ANNUAL REPORT 2024



ایک عزم، ایک پہچان

National Bank اور Pakistan





Illuminating a Legacy of Trust

For 75 years, we have upheld a shared ***azm***—a determination to define and illuminate our collective identity. Like the golden brilliance of light scattering in all directions, every decision we make reflects resilience, progress, and an unwavering commitment to empowering individuals and communities for inclusive development.

Our identity shines in the trust we have built over past 75 years—etched through countless moments that have transformed lives, fueled growth, and illuminated the path forward for the nation. Every impression carries the weight of purpose, radiating the promise of a brighter tomorrow linking our identity with that of the nation.

As we celebrate 75 Years of Radiance, our Diamond Jubilee honors this journey of azm and pehchaan, creating legacies that inspire confidence and light the way toward a luminous future for Pakistan.

ایک عزم، ایک پہچان

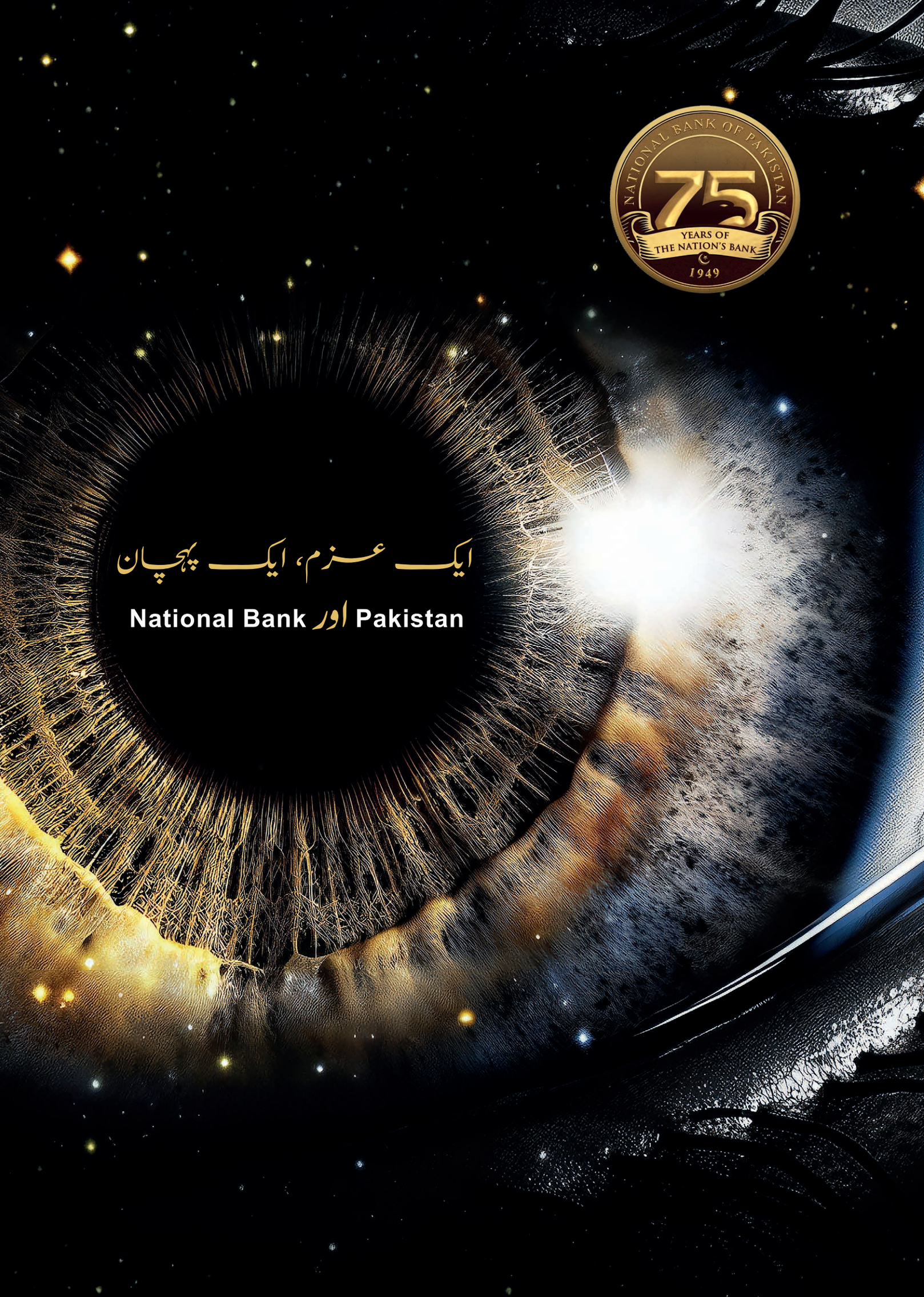


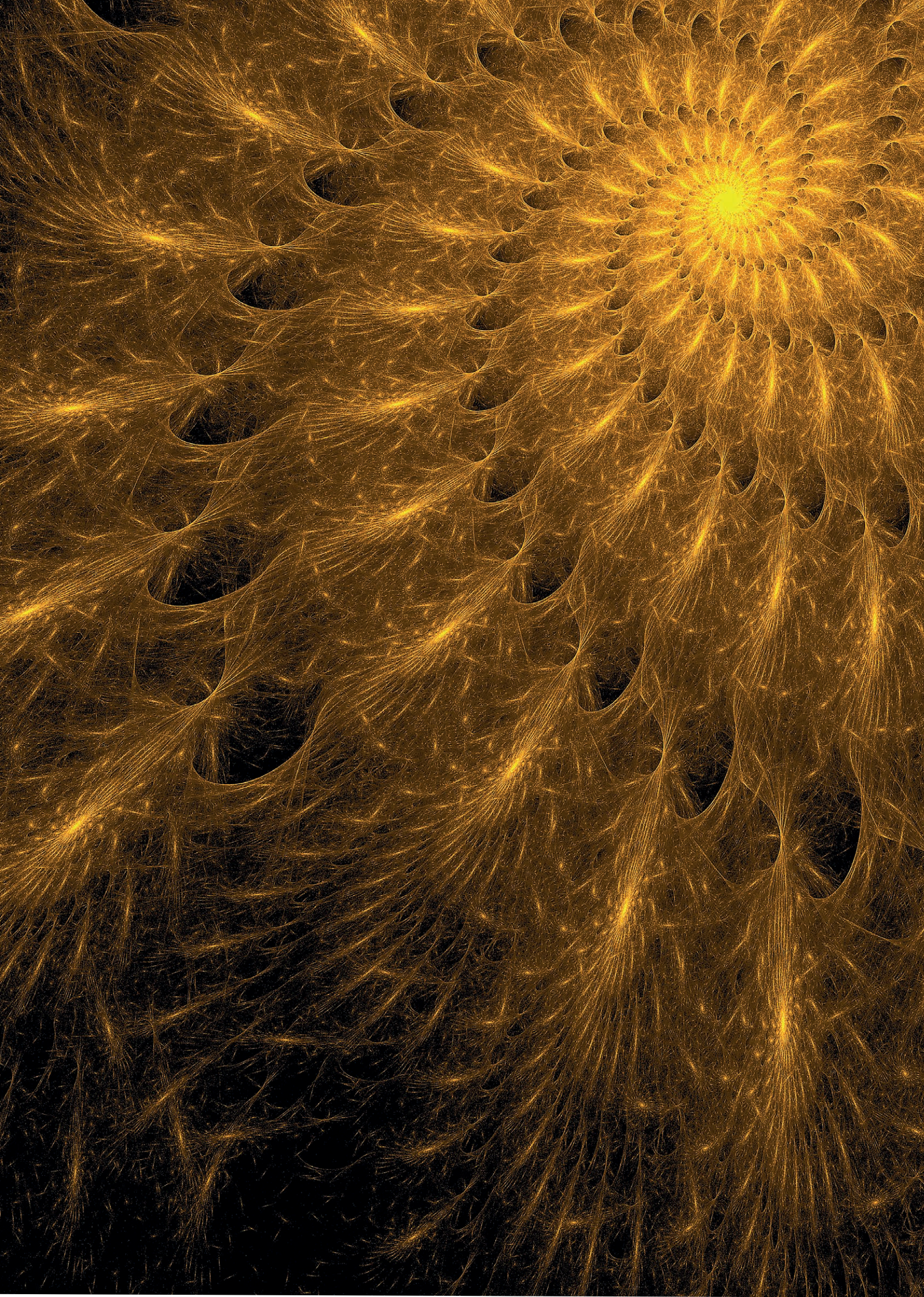
Vision

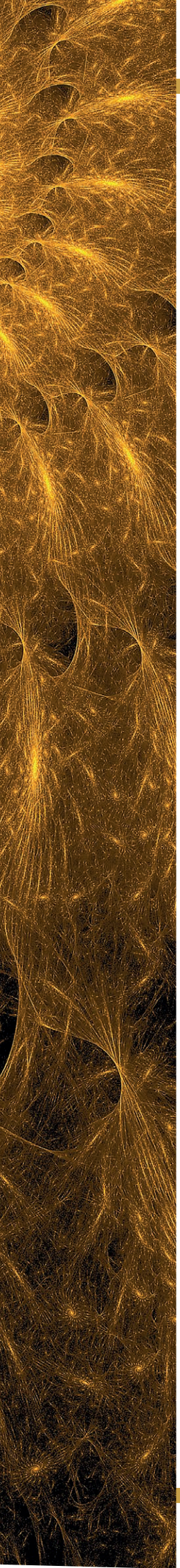
To be the Nation's leading bank enabling sustainable growth and inclusive development

Mission

We will achieve our vision by subscribing to the qualities captured by the word **IMAGINE**


NATIONAL BANK OF PAKISTAN
75
YEARS OF
THE NATION'S BANK
1949
ایک عزم، ایک پہچان
National Bank اور Pakistan





Imagine

Integrity is the cornerstone of everything we do

Market leadership is what we aim across all our target sectors

Agility and strategic nimbleness will help us adapt to changing market conditions

Good governance and transparency

Innovation to provide for the customer needs of tomorrow

Nation building remains our priority

Employee engagement through a merit-based culture

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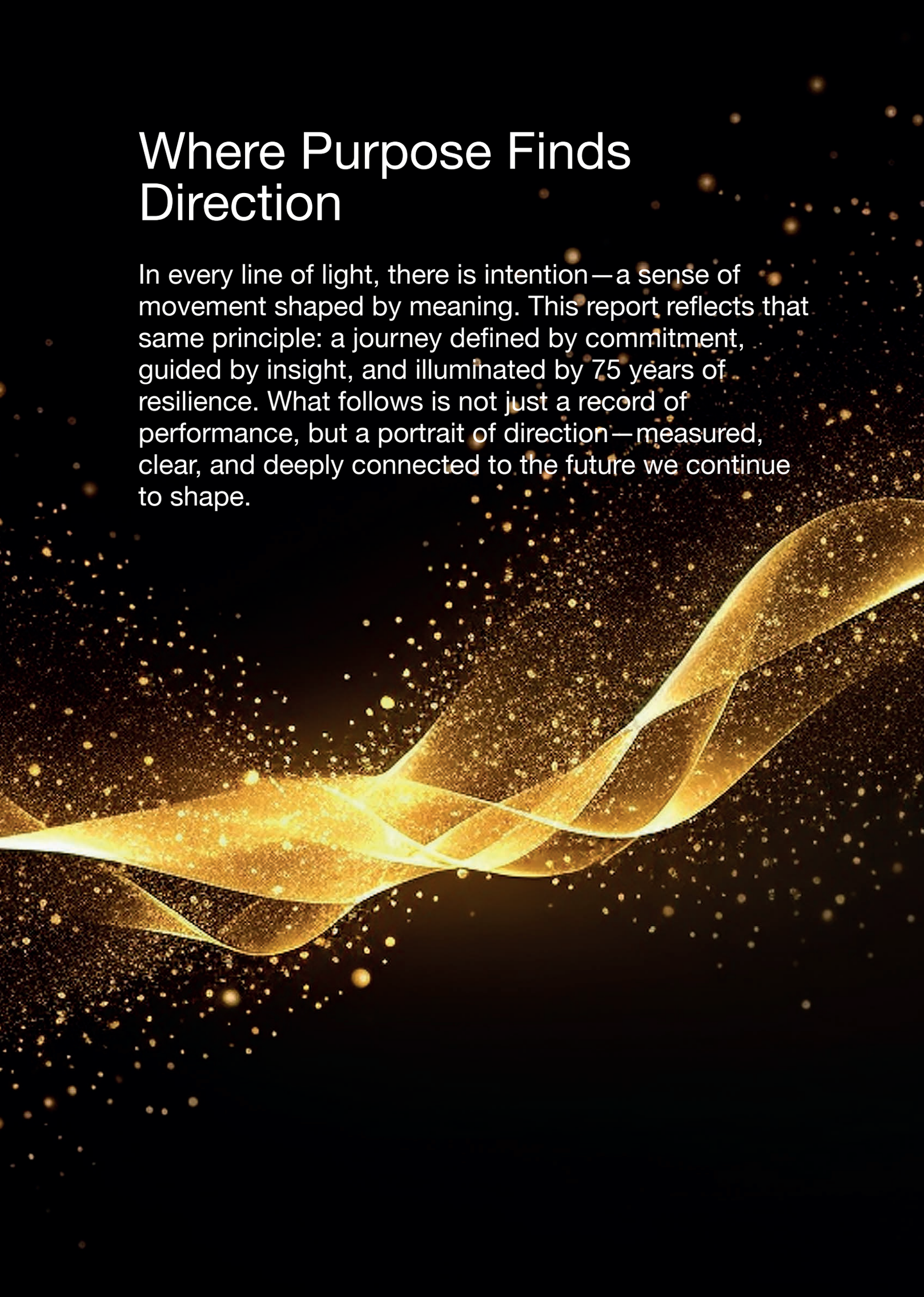
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Where Purpose Finds Direction

In every line of light, there is intention—a sense of movement shaped by meaning. This report reflects that same principle: a journey defined by commitment, guided by insight, and illuminated by 75 years of resilience. What follows is not just a record of performance, but a portrait of direction—measured, clear, and deeply connected to the future we continue to shape.



Welcome

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About this Integrated Report

Dear Readers,

Welcome to the 75th Annual Report of the National Bank of Pakistan ("NBP" or "the Bank"). This report comprehensively outlines the financial and non-financial performance of the Bank for the year ending December 31, 2024.

This Annual Report has been prepared in accordance with the <IR> Framework and includes an Integrated Report section, followed by the Financial Statements and Supplementary Information. The Integrated Report is structured in line with the Framework's guiding principles and content elements, and is intended to provide a comprehensive and balanced view of the Bank's value creation process. Appropriate due diligence has been undertaken to ensure the integrity, accuracy, and relevance of the disclosures presented herein for all stakeholders.

We hope you find the report informative and insightful.



ORGANISATIONAL PURPOSE

Our corporate vision aspires to position us as the foremost Nation's bank, actively facilitating sustainable growth and inclusive development. Our commitment to realizing this vision is articulated through embracing the qualities represented in the acronym 'IMAGINE' (explained on Page # 7). Serving as guiding principles for all our endeavors, our vision and mission carefully guide every decision and action, all directed towards the overarching aim of "value creation".

GOVERNANCE & CULTURE

Our robust corporate governance culture places paramount importance on transparency, accountability, and the tenets of good governance to safeguard the interests of stakeholders. A comprehensive explanation of our governance structure is available in the Corporate Governance section on Page # 94.

STRATEGY AND OBJECTIVE

As a domestic systemically important bank ('D-SIB'), NBP plays a substantial role in influencing socioeconomic growth within the country. Our strategy is oriented towards transforming the institution into a future-ready, agile, and sustainable bank, concurrently upholding market leadership and fostering socioeconomic value creation for the broader society. The intricate details of our business model, reflect the impact of various capitals and their application in the value chain. This strategic approach, coupled with effective risk management and internal control measures, is geared towards achieving our short, medium, and long-term goals.

THE MEDIUM

1. This Annual Report is released within three months from the date of approval of the Financial Statements. The comprehensive online version is also published simultaneously on the same date as the issue of this Annual Report at **https://www.nbp.com.pk/InvestorInformation/Group-Standalone-Fin-Statements.aspx**
2. The Report is distributed to shareholders in a digital format.
3. A limited number of printed copies has been produced for shareholders who have made specific request to receive a hard copy.

TARGETED READERS

This report is designed to meet the information needs of a diverse group of stakeholders, encompassing shareholders, regulators, customers, governments, local communities, employees and others.

MATERIAL MATTERS

Material issues within our strategic framework are those that have a significant influence on our capacity to generate enterprise value across short, medium, and long-term horizons. These encompass factors within our operational landscape, including risks and opportunities arising from the operating environment, considerations from stakeholders, and an assessment of internal strengths and weaknesses.



INTEGRATED REPORTING

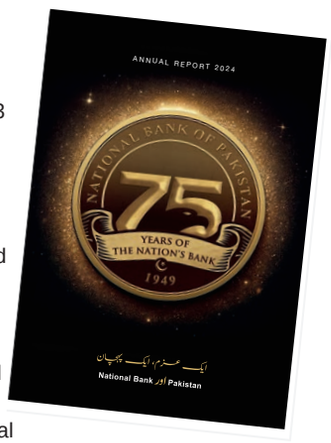
The Bank's integrated thinking approach to strategy formulation has empowered it to proactively address emerging challenges in both internal and external operating landscapes. This Annual Report is organized to offer readers an integrated insight into the Bank's Organisational purpose and how this purpose guides its approach to value creation, governance, culture, strategy and objectives setting, and the realignment of activities with emerging external and internal influences. It also addresses material matters impacting its long-term sustainability.

Our Reporting Process and Boundary

This report comprehensively covers both financial and non-financial information for the readers. The key contents of this report include:

- Governance & Stewardship
- Our Value Creation & Business Model
- Strategic and Operational review by the Board, the Chairman, and the CEO
- Material Risks and Opportunities
- Audited Standalone Financial Statements of the parent entity, along with the Auditors' Report
- Audited Consolidated Financial Statements of the Bank, its subsidiary companies, and associate companies (Group) as depicted in the Consolidated Financial Statements, along with the Auditors' Report.
- Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Public Sector Companies (Corporate Governance) Rules, 2013
- Auditors' Review Report on the above Codes of Corporate Governance

The Board Audit Committee, in accordance with its mandate, reviewed and endorsed these audited Financial Statements to the Board for approval. Subsequently, the Board of Directors, during its meeting held on February 28, 2025 granted approval for the release of these audited Financial Statements. These financial statements are to be formally adopted by the Shareholders in the Annual General Meeting scheduled for March 25, 2025.



Reporting Considerations

	Financial Statements	Narrative Report and Corporate Governance
Standards and Principles	• The Banking Companies Ordinance, 1962 • The Companies Act, 2017 • The Listed Companies (Code of Corporate Governance) Regulations, 2019 • The Public Sector Companies (Corporate Governance) Rules, 2013 • International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board • Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan • Other related directives issued by the SBP, SECP and PSX	• Listing Requirements of the Pakistan Stock Exchange • The Listed Companies (Code of Corporate Governance) Regulations, 2019 • The Public Sector Companies (Corporate Governance) Rules, 2013 • Integrated Reporting Framework • Guidelines for Presentation of Annual Reports Issued by the Institute of the Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan
Internal Assurance Mechanism	• Board Audit Committee • Robust framework of internal controls • Statement of Internal Control by the management • Shariah Board	• Robust governance framework which embeds regulations and best practices Code of Conduct for employees and other governance related policies of the Bank • Reporting to the relevant BoD Committee and Board of Directors.
External Assurance Mechanism	• PwC A. F. Ferguson & Co. Chartered Accountants • BDO Ebrahim Co. Chartered Accountants	• PwC A. F. Ferguson & Co. Chartered Accountants • BDO Ebrahim Co. Chartered Accountants

Other Information

We also have a presence on digital platforms:

https://www.facebook.com/NBPTheNationsBank

https://www.instagram.com/nationalbankofpakistan/

https://www.youtube.com/channel/UCcI-feuO5V4sCcIm0xigzVg

https://www.linkedin.com/company/national-bank-of-pakistan/

https://twitter.com/TheNBPak

CONTACT & QUERIES

We welcome our readers' inquiries, comments and suggestions on this Annual Report. Readers may please contact the office of the Chief Financial Officer:

The Chief Financial Officer
National Bank of Pakistan
2nd Floor, NBP Head Office Building, I.I. Chundrigar Road,
Karachi.
Stakeholders may also contact our Investor Relations Office

Reach us

www.nbp.com.pk

investor.relations@nbp.com.pk

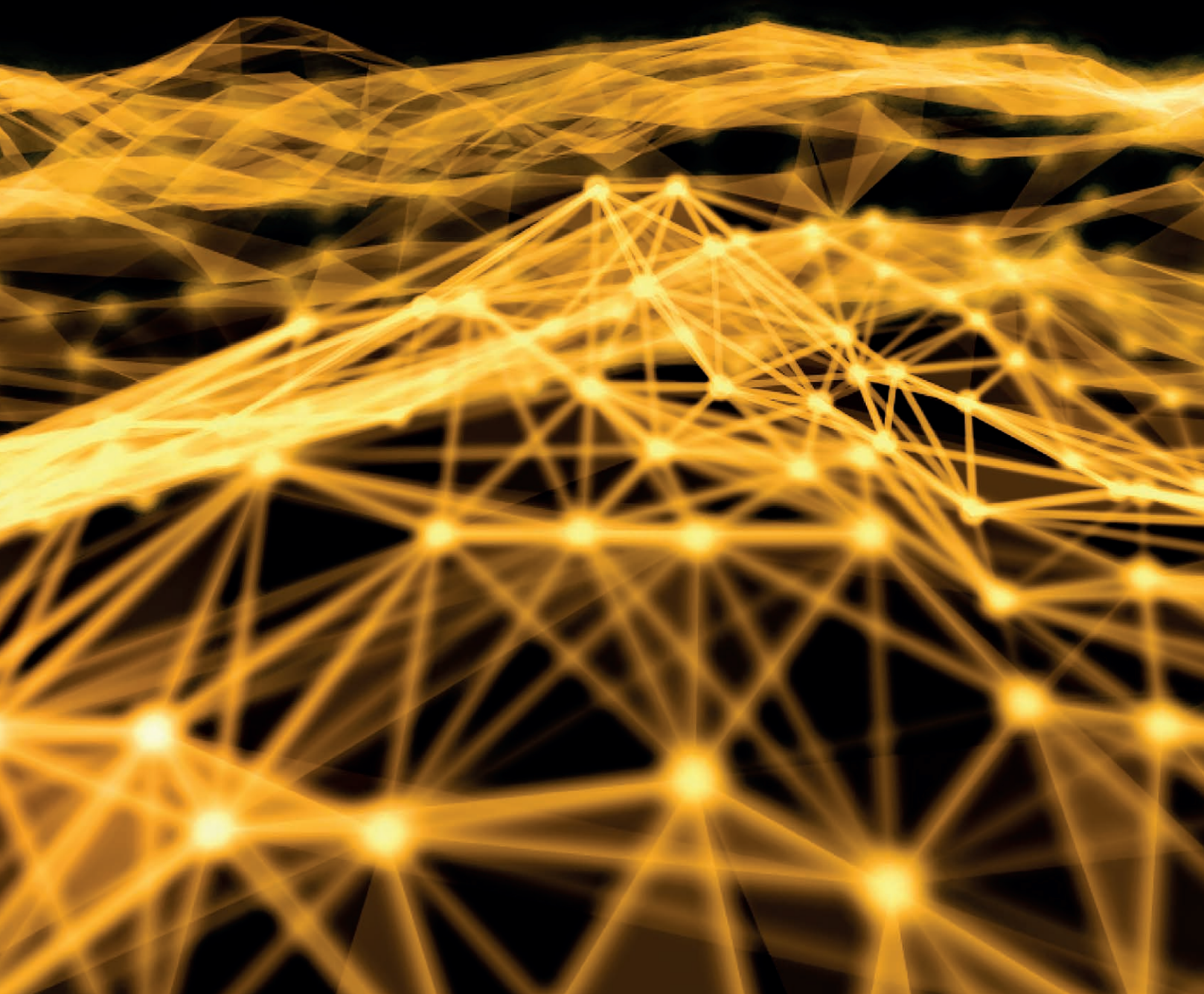
+92 21 99220100, +92 21 99062000



Building Connections That Last

Every connection holds meaning and value. At NBP, we bring trust and innovation together, building networks that transcend boundaries and spark progress.

Each interaction is a reflection of purpose, creating a future shaped by precision, collaboration, and opportunity.



Organisational Overview

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About National Bank

THE NATION'S BANK

Founded on November 9, 1949, under the National Bank of Pakistan Ordinance, 1949, the National Bank of Pakistan (NBP) is a leading financial institution, listed on the Pakistan Stock Exchange.

Headquartered at Karachi, NBP provides comprehensive commercial banking and related services both domestically and internationally. Acting as an intermediary for treasury transactions on behalf of the Government of Pakistan and serving as an agent to the State Bank of Pakistan, NBP manages a network of 1,503 branches in Pakistan and 16 international branches, including the Export Processing Zone branch in Karachi.

With an extensive network of branches, ATMs, subsidiaries, representative offices, agency partnerships, and correspondent banking relationships, the Bank is well-positioned in the global financial landscape. As of December 31, 2024, NBP boasts a total asset base of PKR 6.7 trillion, representing approximately 14% of the country's total banking industry assets. It has been designated by the SBP as a "Domestic Systemically Important Bank" (D-SIB). The Bank's operations are diversified across retail, commercial, corporate & investment, Islamic, treasury, and international banking services. Its international presence spans South and Central Asia, the Middle East, Western Europe, and North America. As of December 31, 2024, the Bank maintains an impressive domestic current and savings account (CASA) ratio of 79%.

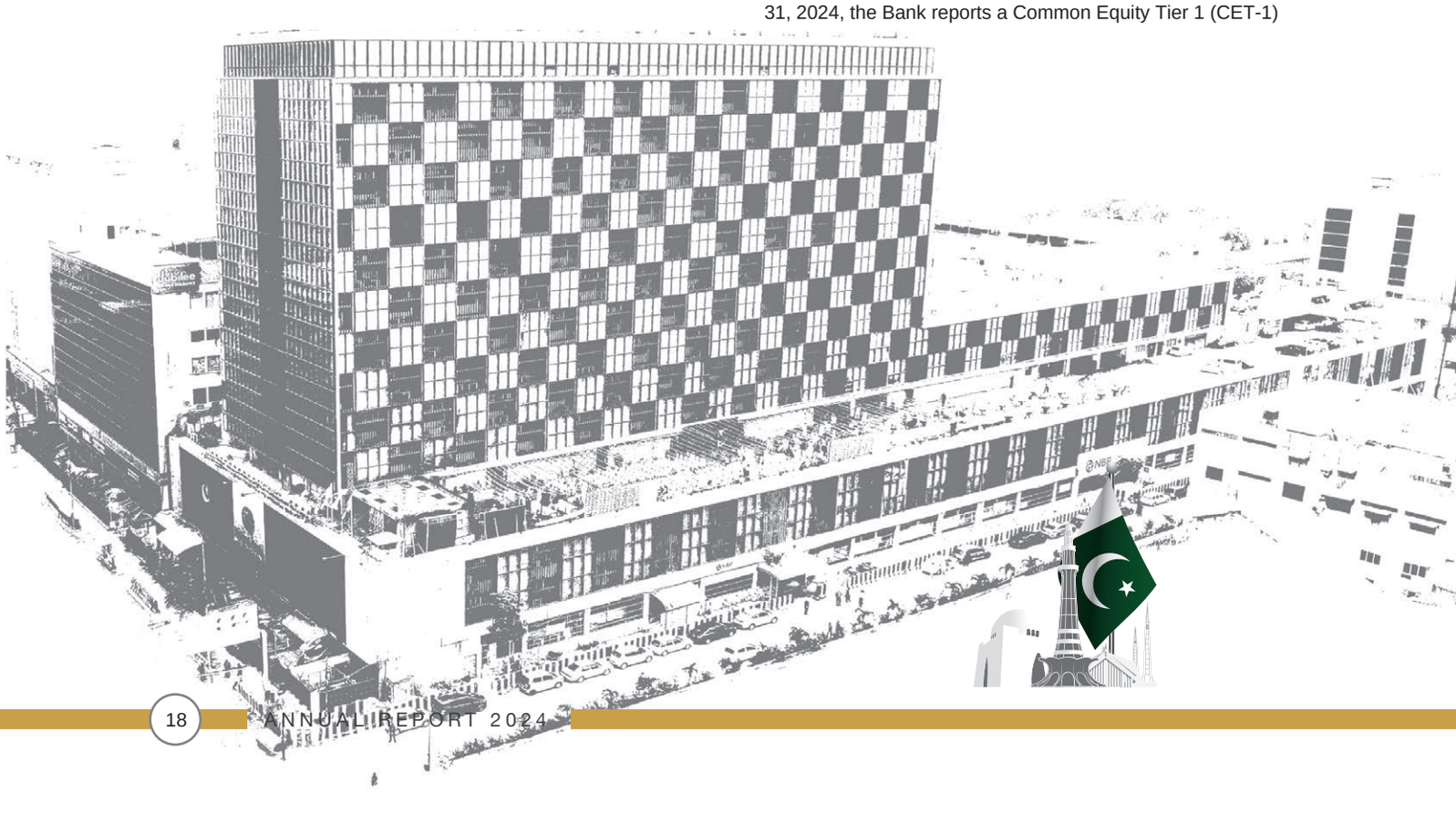
75 YEARS OF SERVICE FOR THE NATION

Following Pakistan's independence in 1947, the nation inherited a fragile financial system, necessitating the establishment of a commercial bank with a truly national vision. Since its establishment, NBP has remained dedicated to fortifying the country's financial stability and providing resilience in times of uncertainty. This commitment has persisted throughout the Bank's history, remaining steadfast through both challenging and dynamic times. With a workforce of over 15,000 full-time employees. The Bank's expansive network, comprising both domestic and international branches, agency arrangements, and business promotion offices across Europe, America, Central Asia, and the Middle and Far East, reflects its global reach. In addition, NBP has cultivated strong correspondent banking relationships, strengthening its global financial footprint. The Bank's role extends beyond that of a financial institution, positioning itself as a trusted partner in the nation's financial journey, providing unwavering support through changing times.

STRONG CAPITALIZATION AND RISK PROFILE

With a net asset value of PKR 457 Bn. NBP is the most capitalized bank in Pakistan. In line with the SBP guidelines, all locally incorporated banks are required to maintain a minimum paid-up capital (net of losses) of PKR 10 Bn. NBP's paid-up capital for the year ending December 31, 2024, stands at PKR 21.27 billion (unchanged from 2023), significantly exceeding this minimum requirement. The Bank also complies with capital ratios stipulated by the Basel framework, as periodically advised by the SBP.

As a Domestic Systemically Important Bank (D-SIB), NBP is subject to a total capital adequacy requirement of 15%, which includes a capital conservation buffer of 2.5%. As of December 31, 2024, the Bank reports a Common Equity Tier 1 (CET-1)



ratio of 20.51%, an increase from 19.16% in 2023, and a total Capital Adequacy Ratio (CAR) of 27.80%, demonstrating full compliance with the enhanced regulatory requirements. The Bank's leverage ratio at the close of 2024 stands at 3.88%, up from 3.12% in 2023, reinforcing its strong financial health. Furthermore, NBP exceeds regulatory liquidity requirements, by achieving liquidity coverage ratio of 206% (up from 176% in 2023) and net stable funding ratio of 174% (up from 159% in 2023), both surpassing the regulatory baseline of 100%.

NBP holds the highest credit rating of AAA/A1+ with a stable outlook, as awarded by both VIS and PACRA (Credit Rating Agency). This rating highlights the Bank's conservative risk approach, strong funding base, secure liquidity position, and solid domestic franchise.

DIVERSIFIED COVERAGE

NBP has achieved significant diversification across its core business segments. Beyond its geographic reach, the Bank has successfully diversified its operations in terms of customer profiles, product and service offerings, funding structures, maturity profiles, economic sectors, and income sources.

SIGNIFICANT ORGANIZATIONAL CHANGES

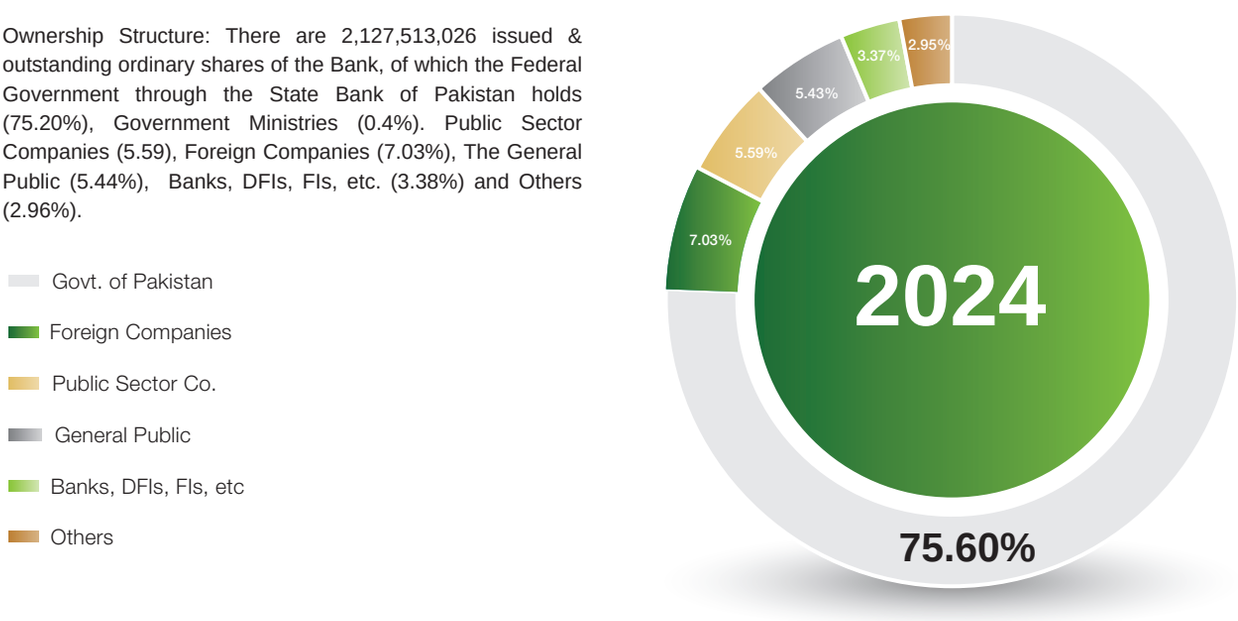
There have been no major changes in ownership or the business model of the Bank in recent years.

