the "Bank") to be held on March 30, 2023:

### Item No. I of Special Business:

The Shareholders' approval is sought for the payment of remuneration and provision of certain facilities to the President/CEO of the Bank. The following resolution may be passed:

"RESOLVED THAT the payment of remuneration to the President/CEO for the Year-2022 a gross sum of Rs.24,000,000/- in addition to bonus and other perquisites as per his term of appointment be and are hereby approved."

### Item No.2 of Special Business:

The meeting fee payable to the non-executive members of the Board approved by the Board of Directors in its 87th meeting held on 29.04.2021 @ Rs.200,000/- for attending Board meetings & Rs.175,000/- for attending Board's Committees meeting, thereafter the Board in its 95th meeting held on 02nd June, 2022 approved directorship fee @ Rs.250,000/- for Board meetings and Rs.200,000/- for its Sub-Committee meetings. The decision of the Board, in terms of Article 104 of the Articles of Association of the Bank requires approval of the shareholders in Annual General Meeting as per SBP Regulations. Further, payment of 20% extra Services paid to the Chairman during the currency of Year-2022, as per already approved criteria by the Shareholders in its 11th AGM held on 30.03.2022, as per SBP's CGRF-2021. The non-executive members of the Board and the Board Committees are interested in the payment of fee and executive members of the Board have no interest in the matter. The following resolution may be passed: -

"THE SHAREHOLDERS RESOLVE TO approve post facto approval for the payment of fee to the non-executive Directors during the Year-2022 from 1st Jan-2022 to 02nd June, 2022 [@ Rs.200,000/- for Board meetings & Rs.175,000/- for its Committees meetings] & thereafter till 31st Dec-2022 [@ Rs.250,000/- for Board meetings & Rs.200,000/- for its Committees meetings].

"THE SHAREHOLDERS FURTHER RESOLVE TO give post facto approval for the payment of extra 20% of the amount of each Board meeting fees for providing extra services to the Chairman during the Year-2022, as earlier approved by the Shareholders in its 11th AGM held on 30.03.2022, as per SBP's CGRF-2021.

### Pattern of Shareholdings

AS ON DECEMBER 31, 2022

# Of Shareholders	Sha	reholdings	' Slab	Total Shares Held
6	I	То	100	6
31	101	То	500	15,500
36	501	То	1000	36,000
31	1001	То	5000	104,500
5	5001	То	10000	50,000
4	10001	То	15000	52,001
I	15001	То	20000	20,000
I	20001	То	25000	25,000
2	25001	То	30000	60,000
I	45001	То	50000	50,000
4	95001	То	100000	400,000
I	195001	То	200000	200,000
I	2999995001	То	3000000000	2,951,429,810
124				2,952,442,817



### Categories of Shareholders

As On December 31, 2022

Categoi No.	ry Shareholders	No. of Shares Held	Category wise No. of Share Holders	
I	Individuals	410,000	3	0.01%
2	Investment Companies	-	-	-
3	Joint Stock Companies	-	-	-
4	Director, Chief Executive, and their spouse and minor	children		
	Anis A. Khan	I	I	0.00%
	Javaid Bashir Sheikh	I	I	0.00%
	Sajid Jamal Abro	I	I	0.00%
	Asif Jahangir	I	I	0.00%
	Mohammed Aftab Alam	1	I	0.00%
	Adnan Ali Khan	I	I	0.00%
	Mrs Shaista Bano Gilani	1	I	0.00%
	(She has been co-opted on 30/9/2022 and SBP approval was received on 17/2/2023)			
	Sub-Total	7	7	
5	Executives / Employees / Group employees	603,000	113	0.02%
6	NIT/ICP			
7	Associated Companies, undertakings and related parties			
8	Banks, DFIs,NBFIs, Insurance companies, Modarbas & Mutual F	unds		
9	Foreign Investors			
10	Co-operative Societies			
11	Charitable Trusts			
12	Others-Government of Sindh , through its Finance Departmen	t 2,951,429,810	I	99.97%
	TOTAL	2,952,442,817	124 10	0.00%
Shareho	Iders holding ten percent or more voting interest in the listed	company		
Total Pai	d -up Capital of the company		2,952,442	2,817
10% of t	he paid-up capital of the company		295,244	4,282
Name(s)	of Shareholder(s) No	. of Shares held	Percei (?	ntage %)
Governe	mnt of Sindh, through its Finance Department	2,951,429,810		99.97