GROUP STRUCTURE

The Bank's influence extends into both financial and non-financial sectors through its subsidiaries, including an Asset Management Company, an Exchange Company, and a Securities Brokerage House. Despite the diverse portfolio of subsidiary operations, the parent entity—NBP—remains the primary contributor to the Group's assets and profits.

Ownership Structure

Ownership Structure: There are 2,127,513,026 issued & outstanding ordinary shares of the Bank, of which the Federal Government through the State Bank of Pakistan holds (75.20%), Government Ministries (0.4%). Public Sector Companies (5.59), Foreign Companies (7.03%), The General Public (5.44%), Banks, DFIs, FIs, etc. (3.38%) and Others (2.96%).



National Bank Of Pakistan
SUBSIDIARIES



Diverse workforce with a strong focus on nurturing local talent as a strategic priority

14,500+ Employees

Digital footprint

59%

Customers registered on Internet & Mobile Banking

Geographic footprint

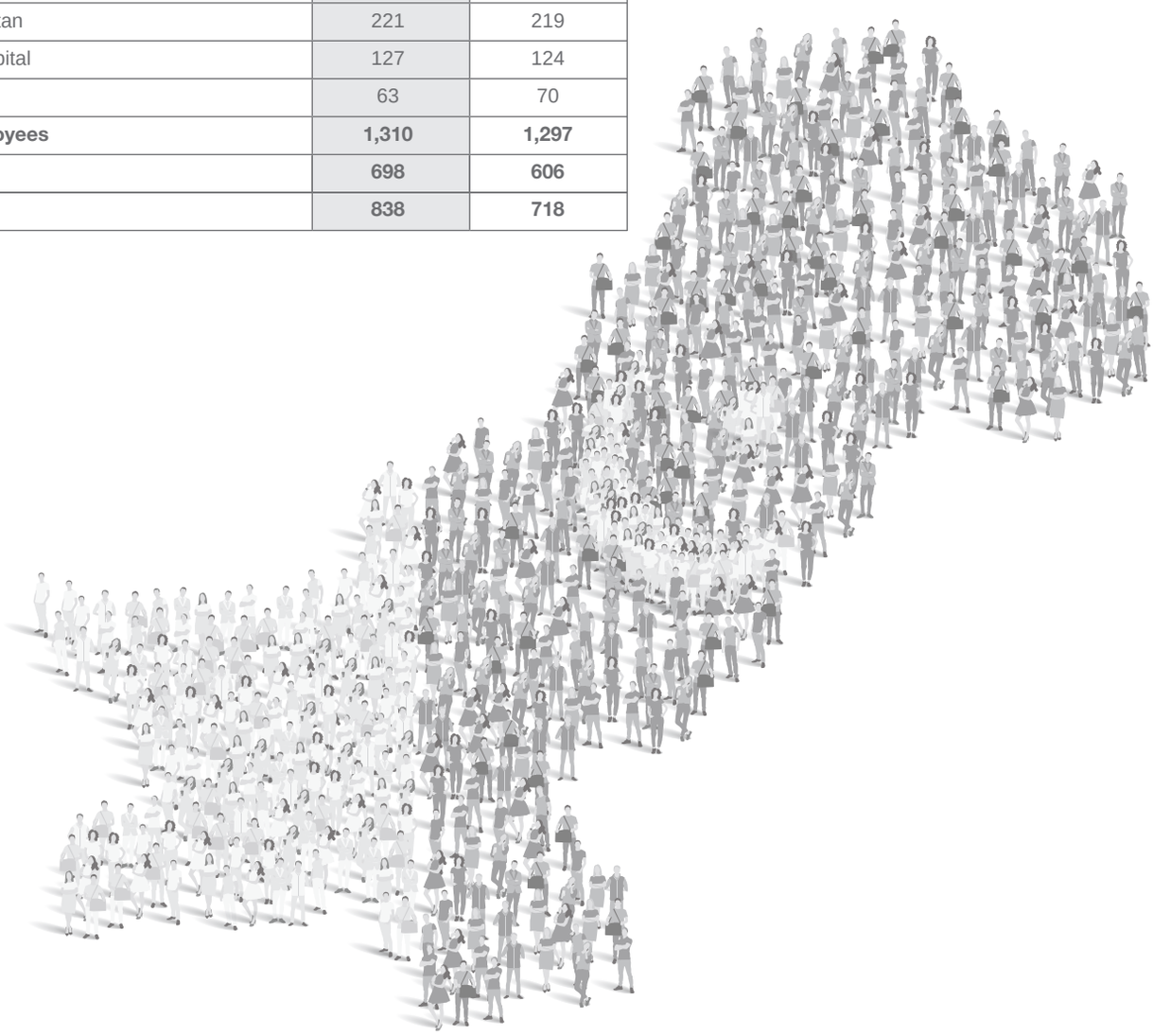
1500+

Branches in the Pakistan

15+

International branches

Our Human Capital Strength	2024	2023
Domestic Head Count (as at 31st December)	**14,602**	**14,727**
Sindh	4,725	4,829
Punjab	6,127	6,164
Balochistan	682	682
KPK	2,141	2,124
AJK	516	515
Gilgit Baltistan	221	219
Federal Capital	127	124
FATA	63	70
Female Employees	**1,310**	**1,297**
New Hiring	**698**	**606**
Attritions	**838**	**718**



2024 At a glance

Profitability

- Total Income PKR 236.3 Bn ▲ 12.90%
- Pre-Prov. Profit PKR 58.9 Bn ▼ (49.09)%
- Profit BeforeTax PKR 56.7 Bn ▼ (44.00)%
- Profit AfterTax PKR 26.9 Bn ▼ (48.18)%

Financial Position

- Total Assets PKR 6.7 Tn ▲ 1.37%
- Investments PKR 4.6 Tn ▲ 4.75%
- Advances PKR 1.7 Tn ▲ 2.52%
- Deposits PKR 3.9 Tn ▲ 5.38%

Financial Soundness

CAR	CET-1	Net Stable Funding	Liquidity Coverage	Leverage	NPL Coverage
27.80%	20.51%	174%	206%	3.88%	84.86%

Credit Rating

By
PACRA

A-1+
Short-Term

AAA
Long-Term



By
VIS

A-1+
Short-Term

AAA
Long-Term

Our National Impact

Corporate Loans
PKR 661 Bn
(11.3)%

Commercial Loans
PKR 256 Bn
106.3%

Consumer Loans
PKR 202 Bn
3.7%

Unparalleled Nationwide Coverage

1,503
Domestic Branches

1,400+
ATMs with 98% Up-time

750+
The Largest Rural Branch Network

Value Generated

PKR 1,155 Bn
7.8%
to Depositors, Suppliers, the Governments, Colleagues, Shareholders and the Community

Agriculture Loan
PKR 107 Bn
18.0%

CSR Initiatives
PKR 150 Mn
70.5%

Islamic Banking Assets
PKR 333 Bn
137.9%

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After independence in 1947, Pakistan was inherited with a very weak financial system architecture. There was an emergency need to have a commercial bank "truly National in character" and capable enough to navigate the country through then uncertain times.

This created your Bank; THE National Bank of Pakistan. Your Bank's purpose and mission has been to support the financial wellbeing of the Nation, and to provide strength in uncertain times, Then – Now – and Always

75 Years for the Nation

2024

	(PKR 'Mn)
ASSETS	6,744,078
ADVANCES	1,672,763
DEPOSITS	3,865,565

2020

	(PKR 'Mn)
ASSETS	3,008,527
ADVANCES	983,255
DEPOSITS	2,418,966

2010

	(PKR 'Mn)
ASSETS	1,037,750
ADVANCES	477,507
DEPOSITS	832,152

2000

	(PKR 'Mn)
ASSETS	371,636
ADVANCES	140,318
DEPOSITS	316,493

1990

	(PKR 'Mn)
ASSETS	135,074
ADVANCES	47,025
DEPOSITS	87,900

1980

	(PKR 'Mn)
ASSETS	32,380
ADVANCES	11,803
DEPOSITS	21,384

1970

	(PKR 'Mn)
ASSETS	5,374
ADVANCES	2,148
DEPOSITS	3,343

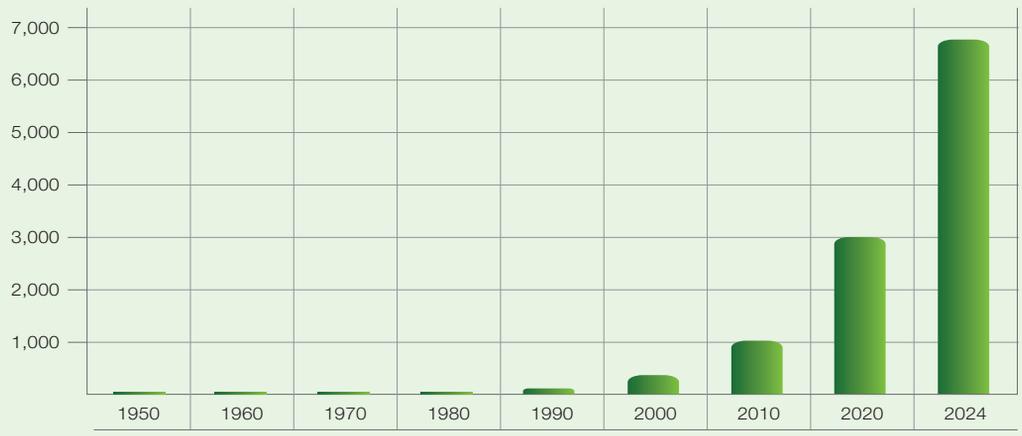
1960

	(PKR 'Mn)
ASSETS	1,253
ADVANCES	664
DEPOSITS	885

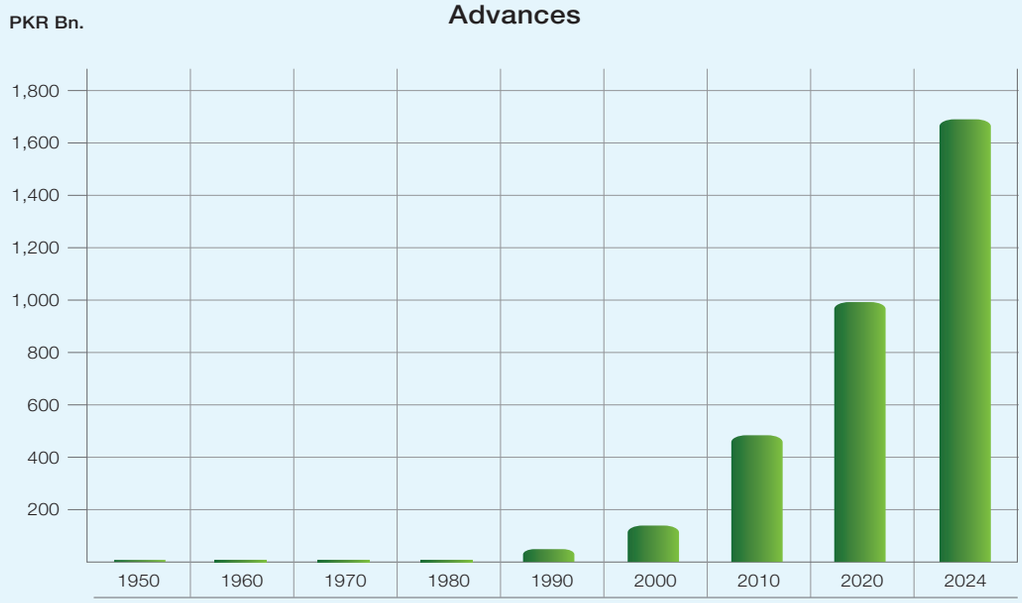
1950

	(PKR 'Mn)
ASSETS	120
ADVANCES	49
DEPOSITS	56

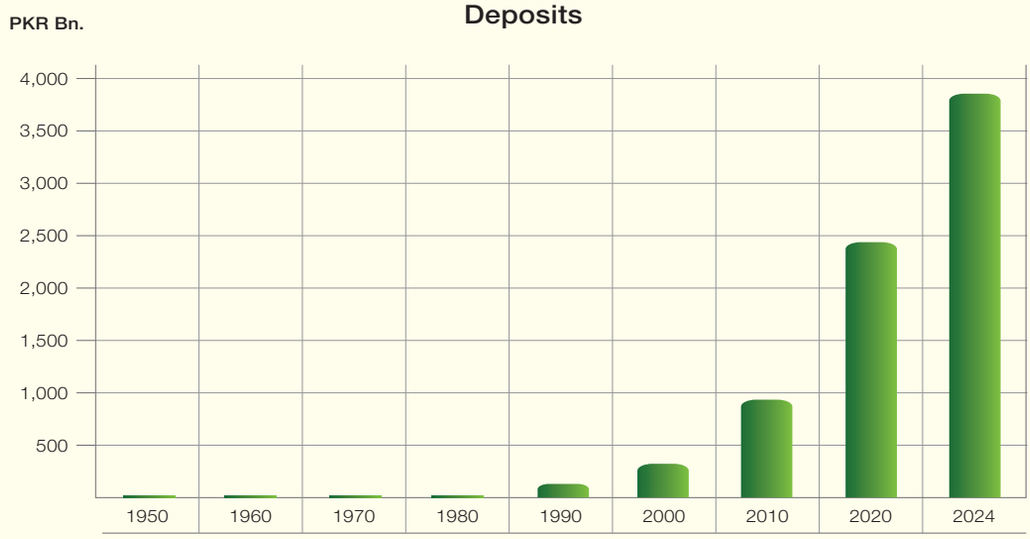
Total Assets



Advances



Deposits



7 6 5

2021 Till Now… Still Focused & Driven

» NBP was awarded for Corporate Advisory and Lending deals by CFA Society and Best Corporate Reporting by SAFA in 2024. Moreover, the long outstanding litigation related to pensionary benifits of regular employees attained finalisation with judgement from Supreme Court of Pakistan. This inflicted an upfront cost of PKR 57.5 Bn. and recurring annual impact approximately amounting PKR 10.5 Bn.

» The largest bank with highest total assets amounting PKR 6.7 Tr. in 2023. Bank also started working on derisking and consolidation of overseas operations in Central Asia, Bangladesh and USA.

» PKR 30.4 Bn as Profit After tax in 2022. The Bank achieved PKR 5 Trillion Milestone in Assets and became the largest bank in the country.

» PKR 28 Bn as Profit After tax in 2021. Achieved PKR 3 Trillion Milestone in Deposits.

» In 2020, the Bank recorded profit after-tax of PKR 30.6 billion i.e. the highest ever profit in its history.

The 2020s… Still Focused Driven

» In 2019, NBP became "PKR Three trillion" Bank by closing its balance sheet at PKR 3,124 billion.

» NBP is Awarded Agriculture Bank of the Year Award 2019

» In 2017, the Bank posted the highest ever after-tax profit of PKR 23.03 billion. NBP became the 'Two Trillion Rupee' Bank and is still growing strong.

» Reaching the 71st year of this great institution, we refreshed our Vision to become the Nation's leading Bank enabling Sustainable Growth and Inclusive Development.

» NBP made it to the Guinness Book of World Records by installing the World's Highest ATM.

» Won Bank of the Year Award 2015

» Deployed Core Banking Application.

» In 2013, with the growing popularity of Islamic Banking, NBP successfully launched its brand 'Aitemaad' to offer the true spirit of Islamic Finance.

The 2010s… Initiatives & Reforms

» The decade witnessed a restructuring program, where un-profitable and loss making branches were closed or merged. No. of Regions were reduced to 29.

» National Bank of Pakistan went public with IPO of 23.2% shares and listing at all domestic stock exchanges (2001).

» In 2002, the Bank signed an agreement with Western Union.

» The Bank's wholly-owned Exchange Company commenced operations in February 2003.

» NBP gained market recognition and received over 30 international awards.

The 2000s… New Trends and Alliances

» The 1990s was a decade of new financial reforms and initiatives.

» The Bank became a SWIFT member in 1998. The facility provides modern technology to Bank customers for prompt and convenient cash transactions and remittances round the clock.

» In 1999, the Bank celebrated its Golden Jubilee. By the close of the decade, its market share had reached around 22% and it remained the largest financial institution in the country.

4

The 1990s… Restructuring & Growth

» For the implementation of an Islamic Economic System.

» NBP introduced a separate and comprehensive procedure for banking under this system from branch level to the Head office.

» Consolidation and reorganisation resulted in closure of 286 branches; from 1,646 branches (1979) to 1,360 branches (1989).

» Overseas expansion continued with the opening of a representative office in Beijing (1981) and in Seoul, South Korea (1985); the latter was converted into a branch in 1987.

» The Bank increased its authorised and paid-up capital twice during the 80s, gaining a much broader and stronger equity base.

3

The 1980s… Restructuring & Growth

» During this period, there was growth in the branch network both at home and abroad.

» The 1970s witnessed the nationalisation of Pakistani commercial banks operating in the country.

» In 1972, the National Bank of Pakistan evolved the Supervised Agricultural Credit Program, and introduced a new methodology of viable credit for small farmers available at their doorstep.

» On January 1,1974 National Bank of Pakistan, along with 13 other scheduled Pakistani banks was nationalised.

2

The 1970s… Dawn of Developments

» In the 1960s, NBP Started the School Scheme to popularise the banking and savings habit. This scheme was offered to industrial workers and school & college students.

» Operative in 1,189 schools, deposits raised to Rs. 2.9 million. By 1969, NBP's "worker scheme" raised the total deposits by factory workers into Rs. 2.84 million and the number of accounts opened had touched 8,767.

1

The 1960s… The Beginning

» During the 1950s, the Bank undertook the expansion of the branch network.

» The first overseas branch was established in Jeddah, Saudi Arabia (1950), a branch in London (1953) and another branch in Baghdad (1957).

» The Bank took Government Treasury Operations and established currency chests at various locations. It managed currency chests or sub-chests at 57 of its offices. Deposits which constituted 3.1 percent of total deposits of all Pakistani banks in 1949 had risen to 38 percent by 1952.



A Legacy of Recognition

2024

Best Corporate Advisory and Lending Deals Award from CFA society

Best Presented Annual Report Award - South Asian Federation of Accountants (SAFA)

Best Corporate & Sustainability Report Award (Merit List) - The Institute of Chartered Accountant of Pakistan (ICAP) and The Institute of Cost and Management Accountants of Pakistan (ICMAP)

Steps toward Islamic Banking in light of judgement from Federal Shariah Court

2023

Best Presented Annual Report Award - South Asian Federation of Accountants (SAFA)

Best Corporate & Sustainability Report Award (Merit List) - The Institute of Chartered Accountant of Pakistan (ICAP) and The Institute of Cost and Management Accountants of Pakistan (ICMAP)

DIE Development Inclusion & Equality Awards.

NBP grabs five CSR Awards in the categories of Public Health / Safety Initiative, Women's Empowerment, Corporate Community Partnerships, Education/ Scholarship Program and Green Environmental Stewardship.

2022

Best Presented Annual Report Award - South Asian Federation of Accountants (SAFA)

Best Corporate & Sustainability Report Award (Merit List) - The Institute of Chartered Accountant of Pakistan (ICAP) and The Institute of Cost and Management Accountants of Pakistan (ICMAP)

2021

Corporate & Investment Bank of The Year 2021 – Asian Banking & Finance

Debt Deal of the Year 2021 – Asian Banking & Finance

Best Project Infrastructure Deal of the Year 2021 – Asian Banking & Finance

Best Corporate Sukuk 2021 - The Asset Triple A Islamic Finance

Best Trade Finance Bank in Pakistan 2021

The Asian Banker
Power Deal of the Year 2021

The Assets Triple A Infrastructure Awards

Best Corporate & Investment Bank in Pakistan 2021

The Asiamoney
Best Bank 2021
Global Finance Magazine

Transaction of the Year 2021-CFA Society Pakistan

Best Bank for Agriculture
Institute of Bankers Pakistan

Best Presented Annual Report Award - SAFA

2020

Asia Pacific Award for Onshore Wind Deal - by IJ Global Project Finance & Infrastructure Journal

Corporate Client Initiative of the Year - by Asian Banking & Finance

Best Bank for Agriculture Award - by Pakistan Banking Awards

Innovative Deal of the Year - by Asian Banking & Finance

Best Corporate & Investment Banking Services - by The FPCCI

Best Trade Finance Provider in Pakistan - by Global Finance Magazine

Best Presented Annual Report Award (Runners up) - by South Asian Federation of Accountants

Best Corporate Finance House of the Year (Runners up) - by CFA Society Pakistan

2019

Best Bank for Agriculture 2019 - Pakistan Banking Awards

IJ Global Asia Pacific Award 2019 - Onshore Wind Deal

2018

Asian Development Bank Annual Trade Finance Award for 2018

Gold Medal from FPCCI for Best Performance in Banking & Finance Sector

Consumer Finance Product of the Year awarded by Asian Banking & Finance

Rural Bank of the Year awarded by Asian Banking & Finance

2017

Set a Guinness World Record for installing the World's Highest ATM

Pakistan Domestic Project Finance Bank of the Year 2017 - by Asian Banking & Finance Magazine

Trade Deal of the Year awarded by Trade Finance Program

2015

Bank of the Year 2015 awarded by The Banker

1-Link Certificate of Achievement 2015 awarded by Top Three Issuing Banks

3rd FPCCI Achievement Award 2015 presented by Banking & Financial Services

FPCCI Gold Medal Award 2015

2014

2nd FPCCI Achievement Award for 2014 – Banking & Financial Services

37th FPCCI Award 2014 – Corporate Social Responsibility

2013

Domestic Retail Bank of the Year, Pakistan 2013 awarded by Asian Banking & Finance Magazine, owned by Charlton Media Group, Singapore

Listed in top 1000 banks of the world for the year 2013 by The Banker

1st Achievement Award – Gold Medal on Banking and Financial Services – presented by Federation of Pakistan Chamber of Commerce and Industries (FPCCI)

2012

Bank of the Year awarded by The Banker.

3rd Global Human Resource Excellence Award 2012 administered by Global Media Links in collaboration with Better Pakistan

Listed in Top 1000 Banks of the World for the Year 2012 by The Banker

2011

2nd Global Human Resource Excellence Award 2011 administered by Global Media Links in collaboration with Better Pakistan

Pakistan: Transaction of the Year Award for 2011 presented by Islamic Finance News

Transaction of the Year 2011 awarded by CFA Society of Pakistan for the private placement and offer for sale of Engro Foods Limited
Bank of the Year 2011 awarded by The Banker

Top Corporate Finance House (Fixed Income) for 2011 awarded by the CFA Association of Pakistan

The Best Earning Markets Bank 2011 awarded by Global Finance Magazine

2010

Bank of the Year for 2010 awarded by The Banker.
Runner-up of Corporate Finance House (Fixed Income) Award for the Year 2010 presented by CFA Society Pakistan

President of Pakistan Trophy awarded by FPCCI in 2010

Prime Minister of Pakistan Trophy awarded by LCCI in 2010

2009

The only Pakistani Bank listed in the top 500 banks of the world by The Banker. Set a Guinness World Record for planting 532,887 mangrove saplings in a single day

2008

Bank of the Year awarded by The Banker World's Best Foreign Exchange Bank 2008 awarded by Global Finance

2007

Best Return on Capital for 2007 amongst all Banks in Asia by The Banker

2006

Best Emerging Market Bank from Pakistan for 2006 named by Global Finance



AWARDS 2024


ENVIRONMENTAL CSR INITIATIVE AWARD
CLIMATE CHANGE ADAPTATION AWARDS
CLIMATE CHANGE & GREEN FINANCE SUMMIT 2024
Presented to
NBP


CFA Society Pakistan
21st Annual Excellence Awards
National Bank of Pakistan
Best Transaction Award FY2023
RUNNER-UP
13 September 2024
Karachi


FBR
Excellence Award
PRESENTED TO
NATIONAL BANK OF PAKISTAN
COMPLIANT TAXPAYER
FROM
MUHAMMAD SHEHBAZ SHARIF
PRIME MINISTER
ISLAMIC REPUBLIC OF PAKISTAN


PAKISTAN ENVIRONMENTAL AWARD 2024
COMMUNITY ENGAGEMENT
Presented to
NBP


10th International Award on
ENVIRONMENT, HEALTH & SAFETY
AUGUST 22ND, 2024
AT MOVENPICK HOTEL KARACHI
ORGANIZED BY:
2024
AWARDS
Awarded to
National Bank of Pakistan
Category
Environmental Management


CSR
16th Corporate Social Responsibility Awards 2024

2024



75th Annual General Meeting


Celebrating 75 Years of Excellence NBP


Half-Yealy Corporate Briefing


Silk Road Collaboration

Calendar Of Key Events

Annual Financial Statements 2023 Approved by the BoD
February 22, 2024

Analyst Briefing on Annual Financial Statements 2023
February 29, 2024

12th Annual Islamic Finance Expo & Conference
in February 2024

75th Annual General Meeting
March 28, 2024

1st Quarterly Financial Statements Approved by the BoD
April 26, 2024

NBP's success on World Snooker Champion platform
for the third time

76th Independence Day Celebrated at the Bank's Head Office
August 14, 2024

NBP Attends Policy Roundtable on Cyberspace
and International Law

Half-Yearly Financial Statements Approved by the BoD
August 28, 2024

NBP MoU with Pakistan Air Force for Housing Finance and
Remittances

Analyst Briefing on 2nd Quarterly Financial Statements
September 02, 2024

3rd Quarterly Financial Statements Approved by the BoD
October 29, 2024

NBP Employee Banking Agreement with
Civil Aviation Authority

Strategic Collaboration with Silk Road Industry
Investment Management Co. Ltd

Strategic Collaboration with Silk Road Industry Investment Management Co. Ltd (SRIIMCO)



Nation's Bank Partners with 1LINK and Mastercard for Co-badged Debit Card Issuance



CFA Society Pakistan

NBP Recognized as Runner-Up for Best Transaction by CFA Society Pakistan

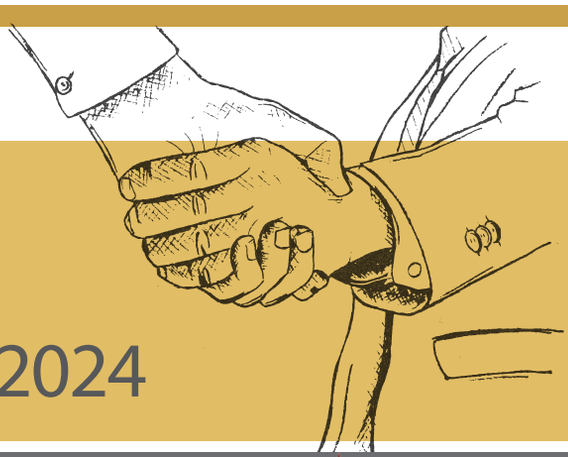


Mr. Rehmat Ali Hasnie, President & CEO National Bank of Pakistan (NBP) sharing insights on financing the future MSME's; Agriculture & Digital Transformation at 5th DIGIBAP Summit.



NBP & CAA Signs Employee Banking Agreement





NBP Strengthens Partnerships with **Key Agreements & MOUs in 2024**

NBP continues to reinforce its commitment to financial inclusion, remittances, and sectoral modernization through a series of strategic agreements and MOUs in 2024. These partnerships span various sectors, from housing finance to remittances, showcasing NBP's efforts to drive growth, innovation, and development across the country. Below are the key highlights:



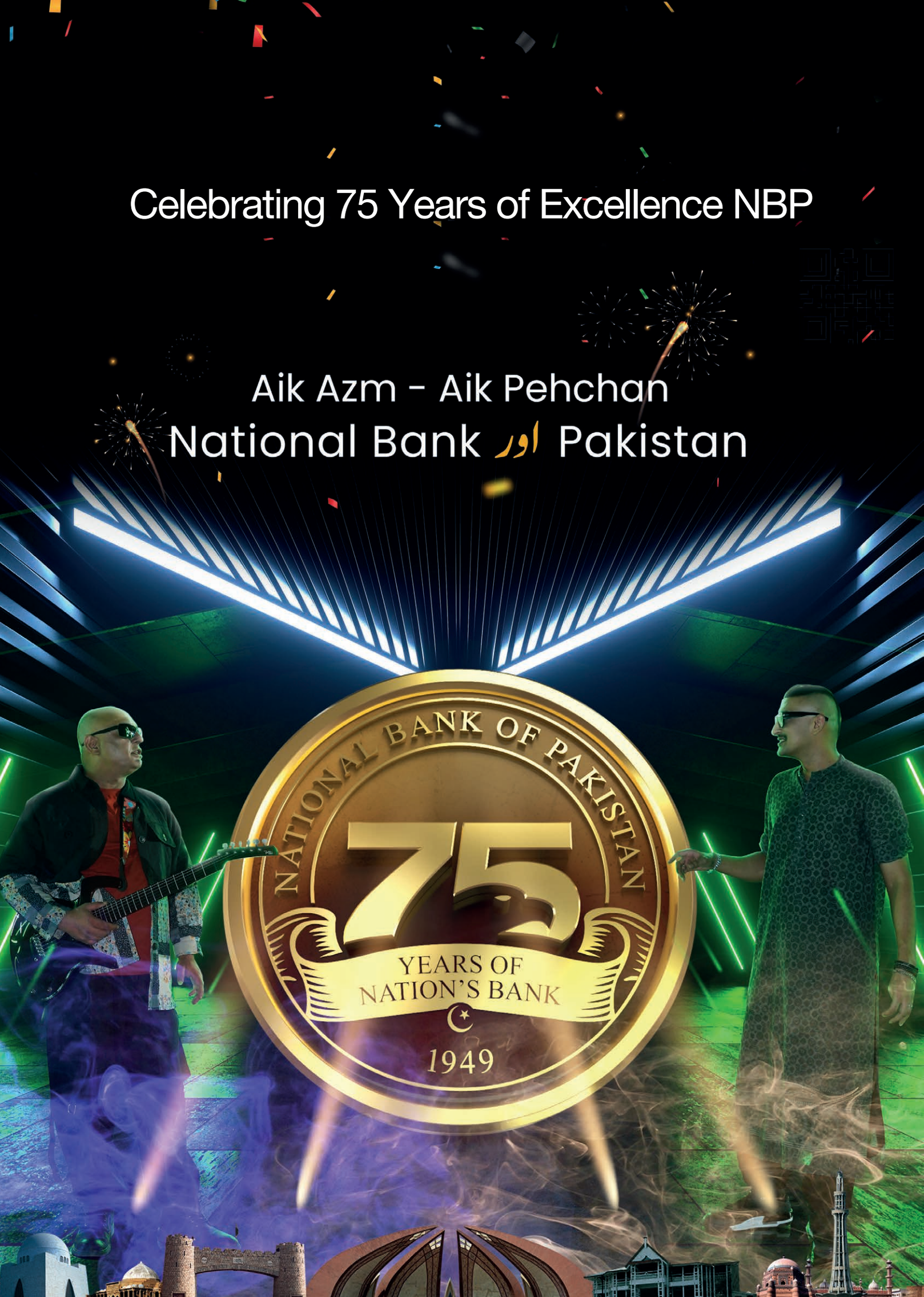
12th Annual Islamic Finance Expo & Conference

NBP Aitemaad Islamic Banking participated in 12th Annual Islamic Finance Expo & Conference (IFEC-2024). The event had different sessions which were conducted and moderated by Banking industry experts and one of the session "Conversion Roadmap, Growth and Challenges of Non-Banking Financial Institutions" was moderated by Mr. Mufti Ehsan Waquar, Chairman Shariah Board.

NBP Aitemaad Islamic Banking also put a stall to promote NBP Islamic Banking brand and showcased its products and services with the stakeholders.






Celebrating 75 Years of Excellence NBP
Aik Azm - Aik Pehchan
National Bank اور Pakistan
NATIONAL BANK OF PAKISTAN
75
YEARS OF
NATION'S BANK
1949

Corporate Information

Name of the Company

National Bank of Pakistan

Accounting Year End

December 31

Legal Form

A listed Public Limited Company established in Pakistan on November 9, 1949 under the National Bank of Pakistan Ordinance, 1949

Auditors

A.F. Ferguson & Co. Chartered Accountants
BDO Ebrahim & Co. Chartered Accountants

Board of Directors

Mr. Ashraf Mahmood Wathra, Chairman
Mr. Rehmat Ali Hasnie, President/CEO
Mr. Farid Malik, Director
Mr. Amjad Mahmood, Director
Mr. Ali Syed, Director
Mr. Nasim Ahmad, Director
Mr. Ahsan Ali Chughtai, Director*

**Retired on 20-06-2024*

Registrar and Share Registration Office

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

Board Committees

Board Audit Committee
Board HR & Remuneration Committee
Board Technology & Digitalisation Committee
Board Strategy Committee
Board Inclusive Development Committee
Board Risk & Compliance Committee
NY Governance Council *(Sub-Committee of BRCC)*

Registered and Head office:

NBP Building I.I. Chundrigar Road,
Karachi, Pakistan

Phone: 92-21-99220100 (30 lines),
Phone: 92-21-99062000 (60 lines),
Phone: Banking: 111-627-627
UAN: 111-111- 500

Chief Financial Officer

Mr. Abdul Wahid Sethi, FCA

Company Secretary

Mr. Syed Muhammad Ali Zamin

Legal Advisor

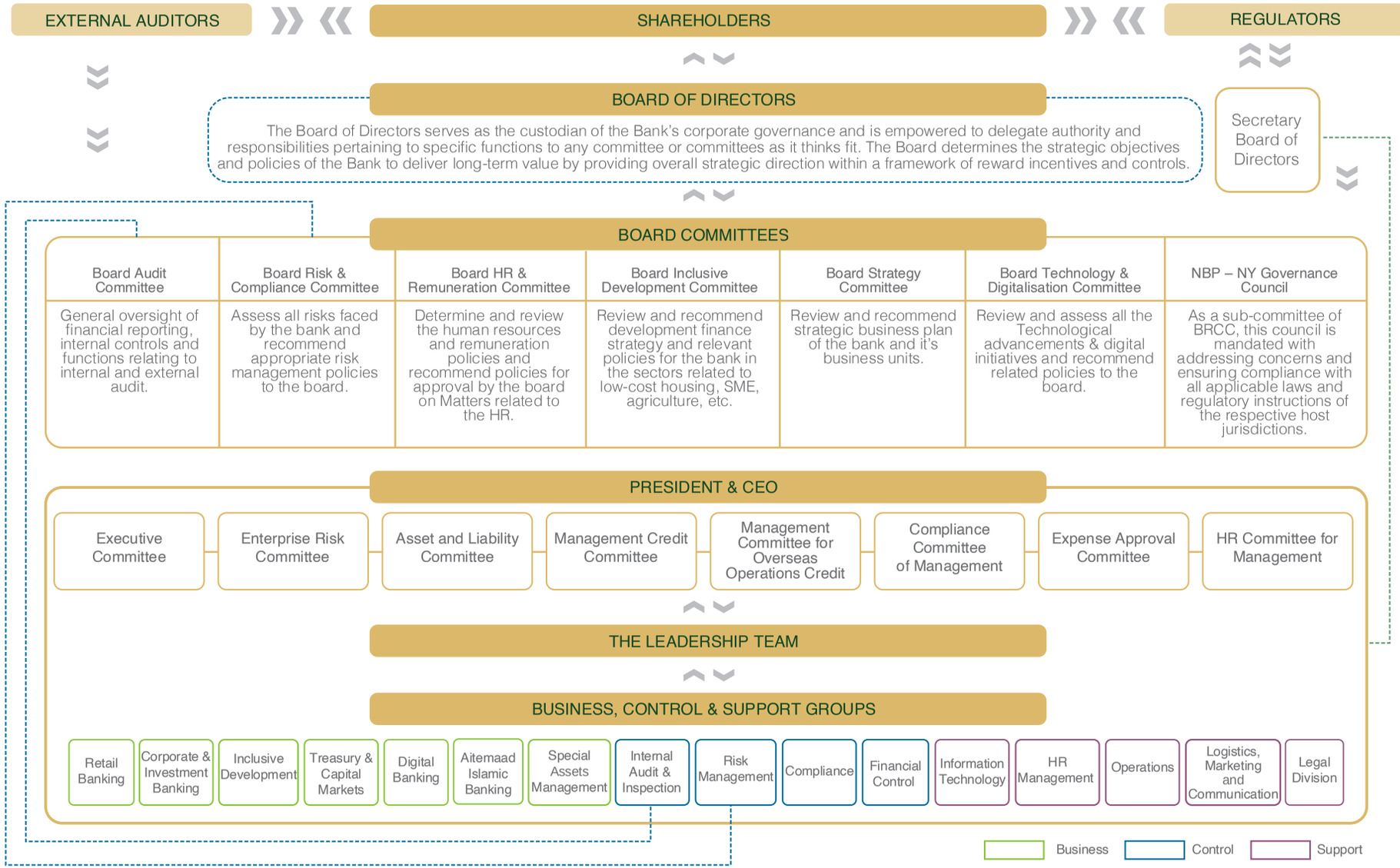
Khalid Anwar & Co.Advocates &
Legal Advisors

Website

www.nbp.com.pk
Stock Exchange Listing
Pakistan Stock Exchange Symbol - “NBP”

GOVERNANCE

NBP governance structure is designed to ensure an appropriate balance of authority and decision-making, driving accountability, transparency, and integrity across the organisation. The Bank's governance structure is set out below:



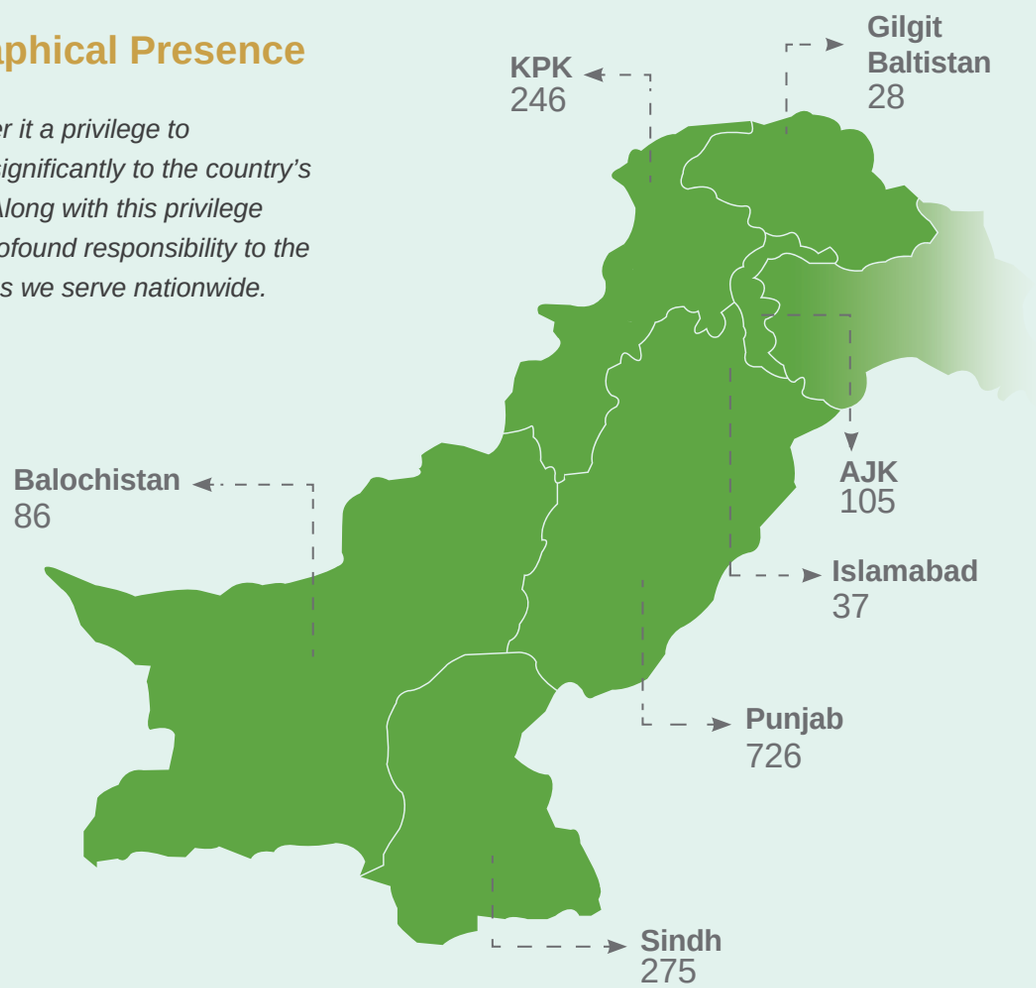
Coverage Across the Nation

The bank has an extensive branch network that spans across the entire country, reaching even the most remote rural areas where other banks are absent. Our business operates through a diverse and integrated structure, offering banking and non-banking financial services through domestic and international branches, subsidiaries, and partners.

Recent trends like urbanization, a growing middle class, advancements in technology, and increased local and global business connections are fueling the expansion of both our traditional and Islamic banking services.

Geographical Presence

We consider it a privilege to contribute significantly to the country's economy. Along with this privilege comes a profound responsibility to the communities we serve nationwide.



Category	Br.
Retail	1,290
Corporate	6
Islamic	207
Overseas	16
Total	**1519**

Province	Br.
Punjab	726
Sindh	275
KPK	246
AJK	105
Balochistan	86
Islamabad	37
Gilgit Baltistan	28
Total	**1503**

Global Coverage

Additionally, the Bank has established an international presence with branches and subsidiaries in regions including the Far East, Middle East, South Asia, Central Asia, Europe, and North America.



Pakistan | USA | Azerbaijan | Kyrgyzstan | South Korea | Japan

Hongkong | Afghanistan | Germany | Bahrain | Saudi Arabia | Bangladesh

Products & Services

NBP has a wide range of products, of which some products along with their characteristics are described below.

NBP Choice Current Account

NBP Choice Current Account, with its two variants (NBP Choice Business & Individual Current Account), is a Checking Current Account for those individuals/businesses who want to avail free services (Cheque Book, Debit Card, Lockers, etc.) on maintaining certain monthly average balances in their current account.





NBP Asaan Account

NBP Asaan Account is shaped to create hassle free environment to unbanked individuals across the country with simplified account opening procedure. It is available in both; Current & Saving categories and customers can choose as per their needs.

NBP Premium Saver Account

NBP Premium Saver Account is for small savers who want to earn more than PLS rate on their saving accounts. Profit rate Up to 1% in excess of the normal PLS Savings account rate is offered on maintaining balance of Rs.20,000 – 1 Million





National Income Daily Account (NIDA)

NIDA is a remunerative current account for those retail / institutional entities who wish to earn profit on their transactional accounts. Normal PLS Profit rate is applicable and paid on half-yearly basis, while special profit rates (in excess of PLS rate) are offered on amounts larger than Rs.10 million (Monthly Average Balance).

Premium Aamdani Certificate (PAC)

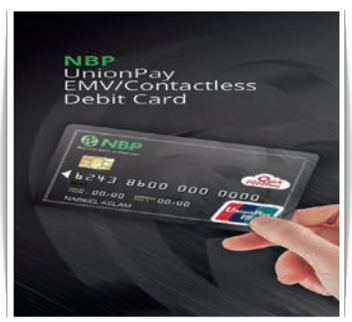
NBP PAC is a 5 – year certificate for those small ticket size individuals who wish to avail a higher return on their investment on monthly basis. Individuals having single or joint accounts, Clubs, Societies, Associations, Trusts, Charitable Institutions, and Educational Institutions may invest in PAC.



NBP Plus Term Deposit Certificate



NBP Plus TDC offers its customer an investment opportunity for up to 10 years with tier-based profit payment structure depending on amount and tenor. It caters to those high net worth individuals and corporate customers who wish to avail attractive return on their investment upon maturity of the certificates.



NBP UnionPay Debit Card

NBP offers UnionPay International (the Largest Card Issuer in the World) Debit Cards – the bank's 1st chip-based Debit/ATM Card. It allows customers to enjoy unmatched security, convenience and 24/7 accessibility to their funds anywhere across the globe. The EMV chip debit card can be used at merchants across the globe to pay directly from customer's bank account for shopping, dining, fuel, travel, etc. the Debit Card also features the GoLootlo logo which enables to avail over 15,000 merchants discounts ranging from 5% to 50% at no additional cost across Pakistan wherever the GoLootlo logo is displayed.

NBP PayPak Debit Card

NBP offers PayPak Debit Cards – Pakistan's Domestic Payment Scheme, which can be used at merchants in Pakistan to pay directly from customer's bank account for shopping, dining, fuel, travel, etc. the Debit Card offers discounts up to 50% at no additional cost across Pakistan wherever PayPak or GoLootlo logos are displayed.





NBP Digital (Mobile Application)

NBP digital is free, secure and user-friendly smartphone app for all banking needs. Using this application, customers can transfer funds on the go, pay bills with ease, pay to CNIC holders across Pakistan, etc. With Huawei Pay, customers can make payments with their Huawei & Honor Smart Phones by just adding NBP UPI Virtual card to Huawei Pay to pay in stores with just a tap. Both QR and NFC payments are supported by Huawei Pay.

NBP Digital Internet Banking

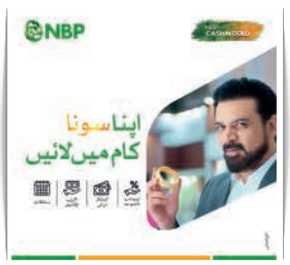
NBP Internet Banking is free, secure and user-friendly web portal for all banking needs. This service is tailored for the customers to perform various banking activities like fund transfer, bill payments, airtime top-ups, etc.



NBP Advance Salary



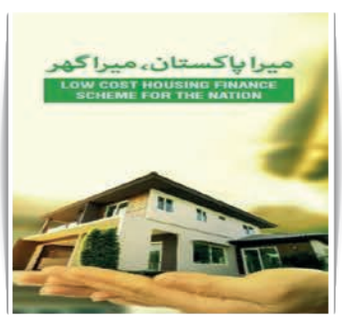
NBP Advance Salary is a personal loan facility to salaried individuals for their payment of personal needs & expenses. NBP account holders who are permanent employees of federal/provincial government, semi government & autonomous bodies and receiving their salaries through NBP can avail this loan. The customer can avail maximum limit up to Rs. 3 Million, subject to product policy & criteria, with flexible tenure maximum up to 4 years and monthly installments will directly be recovered by debiting your Salary Account maintained with NBP.



NBP Cash n Gold financing

NBP Cash n Gold financing is carried out in Pakistan by Banks/DFI from many decades which encourage the Gold ornaments holders to meet their unforeseen needs quickly by pledging their Gold ornament with the banks/DFIs. NBP Cash n Gold is a demand finance product offered against pledge of Gold ornaments for 01 year and 03 years. The Maximum limit is up to Rs. 7 (M) with lowest markup rate in the industry.

Low Cost Housing



Low Cost Housing is Government Markup Subsidy Scheme, which also aims to provide shelter/House facility on subsidies rate. The major business Product of G-MSS is Home Purchase, Home Construction, Extension & expansion & Land Purchase Plus Construction. Minimum tenor of G-MSS is 05 years and maximum upto 20 years depending upon the choice of customer.



NBP Saibaan

NBP Saibaan is housing finance scheme and launched in 2004, the core function of this scheme is to improve the living conditions of the people and to provide shelter/housing facilities. The Major Business Products of housing are Home Purchase Finance, for the purchase of ready residential houses or apartments, Home Construction Finance, for construction and extension of self-owned residential property, Land Purchase + Construction, for purchase of residential plots and subsequently construction thereon it, Home Improvement Finance, for modification/ renovation and or minor extension/ addition in a house or apartment & Balance Transfer Facility, for taking over/ swapping house loan from other financial institutions. Minimum tenor of Saibaan housing finance is 03 years and maximum upto 20 years depending upon the choice of customer.

NBP Sunehri Sahulat



NBP Sunehri Sahulat Running finance against gold will provide opportunity to applicant to use this account as a transactional account making deposit & withdrawal of required amount from sanctioned limit and pay markup only on utilized amount for 01 year and 03 years. The Maximum limit is up to Rs. 7 (M).

SME & Commercial Financing



Prime Minister's Kamyab Jawan Scheme

To uplift the youth of the country by offering opportunities to utilize their entrepreneurial potential to the fullest, the Government of Pakistan has launched the "Kamyab Jawan-Youth Entrepreneurship Scheme". These subsidized loans are available for both young entrepreneurs as well as existing SMEs. NBP, being the Nation's bank is playing the leading role in making this scheme a success.



SBP Financing Facilities

SBP has taken various initiatives to enhance the capacity of the masses and the financial institutions through numerous initiatives with the motive to assist financial inclusion and poverty alleviation efforts that supplement economic growth and stability across the country. NBP offers the following SBP schemes for supporting the financial inclusion initiative in the country.



Credit Guarantee Scheme for Small and Rural Enterprises

The borrowers under the Scheme will be micro, small enterprises and farmers with economic landholding without any specific regional or cluster restrictions, across the country. The borrower shall preferably be a fresh customer; however, an existing borrower can also be extended additional lending facility under the Scheme.



Credit Guarantee Scheme for Women Entrepreneurs

Financing shall be available to women entrepreneurs in the underserved areas for a period of upto 5 years, including a maximum grace period of upto six months.



Long Term Financing Facility for Plant & Machinery

Long term local currency finance for imported and locally manufactured new plant and machinery to be used by the export-oriented projects. Sectors allowed as per the Export Policy Order issued by the Ministry of Commerce from time to time are eligible under the scheme.



Refinancing Facility for Modernization of SMEs

Financing under this scheme is available to a wide range of SME Clusters / Sectors. Only SME borrowers, as defined in Prudential Regulations for SMEs, shall be eligible to avail financing facilities under the Scheme for purchase of new imported/local plant & machinery for BMR of existing units and setting up of new SME units.



Scheme for Financing Power Plants using Renewable Energy

The scheme is available for power generated by using alternative / renewable energy sources (solar, windmill, hydro, biogas, bio-fuels, bagasse cogeneration, and geothermal as fuel).



Financing Facility for Storage of Agricultural Produce

The financing is available on long term basis for the establishment, expansion, balancing, modernization and replacement (BMR) of Steel/Metal/Concrete Silos, Warehouses & Cold Storage facilities for storing agricultural produce.



Export Refinance Scheme

Export Refinance Scheme was introduced with an aim to boost exports of non-traditional items in Pakistan. The scheme is bifurcated in two parts i.e. Part I & Part II. Under Part-I, the finance is given on pre as well as post shipment basis for the export of eligible commodities. This facility is provided on a case-to-case basis. Under Part-II, an exporter may avail the export finance limit, based on his last year's export performance in respect of eligible commodities.

Agriculture
Financing



NBP Kisaan Dost

Agriculture Production Loan (Agriculture Input)

NBP Kisaan Dost Agriculture Production Loan is a short-term finance facility offered by the Bank for agricultural crop inputs like seed, fertilizer, insecticides, pesticides, and others SBP eligible items needed for growing crops, vegetables, flowers, orchards etc.

Agriculture Development Scheme

NBP Kisaan Dost Agriculture Development Scheme is a term financing facility designed to carry out work on and off the farm and includes financing for the land improvement, reclamation of land and construction of mini dams / water reservoirs for rainfed areas.

Dost Tubewells & Farm Vehicles

NBP Kisaan Dost Scheme for Dost Tube wells provides financing for the purchase of Tubewell and Tractors. This scheme is a term loan facility also designed to serve the vehicle financing needs of farmers. This loan is financed for the purchase of pickups / trucks for transportation of Agri produce from field to market and vice versa.

Godown Construction Scheme

This scheme is a term loan financing facility designed to provide financing for the construction of Godowns/silos on farms, fixed capital for storage of raw agricultural farm produce, and for scientific storage etc.

Fisheries Scheme

NBP Kisaan Dost Fisheries Scheme is designed to facilitate farmers in meeting short-term working capital needs as well as term loan investment for the purchase of new boats, trawlers, imported engines and other equipment for fishery farmers used for developing fisheries farms and fish ponds in the country.

Financial Calendar

2024

Annual Corporate Briefing	29th February, 2024
75th Annual General Meeting	28th March, 2024
1st Quarterly Financial Statements Approved by the BoD	26th April, 2024
Half-Yearly Financial Statements Approved by the BoD	28th August, 2024
Half Yearly Corporate Briefing	02nd September, 2024
3rd Quarterly Financial Statements Approved by the BoD	29th October, 2024
Annual Financial Statements 2024 Approved by the BoD	28th February, 2025

2023

Annual Corporate Briefing	10th March 2023
74th Annual General Meeting	30th March, 2023
1st Quarterly Financial Statements Approved by the BoD	27th April, 2023
Half-Yearly Financial Statements Approved by the BoD	29th August 2023
3rd Quarterly Financial Statements Approved by the BoD	24th October, 2023
Annual Financial Statements 2023 Approved by the BoD	22nd February 2024

2022

Annual Corporate Briefing	8th March 2022
73rd Annual General Meeting	30th March, 2022
1st Quarterly Financial Statements Approved by the BoD	28th April, 2022
Half-Yearly Financial Statements Approved by the BoD	17th August 2022
3rd Quarterly Financial Statements Approved by the BoD	28th October, 2022
Annual Financial Statements 2022 Approved by the BoD	28th February 2023

2021

Annual Corporate Briefing	24th February 2021
72nd Annual General Meeting	29th March 2021
1st Quarterly Financial Statements Approved by the BoD	28th April 2021
Half-Yearly Financial Statements Approved by the BoD	26th August 2021
3rd Quarterly Financial Statements Approved by the BoD	27th October 2021
Analyst's Briefing on 3rd Quarterly Financial Statements	01st November 2021
Annual Financial Statements 2021 Approved by the BoD	8th March 2022



Lighting the Way, Leading with Purpose

Leadership is all about clarity, resilience, and empowerment. Like a guiding light, we take responsibility, inspire progress, and serve with integrity—illuminating the path to a stronger financial future for Pakistan.

Leadership Insights

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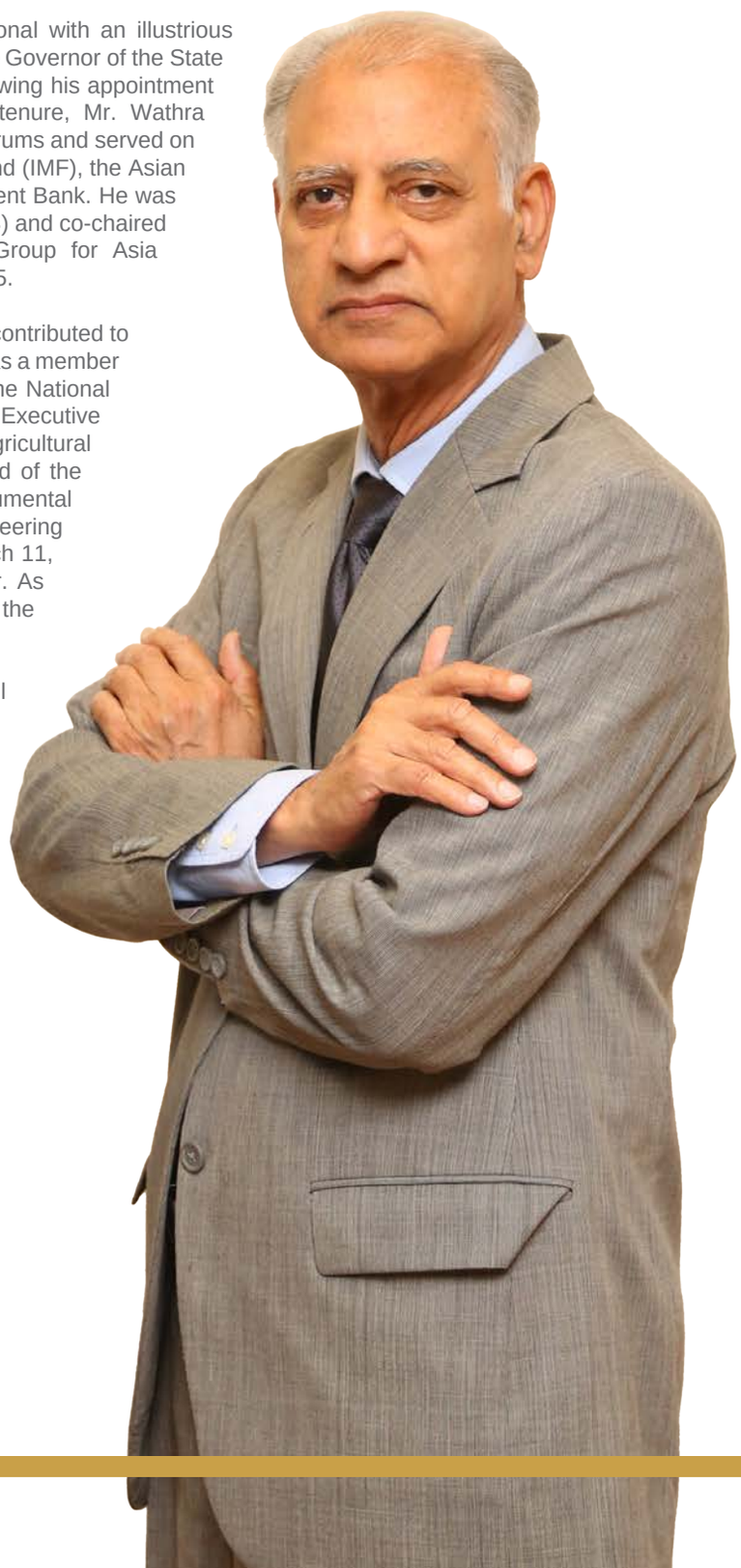
Board Of Directors

Mr. Ashraf Mahmood Wathra

| Chairman |

Board Committee Membership

BHRRC | BIDC | BTDC



Mr. Ashraf Mahmood Wathra is a distinguished professional with an illustrious career in the banking and financial sector. He served as the Governor of the State Bank of Pakistan (SBP) from April 29, 2014, to 2017, following his appointment as Acting Governor on January 31, 2014. During his tenure, Mr. Wathra represented Pakistan at several prestigious international forums and served on the Boards of Governors for the International Monetary Fund (IMF), the Asian Clearing Union (ACU), and the ECO Trade and Development Bank. He was also a council member of the Financial Stability Board (FSB) and co-chaired the Financial Stability Board - Regional Consultative Group for Asia (FSB-RCG Asia) in Basel, Switzerland, starting July 1, 2015.

Within Pakistan, Mr. Wathra held several critical roles that contributed to the financial stability and development of the country. He was a member of the Monetary and Fiscal Policies Coordination Board, the National Financial Inclusion Strategy (NFIS) Council, the National Executive Committee (NEC) on Anti-Money Laundering, and the Agricultural Credit Advisory Committee (ACAC). He chaired the Board of the Institute of Bankers in Pakistan (IBP) and played an instrumental role in advancing the NFIS through his leadership in its Steering Committee. Mr. Wathra's journey with SBP began on March 11, 2013, when he assumed the position of Deputy Governor. As Governor SBP, he was awarded "Central Bank Governor of the Year 2016" by Euromoney.

Before joining SBP, Mr. Wathra had a highly successful international banking career spanning several decades. He held leadership positions in various regulatory regimes, including Singapore, Hong Kong, Australia, Bangladesh, and Sri Lanka. Notably, he served on the Boards of Habib Finance International Hong Kong and Habib Finance Australia, and was the First Vice Chairman of Himalayan Bank Nepal for several years. His banking career began in 1978 with Grindlays Bank Plc after completing his Master of Business Administration (MBA).

Throughout his career, Mr. Wathra demonstrated exceptional leadership, driving initiatives that strengthened Pakistan's financial regulatory framework, enhanced financial stability, and promoted economic development. His extensive international experience, combined with his dedication to financial governance and regulation, has earned him a highly respected position within the global financial community.

Mr. Rehmat Ali Hasnie

| President & CEO |

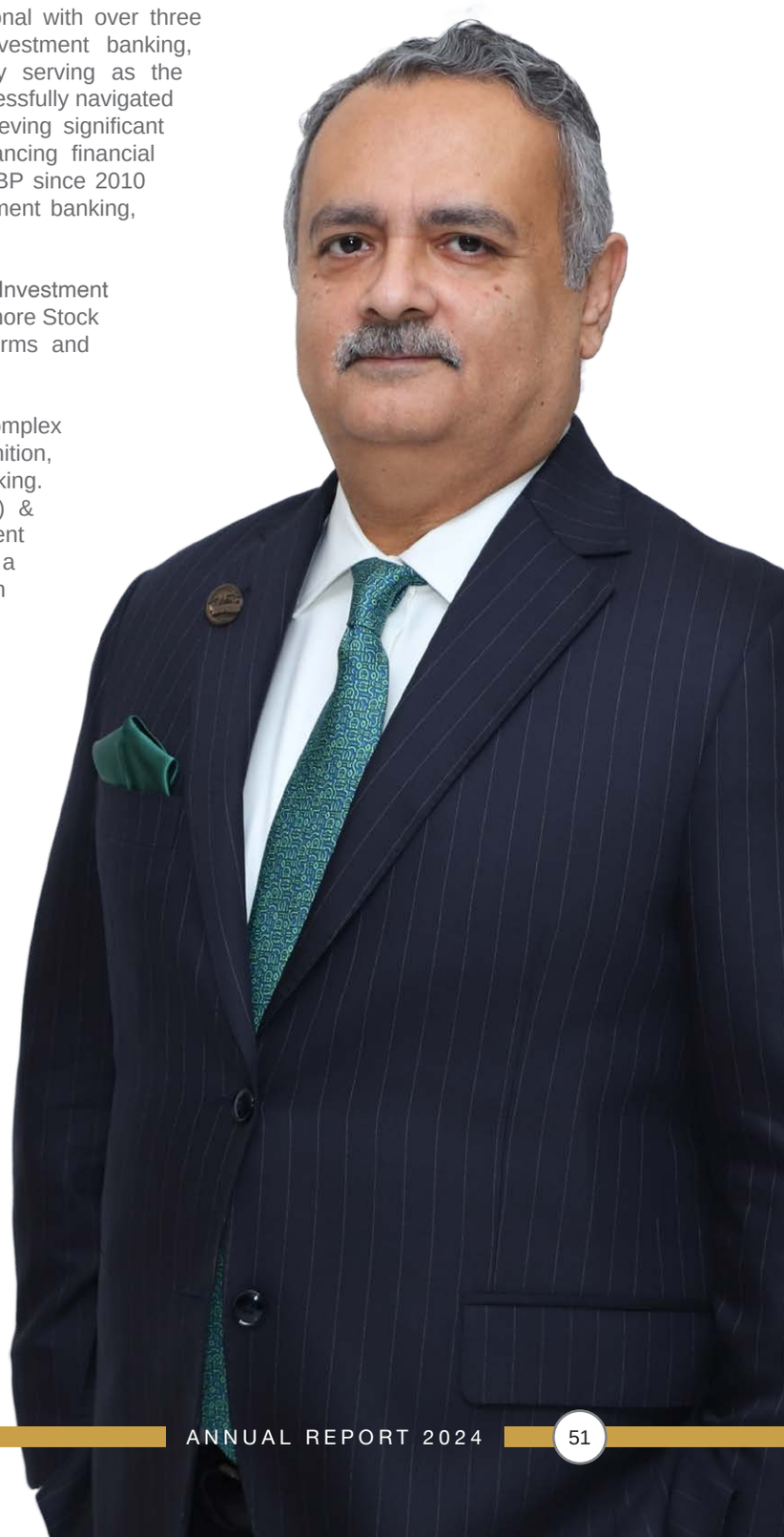
Board Committee Membership

BRCC | BTDC | BIDC | NYGC | BSC

Mr. Rehmat Ali Hasnie is a seasoned banking professional with over three decades of experience in leadership roles across investment banking, corporate finance, and development banking. Currently serving as the President of National Bank of Pakistan (NBP), he has successfully navigated the institution through governance challenges while achieving significant milestones, including stabilizing the loan portfolio, enhancing financial ratios, and modernizing IT infrastructure. His tenure at NBP since 2010 has included Head of priority sector lending and investment banking, both key strategic business areas for the Bank.

Prior to NBP, Mr. Hasnie held leadership positions at PAÏR Investment Company Limited (PICL), IGI Investment Bank, and the Lahore Stock Exchange, where he contributed to capital market reforms and developed modern indices.

His expertise in structuring, negotiating, and executing complex financial transactions has earned him industry recognition, including multiple awards for excellence in investment banking. A Certified Director, Chartered Wealth Manager (CWM) & Fellow of the American Academy of Financial Management (FAAFM), his professional experience is supported by a strong academic foundation, holding a Master's degree in Development Banking from The American University and a Bachelor in Economics from The College of Wooster. His ongoing contributions to Pakistan's financial landscape underscore his strategic vision and leadership capabilities.



Mr. Ali Syed

| Director |

Board Committee Membership

BAC | BHRRC | BRCC | BTDC | BSC

Mr. Ali Syed, born on December 2, 1956, in Lahore, Punjab, hails from a highly respected family with ancestral roots in Pirkot, Jhang. He holds a Master's degree in Economics from Government College Lahore and an MBA from George Washington University, Washington, D.C., which laid the foundation for his remarkable professional journey.



Mr. Ali Syed began his career in marketing and finance in the United States, gaining valuable expertise while working with prestigious organizations such as Time Life USA., General Development Corporation, and Tandy Corporation. Upon returning to Pakistan, he demonstrated his entrepreneurial acumen by founding and successfully managing Amil (Pvt.) Ltd. and Simzain International. He currently serves as the Chief Executive Officer of Alltrac (Pvt.) Ltd. and IDC (Pvt.) Ltd., a solar energy company. In addition, he is a Board Member of the National Bank of Pakistan and Chairman of the National Insurance Company Limited (NICL).

Over the years, Mr. Ali Syed has served on the Boards of several prominent organizations, including Pak-Arab Refinery (PARCO), Port Qasim Authority (PQA), and Pakistan National Shipping Corporation (PNSC). His expertise has been instrumental in key committees such as Audit & Finance, Human Resources, Technology & Digitalization, Strategy and Risk Management, and Technical and Project Evaluation. He chairs the Board Risk and Compliance Committee (BRCC). These roles underscore his leadership, strategic vision, and ability to drive organizational success.

Widely traveled and culturally adept, Mr. Ali Syed excels in negotiation skills, blending international exposure with local expertise. Known for his leadership and strategic foresight, he has made significant contributions across various industries and sectors. On the personal front, he is happily married with two children, embodying a balanced approach to both his professional and personal life.

Mr. Ali Syed's illustrious career, entrepreneurial ventures, and leadership roles highlight his extensive contributions to the fields of marketing, finance, and corporate governance. His dedication to fostering organizational growth and excellence positions him as a distinguished leader in Pakistan's business landscape.

Mr. Farid Malik, CFA

| Director |

Board Committee Membership

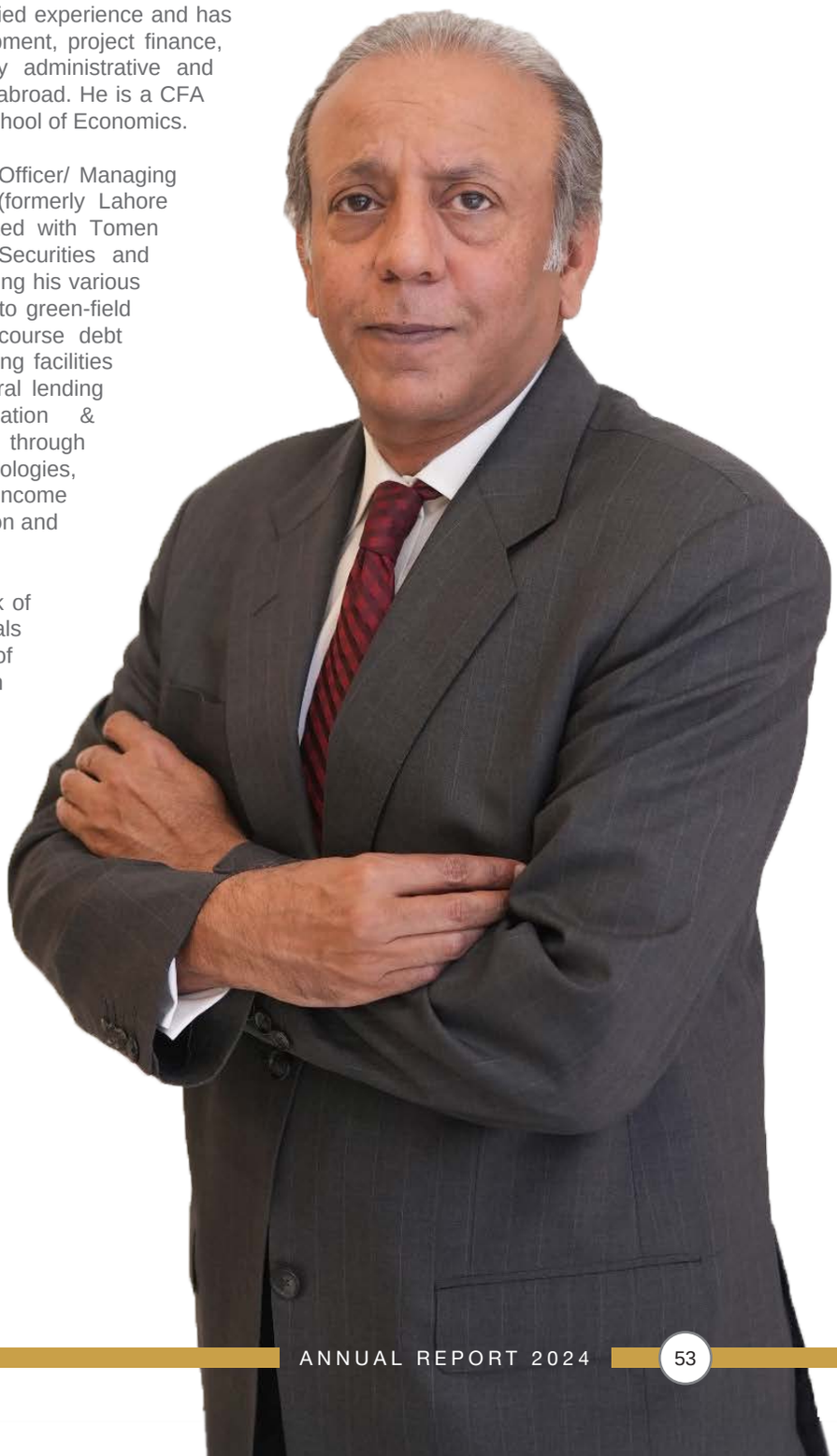
BAC | BHRRC | BTDC | BSC

Mr. Farid Malik has almost 30 years of diversified experience and has worked on a number of infrastructure development, project finance, corporate finance, capital markets regulatory administrative and operational assignments both in Pakistan and abroad. He is a CFA charter-holder and a graduate of the London School of Economics.