### **Branch Network**



### **SOUTH REGION**

### **KARACHI AREA**

### Mr. Abdul Rauf Chandio

Group Business Head South Region Tel: 021-35642101-2 Fax: 021-35642104 Email: rauf.chandio@sindhbankltd.com

### Mr. Shahzad Hussain

Area Manager Area I, Karachi Tel: 021-35290331 Email: shahzad.khowaja@sindhbankltd.com

### Mr. Dilawar Ahmed Dakhan

Area Manager Area II, Karachi Tel: 021-36646423 Email: dilawar.dakhan@sindhbankltd.com

### Mr. Ayaz Ahmed Jagirani

Area Manager Area III, Karachi Tel: 021-34535131 Email: ayaz.jagirani@sindhbankltd.com

### Mr. Aijaz Ali Shaikh

Area Manager Area IV, Karachi Tel: 021-5130662-3 Email: aijaz.shaikh@sindhbankltd.com **Mr. Zahid Nosherwani** Area Manager Area V, Karachi Tel: 021-35846658 Email: zahid.nosherwani@sindhbankltd.com

### Mr. Shafique Ahmed

Area Manager Area VI, Karachi Tel: 021-34968976 Fax: 021-34834583 Email: shafique.chandio@sindhbankltd.com

### Mr. Aijaz Ali Bugti

Area Manager Area VII, Karachi Tel: 021-32526863, 32526864 Fax: 021-32526865 Email: aijaz.bugti@sindhbankltd.com

### Mr. Husn-e-Kamil

Officiating Area Manager Area VIII, Karachi Tel: 021-36614461 Email: husne.kamil@sindhbankItd.com

### Mr. Abdul Waheed

Officiating Area Manager Area IX, Karachi Tel: 021-32467891 Email: abdul.waheed@sindhbankltd.com

### Mr. Ghulam Mustafa Shaikh

Officiating Area Manager Area X, Karachi Tel: 021-35640032 Email: mustafa.shaikh@sindhbankItd.com Mr. Faisal Haroon Badshah Branch Manager / Area Manager Islamic Banking - Karachi Tel: 021-35316805 Fax: 021-35316807 Email: faisal.haroon@sindhbankltd.com

### **BALOCHISTAN AREA**

**Mr. Haq Nawaz** Area Manager Balochistan Area I Tel: 081-2865681 Fax: 081-2865682 Email: haq.nawaz@sindhbankItd.com

### Mr. Wali Muhammad Attar

Officiating Area Manager Balochistan Area II Tel: 0838-710135, 0838-710136 Fax: 0838-710138 Email: wali.attar@sindhbankltd.com

### SINDH RURAL REGION

### Syed Assad Ali Group Business Head Sindh Rural Region

Sindh Rural Region Tel: 021-35829376 Fax: 021-35870543 Email: assad.ali@sindhbankItd.com

### Mr. Jamil Ahmed Shaikh

Area Manager Hyderabad Area I Tel: 022-933006 I Email: jamil.shaikh@sindhbankltd.com



### Mr. Bashir Ahmed Wassan

Area Manager Hyderabad Area II Tel: 022-9201460 Email: bashir.wassan@sindhbankltd.com

### Mr. Mansoor Ahmed

Officiating Area Manager Hyderabad Area III Tel: 022- 3816373 Email: mansoor.ahmed@sindhbankltd.com

### Mr. Zeeshan Ata Memon

Officiating Area Manager Hyderabad Area IV Tel: 022- 2610704 Email: zeeshan.atta@sindhbankltd.com

### Mr. Kazim Hussain Qadri

Area Manager Larkana Area Tel: 074-4040753 Email: kazim.hussain@sindhbankltd.com

### Mr. Abdul Majid Khoso

Area Manager Larkana Area II Tel: 072-2576325 Email: majid.khoso@sindhbankltd.com

### Mr. Bux Ali

Officiating Area Manager Larkana Area III Tel: 0254-551578 Email: bux.ali@sindhbankltd.com

### Mr. Zeeshan Qureshi

Officiating Area Manager Mirpurkhas Area Tel: 022-2653170 Email: zeeshan.qureshi@sindhbankltd.com