Mr. Malik has served as the Chief Executive Officer/ Managing Director of LSE Financial Services Limited (formerly Lahore Stock Exchange Limited) and has also worked with Tomen Power (Singapore) Pte. Limited and The Securities and Exchange Commission of Pakistan (SEC). During his various assignments, he has had extensive exposure to green-field project based equity investments, limited recourse debt financing facilities, cross border project financing facilities including export credit agencies and multilateral lending agencies financing facilities, risk allocation & management techniques including hedging through derivative instruments, due-diligence methodologies, portfolio management, equity and fixed income valuations, financial analysis, asset securitization and capital market operations and regulations.

He is currently on the Boards of National Bank of Pakistan and Fauji Akbar Portia Marine Terminals Limited and has also served on the Boards of Central Depository Company of Pakistan Limited and National Clearing Company of Pakistan Limited. He is a Certified Director from the Pakistan Institute of Corporate Governance.

Mr. Malik has also previously served on the Boards of the Privatization Commission, the Gujranwala Electric Power Company Limited and the Pakistan Credit Rating Agency Limited. He has also attended a large number of international and local management courses, seminars and workshops conducted by world renowned providers.



Mr. Amjad Mahmood

| Director |

Board Committee Membership

BAC | BTDC | BIDC | BSC

Mr. Amjad Mahmood is a distinguished professional currently serving as the Additional Finance Secretary (IF/INV/IGF), bringing with him 32 years of diversified experience in the Civil Services of Pakistan. Over the course of his career, he has held various executive positions, demonstrating his expertise and leadership. Notably, he has served as an Advisor to the Board of Directors of the Asian Development Bank (ADB) and has extensive experience in dealing with regulators such as the Securities and Exchange Commission of Pakistan (SECP), the State Bank of Pakistan (SBP), the Competition Commission of Pakistan (CCP) and key financial institutions including National Bank of Pakistan (NBP), National Investment Trust (NIT), Pak-China Investment Company Limited, National Credit Guarantee Company Limited (NCGCL), House Building Finance Company Limited (HBFCL), and the National Security Printing Company (NSPC).

He has been instrumental as member in key committees such as Board Audit Committee (BAC), Board Strategy Committee (BSC), Board Technology & Digitalization Committee (BTDC) and Chairman of the Board Inclusive Development Committee (BIDC).

Mr. Mahmood's academic background is equally impressive, holding a Master's degree in Administration & Management from the Institute for Development Policy and Management at Manchester University, UK, as well as Master's degrees in English Language and Literature and International Affairs. His areas of expertise include Public Financial Management and Public Administration, with a proven capacity to work in challenging environments and meet strict deadlines while collaborating with diversified stakeholders. His profile reflects a strong foundation in financial management and public administration, making him well-equipped to handle complex financial matters and navigate regulatory landscapes with ease.



Mr. Nasim Ahmad

| Director |

Board Committee Membership

BAC | BRCC | BIDC | NYGC

Mr. Nasim Ahmad is a highly experienced professional in Asset Management, Commercial Lending, and Investment Banking, having served in senior management roles internationally. One of his notable achievements includes initiating the issuance of sovereign bonds for the Islamic Republic of Pakistan, where he coordinated with the debt syndication team at Deutsche Bank to make presentations to the Ministry of Finance in 2014-2015. Additionally, Mr. Ahmad has participated in annual reviews of asset management in countries such as Switzerland, UAE, Singapore, Thailand, Hong Kong, Macao, and South Africa.

He holds a degree in Development Financing from McGill University in Canada, a Law degree from Pakistan, and is a Fellow of the Institute of Bankers in London, UK. His diverse educational background and extensive international experience make him a distinguished figure in the financial industry.



Chairman's Review



Dear Shareholders,

It is a privilege for me to present my third Annual Review on the Board's effectiveness in guiding the Bank towards its strategic objectives. The Board remains steadfast in upholding strong governance principles, ensuring that the Bank stays on course to fulfil its Vision of enabling sustainable growth and the all important inclusive development of all its stakeholders.

The Board continues to prioritize the best interests of the Bank's shareholders through various Board Committees, each with clearly defined mandates. These Committees play a crucial role in overseeing key areas of governance, risk management and strategic decision-making, ensuring the Bank's long term stability and sustainable growth.

The year 2024 has been a defining chapter in National Bank of Pakistan's history wherein:

- Pursuant to the Honourable Supreme Court ruling on the long-standing pensions case, the Bank had to absorb an unprecedented cost of PKR 68 billion. This has been an extra ordinary challenge that would have tested the financial strength of any institution. In the face of this challenge, we have achieved remarkable financial stability which is a testament to the prudent governance, strong risk management and strategic foresight of the Board. Our ability to withstand such an impact while still delivering value, ensuring sustainable returns and resuming dividend payments after seven years speaks volumes about NBP's financial resilience and long-term sustainability.

- After a gap of several years, we are pleased to announce the resumption of dividend payment to our shareholders (subject to approvals required under the law). This milestone is a reflection of our strengthened financial position and unwavering commitment of the Board and management towards creating sustainable value for our shareholders.

- Amidst an evolving financial landscape, we have delivered a robust performance, staying true to our strategic vision and reinforcing our position as Pakistan's premier financial institution. This underscores our strength, resilience and commitment to value creation and accordingly, the Bank retains its position as the highest capitalised Domestic Systemically Important Bank (DSIB) in the country.

A Conducive Operating Environment

This year we operated in a more conducive and easing environment. Globally, the economy displayed resilience, with reportedly growth stabilizing at 3.2% and inflation moderating to 5.8% allowing central banks to ease monetary tightening. However, long-term structural challenges persist, particularly in developing economies, where debt, investment constraints, and geopolitical risks continue to weigh in on growth.

Domestically, Pakistan's macroeconomic stability strengthened, with GDP growth at 0.92% in July-Sep FY'25, inflation falling significantly to 2.4% in Jan' 25, and the policy rate declining from 22% to the expected 12% by early 2025.

External support, including a $7.0 Bn IMF program and a $20.0 Bn World Bank commitment has reinforced economic reforms. The banking sector displayed strong capital buffers, and a smooth IFRS 9 transition along with robust profitability. Looking ahead, sustained policy discipline, political stability, and structural reforms will be key to maintaining this positive trajectory and fostering long-term financial resilience.

Maintaining Strong Financial Delivery

I am pleased to inform that the management has delivered yet another round of solid financial performance in 2024, reaffirming its position as one of the highest value-generating banks in the country. Despite navigating a complex operating environment, the Bank successfully absorbed an extraordinary pension expense without compromising its capital strength, maintaining robust buffers and a steady growth trajectory.

Net interest income grew to PKR 170.9 Bn, supported by a stable net spread of 2.37%, while non-fund income rising by over 61% to PKR 65.4 Bn. Total revenue grew by 12.9% YoY to PKR 236.3 Bn, showcasing NBP's strong core banking operations and revenue diversification strategy. While a one-time pension charge of impacted the bottom line, the Bank remained operationally resilient, closing the year with after-tax profits of PKR 26.9 Bn and maintaining a strong balance sheet.

The Bank's total assets grew to PKR 6,744.1 Bn, with shareholder's assets rising by 19.4% to PKR 457 Bn, translating into book value per share of PKR 214.8 i.e. a YoY growth of 19.4%. Deposits increased by 5.2% to PKR 3,865.6 Bn with a high CASA ratio of 79.4%, enabling a low-cost funding base.

The Bank continued its strategic focus on Islamic banking, achieving a remarkable 137.9% YoY asset growth in NBP Aitemaad-the Banks Shariah complaint business, reaching PKR 333.4 Bn while deposits soaring by 171.9% to PKR 309.4 Bn.

NBP's financial foundation remains solid, enabling the Bank to drive long term value creation while maintaining strong governance and risk management practices.

Implementation of IFRS 9 was a major transition for banks in the country. NBP successfully transitioned to IFRS 9, ensuring compliance with SBP regulations. Despite a significant PKR 12.0 Bn (net of taxes) impact on its opening equity, the Bank achieved significant improvements in its financial soundness indictors. The Bank's Total eligible capital increased 27.4% to close at PKR 479.8 Bn. CET 1 and total CAR stood at 20.51% and 27.80%, respectively. While leverage ratio stood at 3.88% LCR and NSFR also improved to 206% (2023:176%) and 174% (2023:159%), respectively.

Srengthening Risk & Compliance

We are taking a more proactive and structured approach to strengthening risk & compliance by enhancing credit management frameworks, inculcating a culture of accountability, and setting clear roles of risk-takers and risk-managers. The Board continued its strategy of exiting low-yielding international markets to enhance capital efficiency, minimize compliance risks, and improve returns aligned with the Board's long-term capital allocation strategy.

We closed the NBP Paris and New York branches in 2024. and Bishkek, Baku and Almaty closures expected by March 2025. The decision to close the New York Branch followed full compliance with regulatory directives, ensuring a structured exit.

Strengthening NBP for the Future

In 2025, the Board's strategic direction continues to reinforce our resilience and adaptability in an ever-evolving landscape enabling the Bank to deliver positive outcomes for all its stakeholders.

Building on the strong foundation laid in the prior years, we remain focused on efficient capital allocation, fortifying our compliance culture, risk management framework and governance structures. The Board and management are committed to steering the Bank towards long-term stability and sustainable growth, ensuring that NBP remains a pillar of financial strength for its stakeholders, we will continue to uphold our commitment to fairness, transparency, and meritocracy, ensuring a work environment where talent is recognized, rewarded and nurtured.

With an increasingly dynamic financial sector, NBP is proactively evolving leveraging technology, refining its business model and expanding its strategic initiatives in Agriculture, SMEs, and Trade. Our unwavering commitment to operational excellence, risk vigilance and regulatory compliance will be key drivers in shaping the Bank's trajectory in the years to come.

Commitment to our National Role

NBP remains pivotal in supporting public sector entities, recognizing their strategic importance to the national economy. However, challenges persist in ensuring disciplined debt servicing and financial sustainability within this segment. While the Bank has made significant efforts to engage with these entities, the pace of recoveries remains below expectations, exerting pressure on our financial resources.

Additionally, we are advocating for structural reforms within public sector financing, encouraging sustainable business models and improved governance to mitigate future credit risks. By adopting a more strategic and data-driven approach, NBP aims to reinforce its role as a responsible lender while safeguarding the interests of its shareholders and the broader financial system.

Appreciation

I extend my sincere gratitude to my fellow Board members. Their collective wisdom and steadfast commitment have been instrumental in steering the Bank through an evolving financial landscape.

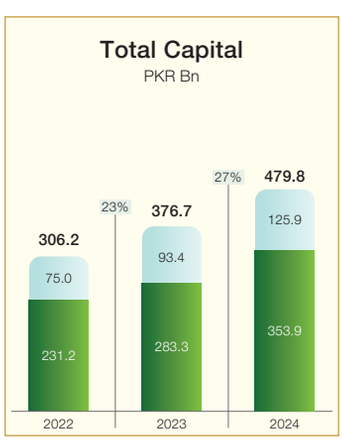
I also extend my deep appreciation to the Government of Pakistan, the State Bank of Pakistan, and other regulatory bodies both domestic and international for their continued oversight and support.

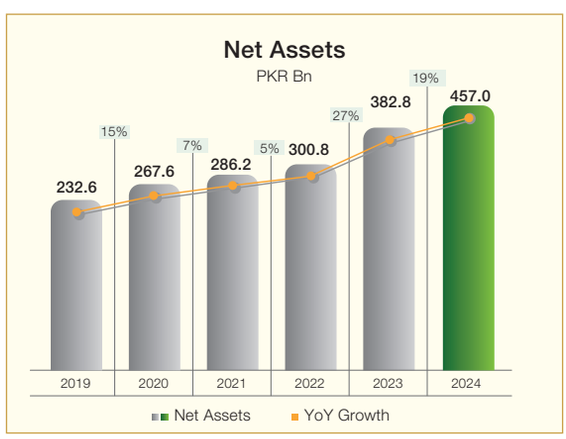
To our millions of customers and business partners, your trust and loyalty are the foundation of our success. We remain committed to serving your financial needs with innovation, efficiency and integrity.

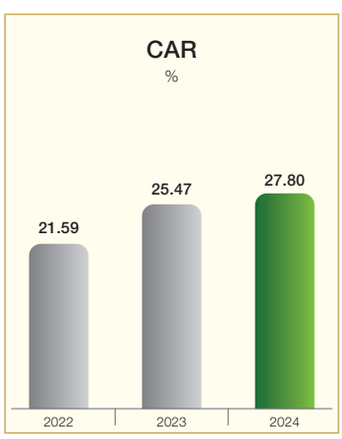
Most importantly, I acknowledge and greatly appreciate the dedication, resilience and hard work of our employees which drives the Bank's continued growth.

As we move forward, I am confident that NBP will continue to play a pivotal role in the nation's economic development further strengthening its position as a trusted financial institution and a major force for positive change.

Ashraf Mahmood Wathra
Chairman
February 28, 2025
Karachi.







Advancing With Purpose – Reflections from the CEO



Dear Valued Stakeholders

As we step into the 76th year of serving the nation, it is a privilege to address you once again. In my previous review, I outlined key strategic priorities for the Bank, and today, I am pleased to share the progress we have made in translating those commitments into tangible outcomes. I am pleased to say that we have strengthened our foundations, expanded our impact, and navigated the evolving challenges with resilience and foresight.

Ek Azm, Ek Pehchan - Beyond Conventional Boundaries

Our mission extends beyond the conventional boundaries of banking—we are deeply committed to fostering financial inclusion, expanding access to finance, and contributing meaningfully to Pakistan's economic progress. As the nation's leading financial institution, we recognize that our success is defined not just by profits but by the inclusive impact we create. Every loan disbursed, every business empowered, and every financial barrier removed is a step toward a more inclusive and prosperous Pakistan.

We take pride in enabling small enterprises to scale, empowering women owned enterprises, helping industries thrive, and ensuring that financial services are accessible to all segments of society, from urban centres to the most remote areas. This deep-rooted sense of responsibility defines our role as a national institution.

Our focus remains steadfast— Ek Azm, Ek Pehchan - National Bank Aur Pakistan. Our annual results reflect this.

Operating Environment

Our performance is significantly influenced by the operating context. Global economic conditions remained uncertain, while macro indicators improved, geopolitical tensions and supply chain disruptions remain a challenge worldwide. Closer to home, Pakistan's economic landscape evolved through a complex mix of challenges and opportunities, shaping the financial and business environment in which we operate in.

Pakistan's GDP initially contracted by 0.2% due to tight monetary policy and fiscal constraints but rebounded to 2.5% growth by year-end. This rebound was primarily fuelled by a resurgence in the agriculture and services sectors, which grew by 1.15% and 1.43%, respectively, in the first quarter of fiscal year 2024-25. These indicators reflect a gradual return of the economy from stabilisation to growth.

As a result of polices implemented in 2023 and 2024, inflationary pressures eased to 4.1% in December 2024 the lowest in over six years. This downward trend was due mainly to monetary policies and improved supply chain efficiencies. Recognizing the need to further stimulate economic activity, the State Bank of Pakistan implemented a series of policy rate cuts, reducing the key policy rate by a cumulative 1,000 basis points to 13% by end 2024. This action has contributed to easing borrowing costs, and a gradual rise in loan demand.

A critical milestone in 2024 was Pakistan's successful negotiation of a $7.0 Bn Extended Fund Facility with the International Monetary Fund. This 37-month program is designed to reinforce macroeconomic stability through fiscal discipline, structural reforms, and social protection measures. While these developments provide optimism, we remain mindful of the challenges ahead. The industrial sector, for instance, faced headwinds, contracting by 1.03% in the first quarter of fiscal year 2024-25.

Looking ahead, we remain cautiously optimistic about Pakistan's economic trajectory. The successful implementation of the IMF-supported program, coupled with ongoing structural reforms, is expected to provide a solid foundation for sustainable growth. However, continuous vigilance will be required to navigate fiscal challenges, manage inflationary pressures, and create a business-friendly environment that fosters private sector development.

At NBP, we are committed to leveraging these macroeconomic developments to strengthen our position as a Domestic Systemically Important Bank. Our focus remains on prudent risk management, responsible lending, and strategic investments that align with national economic priorities.

Translating Strategies into Financial Delivery

Reinforcing our position as a leading commercial bank, NBP continued to be one of the highest value-generating banks in the country. This year we generated PKR 90.0 Bn of additional stakeholders' value, with total gross revenues reaching PKR 1,155.0 Bn as against PKR 1,065.3 Bn in 2023. With our interest-bearing assets generating gross mark-up income of PKR 1,089.5 Bn, and non-markup income surged by a healthy 61% to PKR 65.8 Bn in 2024.

The year 2024 also came with a challenge, albeit brining clarity to our path ahead. The Honourable Supreme Court's pension ruling resulted in an extraordinary one-off and recurring costs, which significantly impacted our profit bottom line by PKR 68.0 Bn.

As we are investing considerably into our human and infrastructure capital, total operating costs (business as usual) stood at PKR 119.8 Bn (that include PKR 10.5 Bn of additional recurring cost impact due to pension case). Moreover, the Bank also recognised a one-off cost of PKR 57.5 Bn on account of pension. After accounting for taxation, net profit of the Bank closed at PKR 26.9 Bn. Excluding the one-off pension impact, our underlying profitability remained strong, demonstrating the resilience of our earnings capacity. As we move forward, we remain focused on driving growth, innovation, and superior returns for our stakeholders

Amid the evolving regulatory environment with implementation of IFRS 9, we recorded additional provisioning resulting into a reduction (net of tax) in the Bank's opening retained earnings PKR 10.0 Bn. The Bank now holds credit loss allowances of PKR 225.8 Bn against Stage-3 loans and another PKR 42.1 Bn against Stage-1, Stage-2 loans and as general provisions. This strengthened the Bank's balance sheet and capital base against unforeseen credit shocks.

Our financial resilience and disciplined strategy have positioned the Board to recommend resumption of dividend payout after several years by announcing highest ever 80% dividend in the history of the Bank. This achievement reflects not only the scale and strength of our balance sheet but also our ability to navigate a complex economic landscape and translate strategies into strong financial delivery. My colleagues in the Bank can be very proud of their continued achievements.

Strong Capital Base Amid Extraordinary Costs

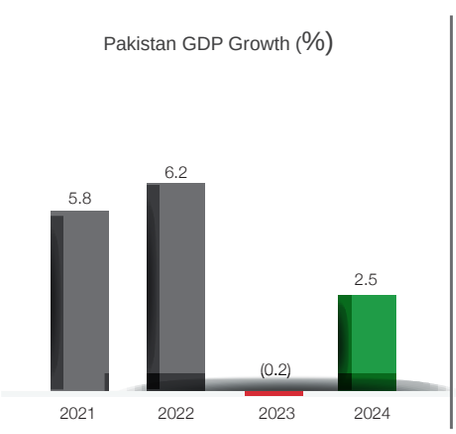
In my prior's review, I had conveyed our commitment to strengthening the Bank to absorb any untoward outcome in the pension case. Although the final judgement in the pension case had a substantial financial impact, the Bank's Capital Adequacy Ratio stood high at an impressive 27.8% - not just significantly above regulatory requirements of 13% but also the highest in the country. This underscores the Bank's ability to absorb financial shocks while maintaining stability to play its role as Domestic Systemically Important bank.

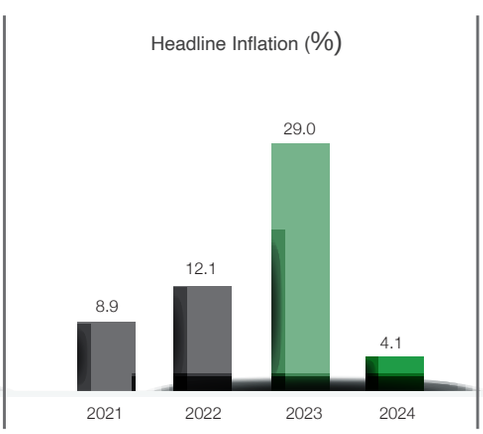
NBP is the highest capitalized bank in the country with net assets of PKR 457.0 Bn. The Bank's financial soundness indicators stand stronger than last year with a total CAR at 27.80%, Leverage at 3.88%, Liquidity Coverage at 174%, Net Stable Funding at 206%. The Bank maintained the highest credit rating of AAA/A1+ for both long term and short term. This financial strength enables the Bank to fulfil its role in Pakistan's economy —delivering for clients, fostering a great workplace, supporting society, and ensuring shareholder returns.

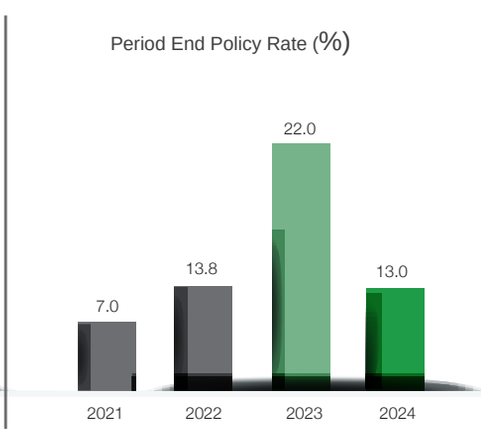
Islamic Banking Expansion – A Defining Transition

As I said in my prior year's note, Islamic banking is truly a synonymous with 'sustainable banking'. We therefore remain committed to growth of Shari'ah compliant banking in Pakistan.

In line with our strategy, we achieved strong growth in Aitemaad Islamic banking by recording 140% YoY growth in total Islamic banking assets reaching PKR 333.0 Bn in 2024, up from PKR 140.0 Bn in 2023. We have increased our Islamic banking services to more than 150 cities through 207 branches and over 250 Islamic Banking windows. Depicting a 172% growth YoY, deposits closed at PKR 309.0 Bn as of Dec'24, compared to PKR 114.0 Bn of Dec'23. Similarly, the gross financing portfolio also grew by PKR 72.0 Bn or 97% to close at PKR 147.0 Bn.







Our endeavours of transitioning our banking business from conventional to Islamic will continue to proceed at an accelerated pace and in line with the lines of the conversion of the entire economy to Shari'ah principles.

Overseas Franchise - Strategic Consolidation

In my previous note, I had hinted on strategically de-risking and scaling back of the Bank's sub-optimal international footprint. We made significant progress in addressing legacy issues facing our international franchise. Improvement was recorded on all fronts – profitability, trade business, remittances, revival of infected loans, and rectification of regulatory observations.

We have successfully closed our branches in Paris and New York. Closures of Bishkek, Baku, and Almaty branches are also progressing at a rapid pace and are expected to be completed by March 2025. Closure of the New York branch followed compliance with regulatory directives, leading to the termination of enforcement actions by the Federal Reserve. These decisive actions, while reflecting our commitment to financial discipline, risk mitigation, and long-term sustainability, also result in significant future cost savings for the Bank.

Financial Inclusion - Empowering Individuals and Communities

NBP has been playing its role in promoting financial inclusion since its inception in 1949. Even before the term 'financial inclusion' became a term. We were promoting financial inclusion through our branch network and continue doing so till date. This year we brought ~450K new customers into banking system of which ~150K were women. The Bank's efforts in Women Financing were acknowledged by SBP by awarding "Women Entrepreneur Financing Awards" to Nine Regions of NBP across the country. This recognition reflects NBP's continued resolve for empowering women entrepreneurs to foster inclusivity for economic growth.

We manage deposits totalling PKR 3.9 trillion for over 7.5 million depositors and have extended loans amounting to PKR 1.7 trillion to more than half a million borrowers. We launched 'NBP Itmenan' for senior citizens as a savings product with features that address their financial needs.

Our 'Advance Salary' product continues to address the financial needs of over 250K families nationwide, with fresh disbursements of over PKR 40.0 Bn this year, making it Pakistan's single largest consumer banking product

NBP today is proud to be recognized for having the largest number of agricultural borrowers among the commercial banks. We support more than 160K farming families through agriculture loans, with an outstanding portfolio of around PKR 100 Bn as of the end of 2024. The number of female borrower accounts surged to ~42K, reflecting a 15% increase YoY. Concurrently, disbursements to female borrowers rose to PKR 27.0 Bn, a YoY increase of 58%.

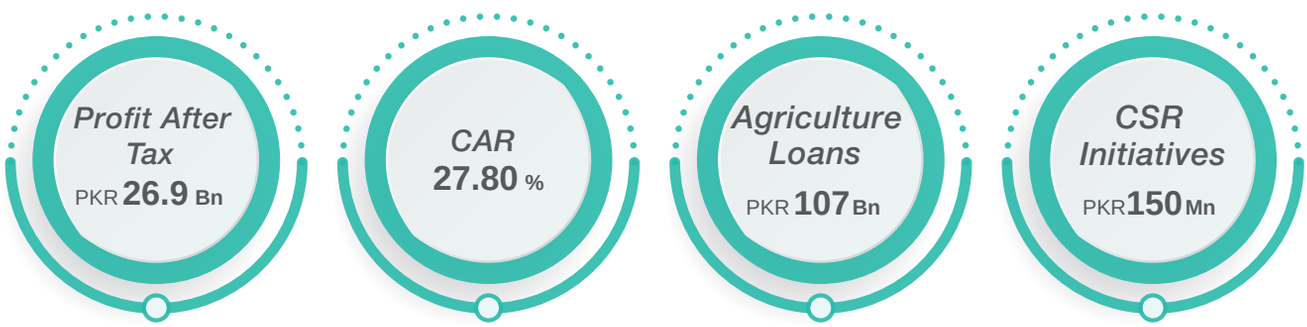
In line with our Environmental, Social, and Governance commitments, our 'Roshan Ghar' solar financing scheme is enabling households to install solar panels and promote renewable energy adoption. Number of female borrowers grew from 32K to 38K, with disbursements rising by 50%, from PKR 12.0 Bn to PKR 18.0 Bn. This progress also reflects our dedication to fostering inclusivity and economic empowerment for women in Pakistan.
NBP also plays a pivotal role in corporate financing, providing PKR 650 Bn to large corporations, thereby supporting GDP contribution and employment generation. In 2024 we acted as strategic partner with the Government of Pakistan in enabling various large projects of strategic nature aimed at creating jobs and efficiency in the economy. One of the major milestone/highlight transactions of the year, included, the debt restructuring of the Pakistan International Airline Corp. Ltd. both for its Pak Rupee and USD denominated debt. Furthermore, NBP was instrumental in supporting the efforts and collaborated with Govt. of Sindh, under its Public Private Partnership initiative.

Resultantly, after lapse of almost five years, the Bank's has started showing signs of improvement achieving 113% YoY growth in profitability (before provisioning) as it reported a profit of USD 3 Mn in 2024 against a loss of USD 22.5 Mn 2023. We achieved 29% YoY growth in overall USD inflows, amounting to USD 1.6 Bn with focused growth from niche corridors. Our strategic decision to exit low yielding markets is expected to bring annual cost saving of ~USD 15 Mn.

These strategic priorities are pursued with a clear perspective—expansion must go hand-in-hand with a national growth agenda ensuring sustainable performance for the Bank..

Listening to our Stakeholders

Our commitment to stakeholder engagement is evident through proactive platforms like the Pakistan Citizen Portal and e-Kacheri sessions, which allow direct communication with the President of NBP. In 2024, we addressed over 3,500 complaints through these channels, ensuring timely and effective resolution. These channels which enable direct handling of customer issues is unique to public sector entities and differentiates us from the other private sector banks in the system. This approach distinguishes us from private



sector banks and underscores our dedication to customer satisfaction and transparency. The Bank encourages minority shareholders to participate in the AGM/EOGM as well as in the annual corporate briefing sessions, the date of which are announced through the stock exchange. These events provide an open forum for a two-way engagement with our stakeholders, particularly the minority shareholders.

A Socially Responsible Bank

Building on our strong foundation, NBP continued to integrate sustainability into its operations, reinforcing our commitment to responsible banking and long-term value creation. In 2024, we contributed around PKR 150.0 Mn to various sustainability-focused initiatives under our CSR programme, details of which are presented later in this report.

With climate risks remaining a significant challenge—evidenced by ongoing extreme weather patterns—NBP has intensified its efforts to align with the Environmental & Social Risk Management Implementation Manual issued by the SBP, as well as the UN-SDGs. Reinforcing our commitment to responsible banking, a detailed account of the Bank's CSR initiatives undertaken during the year is presented separately in this report. As of end-2024, the Bank's green financing portfolio stood at PKR 30.1 billion, underscoring our desire to drive sustainable economic growth.

Strengthening Our Digital & Technology Capabilities

Technology transformation remains at the forefront of our strategy. The upgrade of our core banking system has gained momentum for roll-out by the mid of 2025 to strengthen our operational agility and digital resilience. This year we invested around PKR 2.0 Bn into our IT system and the Bank will continue to invest in and upgrade its IT posture.

Additionally, our Mobile Banking app continues to gain traction with digital transaction volumes nearly doubling in 2024. With substantial investments in digital platforms, AI-driven insights, and next-generation cybersecurity protocols, we are creating a seamless and secure banking experience for our customers.

Empowering Our People

Our people remain our greatest asset. In 2024, we took further strides in building a high-performance, future-ready workforce. Over 32K+ trainings were conducted across diverse areas, with a special focus on Islamic banking, digital finance, and leadership development. We also advanced our Diversity, Equity, and Inclusion agenda for women. In 2024, NBP received the prestigious Disability Inclusion Champion Award from the Asian Development Bank at the 10th Trade and Supply Chain Awards, recognizing its commitment to fostering a culture of diversity, equity and inclusion.

This year, 13% of new hires were women, and our workforce now includes 1.1% individuals with disabilities, underscoring our dedication to equitable opportunities. Our female colleagues make around 10% of our total workforce. The Bank's commitment to fostering an inclusive workplace has been recognized once again at the Global Diversity, Equity & Inclusion Benchmarks Awards 2025, where we secured 7 awards across multiple categories.

Confidence in the Future

We step into 2025 with a renewed sense of purpose and an unwavering commitment to driving the nation's financial progress. Despite economic headwinds, we remain optimistic about Pakistan's financial trajectory. The decisive measures being taken by the Government of Pakistan and the State Bank of Pakistan—including macroeconomic stabilization policies, monetary easing, and fiscal reforms—are expected to foster greater stability and long-term sustainability.

As Pakistan's on of the largest Domestically Systemically Important Bank, NBP remains unwavering in its mission to stand with the nation—bridging financial gaps, enabling sustainable economic growth, and supporting a prosperous future for all Pakistanis.

Our Strategic Priorities for the Next Three Years include:

- **Robust Liquidity & Capital Strength** – Maintaining financial resilience to navigate evolving market conditions.
- **Technology-Led Transformation** – Embracing AI, automation, and data analytics to enhance decision-making and customer experience.
- **Operational Excellence** – Optimizing processes and leveraging digital advancements for efficiency.
- **ESG & Sustainable Banking** – Integrating environmental, social, and governance factors into our business strategy.
- **Financial Inclusion & Growth** – Expanding outreach to unbanked populations, SMEs, and underserved sectors.
- **Islamic Banking Leadership** – Playing a central role in Pakistan's full transition to Shariah-compliant banking by 2027.
- **Organizational Agility** – Simplifying decision-making, streamlining operations, and enhancing workforce capabilities.

Acknowledgment

As we celebrate NBP's continued legacy of excellence in 2025, I would like to extend my heartfelt gratitude to:

- Our 15,000 team members who have been at the core of our achievements over the past years.
- Our Board of Directors for their strategic leadership and invaluable support throughout 2024.
- The Ministry of Finance and the State Bank of Pakistan for their ongoing guidance; and
- Finally, to our millions of customers, business partners, and other stakeholders for their unwavering trust and support.

As we move forward, NBP remains steadfast in its mission to drive financial inclusion, foster economic growth, and create long-term value for all stakeholders

Thank you,

Rehmat Ali Hasnie
President & CEO
February 28, 2025

Directors' Report to the Members

Standalone Financial Statements

Dear Members,

The Board of Directors is pleased to present the Annual Report of National Bank of Pakistan (NBP or the 'Bank').

This year's report reflects & reaffirms our continued commitment to responsible governance, sustainable value creation, and resilience amid a challenging financial landscape. The audited financial statements, along with the independent auditors' report, provide a transparent and comprehensive view of the Bank's financial position, performance, and strategic direction.

As stewards of this institution, the Board remains focused on delivering long-term value for our stakeholders while ensuring robust risk management and regulatory compliance.

Operating Context

The global economy demonstrated resilience amid a complex landscape of easing inflation and cautious optimism. According to the IMF, global growth stabilized at 3.2% in 2024, with projections maintaining this pace into 2025, estimating a growth of 3.3%. Inflationary pressures, a significant concern in previous years, showed signs of easing with global headline inflation receding from 6.8% in 2023 to 5.9% in 2024, suggesting a further reduction to 4.2% by 2025. As a result, many central banks are nearing the conclusion of their monetary tightening cycles, fostering a more conducive financial environment.

Despite these positive developments, challenges persist. The World Bank has highlighted that while global growth is projected to remain stable in both 2025 and 2026, significantly below the pre-pandemic average of 3.1% observed from 2010 to 2019. Developing economies continue to face headwinds such as high debt levels, subdued investment, and the rising geopolitical tensions and climate change impacts.

In summary, as we progress through 2025, the global economic outlook is one of cautious optimism. Concerted policy efforts are essential to address underlying vulnerabilities and to promote sustainable, inclusive development across all economies.

Pakistan's macroeconomic landscape exhibited significant signs of stabilization and gradual recovery, following the challenges faced in FY'24. GDP growth of 0.92% was reported in the first quarter of FY25, primarily driven by expansions in the agriculture (1.15%) and services (1.43%) sectors, despite a contraction of 1.03% in the industrial sector. Headline inflation has notably declined from nearly 40% in May 2023 to 2.4% in January 2025, with projections ranging between 5.5% and 6.5% by the end of 2025. The monetary policy stance shifted mid-year, with the SBP reducing the policy rate from 22% to 12% by January 2025. This is expected to lower borrowing costs and support private sector credit demand.

The external sector has also shown resilience, bolstered by international support. In September 2024, the IMF approved a $7.0 Bn loan for Pakistan, with an immediate disbursement of $1.0 Bn, to support economic reforms and enhance macroeconomic stability. Additionally, the World Bank has committed to a $20.0 Bn lending package over the next decade, focusing on areas such as renewable energy, education, climate resilience, and social sector. The Pakistan Stock Exchange experienced remarkable growth during 2024. The benchmark KSE-100 Index surged by 84% in PKR terms (85% in USD terms), marking one of its best performances in recent years.

Looking ahead, with continued implementation of sound macroeconomic policies, political stability, and structural reforms, Pakistan aims to sustain this positive trajectory, targeting enhanced economic growth and stability in the medium term.

Banking Sector in Pakistan

In 2024, Pakistan's banking sector maintained strong profitability amid improving economic conditions. The State Bank of Pakistan reported 11.5% expansion in total banking assets during H1CY24, largely due to increased investments in government securities, albeit limited private sector credit growth. Asset quality remained resilient, with non-performing loans staying contained and provisioning coverage improving to 101% by end Sep'24. The sector's capital buffers remain strong, ensuring financial stability. The implementation of IFRS 9 from January 2024 introduced a more forward-looking approach to credit loss recognition. While one-time provisions were recorded, the sector's capital adequacy remained sound, with no major impact on overall solvency.

Looking ahead, monetary easing, improved market confidence, and continued regulatory reforms are likely to enhance private sector credit flow and support economic recovery in 2025.

Navigating A Year of Resilience and Strategic Progress

2024 was a challenging yet defining year for the Bank. As discussed in detail in Note 25.3.3.1 to the financial statements, The Honourable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, dismissed all the civil review petitions filed by NBP (CRPs No 368 to 409 etc.), as a result of which the Supreme Court decision dated 25th September 2017, in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement the Bank has made payments as per the court order. As a matter of prudence, the Bank has incorporated the financial impact in these financial statements for the year ended December 31, 2024, of any adverse judgement.

Strong Financial Delivery

The Bank absorbed a one-off extra-ordinary pension impact without any observable adverse impact on its Capital Adequacy, maintaining robust capital buffers, a strong balance sheet and steady growth trajectory. This resilience is a testament to NBP's financial prudence, proactive risk management, operational strength, and unwavering commitment to sustainable value creation for the stakeholders. The Bank has delivered strong financial results for the year ended December 31, 2024.

Profitability (PKR 'Bn)

No.	Key Items	2024	2023	Defrence	%
1	Net Interest Income	170.9	168.7	2.1	1.3
2	Non-Fund Income	65.4	40.6	24.8	61.1
3	Total Income	236.3	209.3	27.0	12.9
4	Operating Exp. (excluding Extra Ordinary Items)	119.8	93.3	(26.4)	(28.3)
5	Pre-Prov. Profit	116.5	115.7	0.8	0.7
6	Provision Charge	2.3	14.5	12.2	84.4
7	Extra Ordinary Pension Expense	57.5	-	(57.50)	-
8	Pre-tax profit	56.7	101.3	(44.6)	(44.0)
9	Tax	29.8	49.4	19.6	39.7
10	After-tax profit	26.9	51.8	(25.0)	(48.2)
11	EPS (Rs.)	12.63	24.37	(11.74)	(48.2)

Despite a dynamic and challenging operating environment, NBP continued to demonstrate resilience and adaptability in 2024. As policy rates eased, we saw a significant expansion in interest-bearing assets, driving gross mark-up/interest income to PKR 1,089.4 Bn, slightly above the last year's PKR 1,024.7 Bn. Interest expenses stood at PKR 918.5 Bn, with 50.1% (2023:PKR 460.5 Bn) paid to depositors. Encouragingly, the Bank's Cost of Funds improved, declining by 41bps to 15.84% from 16.25% last year. As a result, NII grew by 1.3% YoY to PKR 170.9 Bn, reflecting a net spread of 2.37% for 2024.

Additionally, the Bank's non-mark-up/non-interest income (NFI) surged by 61.1% to PKR 65.4 Bn, a testament to the Bank's proactive revenue diversification strategy. This increase was primarily fuelled by capital gains of PKR 27.9 Bn, including PKR 5.8 Bn from the sale of the Bank's stake in United National Bank Ltd. As a result, total revenue for the year rose by 12.9% YoY to PKR 236.3 Bn.

On the cost front, the Bank remained focused on efficiency while continuing to invest in our people, technology, and infrastructure. The Bank's operating expenses (BAU) stood at PKR 119.8 Bn, reflecting a 28.3% YoY increase. A large part of this was driven by HR costs, which rose by 39.7% to PKR 78.8 Bn, primarily due to additional recuring cost impact of the pension case.

Recognizing the critical role of a strong operational backbone, the Bank invested PKR 1.7 Bn in maintaining and upgrading the Bank's business premises to provide a secure and efficient working environment. Technology remains a key driver of the Bank's future, and the Bank invested PKR 4.3 Bn for software maintenance and network enhancements — ensuring that the Bank remains at the forefront of digital transformation.

However, the year was not without its challenges. The Supreme Court's ruling on the pension case resulted in an extraordinary cost as well as recurring cost having significant impact on the Bank's financials. Yet, despite this major headwind, the Bank remained steadfast, maintaining a strong balance sheet and capital position. Profit before tax closed at PKR 56.7 Bn, reflecting a 44.0% decline YoY, while after-tax profit stood at PKR 26.9 Bn, down 48.2% from last year's PKR 51.8 Bn. Had there been no one-off pension cost impact, PBT would have closed 12.8% higher YoY at PKR 114.2 Bn.

A Strong Balance Sheet

The Bank's end of 2024 total assets closed at **PKR 6,744.1 Bn** which represents a 1.4% increase from **PKR 6,652.7 Bn** at the end of 2023. Capital & reserves closed at PKR 457.0 Bn, an increase of PKR 74.5 Bn or 19.4% up from PKR 382.8 Bn as of December 31, 2023.

(PKR 'Bn)

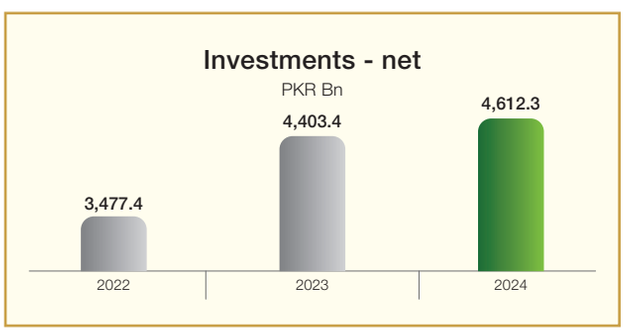
No.	Key Items	2024	2023	Growth
1	Investments (net)	4,612.3	4,403.4	4.7%
2	Advances (net)	1,404.9	1,398.1	0.5%
3	Total Assets of the Bank	6,744.1	6,652.7	1.4%
4	Islamic Banking Total Assets	333.4	140.2	37.8%
5	Deposits	3,865.6	3,674.4	5.2%
6	Borrowings	1,937.8	2,177.7	(11.0%)
7	Net Assets	457.0	382.8	19.4%
8	Book Value Per Share	214.8	179.9	19.4%

Advances

Gross loans & advances of the Bank stood at PKR 1,672.8 Bn depicting a YoY increase of 2.5% or PKR 41.1 Bn, whereas net advances closed at PKR 1,404.9 Bn. Growth in average advances was achieved in most of the Bank's products including SME & commercial, agriculture, Islamic, consumer, and advances to women, women owned and managed enterprises. Consequently, the advances-to-deposits ratio stood at 43.3% at the end of 2024. Non-performing loans recorded a surge of 21.9% and amounted to PKR 269.3 Bn (2023: PKR 220.8 Bn). However, this was mainly due to delinquency in a single large borrower which is expected to be regularised shortly and does not attract provisioning. With PKR 225.8 Bn of credit loss allowances held, NPL coverage ratio stood high at 83.9%. Excluding the impact of this single large delinquency, the coverage ratio stands above 100%.

Investments

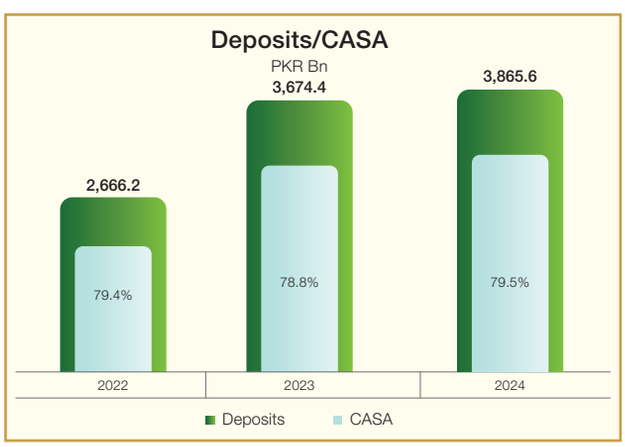
The Bank's investments (at cost) amounted to PKR 4,475.3 Bn (2023: PKR 4,393.9 Bn) with a carrying value of PKR 4,612.3.4 Bn (2023:PKR 4,403.4 Bn). Pursuant to an effective yield/interest rate risk and liquidity management strategy, the Bank is maintaining a diversified investment portfolio across zero risk weighted GoP instruments, high dividend yielding equities and other interest-bearing financial assets with interest sensitive maturity pattern. In the prevailing interest rate scenario and rate expectations, the Bank's investment book predominantly has a shorter-term maturity profile with 91.7% on the investments held under fair value through other comprehensive income.



Deposits

As of December 31, 2024, total deposits with the Bank amounted to PKR 3,865.6 Bn as compared to PKR 3,674.4 Bn at the end of 2023. Major share of the Bank's funding comes from sticky customer deposits that contribute 94.2% of the total deposits. With current deposits amounting to PKR 1,944.1.5 Bn or 50.3% of the total deposits, the Bank maintains a strong liquidity profile. The Bank maintained its CASA ratio high at 79.4%.

Detailed coverage of the financial performance and other organizational development is also given elsewhere in this Annual Report. The Bank has enough resources to meet all its financial obligations and hasn't defaulted in payment of any debt or other financial obligation.



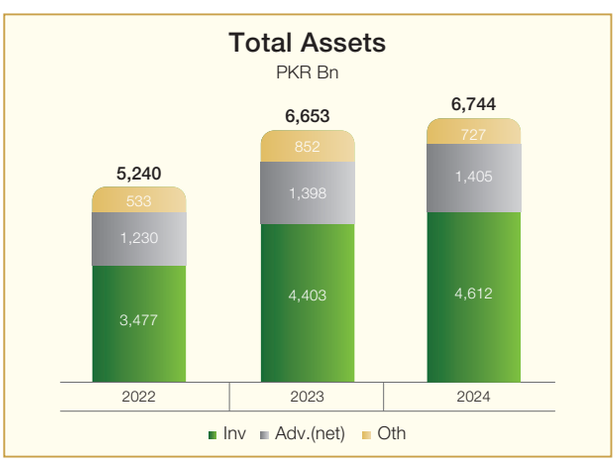
Islamic Banking

Demonstrating its commitment, the Bank expanded its Islamic Banking footprint in 2024 by adding over 100 Islamic Banking Windows 'IBW', bringing the total to 251, and converting 19 conventional branches into full-fledged Islamic branches. The Islamic banking business is now one of the fastest growing segments within the Bank. NBP Itimad's total assets increased to PKR 333.4 Bn at the end 2024 from PKR 140.2 Bn at the end 2023

recording record growth of 137.9% YoY. Whereas total Islamic banking earning assets recorded a 138.3% YoY growth reaching PKR 298.9 Bn compared to 125.4 Bn at end 2023. NBP Aitemaad offers the entire spectrum of banking products, from large-ticket corporate deals to retail deposits and consumer finance.

The Bank's Islamic Banking franchise 'NBP Aitemaad' closed deposit at PKR 309.4 Bn at the end 2024, compared to PKR 113.8 Bn depicting a 171.9% YoY growth, while CASA growth was 198.2% YoY. At end of 2024, total deposit customers stood at 250K, showing a YoY increase of 12%. With total operating income of PKR 10.7 Bn (30.83% up YoY), Islamic banking operations posted pre-tax profit of PKR 6.33 Bn, depicting a massive 79.43% growth YoY.

In line with the Federal Shariat Court's directives and the State Bank of Pakistan's mandate to transition the banking industry to full Sharia'h compliance by December 31, 2027, the Bank plans to accelerate this transformation by establishing another 100 IBWs and converting over 100 conventional branches to Islamic in 2025. On the asset side, the launch of NBP Aitemaad Advance Salary, an Islamic alternative to the Bank's flagship retail lending product, marks a significant milestone. The Bank remains committed to introducing further Shari'ah-compliant alternatives, ensuring a seamless transition while strengthening its position as a leader in Islamic banking.



Strategic Resilience and Shareholder Value Creation

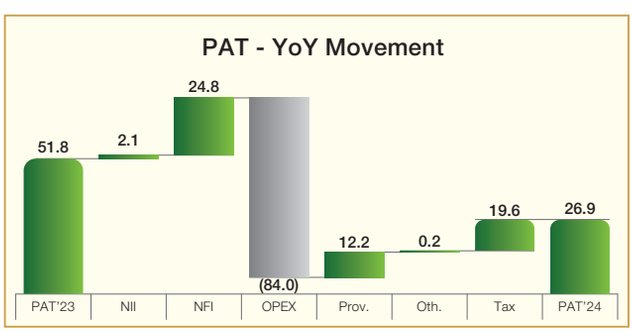
Since 2017, the Bank had to retain its entire profits to safeguard capital adequacy, ensuring financial stability and long-term sustainability in line with regulatory expectations. This prudent approach significantly strengthened the Bank's capital base, allowing it to absorb shocks of pending litigation.

As explained in Note 25.3.3.1 to the standalone financial statements, and a strengthened financial position of the Bank, the Board is pleased to recommend a final cash dividend for the year ended December 31, 2024, at Rs. 8/- per share (i.e. 80%), for approval by shareholders in the 76th Annual General Meeting. This dividend is not just a distribution of profits—it is a testament to our commitment to delivering sustainable value to the Bank's shareholders, improved earnings resilience, and the Board's confidence in the employees to translate strategies into financial delivery.

Appropriation of Profit

The profit for the year ended December 31, 2024, after incorporating the accumulated profit from 2023, is proposed to be appropriated as follows:

	(PKR 'Mn)
Unappropriated profit as of 31.12.2023	218,754.4
Adjustment due to adoption of IFRS 9 - net of tax	(10,288.5)
Adjusted unappropriated profit as of January 01, 2024	**208,465.9**
Profit after-tax for the year ended December 31, 2024	26,865.7
Gain on sale of investments classified as FVOCI - net of tax	2,705.7
Remeasurement Loss on defined benefit obligations - net of tax	(451.5)
Transfer from surplus on revaluation of fixed assets-net of tax	162.7
	29,282.6
Profit available for appropriation	**237,748.5**
Appropriation:	
Transfer to Statutory Reserve (10% of PAT)	(2,686.6)
Unappropriated profit carried forward	**235,062.0**



Significant growth is achieved in profitability, partially off-set by Opex.

Principal Activities

NBP continued to operate as a full-service financial institution, maintaining its diverse range of offerings in line with its strategic priorities. Core activities remained consistent with the prior year, encompassing general banking services, credit facilities, ATM and debit card services, investment banking advisory, treasury and capital markets, housing and general finance, transaction banking, cash management, digital banking, and international trade & remittances.

In addition, the Bank's subsidiaries played a vital role in expanding its financial ecosystem, providing specialized services such as currency exchange, modaraba financing, fund management, and securities brokerage, further strengthening NBP's market position and customer reach.

Capital Adequacy & Strength

The Bank achieved significant improvements in financial soundness indictors during 2024. Total eligible capital increased by PKR 103.1 Bn `or 27.4% to close at PKR 479.8 Bn. While Common Equity Tier 1 Capital (CET 1) ratio stood at 20.51% (2023:19.16%), the Total Capital Ratio stood at 27.80% (2023:25.47%) against minimum regulatory requirement of 13.0%. The Bank's Leverage ratio was 3.88% at the end of 2024 (2023: 3.12%). The Bank's liquidity coverage and net stable funding ratios also improved to 206% (2023:176%) and 174% (2023:159%) respectively against their regulatory requirement of 100%.

Material Events Subsequent to the Balance Sheet Date

Subsequent to year end, pursuant to the order of the Honourable Islamabad High Court dated November 15, 2024 (as amended by a further Court Order dated December 11, 2024), the Scheme of Arrangement filed with the Honourable Islamabad High Court, Islamabad, prepared under Sections 279 to 283 and 285(8) of the Companies Act, 2017 in respect of the demerger of a specified portion of the lending portfolio of SME Bank Limited ("SME Bank"), along with all associated rights, obligations, titles, contracts, benefits, claims, interests, and liabilities (the "Demerger Lending Portfolio"), was approved by the shareholders in the Extraordinary General Meeting of the Members of NBP which was held on January 06, 2025. This demerger involves the separation of the Demerged Lending Portfolio from SME Bank, its transfer to and vesting in NBP, and the retention of all other assets and liabilities of SME Bank that do not form part of the Demerged Lending Portfolio (the "Retained Undertaking") by the SME Bank. However, this did not attract any adjustments to the enclosed financial statements.

Governance & Stewardship by the Board

The Board remained steadfast in its commitment to strong governance, strategic oversight, and responsible stewardship throughout the year. By providing effective leadership and ensuring alignment with the Bank's long-term vision, the Board has played a pivotal role in guiding NBP through an evolving financial and regultory landscape.

A comprehensive overview of the composition and functioning of the Board and its Committees is provided in the Corporate Governance section of this Annual Report. Additionally, a separate statement outlines the Bank's adherence to the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Public Sector Companies (Corporate Governance) Rules, 2013.

To uphold the highest corporate governance standards, the Board has established specialized committees to ensure focused oversight across key areas. These include:

1. Board Audit Committee
2. Board Risk & Compliance Committee
3. Board HR & Remuneration Committee
4. Board Technology & Digitalization Committee
5. Board Inclusive Development Committee
6. Board Strategy Committee
7. NBP-NY Governance Council (Sub-Committee of BRCC)

Each committee operates under a well-defined Terms of Reference framework approved by the Board, ensuring clarity of roles and effectiveness in decision-making for efficient value creation of shareholders. A detailed description of their responsibilities and contributions is provided in the Corporate Governance section of this report. Through these governance structures, the Board continues to buttress the Bank's balance sheet growth, strengthen accountability, enhance risk management, and drive sustainable value creation for all stakeholders.

Meetings of the BoD, and BoD Committees Held during 2024

The Board held 13 meetings during the year. Details of the meetings of the Board and the Board Committees held during the year are stated elsewhere in this Annual Report.

Changes in the Board of Directors

Following changes took place in the Board of Directors During 2024:

1. Mr. Ahsan Ali Chughtai, Independent Director, retired on June 20, 2024, upon completion of his three years' term of appointment as a director.

Governance

The Bank remains steadfast in its commitment to strong governance and regulatory compliance across its domestic and international operations. The Bank adheres to the highest standards of compliance, ensuring alignment with all applicable laws, regulations, and governance codes. Recognizing the evolving regulatory landscape, the Board continues to enhance compliance and control framework of the Bank to meet both local and global best practices.

Significant investments have been made in advanced technological platforms to strengthen internal controls, anti-money laundering protocols, KYC processes, and data accuracy. These initiatives not only fortify the Bank's governance and compliance posture but also enable the generation of high-quality MIS, supporting agile and data-driven decision-making.
By embedding a culture of risk awareness, transparency, and continuous improvement, the Bank remains well-positioned to navigate emerging challenges while ensuring sustainable growth and long-term value creation.

De-risking from low-yielding overseas footprint

Pursuant to our strategy of derisking the low-yielding overseas footprint, the Bank has closed its Paris Branch - France effective December 31, 2024, and New York Branch–USA effective October 28, 2024. The closure of Bishkek, Baku and Almaty branches approved in 2023 is expected to conclude by March 31, 2025.

Compliance & Risk Matters in the New York Branch

The Bank fully complied with the public enforcement actions issued in February 2022 by the New York State Department of Financial Services (NYSDFS) and the Federal Reserve Board. It thereafter

decided to close the New York branch. With approval from the NYDFS, the bank's New York branch voluntarily surrendered its banking license to NYSDFS in October 2024. In December 2024, the Federal Reserve Board terminated the enforcement actions issued to NBP/New York Branch in March 2016 & February 2022.

Impact of the Government Policies on the Bank's Performance

As a major financial institution, NBP operates in close alignment with government policies, which present both opportunities and challenges for the Bank. Several policy measures have had a material impact on the Bank's performance, including:

- **Mandatory participation in subsidized lending schemes** that support inclusive economic development but also require careful risk management.
- **Deposit protection premium** obligations that contribute to financial safety of depositors but increase cost pressures.
- **Implementation of the Treasury Single Account** which influences deposit mobilization and liquidity management.

Furthermore, as a major lender to various public sector entities, the Bank continues to face challenges related to delayed or, in some cases, non-performing debt obligations from certain state-owned enterprises. This remains a key factor impacting the Bank's income and asset quality.

Despite these challenges, NBP remains steadfast in its commitment to fulfilling its role as a national institution, supporting government initiatives while ensuring sustainable profitability and value creation for all shareholders. The Bank continues to engage with policymakers to strike a balance between national priorities and prudent banking practices.

Principal Risks & Uncertainties Facing the Bank

Given the nature of its business model, the Bank is inherently exposed to a range of financial, operational, regulatory, and strategic risks. The Board of Directors remains actively engaged in ensuring that robust risk management framework and policies are in place to identify, assess, and mitigate these risks in a proactive manner in line with preapprove risk appetite thresholds.
The Bank follows a comprehensive 3-lines of defence risk governance structure, ensuring that emerging risks are detected, evaluated, and addressed through well-defined risk mitigation measures. Adequate resources have been deployed to enhance risk resilience, leveraging advanced analytics, strengthened internal controls, and compliance mechanisms to safeguard financial stability.

A detailed discussion on the Bank's principal risks, uncertainties, and future prospects is provided in Note 48 to the financial statements, outlining the Bank's approach to navigating the evolving macroeconomic and regulatory landscape while ensuring sustainable long-term growth.

Major Developments During the Year

The Bank made significant strides in key strategic areas, reinforcing its role as a leading financial institution in the country. Notable developments included:

- **Technology & Digital Infrastructure:** Upgraded Core Banking IT systems and cybersecurity framework to enhance operational resilience and customer experience.
- **Credit Mobilization in Agriculture & SME:** Enhanced financing to the agricultural and SME sector in line with SBP guidelines to support economic growth.
- **Islamic Banking Growth:** Strengthened presence and market outreach in Shariah-compliant banking to cater to increasing demand.
- **Business & Product Development:** Expansion of offerings to meet evolving customer needs.
- **Human Capital Development:** Focused investments in talent acquisition, leadership development, and workforce optimization to drive long-term success.

Further details on these initiatives and their impact are discussed in the relevant sections of this Annual Report.

Remuneration to the Directors

The Bank remains committed to ensuring transparency and adherence to best governance practices in determining the remuneration of its independent and non-executive directors. In line with the shareholders' approval granted at the General Meeting held on July 27, 2020, the Bank follows a structured Remuneration Policy for directors attending Board and Board Committee meetings.

This policy is fully compliant with applicable laws, including the Banks' (Nationalisation) Act, 1974, NBP's bye-laws, and the State Bank of Pakistan's (SBP) regulatory instructions. Under this framework, the Board periodically reviews and recommends remuneration levels for shareholder approval, ensuring alignment with SBP-prescribed limits while maintaining fair compensation for directors' responsibilities. The detail of compensation paid to the Directors in 2024 is given in Note 42 to the unconsolidated financial statements.

Contribution in SBP-led Initiatives

Aligned with the Bank's vision of fostering inclusive development, NBP remains a key partner in supporting Government and SBP-led initiatives aimed at enhancing financial inclusion. The Bank has actively participated in various refinance schemes and strategic programs designed to facilitate access to finance for underserved segments, including agriculture, SMEs, export-oriented industries, and sustainable development projects.

Through these initiatives, the Bank continues to play a pivotal role in driving economic growth, enabling businesses, and strengthening financial accessibility across diverse sectors. Further details on the Bank's contributions under these schemes are provided in the relevant sections of this report. In 2024, the Bank continued to retain its leading position in agriculture financing as evaluated by the SBP. Furthermore, the Bank also remained one of the largest financiers to the SME sector, a matter also acknowledged by the SBP.

Impact of the Bank's Business on the Environment

The Bank recognizes its responsibility in fostering sustainable and environmentally conscious banking practices. While core operations of the Bank do not have a direct environmental footprint, we remain committed to integrating Green Banking principles in line with the State Bank of Pakistan's Green Banking Guidelines. Our approach is geared toward enabling financing solutions that support the transition to a resource-efficient and climate-resilient economy.

Environmental, social, and economic considerations are now embedded in the Bank's strategic decision-making framework, reflecting the Bank's holistic commitment to sustainable growth. In alignment with SBP's Environmental & Social Risk Management Implementation Manual, the Board and Management are actively working to establish a robust Environmental & Social Management System within the Bank.

Further demonstrating our commitment to sustainability, a comprehensive overview of the Bank's CSR initiatives and environmental impact efforts undertaken during the year is provided separately in this report, highlighting our dedication to responsible banking and societal well-being. At end 2024, the Bank had PKR 30.1 Bn of green financing facilities.

Credit Ratings

NBP is rated as 'AAA' by both the recognised credit rating agencies in Pakistan. In June 2024, M/s VIS Credit Rating Company re-affirmed the Bank's standalone credit rating as "AAA", the highest credit rating awarded by the company for a bank in Pakistan. Similarly, M/s PACRA Credit Rating Company also assigned the Bank long-term entity rating as 'AAA' (Triple AAA) and short-term credit rating as 'A1+' (A-one Plus).

Endorsement

The Board of Directors acknowledges and endorses the following key disclosures, which have been provided in detail elsewhere in this Annual Report:

1. **Management Statement on Internal Controls –** Highlighting the Bank's commitment to robust governance and risk management.
2. **Risk Management Overview –** Outlining the frameworks and strategies employed to ensure robust risk management and financial resilience.
3. **Corporate Social Responsibility Initiatives –** Showcasing NBP's contributions toward sustainable and inclusive development.
4. **Pattern of Shareholding –** Providing information on the Bank's shareholding structure.

These sections collectively demonstrate NBP's strategic direction, governance excellence, and commitment to sustainable growth.

Outlook

NBP's future performance remains closely linked to Pakistan's macroeconomic trajectory, which continues to be influenced by inflationary pressures, interest rate movements, fiscal policies, political stability, and global economic conditions. While GDP growth is projected to stabilise, and inflation is expected to remain low, external sector vulnerabilities and fiscal constraints remain key considerations.

Against this backdrop, NBP remains committed to supporting economic recovery and sustainable growth while maintaining a strong and resilient balance sheet. The Bank's strategic focus in near future will continue to be on:

- Expanding financial inclusion, particularly in SMEs, microfinance, and agriculture.
- Supporting Government-led subsidized schemes that drive economic stability.
- Strengthening Islamic banking as demand for Shari'ah-compliant products grows.
- Enhancing digital transformation to improve efficiency and accessibility.

By aligning its strategy with national economic priorities, NBP aims to navigate market challenges, seize emerging opportunities, and create long-term value for its shareholders.

Appointment of Auditors

The existing auditors of the Bank Messrs BDO Ebrahim & Co. Chartered Accountants and Messrs A. F. Ferguson & Co. Chartered Accountants will be retiring this year. Both the auditors being eligible and have offered themselves for re-appointment as external auditors of the Bank for the year ending December 31, 2025. The Board is pleased to endorse the recommendation of the Board Audit Committee for re-appointment of M/s PwC A. F. Ferguson & Co. Chartered Accountants, and re-appointment of M/s BDO Ebrahim & Co. Chartered Accountants to be the auditors of the Bank for the year ending December 31, 2025.

Acknowledgement & Appreciation

The Board extends its heartfelt appreciation to the dedicated employees of NBP, whose unwavering commitment ensures the seamless provision of banking services to the Nation. Their dedication remains the driving force behind the Bank's continued success and impact.

We also express our sincere gratitude to the Government of Pakistan, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and other domestic/foreign regulatory bodies for their steadfast support. Their guidance has been instrumental in enabling NBP to unlock its potential and contribute meaningfully to Pakistan's socio-economic development.

Furthermore, we acknowledge the invaluable contributions of our leadership team and extend our special appreciation to Mr. Ahsan Ali Chughtai, who retired from the Board. His insights and dedication have played a crucial role in strengthening the Bank's governance, resilience, and long-term strategic direction.

With a shared vision for progress, NBP remains committed to fostering inclusive growth, financial stability, and national development.

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO
Karachi Dated: February 28, 2025

Ali Syed
Director

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مستقبل کا نقطہ نظر

نیشنل بینک آف پاکستان کی مستقبل کی کارکردگی پاکستان کے مجموعی معاشی منظرنامے سے جڑی ہوئی ہے، جو افراطِ زر کے دباؤ، شرح سود میں اتار چڑھاؤ، مالیاتی پالیسیوں، سیاسی استحکام اور عالمی اقتصادی حالات سے متاثر ہوتی رہتی ہے۔ اگرچہ جی ڈی پی کی شرح نمو کے استحکام اور افراطِ زر میں کمی کی توقع کی جارہی ہے، لیکن بیرونی شعبے کی کمزوریوں اور مالیاتی رکاوٹوں کو نظر انداز نہیں کیا جاسکتا۔

ان حالات میں بنک معیشت کی بحالی اور پائیدار ترقی میں اپنا کردار ادا کرنے کے ساتھ ساتھ ایک مضبوط اور مستحکم مالیاتی حیثیت برقرار رکھنے کے لیے پرعزم ہے۔ بینک اپنی مستقبل قریب کی حکمت عملی کو درج ذیل نکات پر مرکوز رکھے گا:

- مالی شمولیت میں توسیع، خاص طور پر ایس ایم ایز، مائیکروفنانس، اور زرعی شعبے میں۔
- حکومت کے تحت سبسڈائزڈ اسکیموں کی حمایت، جو معاشی استحکام کو فروغ دیتی ہیں۔
- اسلامی بینکاری کے فروغ پر توجہ، کیونکہ شریعہ مطابق مصنوعات کی طلب میں اضافہ ہورہا ہے۔
- ڈیجیٹل ٹرانسفارمیشن کو فروغ دینا تاکہ بینکنگ خدمات کی رسائی اور کارکردگی کو بہتر بنایا جاسکے۔

قومی اقتصادی ترجیحات کے ساتھ اپنی حکمت عملی کو ہم آہنگ کرکے، بنک مارکیٹ کے چیلنجز سے نمٹنے، نئے مواقع سے فائدہ اٹھانے، اور اپنے شیئر ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کا عزم رکھتا ہے۔

آڈیٹرز کی تقرری

بینک کے موجودہ آڈیٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اور میسرز پی ڈبلیو سی، اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اس سال ریٹائر ہوجائیں گے۔ دونوں آڈیٹرز اہل ہیں اور انہوں نے اپنے آپ کو 31 دسمبر 2025 تک ختم ہونے والے سال کے لیے بینک کے بیرونی آڈیٹرز کے طور پر دوبارہ تقرری کے لیے پیش کش کی ہے۔

بورڈ کو 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے بینک کے آڈیٹرز کے لیے بورڈ آڈٹ کمیٹی کی میسرز پی ڈبلیو سی اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری اور میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی توثیق کرنے پر خوشی ہے۔

اعتراف اور تعریف

بنک کے بورڈ آف ڈائریکٹرز بینک کے محنتی اور پُرعزم ملازمین کا دلی شکریہ ادا کرتے ہیں، جن کی انتھک کاوشوں کے باعث بینکنگ خدمات کو مُلک بھر میں احسن طریقے سے فراہم کیا جارہا ہے۔ ان کی لگن بنک کی کامیابی اور اس کے مثبت اثرات کی بنیادی وجہ ہے۔

ہم حکومتِ پاکستان، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور دیگر ملکی و غیر ملکی ریگولیٹری اداروں کے تعاون پر بھی شکریہ ادا کرتے ہیں۔ ان کی رہنمائی نے NBP کو اس کی حقیقی صلاحیت کو بروئے کار لانے اور پاکستان کی سماجی و اقتصادی ترقی میں مؤثر کردار ادا کرنے کے قابل بنایا ہے۔

مزید برآں، ہم اپنی قیادت کی شاندار خدمات کا اعتراف کرتے ہیں اور خاص طور پر مسٹر احسن علی چغتائی کا شکریہ ادا کرتے ہیں، جو حال ہی میں بورڈ سے ریٹائر ہوئے ہیں۔ ان کی بصیرت اور لگن نے بینک کی گورننس، استحکام اور طویل مدتی حکمتِ عملی کو مضبوط بنانے میں اہم کردار ادا کیا ہے۔

نیشنل بنک آف پاکستان ایک ترقی پسند وژن کے ساتھ، مالی استحکام، جامع ترقی، اور قومی خوشحالی کے فروغ کے لیے پُرعزم رہے گا۔

بورڈ آف ڈائریکٹرز کی جانب سے

رحمت علی حسنی	علی سید
صدر اور سی ای او	ڈائریکٹر

کراچی

بتاریخ: 28 فروری 2025

اسٹیٹ بینک آف پاکستان کی زیرِ قیادت اقدامات میں شراکت

شمولیتی ترقی کو فروغ دینے کے ہمارے وژن کے ساتھ ہم آہنگ نیشنل بنک آف پاکستان، حکومت اور اسٹیٹ بینک آف پاکستان کی زیرِ قیادت اقدامات کی حمایت میں کلیدی شراکت دار ہے جس کا مقصد مالی شمولیت کو بڑھانا ہے۔ بینک نے مختلف ری فنانس اسکیموں اور اسٹریٹیجک پروگراموں میں فعال طور پر حصہ لیا ہے جو کہ زراعت، SMEs، برآمدات پر مبنی صنعتوں، اور پائیدار ترقی کے منصوبوں سمیت غیر محفوظ طبقات کے لیے فنانس تک رسائی کی سہولت فراہم کرنے کے لیے بنائے گئے ہیں۔