### Mr. Kashif Memon

Area Manager Thatta Area Tel: 029-8550569 Email: kashif.memon@sindhbankltd.com

### Mr. Kashif Hussain Khuwaja

Officiating Area Manager Badin Area Tel: 029-7862035 Email: kashif.hussain@sindhbankltd.com

### Mr. Badar Uddin Jatoi

Officiating Area Manager Naushahro Feroze Area Tel: 024-2481550 Email: badar.jatoi@sindhbankltd.com

### Mr. Manjhan Khan Jatoi

Officiating Area Manager Khairpur Area Tel: 024-3715407 Email: manjhan.jatoi@sindhbankltd.com

### **Mr. Zaheer Ahmed**

Officiating Area Manager Sukkur Area Tel: 071-5623961 Email: zaheer.ahmed@sindhbankltd.com

### Mr. Shakil Ahmed

Area Manager Ghotki Area Tel: 072-3684432 Email: shakil.ahmed@sindhbankltd.com

### PUNJAB CENTRAL REGION

### Mr. Farhan Ashraf Khan Group Business Head

Central Region Tel: 042-99264343 Fax: 042-99264342 Email: farhan.khan@sindhbankltd.com

### Mr. Rizwan Mahmood Khan

Area Manager Lahore Area-I & Chief Manager Tel: 042-99264334 Fax: 042-99264341 Email: rizwan.mahmood@sindhbankltd.com

### Ms. Shazia Andleeb

Area Manager Lahore Area II & Chief Manager Tel: 042-99268880, 99268883 Fax: 042-99268882 Email: shazia.andleeb@sindhbankltd.com

### Mr. Salman Satti

Area Manager Lahore Area III & Chief Manager Tel: 042-37180190-2 Email: salman.satti@sindhbankltd.com

### Mr. Shoaib Naseem Khan

Area Manager Lahore Area IV Tel: 042-99264339 Email: shoaib.khan@sindhbankltd.com

### Mr. Mubashar Uddin Khan

Area Manager Guiranwala Area Tel: 055-3840015 Fax: 055-9200993 Email: mubashar.khan@sindhbankltd.com

**Mr. Syed Ali Raza** Area Manager Multan Area Tel: 061-9330296 Email: ali.raza1@sindhbankltd.com

### Mr. Shafqat Ali Raja Area Manager

Islamabad & Rawalpindi Area Tel: 051-2206330 Email: shafqat.raja@sindhbankltd.com

### **NORTH REGION KPK & MIR PUR AJK AREA**

### Mr. Rehman Ullah Khattak

**Group Business Head** North Region Tel: 091-5250602 Email: rehmanullah.khattak@sindhbankltd.com

### Mr. Farooq Khan

Area Manager KPK-I Tel: 091-5822122 Email: farooq.khan@sindhbankltd.com

### Mr. Johar Ayub Khan

Area Manager KPK-II Tel: 091-2600028 Email: johar.khan@sindhbankltd.com

### Mr. Intikhab Ashraf

Area Manager AJK / Gilgit Baltistan Tel: 05822-920630, 05822-920620-612 Email: intikhab.ashraf@sindhbankltd.com

### **ISLAMIC BANKING DIVISION**

Mr. Faisal Mujeeb Officiating Head of Islamic **Banking Division** Tel: 021-35829404 Email: faisal.mujeeb@sindhbankltd.com

### Number of Branches

S.No.	Regions	No. of Branches
I	South Region - Karachi	93
2	Balochistan Branches	16
3	Sindh Rural Region	97
4	Punjab Central Region	101
5	North Region KPK & Mirpur AJK Area	23
	Total	330

### Form of Proxy

I/We,	, being member of Sindh E	Bank Limited and holding ordinary
share as per CDC Participant ID &	Account No	, do hereby appoint
Mr	s/o	or failing him
Mrs/o	as my Proxy	in my absence to attend and vote for me
and on my behalf at 12th Annual General Meeting	of the Bank to be held on 30	th March 2023 at 10:00 a.m at the Head
Office of Sindh Bank Limited, Federation	House, Clifton, Karachi	, and at any adjournment thereof.
As witness my/our hand this	_ day of	2023.
I. Witness		
Signature	— [	Member's Signature on Rs.5.00
CNIC No		Revenue Stamp
Address	L	
2. Witness		(Signature should agree with the specimen signature
Signature		Registered with the Bank)
CNIC No		
Address		

NOTES:

- 1. A member entitled to attend and vote at the 12th Annual General Meeting of the Bank may appoint any person as his/her/its proxy to attend and vote instead of his/her/its. The proxy shall have the right to attend, speak and vote in place of the member appointed him at the meeting.
- 2. The instrument appointing a proxy should be signed by the member(s) or by his/her/its Attorney, duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
- 3. The Proxy Form duly completed, must be deposited at the Bank's Registered Office at 3rd Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi not less than 48 hours before the time of holding the meeting.
- 4. CDC account holder or sub-account holder appointing a proxy should furnish attested copies of his/her/its own as well as the proxy's CNIC / Passport with the proxy form. The proxy shall also produce his/her/its original CNIC or passport at the time of meeting. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form.



يراكسي فارم

ى ڈى تى پارٹيسىپذيك Dااورا كاؤنٹ نمبر	جوسندھ بینک کمیٹڈ کا کے مبر ہیں اور تی	ولد	میں اہم۔۔۔
یا ان کی عدم دستیابی کی صورت میں	ولد	آرڈ نری شیئر رکھتا/رکھتے ہیں، چناب	ےمطابق۔۔
202 كومبح 10.00 بحسند هدينك لميثلاك ميذاقس واقع	یری/ہاری غیر موجودگی میں مورخہ 30 مارچ ، 23	ولدولدوله	چناب
اور میری/ ہماری جانب سے ووٹ ڈالنے کے لیےا پنا نمائندہ	۔ کے 12th سالا نہ اجلاس عام میں شرکت کرنے ا	،فیڈریشن ہاؤس،کلفٹن کراچی ، میں منعقد ہونے والے بینکہ	تيسرىمنزل،
		) <i>اکرتے ہی</i> ں۔	مقرركرتا ہوں

دن\_\_\_\_\_ دن\_\_\_\_\_ دن\_\_\_\_\_ دن\_\_\_\_

- 1. گواہ۔۔۔۔۔۔ دستخط۔۔۔۔۔۔ سی این آئی سی نمبر۔۔۔۔۔۔ پتہ۔۔۔۔۔۔
  - 2. گواہ۔۔۔۔۔۔ دستخط۔۔۔۔۔۔ (دستخطکو بیتک کے پاس رجسٹر ڈ سی این آئی سی نمبر۔۔۔۔۔۔ ممونہ کے دستخط کے ساتھ پتہ۔۔۔۔۔۔ مانا چاہیئے )

نوٹس:

- ۔ 1۔ بینک کے 12th سالا نہ اجلاس عام میں شرکت کا اہل ممبرا پنے بجائے کسی دوسر شرحض کو اجلاس میں شرکت کرنے اور ووٹ ڈالنے کے لیے مقرر کر سکتا ہے۔ پرانسی کواصل ممبر کی جگہ۔ شرکت ،اظہار خیال کرنے اور ووٹ دینے کاحق حاصل ہوگا۔
- 2. پراکسی مقرر کرنے کے انسٹر دمنٹ پرمبر (s) یااس کے اٹارنی، جستے حریں طور پراختیار دیا گیا ہو، کے دستخط ہوں گے۔اگرمبر کار پوریشن ہے تو پھرانسٹر دمنٹ پراس کی وہ مہر ہوگی جو عامطور پراستعال کی جاتی ہے۔
- 3. صحیح طور پرکمل کیا ہوافارم اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل ہینک کے رجسٹر ڈدفتر واقع تیسری منزل، فیڈریشن ہاؤس،عبداللد شاہ غازی روڈ، کلفکٹن، کراچی کو پیش کیا جائے۔
- 4. CDC اکاؤنٹ ہولڈریاسب اکاؤنٹ ہولڈرکو پراکسی مقرر کرتے وقت اپنے اور پراکسی کے CNIC پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ جن کرانا ہول گی۔ اجلاس کے وقت پراکسی اپنااصل CNIC یا پاسپورٹ پیش کرےگا۔کار پوریٹ ادارے کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائر یکٹرز کی قرارداد / پاور آف اٹارنی بمعہ د ستخط نمونہ پیش کرنا ہوں گے۔





### **Sindh Bank Limited Head Office:** 3rd Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi-75600. UAN: +92-21-111-333-225

0800-33322 ( www.sindhbank.com.pk f sindhbanklimitedofficial ) sindhbankltd ( in companysindh-bank-limited