ان اقدامات کے ذریعے، بینک اقتصادی ترقی کو آگے بڑھانے، کاروبار کو فعال کرنے اور متنوع شعبوں میں مالیاتی رسائی کو مضبوط بنانے میں ایک اہم کردار ادا کرتا رہتا ہے۔ ان اسکیموں کے تحت ہماری شراکت کے بارے میں مزید تفصیلات اس رپورٹ کے متعلقہ حصوں میں فراہم کی گئی ہیں۔

2024 میں بینک نے زرعی فنانسنگ میں اپنی سرکردہ پوزیشن کو برقرار رکھا جیسا کہ اسٹیٹ بینک کی طرف سے جائزہ لیا گیا ہے۔ مزید برآں، بینک SME سیکٹر کے لیے سب سے بڑے فنانسرز میں سے ایک رہا، اس معاملے کو اسٹیٹ بینک نے بھی تسلیم کیا۔

بینک کے کاروبار کے ماحول پر اثرات

بینک پائیدار اور ماحول دوست بینکاری کے فروغ میں اپنی ذمہ داری کو تسلیم کرتا ہے۔ اگرچہ ہماری بنیادی سرگرمیوں کا براہ راست ماحولیاتی اثر نہیں ہے، ہم اسٹیٹ بینک آف پاکستان کی گرین بینکنگ گائیڈ لائنز کے مطابق گرین بینکنگ اصولوں کو اپنانے کے لیے پُرعزم ہیں۔ ہمارا نقطہ نظر ایسے مالیاتی حل فراہم کرنا ہے جو وسائل کی مؤثر استعمال اور موسمیاتی لچکدار معیشت میں منتقلی کو سپورٹ کریں۔

ماحولیاتی، سماجی اور اقتصادی پہلوؤں کو اب ہماری اسٹریٹیجک فیصلہ سازی کے فریم ورک میں شامل کر دیا گیا ہے، جو پائیدار ترقی کے لیے ہمارے جامع عزم کی عکاسی کرتا ہے۔ اسٹیٹ بینک آف پاکستان کے انوائرنمنٹل اینڈ سوشل رسک مینجمنٹ امپلیمنٹیشن مینوئل کے مطابق، بورڈ اور مینجمنٹ بینک میں ایک مستحکم ماحولیاتی و سماجی مینجمنٹ سسٹم قائم کرنے کے لیے سرگرم عمل ہیں۔

پائیداری کے لیے ہمارے عزم کو مزید واضح کرتے ہوئے، ہماری کارپوریٹ سوشل ریسپانسبلٹی (CSR) اقدامات اور ماحولیاتی اثرات پر تفصیلی جائزہ اس رپورٹ میں علیحدہ طور پر فراہم کیا گیا ہے، جو ذمہ دار

بینکاری اور معاشرتی فلاح و بہبود کے لیے ہماری لگن کو ظاہر کرتا ہے۔ سال 2024 کے اختتام پر، بینک کے پاس 30.1 بلین روپے کے گرین فنانسنگ فیسلٹیز موجود تھیں۔

کریڈٹ ریٹنگ

پاکستان میں دونوں تسلیم شدہ کریڈٹ ریٹنگ ایجنسیوں کے ذریعہ بینک کو 'AAA' کا درجہ دیا گیا ہے۔ جون 2024 میں، میسرز وی آئی ایس کریڈٹ ریٹنگ کمپنی نے بینک کی اسٹینڈالون کریڈٹ ریٹنگ کو "AAA" کی حیثیت سے دوبارہ تصدیق کی، جو پاکستان میں کسی بینک کے لیے کمپنی کی طرف سے دی جانے والی سب سے زیادہ کریڈٹ ریٹنگ ہے۔ اسی طرح، میسرز پیکرا کریڈٹ ریٹنگ کمپنی نے بھی بینک کو طویل مدتی ہستی کی درجہ بندی بطور 'AAA' (ٹرپل AAA) اور مختصر مدت کے کریڈٹ ریٹنگ کو 'A1+' (A-One Plus) کے طور پر برقرار رکھا ہے۔

توثیق

بینک کے بورڈ آف ڈائریکٹرز درج ذیل اہم حقائق کو تسلیم اور انکی توثیق کرتے ہیں، جن کی تفصیلات اس سالانہ رپورٹ میں دی گئی ہیں:

- **داخلی کنٹرولز پر مینجمنٹ اسٹیٹمنٹ** – جو بینک کی مضبوط گورننس اور رسک مینجمنٹ کے عزم کو اجاگر کرتی ہے۔
- **رسک مینجمنٹ کا جائزہ** – جو مستحکم مالیاتی حکمت عملیوں اور فریم ورک کی وضاحت کرتا ہے۔
- **کارپوریٹ سماجی ذمہ داری (CSR) کے اقدامات** – جو پائیدار اور جامع ترقی میں بینک کے کردار کو نمایاں کرتے ہیں۔
- **شیئر ہولڈنگ کا پیٹرن** – جو بینک کی ملکیتی ساخت کے بارے میں معلومات فراہم کرتا ہے۔

یہ تمام اقدامات بنک کی اسٹریٹیجک سمت، بہترین گورننس، اور پائیدار ترقی کے عزم کو ظاہر کرتے ہیں۔

مزید برآں، پبلک سیکٹر کے مختلف اداروں کو ایک بڑے قرض دہندہ کے طور پر، بینک کو بعض سرکاری اداروں کی جانب سے تاخیر یا بعض صورتوں میں غیر فعال قرض کی ذمہ داریوں سے متعلق چیلنجوں کا سامنا کرنا پڑتا ہے۔ یہ ہماری آمدنی اور اثاثہ کے معیار کو متاثر کرنے والا ایک اہم عنصر ہے۔

ان چیلنجوں کے باوجود، NBP ایک قومی ادارے کے طور پر اپنے کردار کو پورا کرنے، حکومتی اقدامات کی حمایت کرتے ہوئے تمام شیئر ہولڈرز کے لیے پائیدار منافع اور قدر کی تخلیق کو یقینی بنانے کے اپنے عزم پر ثابت قدم ہے۔ بینک قومی ترجیحات اور دانشمندانہ بینکنگ طریقوں کے درمیان توازن قائم کرنے کے لیے پالیسی سازوں کے ساتھ مشغول رہتا ہے۔

بینک کو درپیش بنیادی رسک اور غیر یقینی صورتحال

اپنے کاروباری ماڈل کی نوعیت کو دیکھتے ہوئے، بینک فطری طور پر مالی، آپریشنل، ریگولیٹری، اور اسٹریٹیجک خطرات کی ایک حد سے دوچار ہے۔ بورڈ آف ڈائریکٹرز اس بات کو یقینی بنانے میں فعال طور پر مصروف رہتا ہے کہ خطرے کے انتظام کا مضبوط فریم ورک اور پالیسیاں پہلے سے منظور شدہ خطرے کی بھوک کی حد کے مطابق ایک فعال انداز میں ان خطرات کی شناخت، تشخیص اور ان کو کم کرنے کے لیے موجود ہیں۔

بینک دفاعی رسک گورننس ڈھانچے کی جامع 3 لائنوں کی پیروی کرتا ہے، اس بات کو یقینی بناتا ہے کہ ابھرتے ہوئے خطرات کا پتہ لگایا جائے، ان کا جائزہ لیا جائے، اور اچھی طرح سے متعین خطرے کو کم کرنے کے اقدامات کے ذریعے حل کیا جائے۔ خطرے کی لپک کو بڑھانے، جدید تجزیات کا فائدہ اٹھاتے ہوئے، اندرونی کنٹرول کو مضبوط بنانے اور مالی استحکام کی حفاظت کے لیے تعمیل کے طریقہ کار کے لیے مناسب وسائل تعینات کیے گئے ہیں۔

بینک کے بنیادی خطرات، غیر یقینی صورتحال اور مستقبل کے امکانات پر تفصیلی بحث مالیاتی بیانات کے نوٹ 48 میں میں فراہم کی گئی ہے، جو کہ پائیدار طویل مدتی نمو کو یقینی بناتے ہوئے ابھرتی ہوئی میکرو اکنامک اور ریگولیٹری منظرنامے پر لے جانے کے لیے بینک کے نقطہ نظر کا خاکہ پیش کرتی ہے۔

سال کے دوران اہم پیشرفت

بینک نے اہم اسٹریٹیجک شعبوں میں اہم پیش رفت کی، ملک میں ایک سرکردہ مالیاتی ادارے کے طور پر اپنے کردار کو تقویت دی۔ قابل ذکر پیشرفت میں شامل ہیں:

- **ٹیکنالوجی اور ڈیجیٹل انفراسٹرکچر:** آپریشنل لچک اور کسٹمر کے تجربے کو بڑھانے کے لیے، اپ گریڈ شدہ کور بینکنگ آئی ٹی سسٹمز اور سائبر سیکیورٹی فریم ورک۔
- **زراعت اور ایس ایم ای میں کریڈٹ موبلائزیشن:** معاشی نمو کو سپورٹ کرنے کے لیے اسٹیٹ بینک کے رہنما خطوط کے مطابق زرعی اور ایس ایم ای سیکٹر کے لیے مالی اعانت میں اضافہ۔
- **اسلامی بینکاری کی ترقی:** بڑھتی ہوئی طلب کو پورا کرنے کے لیے شریعت کے مطابق بینکاری میں موجودگی اور مارکیٹ کی رسائی کو مضبوط بنایا گیا۔
- **کاروبار اور پروڈکٹ ڈویلپمنٹ:** صارفین کی ابھرتی ہوئی ضروریات کو پورا کرنے کے لیے پیشکشوں کی توسیع۔
- **ہیومن کیپٹل ڈویلپمنٹ:** ٹیلنٹ کے حصول، قیادت کی نشوونما، اور افرادی قوت کی اصلاح میں مرکوز سرمایہ کاری تاکہ طویل مدتی کامیابی حاصل کی جاسکے۔

ان اقدامات کے بارے میں مزید تفصیلات اور ان کے اثرات پر اس سالانہ رپورٹ کے متعلقہ حصوں میں بحث کی گئی ہے۔

ڈائریکٹرز کو معاوضہ

بینک اپنے آزاد اور غیر ایگزیکٹو ڈائریکٹرز کے معاوضے کے تعین میں شفافیت اور بہترین حکمرانی کے طریقوں کی پابندی کو یقینی بنانے کے لیے پرعزم ہے۔ 27 جولائی 2020 کو منعقدہ جنرل میٹنگ میں دی گئی شیئر ہولڈرز کی منظوری کے مطابق، بینک بورڈ اور بورڈ کمیٹی کے اجلاسوں میں شرکت کرنے والے ڈائریکٹرز کے لیے ایک منظم معاوضے کی پالیسی پر عمل کرتا ہے۔

یہ پالیسی قابل اطلاق قوانین بشمول بینکس (نیشنلائزیشن) ایکٹ 1974، بنک کے ضمنی قوانین، اور اسٹیٹ بینک آف پاکستان کی ریگولیٹری ہدایات کے ساتھ مکمل طور پر مطابقت رکھتی ہے۔ اس فریم ورک کے تحت، بورڈ وقتاً فوقتاً حصص یافتگان کی منظوری کے لیے معاوضے کی سطح کا جائزہ لیتا ہے اور اس کی سفارش کرتا ہے، ڈائریکٹرز کی ذمہ داریوں کے لیے منصفانہ معاوضے کو برقرار رکھتے ہوئے، اسٹیٹ بینک آف پاکستان کی مقرر کردہ حدود کے ساتھ ہم آہنگی کو یقینی بناتا ہے۔ 2024 میں ڈائریکٹرز کو ادا کیے گئے معاوضے کی تفصیل میں مالیاتی گوشوارے کے نوٹ 42 میں دی گئی ہے۔

ہر کمیٹی ایک اچھی طرح سے طے شدہ شرائط کے حوالہ کے فریم ورک کے تحت کام کرتی ہے جسے بورڈ نے منظور کیا ہے، حصص یافتگان کی موثر قدر کی تخلیق کے لیے فیصلہ سازی میں کردار کی وضاحت اور تاثیر کو یقینی بناتا ہے۔ ان کی ذمہ داریوں اور شراکت کی تفصیلی وضاحت اس رپورٹ کے کارپوریٹ گورننس سیکشن میں فراہم کی گئی ہے۔
ان گورننس ڈھانچے کے ذریعے، بورڈ بینک کی بیلنس شیٹ کی نمو، جوابدہی کو مضبوط بنانے، رسک مینجمنٹ کو بڑھانے، اور تمام اسٹیک ہولڈرز کے لیے پائیدار قدر کی تخلیق کو آگے بڑھا رہا ہے۔

سال 2024 کے دوران منعقد ہونے والے بورڈ اور بورڈ کمیٹیوں کے اجلاس

بورڈ نے سال کے دوران 13 اجلاس منعقد کئے۔ سال کے دوران منعقدہ بورڈ اور بورڈ کمیٹیوں کے اجلاسوں کی تفصیلات اس سالانہ رپورٹ میں بیان کی گئی ہیں۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

2024 کے دوران بورڈ آف ڈائریکٹرز میں درج ذیل تبدیلیاں ہوئیں:
1. جناب احسن علی چغتائی، آزاد ڈائریکٹر، 20 جون 2024 کو بطور ڈائریکٹر تقرری کی اپنی تین سالہ مدت پوری ہونے پر ریٹائر ہوئے۔

گورننس

بینک اپنے ملکی اور بین الاقوامی آپریشنز میں مضبوط گورننس اور ریگولیٹری تعمیل کے اپنے عزم میں ثابت قدم ہے۔ بینک تعمیل کے اعلیٰ ترین معیارات پر عمل پیرا ہے، تمام قابل اطلاق قوانین، ضوابط اور گورننس کوڈز کے ساتھ ہم آہنگی کو یقینی بناتا ہے۔ ابھرتے ہوئے ریگولیٹری منظرنامے کو تسلیم کرتے ہوئے، بورڈ مقامی اور عالمی دونوں طرح کے بہترین طریقوں کو پورا کرنے کے لیے بینک کے تعمیل اور کنٹرول کے فریم ورک کو بڑھا رہا ہے۔

اندرونی کنٹرول، اینٹی منی لانڈرنگ پروٹوکول، KYC کے عمل، اور ڈیٹا کی درستگی کو مضبوط بنانے کے لیے جدید تکنیکی پلیٹ فارمز میں اہم سرمایہ کاری کی گئی ہے۔ یہ اقدامات نہ صرف بینک کی طرز حکمرانی اور تعمیل کے انداز کو مضبوط بناتے ہیں بلکہ اعلیٰ معیار کے MIS کی تخلیق کو بھی قابل بناتے ہیں، جو فعال اور ڈیٹا پر مبنی فیصلہ سازی میں معاون ہیں۔

خطرے سے متعلق آگاہی، شفافیت اور مسلسل بہتری کے کلچر کو سرایت کرتے ہوئے، بینک ابھرتے ہوئے چیلنجوں کو نیویگیٹ کرنے کے لیے اچھی پوزیشن میں ہے اور پائیدار ترقی اور طویل مدتی قدر کی تخلیق کو یقینی بناتا ہے۔

کم منافع والے بیرون ملک اقدامات کے خطرات کو کم کرنا

کم پیداوار والے بیرون ملک سرمایہ کاری سے متعلق خطرات میں تخفیف کی حکمت عملی کے تحت بنک نے اپنی فرانس کی پیرس برانچ کو 31 دسمبر 2024 سے اور امریکہ کی نیویارک برانچ کو 28 اکتوبر 2024 سے بند کر دیا ہے۔ 2023 میں منظور شدہ بشکیک، باکو اور الماتی برانچوں کی بندش مارچ 2025 تک متوقع ہے۔

نیویارک برانچ میں تعمیل اور خطرے کے معاملات

بینک نے نیویارک اسٹیٹ ڈیپارٹمنٹ آف فنانشل سروسز (NYSDFS) اور فیڈرل ریزرو بورڈ کی جانب سے فروری 2022 میں جاری کردہ عوامی نفاذ کے اقدامات کی مکمل تعمیل کی۔ اس کے بعد اس نے نیویارک کی شاخ کو بند کرنے کا فیصلہ کیا۔ NYSDFS سے منظوری کے ساتھ، بینک کی نیویارک برانچ نے رضا کارانہ طور پر اپنا بینکنگ لائسنس اکتوبر 2024 میں NYSDFS کو سپرد کر دیا۔ دسمبر 2024 میں، فیڈرل ریزرو بورڈ نے NBP / نیویارک برانچ کو مارچ 2016 اور فروری 2022 میں جاری کردہ نفاذ کے اقدامات کو ختم کر دیا۔

بینک کی کارکردگی پر حکومتی پالیسیوں کا اثر

ایک بڑے مالیاتی ادارے کے طور پر، NBP حکومتی پالیسیوں کے ساتھ مل کر کام کرتا ہے، جو بینک کے لیے مواقع اور چیلنجز دونوں پیش کرتی ہے۔ کئی پالیسی اقدامات نے ہماری کارکردگی پر مادی اثرات مرتب کیے ہیں، بشمول:

- **رعایتی قرض دینے والی اسکیموں میں لازمی شرکت** جو جامع اقتصادی ترقی کی حمایت کرتی ہے لیکن اس کے لیے خطرے کے انتظام کی بھی ضرورت ہوتی ہے۔
- **ڈپازٹ پر ٹیکشن پریمیم ذمہ داریاں** جو ڈپازٹرز کی مالی حفاظت میں معاون ہوتی ہیں لیکن لاگت کے دباؤ میں اضافہ کرتی ہیں۔
- **ٹریژری سنگل اکاؤنٹ کا نفاذ** جو ڈپازٹ موبلائزیشن اور لیکویڈیٹی مینجمنٹ کو متاثر کرتا ہے۔

بنیادی سرگرمیاں

بنک نے اپنی تزویراتی ترجیحات کے مطابق اپنی مختلف پیشکشوں کو برقرار رکھتے ہوئے ایک مکمل سروس مالیاتی ادارے کے طور پر کام جاری رکھا۔ بنیادی سرگرمیاں پچھلے سال کے مطابق رہیں، جن میں عام بینکنگ خدمات، کریڈٹ سہولیات، ATM اور ڈیبٹ کارڈ کی خدمات، سرمایہ کاری بینکنگ ایڈوائزری، ٹریژری اور کیپیٹل مارکیٹس، ہاؤسنگ اور جنرل فنانس، ٹرانزیکشن بینکنگ، کیش مینجمنٹ، ڈیجیٹل بینکنگ، اور بین الاقوامی تجارت اور ترسیلات زر شامل ہیں۔

اس کے علاوہ، بینک کے ذیلی اداروں نے ہمارے مالیاتی ایکوسسٹم کو وسعت دینے، کرنسی ایکسچینج، مضاربہ فنانسنگ، فنڈ مینجمنٹ، اور سیکیورٹیز بروکریج جیسی خصوصی خدمات فراہم کر کے مارکیٹ پوزیشن اور کسٹمر کی رسائی کو مزید مضبوط بنانے میں اہم کردار ادا کیا۔

سرمائے کی مناسبت اور طاقت

بینک نے 2024 کے دوران مالی استحکام کے اشاریوں میں نمایاں بہتری حاصل کی۔ کل اہل سرمایہ 103.1 بلین روپے یا 27.4 فیصد بڑھ کر 479.8 بلین روپے پر بند ہوا۔ جبکہ کامن ایکویٹی ٹائر 1 کیپٹل (CET1) کا تناسب 20.51% (2023: 19.16%)، کل کیپٹل ریشو 13.0% کی کم از کم ریگولیٹری ضرورت کے مقابلے میں 27.80% (2023: 25.47%) رہا۔ بینک کا لیوریج ریشو 2024 کے آخر میں 3.88% (2023: 3.12%) رہا۔ بینک کی لیکویڈیٹی کوریج اور خالص مستحکم فنڈنگ کا تناسب بھی 100% کی ریگولیٹری ضرورت کے مقابلے میں بالترتیب 205% (2023: 176%) اور 174% (2023: 159%) تک بہتر ہوا۔

بیلنس شیٹ کی تاریخ کے بعد کے اہم واقعات

سال کے اختتام کے بعد، معزز اسلام آباد ہائی کورٹ کے مورخہ 15 نومبر 2024 کے حکم کے مطابق (جیسا کہ 11 دسمبر 2024 کے ایک مزید عدالتی حکم میں ترمیم کی گئی ہے)، معزز اسلام آباد ہائی کورٹ، اسلام آباد میں دائر کردہ انتظامات کی اسکیم، جو کمپنیز ایکٹ 2017 کے سیکشن 279 سے 283 اور 285(8) کے تحت تیار کی گئی ہے ایس ایم ای بینک لمیٹڈ ("SME بینک") کے قرضہ جات کے ایک مخصوص حصے کے انضمام کے ساتھ ساتھ تمام متعلقہ حقوق، ذمہ داریوں، عنوانات، معاہدوں، فوائد، دعووں، مفادات، اور واجبات ("ڈیمرجر لینڈنگ پورٹ فولیو") کی منظوری حصص یافتگان کی طرف سے غیر معمولی جنرل میٹنگ میں دی گئی تھی جو کہ 6 جنوری 2025 کو منعقد ہوئی تھی۔ اس تنزلی میں ایس ایم ای بینک سے ڈیمرجڈ لینڈنگ پورٹ فولیو کی علیحدگی، اس کی این بی پی میں منتقلی اور اس میں سرمایہ کاری، اور ایس ایم ای بینک کے دیگر تمام اثاثوں اور ذمہ داریوں کو برقرار رکھنا شامل ہے جو ایس ایم ای بینک کے ذریعے ڈیمرجڈ لیڈنگ پورٹ فولیو ("ریٹینڈ انٹرٹیکنگ") کا حصہ نہیں بنتے ہیں۔ تاہم، اس سے منسلک

مالی بیانات میں کوئی ایڈجسٹمنٹ نہیں ہوئی۔

بورڈ کی طرف سے گورننس اور اسٹیورڈشپ

بورڈ سال بھر مضبوط گورننس، اسٹریٹیجک نگرانی اور ذمہ دارانہ سرپرستی کے لیے اپنے عزم میں ثابت قدم رہا۔ موثر قیادت فراہم کرنے اور بینک کے طویل مدتی وژن کے ساتھ ہم آہنگی کو یقینی بنانے کے ذریعے، بورڈ نے ایک ابھرتے ہوئے مالیاتی اور ریگولیٹری منظرنامے کے ذریعے NBP کی رہنمائی میں اہم کردار ادا کیا ہے۔

بورڈ اور اس کی کمیٹیوں کی تشکیل اور کام کاج کا ایک جامع جائزہ اس سالانہ رپورٹ کے کارپوریٹ گورننس سیکشن میں فراہم کیا گیا ہے۔ مزید برآں، ایک علیحدہ بیان میں لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) کے ضوابط 2019 اور پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز 2013 پر بینک کی کاربندگی کا خاکہ پیش کیا گیا ہے۔

کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھنے کے لیے، بورڈ نے کلیدی شعبوں میں توجہ مرکوز کی نگرانی کو یقینی بنانے کے لیے خصوصی کمیٹیاں قائم کی ہیں۔ ان میں شامل ہیں:

1. بورڈ آڈٹ کمیٹی
2. بورڈ رسک اینڈ کمپلائنس کمیٹی
3. بورڈ ایچ آر اینڈ ریمونریشن کمیٹی
4. بورڈ ٹیکنالوجی اور ڈیجیٹلائزیشن کمیٹی
5. بورڈ انکلوزیو ڈویلپمنٹ کمیٹی
6. بورڈ کی حکمت عملی کمیٹی
7. NBP-NY گورننس کونسل (BRCC کی ذیلی کمیٹی)

وفاقی شرعی عدالت کی ہدایات اور اسٹیٹ بینک آف پاکستان کے 31 دسمبر 2027 تک بینکنگ انڈسٹری کو مکمل شرعی تعمیل میں منتقل کرنے کے مینڈیٹ کے مطابق، بینک مزید IBWs 100 قائم کر کے اور 100 سے زیادہ روایتی برانچوں کو 2025 تک اسلامک میں شروع کرنے کے لیے تبدیل کرنے کا ارادہ رکھتا ہے۔ بنک کے اثاثہ جات کے لحاظ سے این بی پی ایڈوانس سیلری، بنک کی نہایت اہم، خوردہ قرضوں کی مصنوعات کا ایک اسلامی متبادل اور ایک اہم سنگ میل ہے۔ بینک، اسلامی بینکاری میں ایک رہنما کے طور پر اپنی پوزیشن کو مضبوط بناتے ہوئے، بغیر کسی رکاوٹ کے منتقلی کو یقینی بناتے ہوئے مزید شریعت کے مطابق متبادل متعارف کرانے کے لیے پرعزم ہے۔

حکمت عملانہ لچک اور حصص کی مالیت کی تخلیق

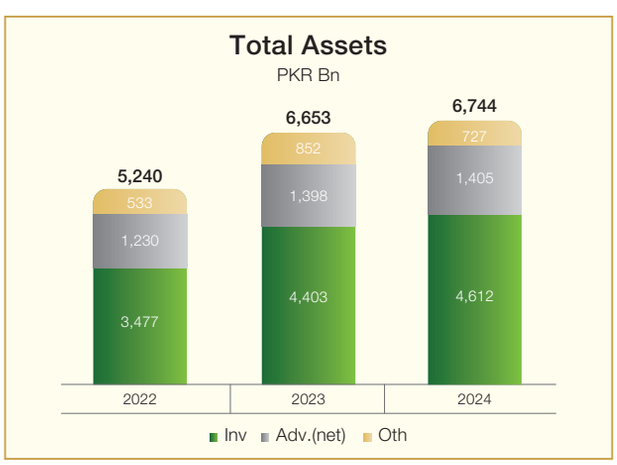
2017 کے بعد سے، بینک کو اپنے پورے منافع کو برقرار رکھنا پڑا تا کہ سرمائے کی مناسبیت کو برقرار رکھا جا سکے، مالی استحکام اور ریگولیٹری توقعات کے مطابق طویل مدتی پائیداری کو یقینی بنایا جائے۔ اس دانشمندانہ نقطہ نظر نے بینک کے سرمائے کی بنیاد کو نمایاں طور پر مضبوط کیا، جس سے وہ زیر التواء قانونی چارہ جوئی کے جھٹکے کو جذب کر سکے۔

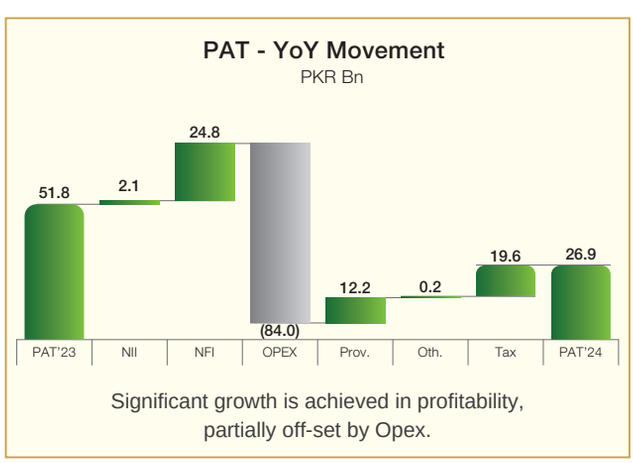
جیسا کہ انفرادی مالیاتی گوشوارے کے نوٹ 25.3.3.1 میں وضاحت کی گئی ہے، بورڈ کو 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے 76 ویں سالانہ جنرل اجلاس میں -/8 روپے فی حصص (یعنی 80%) حصص داران کی منظوری کے لیے حتمی نقد منافع کی سفارش کرتے ہوئے خوشی ہے۔ یہ ڈیویڈنڈ صرف منافع کی تقسیم نہیں ہے، یہ بینک کے شیئر ہولڈرز کو پائیدار قدر فراہم کرنے، کمائی میں بہتری کی لچک، اور حکمت عملیوں کو مالیاتی ترسیل میں ترجمہ کرنے کے لیے ملازمین پر بورڈ کے اعتماد کا ثبوت ہے۔

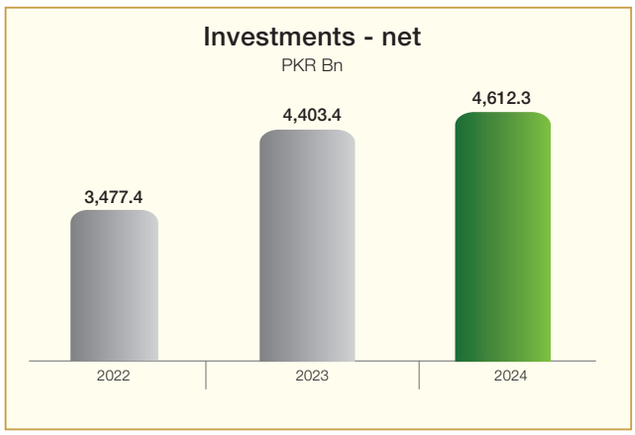
منافع کا اختصاص

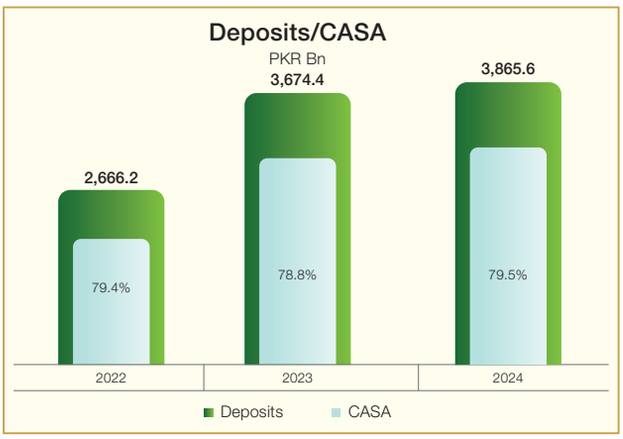
2023 سے جمع شدہ منافع کو شامل کرنے کے بعد 31 دسمبر 2024 کو ختم ہونے والے سال کے منافع کو اس طرح مختص کرنے کی تجویز ہے:

	(ملین روپے)
غیر تصرف شدہ آگے لایا جانے والا منافع	218,754.4
(ای سی ایل کے بعد نظر ثانی شدہ)	
IFRS-9 کو اپنانے کا اثر - بعد از ٹیکس	(10,288.5)
01 جنوری 2024 کو ایڈجسٹ کیا گیا۔	208,456.9
31 دسمبر 2023 کو ختم ہونے والے سال کے لیے بعد از ٹیکس منافع	26,865.7
FVOCI کے طور پر پیش کردہ، سرمایہ کاری کی فروخت پر حاصل شدہ منافع بعد از ٹیکس	2,705.7
متعین فائدے کی ذمہ داریوں پر دوبارہ پیمائش پر فائدہ/ (نقصان) بعد از ٹیکس	(451.5)
جامد اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی۔ بعد از ٹیکس	162.7
	29,282.6
تصرف کے لیے دستیاب منافع	237,748.5
تصرف:	
قانونی ذخائر میں منتقلی (بعد از ٹیکس منافع کا 10%)	(2,686.6)
غیر تصرف شدہ منافع۔ آگے بڑھانے کے لیے:	**235,062.0**









سرمایہ کاری

بینک کی سرمایہ کاری (قیمت پ) 4,475.3 بلین روپے (2023: 4,393.9 بلین روپے) رہی جس کی قیمت 4,612.3.4 بلین روپے (2023: 4,403.4 بلین روپے) تھی۔ ایک مؤثر پیداوار/سود کی شرح کے خطرے اور لیکویڈیٹی مینجمنٹ کی حکمت عملی کے مطابق، بینک صفر رسک ویٹیڈ GoP آلات، زیادہ منافع بخش ایکویٹیز اور دیگر سود برداشت کرنے والے مالیاتی اثاثوں پر سود کے حساس میچورٹی پیٹرن کے ساتھ متنوع سرمایہ کاری کا پورٹ فولیو برقرار رکھے ہوئے ہے۔ موجودہ شرح سود کے منظرنامے اور شرح کی توقعات میں، ہماری سرمایہ کاری کی کتاب میں بنیادی طور پر دیگر جامع آمدنی کے ذریعے منصفانہ قیمت کے تحت رکھی گئی سرمایہ کاری پر 91.7 فیصد کے ساتھ مختصر مدتی میچورٹی پروفائل ہے۔

مالی کارکردگی اور دیگر تنظیمی ترقی کی تفصیلی کوریج بھی اس سالانہ رپورٹ میں دی گئی ہے۔ بینک کے پاس اپنی تمام مالی ذمہ داریوں کو پورا کرنے کے لیے کافی وسائل ہیں اور اس نے کسی قرض یا دیگر مالی ذمہ داریوں کی ادائیگی میں کوتاہی نہیں کی۔

ڈپازٹس

31 دسمبر 2024 تک بینک کے پاس کل ڈپازٹس 3,865.6 بلین روپے تھے جو 2023 کے آخر میں 3,674.4 بلین روپے تھے۔ بینک کی فنڈنگ کا بڑا حصہ ٹکی کسٹمر ڈپازٹس سے آتا ہے جو کل ڈپازٹس کا 94.2% حصہ بنتے ہیں۔ نیٹ ڈپازٹس 1,948.3 بلین روپے یا کل ڈپازٹس کے 50.4% کے ساتھ، بینک ایک مضبوط لیکویڈیٹی پروفائل کو برقرار رکھتا ہے۔ بینک نے اپنے CASA تناسب کو 79.4 فیصد پر برقرار رکھا۔

مالی کارکردگی اور دیگر تنظیمی ترقی کی تفصیلی کوریج بھی اس سالانہ رپورٹ میں دی گئی ہے۔ بینک کے پاس اپنی تمام مالی ذمہ داریوں کو پورا کرنے کے لیے کافی وسائل ہیں اور اس نے کسی قرض یا دیگر مالی ذمہ داریوں کی ادائیگی میں ڈیفالٹ نہیں کیا ہے۔

اسلامی بینکنگ

ہماری وابستگی کا مظاہرہ کرتے ہوئے، بینک نے 2024 میں 100 سے زیادہ اسلامک بینکنگ ونڈوز 'IBW' کا اضافہ کرتے ہوئے اپنے اسلامی بینکنگ کے نقش کو بڑھایا، جس کی کل تعداد 251 ہوگئی، اور 19 روایتی شاخوں کو مکمل اسلامی شاخوں میں تبدیل کر دیا۔ اسلامی بینکاری کا کاروبار اب بینک کے اندر تیزی سے ترقی کرنے والے شعبوں میں سے ایک ہے۔ 'این بی پی اعتماد' کے کل اثاثے 2023 کے آخر میں 140.2 بلین روپے سے بڑھ کر 2024 کے آخر میں 333.4 بلین روپے ہوگئے، جس میں سالانہ 137.9% کا ریکارڈ اضافہ ریکارڈ کیا گیا۔ جبکہ اسلامی بینکنگ سے حاصل ہونے والے کل اثاثوں نے 2023 کے آخر کے 125.4 بلین کے مقابلے 298.9 بلین روپے تک 138.3% سالانہ نمو ریکارڈ کی۔

ہماری اسلامی بینکنگ 'این بی پی اعتماد' نے 2024 کے آخر میں 309.4 بلین روپے پر ڈپازٹ محفوظ کیے، جو سالانہ 113.8 بلین روپے کے مقابلے میں 171.9% سالانہ نمو کو ظاہر کرتا ہے، جبکہ CASA نمو 198.2% سالانہ رہی۔ 2024 کے اختتام پر، کل ڈپازٹ صارفین 250,000 تھے، جو کہ 2023 سے 12% کا سالانہ اضافہ ظاہر کرتا ہے۔ 10.7 بلین روپے کی کل آپریٹنگ آمدنی (سالانہ سال میں 30.83 فیصد اضافہ) کے ساتھ اسلامی بینکنگ آپریشنز نے 6.33 بلین روپے کا قبل از ٹیکس منافع حاصل کیا، جو کہ سالانہ 79.43% کی زبردست نمو کو ظاہر کرتا ہے۔

روپے کے کیپٹل گین سے ہوا، جس میں یونائیٹڈ نیشنل بینک لمیٹڈ میں ہمارے حصص کی فروخت سے 5.8 بلین روپے بھی شامل ہیں۔ نتیجتاً، سال کے لیے کل آمدنی 12.9% سالانہ اضافے سے 236.3 بلین روپے ہوگئی۔

لاگت کے معاملے پر بینک نے اپنے لوگوں، ٹیکنالوجی اور بنیادی ڈھانچے میں سرمایہ کاری جاری رکھتے ہوئے کارکردگی پر توجہ مرکوز رکھی۔ ہمارے آپریٹنگ اخراجات عمومی 119.8 بلین روپے رہے، جو کہ 28.3% سالانہ اضافہ کو ظاہر کرتا ہے۔ اس کا ایک بڑا حصہ انسانی وسائل اخراجات سے متاثر ہوا، جو کہ بنیادی طور پر پنشن کیس کی اضافی لاگت کے اثرات کی وجہ سے 39.7% اضافے سے 78.8 بلین روپے ہوگیا۔

ایک مضبوط آپریشنل سسٹم کو ریڑھ کی ہڈی کے بطور اہم کردار کو تسلیم کرتے ہوئے، بینک نے ایک محفوظ اور موثر کام کا ماحول فراہم کرنے کے لیے ہمارے کاروباری احاطے کو برقرار رکھنے اور اپ گریڈ کرنے میں 1.7 بلین روپے کی سرمایہ کاری کی۔ ٹیکنالوجی ہمارے مستقبل کا کلیدی محرک بنی ہوئی ہے، اور سوفٹ ویئر کی دیکھ بھال اور نیٹ ورک کی بہتری کے لیے، اس بات کو یقینی بناتے ہوئے کہ بینک ڈیجیٹل تبدیلی میں سب سے آگے رہے، بینک نے 4.3 بلین روپے کی سرمایہ کاری کی ہے۔

تاہم یہ سال چیلنجز کے بغیر نہیں تھا، پنشن کیس پر سپریم کورٹ کے فیصلے کے نتیجے میں ایک غیر معمولی لاگت کے ساتھ ساتھ بار بار آنے والی لاگت کا ہمارے مالیات پر نمایاں اثر پڑا۔ اس مشکل کے باوجود، بینک ثابت قدم رہا اور ایک مضبوط بیلنس شیٹ اور سرمائے کی پوزیشن کو برقرار رکھا۔ قبل از ٹیکس منافع 56.7 بلین روپے پر بند ہوا، جو کہ 44.0% کی کمی کی عکاسی کرتا ہے، جبکہ بعد از ٹیکس منافع 26.9 بلین روپے رہا، جو گزشتہ سال کے 51.8 بلین روپے سے 48.2% کم ہے۔ اگر پنشن لاگت کا کوئی یک طرفہ اثر نہ ہوتا تو قبل از ٹیکس منافع 12.8% زیادہ ہو کر سالانہ 114.2 بلین روپے رہتا۔

بیلنس شیٹ کی بہتری

سال 2024 کے اختتام پر بینک کے کل اثاثے 6,744.1 بلین روپے پر بند ہوئے جو کہ 2023 کے آخر کے 6,652.7 بلین روپے سے 1.4% کا اضافہ ہے۔ سرمایہ اور ریزرو 31 دسمبر 2023 کے 382.8 بلین روپے کے مقابلے میں 74.5 بلین روپے یعنی 19.4% کے اضافے کے ساتھ 31 دسمبر 2024 کو 457.0 بلین روپے رہے۔

نمبر	نمایاں جزو	2024	2023	بہتری / (ابتری)
1	سرمایہ کاری - نیٹ	4,612.3	4,403.4	4.7%
2	ایڈوانسز (نیٹ)	1,404.9	1,398.1	0.5%
3	کل اثاثے	6,744.1	6,652.7	1.4%
4	کل اسلامی بنکاری اثاثے	333.4	140.2	137.9%
5	ڈپازٹس	3,865.6	3,674.4	5.2%
6	قرضہ جات	1,937.8	2,177.7	(11.0%)
7	نیٹ اثاثے	457.0	382.8	19.4%
8	بک ویلیو مالیت فی حصص	214.8	179.9	19.4%

ایڈوانسز

بینک کے مجموعی قرضے اور ایڈوانسز 1,672.8 بلین روپے رہے جو سالانہ 2.5% یا 41.1 بلین روپے کا اضافہ ظاہر کرتے ہیں، جبکہ خالص ایڈوانسز 1,404.9 بلین روپے رہے۔ ہماری زیادہ تر مصنوعات بشمول SME اور تجارتی، زراعت، اسلامی، صارف، اور خواتین، خواتین کی ملکیت اور زیر انتظام کاروباری اداروں کی ترقی میں اوسط ترقی میں اضافہ ہوا۔ نتیجتاً، 2024 کے آخر میں ایڈوانس ٹو ڈپازٹس کا تناسب 43.3 فیصد رہا۔ غیر فعال قرضوں میں 21.9 فیصد کا اضافہ ریکارڈ کیا گیا اور ان کی رقم 269.3 بلین روپے (2023: 220.8 بلین روپے) ہوگئی۔ تاہم، یہ بنیادی طور پر ایک ہی بڑے قرض دہندہ کی بے قاعدگی کی وجہ سے تھا جس کی توقع ہے کہ جلد ہی باقاعدہ ہو جائے گا اور تصرف کی ضرورت نہیں ہوگی۔ 225.8 بلین روپے کریڈٹ نقصان الاؤنسز کے ساتھ، NPL کوریج کا تناسب 83.9% پر بلند رہا۔ اس واحد بڑی نادہندگی کے اثرات کو چھوڑ کر، کوریج کا تناسب 100% سے اوپر ہے۔

11.5% کی توسیع کی اطلاع دی، جس کی بڑی وجہ نجی سیکٹر کے قرضوں کی محدود ترقی کے باوجود، سرکاری سیکیورٹیز میں سرمایہ کاری میں اضافہ ہے۔ اثاثوں کا معیار مستحکم رہا، غیر فعال قرضوں کے ساتھ ساتھ اور پرووژننگ کوریج ستمبر 2024 کے آخر تک 101 فیصد تک بہتر ہوگئی۔ مالیاتی استحکام کو یقینی بناتے ہوئے سیکٹر کے سرمائے کے بفرز مضبوط ہیں۔ جنوری 2024 سے IFRS 9 کے نفاذ نے کریڈٹ کے نقصان کی شناخت کے لیے مزید آگے نظر آنے والا طریقہ متعارف کرایا۔ جب کہ یک بارگی تصرفات کو ریکارڈ کیا گیا تھا، اس شعبے کی سرمائے کی کافی مقدار مستحکم رہی، جس کا مجموعی حل پر کوئی بڑا اثر نہیں پڑا۔

آگے دیکھتے ہوئے، مالیاتی نرمی، بہتر مارکیٹ کا اعتماد، اور مسلسل ریگولیٹری اصلاحات نجی شعبے کے قرضوں کے بہاؤ کو بڑھانے اور 2025 میں معاشی بحالی کی حمایت کرنے کا امکان ہے۔

لچک اور اسٹریٹیجک پیشرفت کے ایک سال کا جائزہ

2024 بینک کے لیے ایک مشکل لیکن واضح سال تھا۔ جیسا کہ مالیاتی گوشواروں کے نوٹ 25.3.3.1 میں تفصیل سے بحث کی گئی ہے، معزز سپریم کورٹ آف پاکستان نے (ریویو جیورسڈکشن میں) 27 مارچ 2024 کے اپنے حکم کے ذریعے، بنک (CRPs نمبر 368 تا 409 وغیرہ) کی طرف سے دائر کردہ تمام سول نظر ثانی کی درخواستوں کو خارج کر دیا ہے، جس کے نتیجے میں سپریم کورٹ کا 25 ستمبر 2017 کا تاریخ کا فیصلہ اب حتمی شکل اختیار کر چکا ہے۔ اس کے مطابق، اور فیصلے کی تعمیل میں بینک نے عدالتی حکم کے مطابق ادائیگیاں کی ہیں۔ احتیاط کی بات کے طور پر، بینک نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے ان مالی بیانات میں کسی بھی منفی فیصلے کے مالی اثرات کو شامل کیا ہے۔

مضبوط مالیاتی ترسیل

بینک نے اپنے کیپیٹل ایڈیکیسی پر کسی بھی قابل مشاہدہ منفی اثر کے بغیر ایک بار غیر معمولی پنشن کے اثرات کو جذب کیا، مضبوط سرمائے کے بفرز، مضبوط بیلنس شیٹ اور مستحکم ترقی کی رفتار کو برقرار رکھا۔ یہ لچک بنک کی مالی سمجھداری، فعال رسک مینجمنٹ، آپریشنل طاقت اور اسٹیک ہولڈرز کے لیے پائیدار قدر کی تخلیق کے لیے غیر متزلزل عزم کا ثبوت ہے۔ بینک نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے مضبوط مالیاتی نتائج پیش کیے ہیں۔

منافع

(ارب روپے)

مالیاتی کارکردگی	2024	2023	بہتری / (ابتری)	
خالص سودی آمدنی	170.9	168.7	2.1	1.3%
غیر فنڈڈ آمدنی	65.4	40.6	24.8	10.7%
کُل آمدنی	236.3	209.3	27.0	36.4%
انتظامی اخراجات	119.8	93.3	(26.4)	(19.5%)
قبل از تصرف منافع	116.5	115.7	0.8	53.6%
تصرفات	2.3	14.5	12.2	14.8%
غیر معمولی پنشن اخراجات	57.5		(57.5)	
قبل از ٹیکس منافع	56.7	101.3	(44.6)	61.4%
ٹیکس	29.8	49.4	19.6	52.9%
بعد از ٹیکس منافع	26.9	51.8	(25.0)	70.5%
فی حصص آمدنی (روپے)	12.63	24.37	(11.74)	70.5%

متحرک اور چیلنجنگ آپریٹنگ ماحول کے باوجود بنک نے سال 2024 میں لچک اور موافقت کا مظاہرہ کرنا جاری رکھا۔ پالیسی کی شرحوں میں نرمی کے ساتھ بنک نے سود والے اثاثوں میں نمایاں توسیع دیکھی، جس سے مجموعی مارک اپ/سود کی آمدنی گزشتہ سال کے 1,024.7 بلین روپے سے کچھ بڑھ کر 1,089.4 بلین روپے تک پہنچ گئی۔ سود کی لاگت 918.5 بلین روپے رہے جس میں سے، 50.1% (460.5 بلین روپے) جمع کنندگان کو ادا کیے گئے۔ حوصلہ افزا طور پر، ہماری فنڈز کی لاگت میں بہتری آئی، جو پچھلے سال کے 16.25% سے 41 bps کم ہو کر 15.84% ہوگئی۔ نتیجتاً، خالص سودی آمدنی 1.3%YoY بڑھ کر 170.9 بلین روپے ہوگیا، جو 2024 کے لیے 2.37% کے خالص سپریڈ کو ظاہر کرتا ہے۔

مزید برآں، ہماری نان مارک اپ/غیر سودی آمدنی 61.1 فیصد اضافے کے ساتھ 65.4 بلین روپے ہوگئی، جو کہ ہماری فعال آمدنی میں تنوع کی حکمت عملی کا ثبوت ہے۔ یہ اضافہ بنیادی طور پر 27.9 بلین

ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ

انفرادی مالیاتی گوشوارے

محترم حصص داران،

ہم بورڈ آف ڈائریکٹرز کی جانب سے، 31 دسمبر 2024 کو ختم ہونے والی مدت کے لئے بینک کی سالانہ رپورٹ 31 دسمبر 2024 کے آڈٹ شدہ مالی گوشوارے اور اس پر آزاد آڈیٹروں کی رپورٹ آپ کے سامنے پیش کرنے میں خوشی محسوس کر رہے ہیں۔

اس سال کی رپورٹ ایک چیلنجنگ مالیاتی منظرنامے کے درمیان ذمہ دارانہ حکمرانی، پائیدار قدر کی تخلیق، اور لچک کے لیے ہماری مسلسل عزم کی عکاسی اور تصدیق کرتی ہے۔ آڈٹ شدہ مالی گوشوارے، آزاد آڈیٹرز کی رپورٹ کے ساتھ، بینک کی مالی پوزیشن، کارکردگی اور اسٹریٹیجک سمت کا ایک شفاف اور جامع نقطہ نظر فراہم کرتے ہیں۔

اس ادارے کے ذمہ داروں کے طور پر، بورڈ مضبوط رسک مینجمنٹ اور ریگولیٹری تعمیل کو یقینی بناتے ہوئے ہمارے اسٹیک ہولڈرز کے لیے طویل مدتی قدر فراہم کرنے پر مرکوز ہے

آپریشنز کا تناظر

عالمی معیشت نے ایک پیچیدہ منظرنامے کے درمیان لچک کا مظاہرہ کیا، جہاں افراطِ زر میں کمی اور محتاط امیدواری دیکھنے میں آئی۔ بین الاقوامی مالیاتی فنڈ (IMF) کے مطابق، 2024 میں عالمی شرحِ نمو 3.2% پر مستحکم رہی، اور 2025 میں بھی اس رفتار کے برقرار رہنے کی توقع ہے، جس کی پیش گوئی 3.3% کی گئی ہے۔ پچھلے سالوں میں اہم تشویش بننے والی افراطِ زر کے دباؤ میں کمی کے آثار نمایاں ہوئے، جس کے نتیجے میں عالمی ہیڈلائن افراطِ زر 2023 کے 6.8% سے کم ہو کر 2024 میں 5.9% پر آ گئی، اور 2025 تک مزید کم ہو کر 4.2% ہونے کی توقع ہے۔ اس کے نتیجے میں، کئی مرکزی بینک اپنی مالیاتی سختی کے ادوار کے اختتام کے قریب پہنچ رہے ہیں، جو ایک زیادہ سازگار مالیاتی ماحول کو فروغ دے رہا ہے۔

ان مثبت پیش رفت کے باوجود، چیلنجز بدستور موجود ہیں۔ عالمی بینک نے نشاندہی کی ہے کہ اگرچہ 2025 اور 2026 میں عالمی ترقی مستحکم رہنے کی توقع ہے، لیکن یہ وبائی مرض سے پہلے کے 2010 سے 2019 کے دوران دیکھے گئے اوسط 3.1% کی شرح سے کافی کم ہے۔ ترقی پذیر معیشتوں کو قرضوں کی بلند سطح، پست سرمایہ کاری، اور بڑھتے ہوئے سیاسی اثرات اور جغرافیائی کشیدگی کا سامنا کرنا پڑتا ہے۔

خلاصہ یہ کہ 2025 میں آگے بڑھتے ہوئے، عالمی اقتصادی منظرنامہ محتاط امیدواری کا ہے۔ بنیادی کمزوریوں کو دور کرنے اور تمام معیشتوں میں پائیدار، جامع ترقی کو فروغ دینے کے لیے مربوط پالیسی کی کوششیں ضروری ہیں۔

مالی سال 2024 میں درپیش مشکلات کے بعد پاکستان کے بڑے معاشی منظرنامے نے استحکام اور بتدریج بحالی کے نمایاں آثار دکھائے۔ مالی سال 2025 کی پہلی سہ ماہی میں 0.92% کی جی ڈی پی کی نمو کی اطلاع دی گئی، بنیادی طور پر صنعتی شعبے میں 1.03% کی کمی کے باوجود، زراعت (1.15%) اور خدمات (1.43%) کے شعبوں میں پھیلاؤ کی وجہ سے۔ ہیڈلائن افراطِ زر مئی 2023 کے تقریباً 40 فیصد سے کم ہو کر جنوری 2025 میں 2.4 فیصد پر آ گیا ہے، جو کہ 2025 کے آخر تک 5.5% اور 6.5% کے درمیان متوقع ہے۔ مالیاتی پالیسی کا موقف سال کے وسط میں بدل گیا اور اسٹیٹ بنک نے جنوری 2025 تک پالیسی کی شرح کو 22% سے کم کر کے 12% کر دیا۔ اس سے قرض لینے کی لاگت میں کمی اور نجی شعبے کی قرض کی مانگ میں مدد کی توقع ہے۔

بیرونی سیکٹر نے بھی لچک دکھائی جسے بین الاقوامی حمایت سے تقویت ملی ہے۔ ستمبر 2024 میں آئی ایم ایف نے پاکستان کے لیے 7.0 بلین ڈالر کے قرض کی منظوری دی تھی، جس میں فوری طور پر 1.0 بلین ڈالر کی تقسیم کی گئی تھی، تاکہ معاشی اصلاحات اور میکرو اکنامک استحکام کو فروغ دیا جا سکے۔ مزید برآں، ورلڈ بینک نے آئندہ دہائی کے دوران 20.0 بلین ڈالر کے قرضے کے پیکج کا عزم کیا ہے، جس میں پاکستان کے سماجی، توانائی کے شعبوں اور توانائی کے شعبوں پر توجہ مرکوز کی گئی ہے۔ اسٹاک ایکسچینج نے 2024 کے دوران قابل ذکر ترقی کا تجربہ کیا۔ کراچی اسٹاک ایکسچینج بینچ مارک 100 انڈیکس روپے کی مد میں 84% (USD کی مد میں 85%) بڑھا، یہ حالیہ برسوں میں اس کی بہترین کارکردگی میں سے ایک ہے۔

آگے دیکھتے ہوئے، مضبوط معاشی پالیسیوں، سیاسی استحکام اور ساختی اصلاحات کے مسلسل نفاذ کے ساتھ، پاکستان کا مقصد اس مثبت رفتار کو برقرار رکھنا ہے، جس میں وسط مدتی میں بہتر اقتصادی ترقی اور استحکام کو ہدف بنایا جائے گا۔

پاکستان میں بینکنگ سیکٹر

2024 میں، پاکستان کے بینکنگ سیکٹر نے معاشی حالات میں بہتری کے درمیان مضبوط منافع کو برقرار رکھا۔ اسٹیٹ بینک آف پاکستان نے پہلی ششماہی سال 2024 کے دوران کل بینکنگ اثاثوں میں

PROFILE OF SHARIAH BOARD

Mufti Ehsan Waquar
Chairman Shariah Board

Mufti Ehsan has a diversified cross-functional management experience in Islamic Finance, Business Management and Operation, Project Management and Administration for more than two decades. He has hands-on experience of people and projects management, with a rich experience of working with board of directors and senior management of banks, regulators, auditors and legal counsels.

Alhamdulillah, he exclusively serves Islamic Financial Industry with institutions like World Bank-IFC, National Bank of Pakistan, ABL, Soneri Bank, NAFA, Askari General Insurance Company Takaful Window (AGICO), Emirates Global Islamic Bank, Al Baraka Bank Pakistan, UBL, Yasaar Ltd.-UAE & UK, Minhaj Advisory-UAE, Arif Habib for more than a decade now. He also serves as Member Shariah Advisory Committee (SAC) at Security Exchange Commission of Pakistan (SECP). He has structured several Sukuk including the largest Sukuk in Pakistan; a hundred billion Sukuk for Neelum Jhelum Hydro Power, Fatima Fertilizer, Fauji Fertilizer, Sitara Energy, Sitara Peroxide and IBL.

He also served as member of the Technical Committee for Developing Accounting & Auditing Standard for Islamic Financial Institution at Institute of Chartered Accountants of Pakistan (ICAP). As member of SAF at State Bank of Pakistan (SBP), he worked actively with SBP in matters pertaining to Islamic Banks including Tawarruq, Commodity Murabahah, Treasury, Trade Finance, Agricultural Financing Products and drafting of Shariah Standard on Shirkat-ul-Milk usually used for Housing Finance.

At ESAAC (Ehsan Shariah Advisors and Consultants Private Limited), where he is the Chief Executive Officer and has the privilege to work on a project of World Bank-IFC for developing Islamic Re-Mortgage Finance. He has also worked with SECP team on Takaful Rules 2012 with its insurance division.

Furthermore, He holds the esteemed position of Vice Chancellor at Al-Ghazali University where he provides visionary leadership, fostering academic excellence, driving strategic growth, and promoting innovation.

He possesses a unique combination of religious and contemporary education that is very relevant to Islamic Banking. He has strong communication skills combined with knowledge of several languages. He graduated and accomplished Masters in Business Administration (MBA) with specialization in Finance and Masters in Economics (MA) from IoBM and Karachi University respectively.

He also completed traditional Islamic studies and graduated as a Mufti, achieving Masters in Islamic Studies (MA) and specializing in Islamic Jurisprudence (PGD-Mufti) from a leading Islamic School in Pakistan, Jamia-Tur-Rasheed. He has also accomplished Bachelors in Law and Legislation (LLB). This unique blend of educational combination gives him an edge upon many others to understand, correlate and align modern day banking practices with Shariah principles. Beside this, he conducts courses and sessions on Islamic Banking, Capital Markets, Derivatives, Takaful and Risk Management in renowned Business schools like CBM, IBA and KUBS.

Dr. Mufti Khalil Aazami
Shariah Board Member

Dr. Aazami graduated from Jamia Darul Uloom, Karachi. He obtained Shaha dat-ul-Aalamia (Masters in Arabic and Islamic Studies) and Al-T'akhassus fi al-Iftaa' (Specialisation in Islamic Jurisprudence and Fatwa) from Jamia Darul Uloom, Karachi and holds a Doctorate degree in 'Islamic Jurisprudence' from Karachi University. He is also serving as a Chairman Shariah Board of Bank-Alfalah, Member Shariah Board of Faisal Bank and Shariah Advisor of Alfalah Insurance Window Takaful.

Dr. Aazami has 25 years of research experience related to Islamic Finance and other Shari'ah related subjects. He is an author of numerous publications. He is also an experienced lecturer and trainer in the field of Islamic Finance, Economics, Fiqh, Islamic Financial Laws and General Islamic Science. He is involved as Faculty member, – Jamia Darul Uloom, Karachi since 1999 and has been associated with the Centre for Islamic Economics, Karachi, National Institute of Banking and Finance – SBP and Sheikh Zaid Islamic Research Centre – University of Karachi.

Mufti Sajjad Ashraf Usmani
Shariah Board Member

Mufti Sajjad Ashraf Usmani is a distinguished Islamic scholar and a highly experienced Shariah advisor with extensive qualifications and expertise in Islamic finance and jurisprudence. He holds a Certified Shariah Advisor & Auditor (CSAA) designation from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain, as well as a Takhassus Fil Ifta (Specialization in Islamic Jurisprudence and Fatwa) from Jamia Dar-ul-Uloom, Karachi. Additionally, he holds the Dars-e-Nizami/Shahadat-ul-Aalamia certification, a prestigious qualification in Islamic studies and a certified anatomist of Sukuk, Islamic Banking & Finance.

He is a seasoned professional with over 15 & 11 years of working experience from writing Fatawa to serving as a Shariah Advisor of the leading financial institutions of Pakistan respectively. He is a Shariah Board Member of National Bank of Pakistan.

He has blend experience of providing Shariah consultancy to different dedicated Takaful Companies and window takaful operations too as Shariah Advisor since 2015 in Pakistan. And also giving his services in Oman to the Takaful sector and in addition to his other roles, he has been actively involved in the development and structuring of Sukuk, ensuring their Shariah compliance, contributing his profound knowledge of Islamic financial structures.

In addition to his consultancy work, Mufti Usmani has 9 years of experience in leading auditing firms such as PWC and Deloitte Pakistan. During his time with these firms, he headed the Shariah Audit division, overseeing Shariah compliance audits for Islamic banks, Takaful companies, and Sukuk products. His deep understanding of the practical challenges faced by Islamic financial institutions enables him to offer tailored, effective Shariah-compliant solutions.

Mufti Usmani is also a dedicated educator, teaching Hadith and Fiqh (Islamic Jurisprudence) at Jamia Dar-ul-Uloom, Karachi. He has been sharing his knowledge since 2011, also teaching at leading Islamic educational institutions like IBA CEIF and the Center for Islamic Economics.

With his blend of academic excellence, practical experience, and unwavering commitment to Islamic finance, Mufti Sajjad Ashraf Usmani continues to be an influential figure in the field of Shariah advisory and education.

Dr. Mufti Muhammad Ahmed Khan
Shariah Board Member

Mufti Muhammad Ahmad is a qualified CSAA (Certified Shariah Advisor & Auditor) from AAOIFI (Accounting and Auditing Organisation for Islamic Financial Institutions, Bahrain), Takhas-us-fil-Fiqh il Muamalat Almaliyyah (Specialization in Islamic Commercial Jurisprudence and Fatwa) from Jamia Tur Rasheed, Dars-e-Nizami/Shahadat-ul-Aalamia from Wifaq ul Madaris Alarabia and Masters in Economics from University of Karachi. He also holds a Ph. D in Islamic Banking and Finance from Karachi University.

He has more than eight years' of working experience in the Islamic Banking Industry and has contributed extensively by actively participating Shariah deliberations on multiples issues. He has about twelve years' of experience in Teaching, research and giving Fatawa. He has written about three hundred fatawas regarding ibadat, trade, banking, finance, inheritance, marriage, divorce etc.

He has also conducted in-depth research of several practical issues in Islamic Banking from Shariah aspect. He has a vast experience of conducting Islamic Banking Trainings. He also teaches Islamic Jurisprudence and Islamic creed at Aldirayah Academy Islamabad.

Mufti Muhammad Imran
Resident Shariah Board Member

Mufti Muhammad Imran, working with NBP since May 2016, is a qualified Shariah Scholar and experienced Islamic banker with knowledge of Islamic banking & finance. His educational qualification includes Takhas-us-fil-Fiqh, Master in Islamic Banking & Finance (MIBF), PGD (Islamic Banking & Finance) and M.A (Islamic Studies) from Karachi University and he has been associated with different Research, Fatawa and Educational Institutions since 2003 and has over 15 years of banking, Islamic Banking Trainings, Shariah advisory, shariah Compliance, review & product development experience.

His research includes:

- Qard & Dain me Farq Al Taeyseer fee Hukm-e-Al Tasweer
- Ahkam-ul-Zakah
- Asshya-e-sittah
- Shoroot-e-Ayemmah Khamsah
- Shoroot-e-Ayemmah Sittah
- Preference Shares – A Shariah Compliant Malaysian Mode

SHARIAH BOARD'S ANNUAL REPORT NBP AITEMAAD - 2024

بسم الله الرحمن الرحيم

الحمدلله رب العالمين والصلاة والسلام على سيدالانبياء والمرسلين وعلى أله وصحبه اجمعين اما بعد

The Board of Directors (BoD) of National Bank of Pakistan (NBP) have entrusted the Shariah Board (SB) with the task to assess the overall Shariah compliance level and environment within NBP Aitemaad Islamic Banking. The objective of the report is to present a view about the overall Shariah compliance level and environment within NBP Aitemaad Islamic Banking.

In our role as the Shariah Board, we have assessed the overall Shariah compliance level and environment within the NBP Aitemaad Islamic Banking as of December 31, 2024.

Shariah Board Opinion

BoD and Executive Management are solely responsible to ensure that the operations of NBP – Aitemaad Islamic Banking are conducted in a manner that comply with Shariah principles at all times, Shariah Board is required to submit a report on the overall Shariah compliance environment of NBP – Aitemaad Islamic Banking.

To form our opinion as expressed in this report, the Shariah Compliance Department of the bank carried out reviews, on test check basis, of each class of transactions, the relevant documentation and process flows. Further, we have also reviewed the reports of the internal Shariah audit and external Shariah audit. Based on above, we are of the view that:

1. Compliance with Directives issued by Shariah Board

NBP Aitemaad's overall environment, products, and agreements comply with the Shariah directives issued by Shariah Board.

2. Compliance with Shariah related regulatory directives issued by State Bank of Pakistan

The management ensures zero tolerance for instances of Shariah non-compliance in accordance with SBP directives. To underscore this commitment, NBP Aitemaad has incorporated a dedicated Shariah Non-Compliance key performance indicator within the staff appraisal system.

3. Shariah Compliance Mechanism

Alhamdulillah, NBP-Aitemaad Islamic Banking already had a comprehensive Shariah Compliance Policy and extensive checklist for Shariah compliance review of the transactions in line with Shariah principles.

4. Shariah Compliance Review of Islamic Banking Branches and Departments

The Shariah Compliance Department has conducted review of 33 deposit branches, 44 Islamic Banking Windows (IBW), treasury transactions, pool management and financing portfolio, on sample basis, during the calendar year. Shariah Compliance Department has also reviewed the various marketing campaigns to ensure strict adherence to Shariah Board guidelines.

5. Mechanism ensuring prohibited Income to Charity Account

NBP-Aitemaad Islamic Banking has a well-defined charity policy and charity manual approved by NBP Shariah Board and BoD. Shariah Compliance review and Internal Shariah Audit specifically covered financing transactions, while also extending to other revenue generating sources, such as investments and treasury transactions.

During the Shariah Review of financing portfolio, part of one Murabahah transaction was classified as void contract and rupee eighty-one thousand, three hundred and thirty-one (81,331) has been transferred to charity account.

While, during the year, rupees one million, three hundred two thousand, sixty-seven (1,302,067) was collected on account of late payments and deposited in the Charity Account.

Charity Fund – 2024	Rupees in '000
Opening Balance	6,368
Received from customers on account of delayed payment (2024)	1,302
Profit Paid During the year on Charity Accounts	284
Payments/utilization during the period	7,000
Closing Balance	955

6. Profit and Loss Distribution and Pool Management

NBP Aitemaad Islamic Banking Pool Management Wing is supported by a skilled and adequately resourced team ensuring compliance with the both SBP and Shariah Board guidelines. The SCD performs a monthly review of profit and loss calculations before distribution to depositors, complimented by an annual Shariah compliance review of pool management. Additionally, Internal Shariah audit wing conducts a quarterly Shariah Audit of pool management. These multiple layers of oversight have significantly strengthened the process of profit & loss distribution and overall management of the pool.

7. Staff and Customer understanding of Islamic Banking and Finance

The Bank has arranged One Hundred Seven (107) in house physical training sessions, in addition to e-learnings, on various topics related to Islamic Banking's basic concepts, products and services, and customer services where one thousand two hundred ninety-seven (1297) staff members (including IBB staff and conventional staff designated to IBW) were trained during the year.

Bank also has arranged various training sessions for management through NIBAF.

To address public queries related to Shariah and Islamic Banking, the Bank is manages an "ask Shariah" portal at askshariah@nbp.com.pk. The Portal serves as a platform for staffs' on job training and guidance on their day-to-day operations and enhancing customer awareness in the field of Islamic Banking.

8. Promotion and Awareness of Islamic Banking and Finance and other activities

SCD in coordination with AIBG operations and marketing has initiated Islamic Banking awareness sessions to promote of Islamic Banking among the general public. In this regard, five (5) awareness sessions were organized across the country including two (2) sessions exclusively for women only in line with SBP's comprehensive National Financial Inclusion Strategy (NFIS).

9. Provision of adequate resources to Shariah Compliance Department

To ensure adequate staffing SCD, has initiated requisition request for staff hiring. As part of this, the hiring process for three (03) more SCD staff is currently underway.

SCD shall assess future staffing requirements for upcoming operations and conversion and shall inform the management accordingly.

10. Other Developments

i. Branch Network & Expansion

Alhamdulillah! NBP Aitemaad is providing Islamic banking services since 2005 and 2024 marking its 19th year.

The branch network of NBP Aitemaad stands at 207 dedicated Islamic banking branches after conversion of 19 branches in 2024 into dedicated Islamic banking branches and 251 Islamic Banking Windows (IBW) after establishing 101 windows by the end of Dec 2024. NBP has initiated the process of opening 205 new IBWs for the year 2025, out of which 105 conventional branches will be converted into full-fledged Islamic branches.

ii. Product Development

Alhamdulillah! In 2024, NBP Aitemaad Islamic Banking has launched the consumer financing product 'Aitemaad Advance Salary' for salaried employees of government, autonomous bodies and private sector to meet their personal financing needs in a Shariah compliant manner. This product will play a vital role in bank's conversion alongside new business.

The Shariah compliant solution of other conventional consumer financing products is under process as well. At present, NBP Aitemaad offers a diversified range of products as it is offering seventeen (17) Deposit products, ten (10) Financing products. The Bank remains committed to providing 24/7 banking services for various market segments.

iii. Asset Review

The overall earning assets of NBP Aitemaad have risen by 138.6% reaching PKR 301 Billion compared to PKR 126.3 Billion in the previous year. Total Financing has increased significantly, standing at PKR 146.8 Billion reflecting a growth of 96.7% which maintains NBP Aitemaad's Finance to Deposit Ratio approximately to 47%. Total Investments including Bai Muajjal have amounted to PKR 154.5 Billion, showing a 199% increase from PKR 51.7 Billion in the prior year.

iv. Liability Review

Aitemaad total deposits have grown by 171.9%, reaching PKR 309 Billion compared to PKR 113.8 Billion in the last year.

v. Shariah Board Meetings

SB has conducted five (05) meetings during the year with 100% meetings quorum. Major Shariah Board approvals are summarized as below;

- Aitemaad Advance Salary Manual and Legal Agreements
- Money Market Procedures Manual
- Aitemaad Hamsafar Auto Finance Policy and Manual (version 3.0)
- Financing Products Policy - Revision
- Deposit Products Manual – Revision
- IBW Policy - Revision
- Addendum – Deposit Products Manual

- CAD manual
- Corporate Commercial Credit Policy
- SME Credit Policy
- Conversion Plan of NBP branches 2025
- Consumer Credit Policy
- IBWs Expansion Plan 2025
- ISAW Annual Plan 2025 and SCD Annual Plan 2025
- Corrective Actions on SCD, ISAW & External Shariah Audit Reports
- Comments on Shariah Standards submitted to SBP

Recommendations

We advise the Bank to consider the following matters:

1. The liability side of the Core Banking has been automated, while automation of the asset side is planned as part of Core Banking Application (CBA) upgrade. It is essential to prioritize this process for timely execution.

والله سبحانه وتعالى اعلم

ربنا لا تؤاخذنا ان نسينا او اخطاناۚ ربنا ولا تحمل علينا

اصرا كما حملته على الذين من قبلناۚ ربنا ولا تحملنا ما لا طاقةلنابهۚ

واعف عناوقفه واغفرلناوقفه وارحمناوقفه انت مولنا فانصرنا على القوم الكفرين

May Almighty ALLAH grant us guidance to steadfastly adhere to Shariah principles in day-to-day operations, to absolve our mistakes and shortcomings, and may His blessings lead to the success of Islamic banking in Pakistan. Ameen.

MUFTI MUHAMMAD AHMED KHAN
Member Shariah Board

MUFTI MUHAMMAD SAJJAD USMANI
Member Shariah Board

MUFTI MUHAMMAD IMRAN
Resident Shariah Board Member

DR. MUFTI KHALIL AHMAD AAZAMI
Member Shariah Board

MUFTI EHSAN WAQUAR AHMAD
Chairman Shariah Board

سفارشات

بینک کے لیے ہماری سفارشات درج ذیل ہیں:

1۔ بینک نے ڈپازٹ والے حصّے کو مکمل طور پر خودکار کر دیا ہے تاہم تمویلی و سرمایہ کاری والا حصّہ "کور بینکنگ" (CBA) میں بہتری کے ساتھ خودکار بنایا جائے گا۔ اس عمل کو ترجیحی بنیادوں پر مکمل کرنے کی ضرورت ہے۔

واللّٰہ سبحانہ وتعالی اعلم

(رَبَّنَا لَا تُؤَاخِذۡنَآ إِن نَّسِينَآ أَوۡ أَخۡطَأۡنَاۚ رَبَّنَا وَلَا تَحۡمِلۡ عَلَيۡنَآ إِصۡرٗا كَمَا حَمَلۡتَهُۥ عَلَى ٱلَّذِينَ مِن قَبۡلِنَاۚ رَبَّنَا وَلَا تُحَمِّلۡنَا مَا لَا طَاقَةَ لَنَا بِهِۦۖ وَٱعۡفُ عَنَّا وَٱغۡفِرۡ لَنَا وَٱرۡحَمۡنَآۚ أَنتَ مَوۡلَىٰنَا فَٱنصُرۡنَا عَلَى ٱلۡقَوۡمِ ٱلۡكَٰفِرِينَ)

ہم اللہ تعالی کے حضور دعا گو ہیں کہ وہ روزمرہ امور میں ہماری رہنمائی اور ثابت قدمی عطا فرمائے تاکہ ہم خطاؤں اور کوتاہیوں سے بچ سکیں اور یہ کہ اللہ تعالی کے فضل سے اسلامی بینکاری پاکستان میں مزید مستحکم ہو۔ آمین

مفتی محمد عمران	مفتی محمد احمد خان	مفتی محمد سجاد عثمانی
ریزیڈنٹ شریعہ بورڈ ممبر	ممبر شریعہ بورڈ	ممبر شریعہ بورڈ
این بی پی اعتماد	این بی پی اعتماد	این بی پی اعتماد

ڈاکٹر مفتی خلیل احمد اعظمی	مفتی احسان وقار احمد
ممبر شریعہ بورڈ	چیرمین شریعہ بورڈ
این بی پی اعتماد	این بی پی اعتماد

10. دیگر امور

i۔ برانچ نیٹ ورک اور توسیع

الحمدللہ! این بی پی اسلامک بینکنگ 2005 سے اسلامی بینکاری کی خدمات فراہم کر رہا ہے اور سال 2024 تک 19 سال مکمل ہو چکے ہیں۔
این بی پی اعتماد اسلامک بینکنگ کا برانچ نیٹ ورک سال 2024 میں 19 برانچز کی کنورژن کیساتھ 207 مستقل اسلامک بینکنگ برانچز اور 105 ونڈوز کھولنے کیساتھ 251 اسلامک بینکنگ ونڈوز پر مشتمل ہے۔ این بی پی نے سال 2025 کے لیے 205 ونڈوز کھولنے اور ان میں سے 105 کو اسلامی برانچز میں تبدیل کرنے کی طرف پیش رفت شروع کر دی ہے۔

ii۔ مصنوعات سازی (پراڈکٹ ڈیویلپمنٹ)

الحمدللہ! سال 2024 میں این بی پی اعتماد نے سرکاری و نیم سرکاری تنخواہ دار ملازمین اور پرائیوٹ شعبوں کے لئے شرعی اصولوں کے مطابق ان کی سرمایہ کاری کی ضرورت کے پیش نظر "اعتماد ایڈوانس سیلری" کے نام سے باقاعدہ پراڈکٹ لانچ کر دی ہے، جس سے نہ صرف بینک کنورژن بلکہ نئے بزنس میں بھی مدد ملے گی۔
جبکہ دوسری کنوینشنل سرمایہ کاری پراڈکٹس بھی شرعی اصولوں کے مطابق تبدیلی کے مراحل میں ہیں، تاہم اس وقت این بی پی اعتماد کے پاس مختلف انواع کی مصنوعات موجود ہیں، جس میں 17 ڈپازٹ اور 10 سرمایہ کاری کی مصنوعات ہیں۔ بینک اپنے قابل قدر صارفین کے لیے 24/7 بینکنگ خدمات فراہم کرنے کے لیے پر عزم ہے۔

iii۔ سرمایہ کاری کا جائزہ

این بی پی اعتماد کے کمانے والے مجموعی اثاثے گذشتہ سال کے مقابلے میں 138.6% کی شرح سے اضافے کے بعد تقریباً 301 بلین روپے تک پہنچ چکے ہیں، جو پچھلے سال 126.3 بلین روپے تھے۔ ٹوٹل فنانسنگ 96.7% کے اضافے کے ساتھ تقریباً 146.8 بلین روپے تک پہنچ چکی ہے جس کی وجہ سے اعتماد اسلامک بینکنگ گروپ کا فنانس / ڈپازٹ کا تناسب تقریباً 47% ہوگیا ہے۔ اس سال 199% کی شرح کے اضافہ کے ساتھ سرمایہ کاری کا حجم بشمول بیع مؤجل تقریباً 154.5 بلین روپے رہا جو کہ پچھلے سال 51.7 بلین روپے تھا۔

iv۔ کھاتہ جات (ڈپازٹس) کا جائزہ

این بی پی اعتماد کا ڈپازٹ اس سال تقریباً 309 بلین روپے رہا جو پچھلے سال کے 113.8 بلین روپوں کے مقابلے میں 171.9% کی شرح سے اضافہ ہے۔

v ۔ شریعہ بورڈ کے اجتماعات (میٹنگز)

سو فیصد شریعہ بورڈ ممبرز کی شرکت کے ساتھ اس سال شریعہ بورڈ کی کل پانچ (5) میٹنگز منعقد ہوئیں .جن میں شریعہ بورڈ ممبرز کی شرکت 100 فیصد تھی ۔ان میں اہم منظور شدہ امور درج ذیل ہیں:

- اعتماد ایڈوانس سیلری مینول اور قانونی دستاویزات
- مَنی مارکیٹ پروسیجرز مینول
- اعتماد ہمسفر آٹو فائنانس پالیسی اور مینول
- تمویلی مصنوعات کی پالیسی، نظر ثانی
- ڈپازٹ مصنوعات کا مینول، نظر ثانی
- آئی بی ڈبلیو کی پالیسی، نظر ثانی
- ڈپازٹ مصنوعات کے مینول کا ضمیمہ
- کیڈ (CAD) کا مینول
- کارپوریٹ کمرشل کریڈٹ پالیسی
- ایس ایم ای (SME) کریڈٹ پالیسی
- این بی پی کی برانچز کا کنورژن پلان 2025
- کنزیومر کریڈٹ پالیسی
- آئی بی ڈبلیو کا توسیعی پلان 2025
- انٹرنل شریعہ کا سالانہ آڈٹ پلان 2025 اور ایس سی ڈی کا سالانہ آڈٹ پلان 2025
- ایس سی ڈی، آئی ایس اے ڈبلیو اور ایکسٹرنل شریعہ آڈٹ کی رپورٹس پر اصلاحی اقدامات
- شریعہ اسٹینڈرڈ پر تبصرہ، جو اسٹیٹ بینک میں جمع کرایا گیا

سرمایہ کاری کے شرعی جائزے کے دوران، مرابحہ کے ایک معاملہ کو غیر شرعی قرار دیا گیا اور اکیاسی ہزار تین سو اکتیس (81,331) روپے چیرٹی اکاونٹ میں منتقل کیے گئے۔

جبکہ دورانِ سال تاخیر سے ادائیگی کی مد میں تیرا لاکھ دو ہزار، سر سٹھ (1,302,067) روپے چیرٹی وصول کئے گئے ہیں اور چیرٹی اکاؤنٹ میں جمع بھی کر دئے گئے ہیں۔ چیرٹی اکاونٹ کی تفصیلات درج ذیل ہیں:

چیرٹی فنڈ 2024	رقم '000 میں
ابتدائی بیلنس	6,368
دوران سال تاخیر سے ادائیگی کی بناء پر وصول کی جانے والی رقم	1,302
چیریٹی اکاونٹ پر سال کے دوران ادا کیا گیا منافع	284
دوران سال چیرٹی کی مد میں کی جانے والی ادائیگیاں	7,000
اختتامی بیلنس	955

6۔ نفع اور نقصان کی تقسیم اور پول مینجمنٹ

اعتماد اسلامک بینکنگ کے پاس پول مینجمنٹ کا باقاعدہ ونگ، مناسب عملے کے ساتھ موجود ہے، جو اسٹیٹ بینک اور شریعہ بورڈ کی جانب سے جاری کی گئی ہدایات کی پاسداری کو یقینی بناتا ہے۔ شریعہ کمپلائنس ڈپارٹمنٹ پول مینیجمنٹ کے سالانہ جائزے کے علاوہ نفع ونقصان کے حساب کا کھاتہ داروں میں تقسیم سے قبل ماہانہ بنیادوں پر جائزہ لیتا رہا ہے۔ اسی طرح انٹرنل شریعہ آڈٹ ونگ نے سہ ماہی بنیادوں پر پول مینجمنٹ کا شریعہ آڈٹ بھی کیا ہے۔ یہ تمام طرق ہائے انضباط پول مینجمنٹ اور نفع کی تقسیم کار کے نظام میں بہتری کا باعث بنے ہیں۔

7۔ عملے اور صارفین کی تربیت وآگاہی برائے اسلامی بینکاری اور سرمایہ کاری

بینک نے اسلامی بینکاری کے بنیادی تصورات، مصنوعات (پراڈکٹس) اور کسٹمر سروسز سے متعلق ایک سو سات (107) اِن ہاؤس ٹریننگ سیشن منعقد کیے جن میں دورانِ سال ایک ہزار دو سو ستانوے (1297) ملازمین (بشمول اسلامی بینکاری برانچوں کے ملازمین اور اسلامی بینکاری ونڈوز اور کنورژن برانچز کے ملازمین) کو تربیت دی گئی۔

مزید برآں بینک نے ای لرننگ اور مینجمنٹ کے لیے NIBAF کے ذریعے بھی ٹریننگ سیشنز کا انعقاد کیا ہے.

بینک کے عملے اور صارفین کے شریعت اور اسلامی بینکاری سے متعلق سوالات کا جواب دینے کے لیے ایک پورٹل "ASKSHARIAH" askshariah@nbp.com.pk کے نام سے موجود ہے۔

یہ پلیٹ فارم نہ صرف بینک کے عملہ کو اپنے روزمرہ کے کاموں میں شرعی رہنمائی فراہم کرتا ہے، بلکہ یہ عملے اور صارفین کے لیے اسلامی بینکاری کی آگاہی کا ذریعہ بھی ہے۔

8۔ اسلامی بینکاری کی آگاہی اور فروغ اور دیگر سرگرمیاں

شریعہ کمپلائنس ڈپارٹمنٹ نے اعتماد اسلامک بینکنگ گروپ کے آپریشن اور مارکٹینگ ڈپارٹمنٹ کے اشتراک سے اسلامی بینکاری کے فروغ کے لیے عوام الناس میں اسلامی بینکاری کے آگاہی پروگراموں کا آغاز کیا ہے۔ اس سلسلے میں پورے ملک میں پانچ (05) آگاہی پروگرامز کا انعقاد کیا گیا، جن میں سے دو اسٹیٹ بینک کی جامع نیشنل فائنانشل انکلوژن اسٹریٹجی کے پیش نظر، صرف خواتین کے لیے مختص تھے.

9۔ شریعہ کمپلائنس ڈپارٹمنٹ میں مناسب افرادی وسائل

مناسب عملے کی تعیناتی کے لیے، ایس سی ڈی نئے افراد کی تعیناتی کے لیے درخواست کر چکا ہے۔ اس تناظر میں، ایس سی ڈی کے لئے تین نئے افراد کی تعیناتی کا مرحلہ جاری ہے۔

شریعہ کمپلائنس ڈپارٹمنٹ مستقبل کے آپریشنز کے پیش نظر اور برانچز کی تبدیلی کے لیے مزید عملہ کی ضرورت کا اندازہ لگا کر انتظامیہ کو آگاہ کرے گا۔

این بی پی اعتماد شریعہ بورڈ سالانہ رپورٹ – 2024

بسم اللہ الرحمن الرحیم

الحمد لله رب العالمين والصلاة والسلام على سيد الانبياء والمرسلين وعلى اٰله وصحبه اجمعين اما بعد

این بی پی کے بورڈ آف ڈائریکٹرز کی طرف سے شریعہ بورڈ پر اعتماد اور بھروسہ کرتے ہوئے انہیں یہ ذمہ داری سونپی گئی کہ وہ این بی پی اسلامی بینکاری کے ماحول اور شرعی احکام کی تعمیل (شریعہ کمپلائنس) کے سلسلے میں نگرانی کریں۔ اس رپورٹ کا مقصد یہ ہے کہ این بی پی اعتماد میں شرعی احکام کی تعمیل کے لحاظ سے عمومی صورتحال کے بارے میں شریعہ بورڈ کا نقطہ نظر پیش کیا جائے۔

ہم بحیثیت شریعہ بورڈ 31 دسمبر 2024 تک بینک میں شرعی احکام کی تعمیل کے لحاظ سے عمومی صورتحال کا جائزہ لے چکے ہیں، جس کا خلاصہ درج ذیل ہے۔

شریعہ بورڈ کی رائے

بورڈ آف ڈائریکٹرز اور اعلیٰ انتظامیہ کی حتمی ذمہ داری ہے کہ وہ اس بات کو یقینی بنائیں کہ این بی پی اعتماد کے جملہ امور مکمل طور پر شرعی اصولوں کے مطابق انجام پا رہے ہیں، جبکہ شریعہ بورڈ کے ذمہ، این بی پی اعتماد کی شرعی احکام کی تعمیل (کمپلائنس) کے حوالے سے صورتحال کا ایک مکمل تجزیہ (رپورٹ) پیش کرنا ہے۔

رپورٹ میں ذکر کردہ رائے قائم کرنے کے لیے بینک کے شریعہ کمپلائنس ڈپارٹمنٹ نے این بی پی اعتماد میں انجام دیے جانے والے ہر قسم کے معاہدات، ان سے متعلق دستاویزات اور طریقہ کار میں سے چند بطور نمونے کے منتخب کئے اور ان کا تفصیلی جائزہ لیا۔ مزید یہ کہ ہم نے انٹرنل / ایکسٹرنل شریعہ آڈٹ کی رپورٹس کا بھی جائزہ لیا جس کی بنیاد پر ہماری رائے یہ ہے:

1۔ شریعہ بورڈ کی جانب سے جاری کردہ احکامات پر بینک کی تعمیل (کمپلائنس)

این بی پی اعتماد کی مجموعی صورت حال، مصنوعات، معاہدات اور معاملات شریعہ بورڈ کی جانب سے جاری کردہ احکامات کے مطابق ہیں۔

2۔ اسٹیٹ بینک کی جانب سے شرعی امور سے متعلق جاری کردہ احکامات پر بینک کی تعمیل (کمپلائنس)

اسٹیٹ بینک کی ہدایات کی روشنی میں مینجمنٹ اس بات کی یقین دہانی کراتی ہے کہ غیر شرعی امور پر کسی قسم کا تسامح نہ برتا جائے۔ اس حوالے سے این بی پی اعتماد میں ملازمین کے سالانہ جائزہ کارکردگی کے نظام (staff appraisal system) میں خاص طور پر شرعی امور میں عدمِ تسامح (Zero Tolerance) کو بطورِ کے پی آئی (KPI) شامل کیا گیا ہے۔

3۔ شریعہ کی تعمیل (کمپلائنس) کا طریقہ کار

الحمدللہ! این بی پی اعتماد کے پاس ایک جامع اور مکمل شریعہ کمپلائنس پالیسی اور معاملات کی شرعی حوالے سے جانچ پڑتال کے لیے مکمل اور جامع چیک لسٹ موجود ہے۔

4. اسلامک بینکنگ برانچز اور ڈپارٹمنٹس کا شرعی جائزہ

شریعہ کمپلائنس ڈپارٹمنٹ نے دوران سال اعتماد اسلامک بینکنگ کی 33 ڈپازٹ برانچز اور 44 اسلامک بینکنگ ونڈز کا جائزہ لیا ہے۔ اس کے ساتھ اعتماد ٹریژری، پول مینجمنٹ اور فنانسنگ پورٹ فولیو کا بھی نمونے کی بنیاد پر شرعی جائزہ لیا گیا۔ شریعہ کمپلائنس ڈپارٹمنٹ نے مختلف تشہیری مہموں اور سرگرمیوں کا بھی جائزہ لیا تاکہ شریعہ بورڈ کی ہدایات کی پاسداری کو یقینی بنایا جاسکے۔

5۔ ممنوع آمدن اور چیرٹی (صدقہ) اکاؤنٹ کا انتظامی طریقہ کار

این بی پی اعتماد اسلامک بینکنگ میں ایک واضح اور جامع چیرٹی پالیسی اور چیرٹی مینول موجود ہے جو شریعہ بورڈ اور بورڈ آف ڈائریکٹرز سے منظور شدہ ہے۔ تمویلی معاملات کا شریعہ کمپلائنس ریویو اور انٹرنل شریعہ آڈٹ بھی انجام دیا گیا ہے۔ مزید برآں، آمدنی کے تمام دوسرے ذرائع جیسے سرمایہ کاری اور ٹریژری کے معاملات کا جائزہ بھی لیا گیا۔

Executive Management

MUHAMMAD ISMIAL USUF
SEVP, Group Chief, Treasury and Capital Markets



Thirty years experienced treasury professional and in his current position, as the Group Chief Treasury & Capital Markets Group, he manages interest rate, foreign exchange and liquidity risks of the bank. Ismail is an IBA graduate and joined NBP Treasury in 2004 and has a proven track record of successfully managing treasury. Prior to joining NBP he worked with Faysal bank Treasury as well. He is well experienced in setting up and managing Treasury business and brings in-depth knowledge of Foreign Exchange, Money Market, Capital Markets, Derivatives and Structured Products.

FOUAD FARRUKH
SEVP, Group Chief, Aitemaad Islamic Banking Group



Over twenty-eight years experienced banker with leadership roles in Retail, Corporate, Risk and Islamic Banking. Experience is divided in over twenty-one years in Pakistan and over six years in GCC. Fouad represents NBP as member Board of Directors of Pakistan Mortgage Refinance, Atlas Power Ltd, and First National Bank Modaraba. He has also served as BOD member of Pakistan Mercantile Exchange previously. Fouad has MBA from LUMS with Dean Honor list credentials and Aftab Associates gold medal for Marketing Research. He has BS Finance form University of Maryland College park. Prior to NBP Fouad was group head retail banking and Islamic Banking for Faysal Bank Limited, Country Head HBL Bahrain and Head of Risk for Gulf Countries out of Dubai for HBL.

FAISAL AHMED TOPRA
SEVP, Group Chief, (A) Retail Banking Group



Mr. Ahmed did his MBA from USA and M.Phil. from SZABIST with Gold medal. He joined the Bank in 1996 as OG-I. In the past 29 years, he has delivered in diversified roles in credit, product development, corporate finance, HR and strategic planning, to reach the SEVP level. He has been a member and chairman of various executive level committees. Presently, he is looking after a branch network of 1300+ branches at NBP. Ahmed is known for his passion for learning and accepting new challenges. He also represented the Bank as a nominee Director on the Boards of First Credit Investment Bank Limited and NBP Funds Ltd.

RIAZ HUSSAIN
SEVP,
Group Chief IFRG



Riaz has a diverse experience stretching 32 years with 25 years in the banking – encompassing areas as diverse as Credit, Retail, Investment Banking, Audit, Strategic Initiatives, Business Development, Risk Management, International Banking and Regulatory Remediation.

He has rich experience of working at several large banks in Pakistan and in the international markets. He has been managing strategic affairs for overseas network and has also played an integral role in executing the strategy for NBP's overseas network. Riaz is a Certified Public Accountant from Texas, USA and has done MBA from University of Houston, Texas, United States.

ABDUL WAHID SETHI
SEVP/Chief Financial Officer



Abdul Wahid Sethi is currently serving as SEVP/Chief Financial Officer. Mr. Sethi has a rich & diversified experience of 25 plus years working at senior positions. He is a fellow member of the ICAP and holds an MBA Finance Degree from Imperial College Lahore. He has also served the Bank as SEVP/Chief Internal Auditor of the Bank. Prior to joining NBP in 2009, he worked at senior positions with various reputed Organisations. Mr. Sethi is a great advocate of Organisational capacity building and promoting young professional talent in the Bank.

HAROON ZAMIR KHAN
SEVP, Chief Risk Officer



Haroon has over three decades of experience of banking and finance in Pakistan, Singapore, Britain, and the Middle East. During his career he has worked in different leadership roles in corporate relationship management, leveraged finance, venture capital, banking operations, and risk management in American, European, Pakistani, and Japanese Organisations. Prior to NBP, Haroon has served as Chief Risk Officer of two other Pakistani banks. Haroon has degrees in business and finance from Punjab University, Lahore University of Management Sciences, Cambridge University, and London Business School.

AMIN MANJI
SEVP, Group Chief,
Information Technology



Amin, the Bank's CTO, brings more than 30 years of IT experience in Financial Services. Prior to joining NBP, Amin has held a variety of technology roles at various large Banks. With expertise in IT Strategy, Technology & Digital Transformation and Disaster Recovery, he has a track record of developing high performance teams and strategically utilising technology to deliver complex IT solutions in a globally interconnected and culturally diverse environment. Amin serves on various leadership forums at NBP including various management committees. Amin holds a B.S. from Cornell University in the USA and a master's in applied finance from Macquarie University, Australia.

ADNAN NASIR
SEVP, Group Chief,
Digital Banking Group



Adnan Nasir is a seasoned professional with over 2 decades of experience in digital banking and telecom sector. He has joined us from Bank Alfalah Ltd, where he served as the Head of Digital Payments. Previously, he was Executive Director at Telenor Bank/Easypaisa and before that, he held the position of Head of Product Development at Telenor Pakistan.

He carries vast experience in driving digital transformation alongside understanding of people, product and process optimization for digitalization.

IMRAN FAROOQUI
SEVP, Group Chief,
Operations Group



Imran has 26 years of banking experience working for leading banks in Pakistan in the field of Operations, Banking Services Inspections and Project Implementation. He joined NBP from HBL, where he was holding the position of Head Branch Operations to ensure Regulatory Compliance and handle Technology Projects for Operations. Prior to joining HBL, he was associated with Allied Bank where he held the position of Chief of Operations, Banking Services. Imran has an M.Sc. from University of Peshawar and MBA from University of Sindh. Imran has also worked for SBP as Assistant Director. In his previous stint with NBP, he was associated as Head of PMO.

MEHNAZ SALAR
SEVP, Group Head,
Legal Division



Mehnaz Salar has qualified as a Barrister at law from Lincoln's Inn and has been working as a banking lawyer for several years. Prior to joining NBP, she has headed up legal departments in various banks such as Citibank NA, Standard Chartered Bank, Dubai Islamic Bank, Samba Bank and Meezan Bank.

KARIM AKRAM KHAN
SEVP, Group Chief,
LCMG



Karim joined the Bank in 1995 and has held senior positions during his career spanning over 30 years. He moved to Bank of America in 1997, and rejoined NBP in the year 2000 as Vice President to head Business Monitoring & Financial Control of the Bank's International franchise. During his career at NBP, he led establishment of Corporate Banking network, headed Corporate Credit Division, and worked in Credit Management Group. He has also served as Director-Financial Crimes & Investigation at National Accountability Bureau where he was recognized for rendering his distinguished services. After repatriation to NBP, he was associated with Asset Recovery as Executive Vice President, and subsequently assigned the responsibility to lead Logistics, Communication & Marketing Group.

UMER ANWAR
SEVP, Group Chief,
Internal Audit &
inspection Group



Umer possesses over two decades of experience in strategic financial leadership, internal auditing, risk management, and operational oversight within the banking sector.

He is a Fellow Member of the Institute of Chartered Accountants of Pakistan and a Certified Director from Institute of Chartered Accountants of Pakistan. His career is marked by significant roles at Pakistan leading financial institutions such as Habib Bank Limited, MCB Bank Limited, Bank Alfalah Limited, and UBL Bank Limited. His expertise encompasses a broad spectrum of banking operations, from risk management and compliance to internal audit functions.



SYED FAROOQ HASAN, TI

EVP and Group Head (A)
C& IBG

Farooq Hasan is an IBA Graduate with specialization in Banking and Marketing. He is also a proud alumnus of the prestigious National Defence University and Pakistan Naval War College.

He has 29 Years of Professional experience in Commercial, Retail and Corporate Banking with a proven track record of successfully managing businesses in different geographies including Qatar, Sri Lanka, Africa and Pakistan. He has served in ANZ Grindlays Bank, Standard Chartered Bank, MCB and National Bank of Pakistan at various senior level positions across different geographies.

He also taught at IBA as a visiting faculty member. He is also a regular guest speaker at Pakistan Navy War College, Bahria University, Police Training Academy, NUST and other leading institutions.



NAUSHABA SHAHZAD

EVP and Group Head,
IDG

Naushaba has a diversified banking career that spans over 34 years with expertise in Corporate, Commercial & SME Lending as well as Trade Finance & Risk Management in prominent leadership positions. Currently she is heading Inclusive Development Group and directs her efforts towards strategic lending in Priority Sectors including Agriculture, MFI & SMEs, alongside growth of Bank's Commercial Portfolio. She actively serves as a member on various Management Committees. Before joining NBP, she served as President / CEO (A) of First Women Bank for two years. She holds MSc (Gold Medallist) from Punjab University Lahore and MBA from IBA Karachi with exceptional distinction. Furthermore, she also represents NBP on the board of Pakistan Agricultural Storage & Services Corporation Ltd.



OSMAN MALIK

EVP, Group Head,
SAMG

Osman has a rich and diversified banking experience of over 30 years working with leading banks in Pakistan and the Middle East. After his MBA from LUMS, he started his career with Citibank in 1993. He has held variety of senior positions at different banks across Pakistan and the Middle East. He brings vast experience ranging across Corporate, Commercial, Retail and Remedial portfolio as well as Cash management and Risk management. Before joining NBP as Senior Credit Officer, he was associated with HBL-Dubai as Head of Remedial Corporate Bank. With his broad experience and acumen, he is leading the Special Assets Management Group (SAMG) as Group Head.



MIRZA MUHAMMAD ASIM BAIG

EVP, Group Head,
HRMG

Asim currently leads the Human Resources function at NBP, bringing over 20 years of comprehensive experience in both banking and HR. He began his career in retail banking with Union Bank and Standard Chartered Bank, before transitioning to HR. Asim's HR journey commenced at Standard Chartered, and he later headed the Learning & Development function at NIB Bank. Since then, he has held various senior leadership roles within HR, spearheading key initiatives such as organizational transformation, diversity and inclusion, and change management. Asim holds an MBA and is a certified trainer, with a passion for mentoring young professionals and providing career counseling.



MUHAMMAD ABDUL MOEED

EVP, Group Head,
Compliance Group

Moeed has more than 26 years of experience in the banking industry at various levels. He started his career with State Bank of Pakistan and has also worked for HBL, United Bank Limited, Bank Alfalah and National Accountability Bureau in the field of Regulatory Examinations, AML/CFT, Business Transformation, Compliance Reviews & Advisories, Investigation of Financial Crimes.

He had also represented Banking sector during FATF onsite assessment of Pakistan in 2023. He joined NBP from HBL where he was working as Head of AML. He holds a master's degree in Statistics from University of Karachi & Post Graduate Diploma (PGD) in Business Administration from IBA, Karachi.



S. M. ALI ZAMIN

EVP, Secretary
Board of Directors

After completing his MBA in 1982, Zamin started his career with PICIC, a Development Finance Institution and holds vast experience in Project Financing, Research and Advertisement/ Public Relations. Before joining NBP, he served as EVP/Company Secretary of PICIC for eleven years. Since his appointment at NBP, he has successfully been leading the regulatory and listed compliance front, facilitating the corporate governance practices and advising the Bank in areas of corporate matters. He is a Certified Director from Pakistan Institute of Corporate Governance, Fellow of Institute of Corporate Secretaries of Pakistan and Diploma Associate of Institute of Bankers, Pakistan.

Illuminating Pathways

At the crossroads of innovation and governance, we illuminate pathways that guide progress and trust. Each decision strengthens Pakistan’s pehchaan in a world of transformation, ensuring growth that reflects integrity and purpose.

As technology evolves, we remain steadfast in shaping a future where identity and opportunity align seamlessly,

Corporate Governance

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CORPORATE GOVERNANCE

At National Bank of Pakistan, corporate governance is not just a regulatory obligation — it is the cornerstone of how we build a stronger, more resilient institution that delivers long-term value for the people of Pakistan. We view good governance as essential to restoring trust, enabling transparency, and fostering a culture of performance and accountability across the organization.

As the nation's leading public sector bank, we continue to make material progress in our governance transformation journey. Over the past year, we have reinforced the Bank's structural integrity by strengthening our policy framework, institutionalising risk management, and driving greater alignment between strategic objectives and operational execution. The Board of Directors remains fully engaged in steering the institution with integrity and in full compliance with applicable laws, regulatory guidelines, and global best practices.

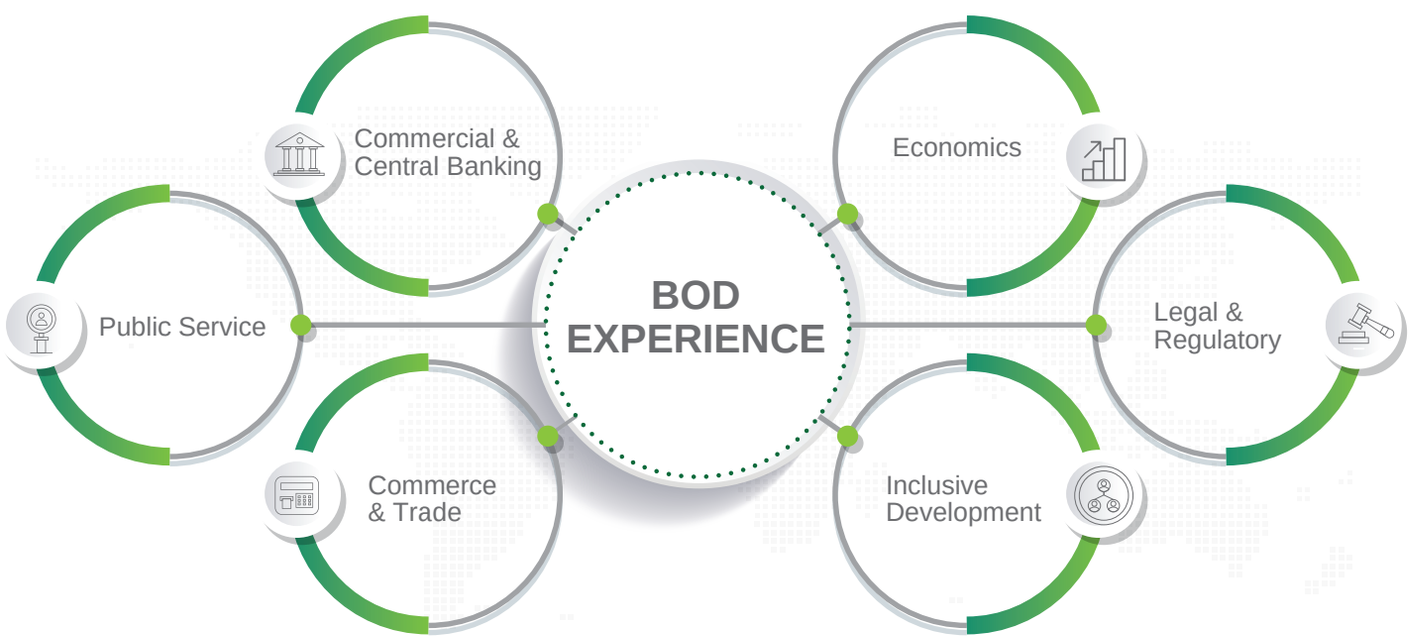
Our efforts have focused on stabilising the balance sheet, upgrading internal controls, and further building a team of competent professionals to lead the Bank into its next phase of transformation. A clear tone-from-the-top, set by the Board and executed through a professional and reform-driven management team, ensures that corporate governance is deeply embedded in how we operate.

BOARD COMPOSITION

#	Category	Directors
1.	Independent	3
2.	Non-Executive	2
3.	Executive	1

Chairman

President



MEETINGS OF THE BOARD

The Board held 13 meetings during the year. Notices/agendas of the meetings were circulated in advance, in a timely manner. Decisions made during the meetings were clearly stated in the minutes of these meetings maintained by the Company Secretary, duly circulated to all directors for endorsement and were approved in the subsequent Board meetings. All Board meetings held during the year surpassed the minimum quorum requirements of attendance as prescribed by the applicable regulations and were also attended by the Chief Financial Officer and the Company Secretary, as required.

BOARD MEETINGS HELD OUTSIDE PAKISTAN

Despite provisions by SECP and the Bank's overseas operations, all Board meetings were held inside Pakistan at the Bank's Head Office and through Zoom.

DIRECTORS' MEMBERSHIP AND PARTICIPATION

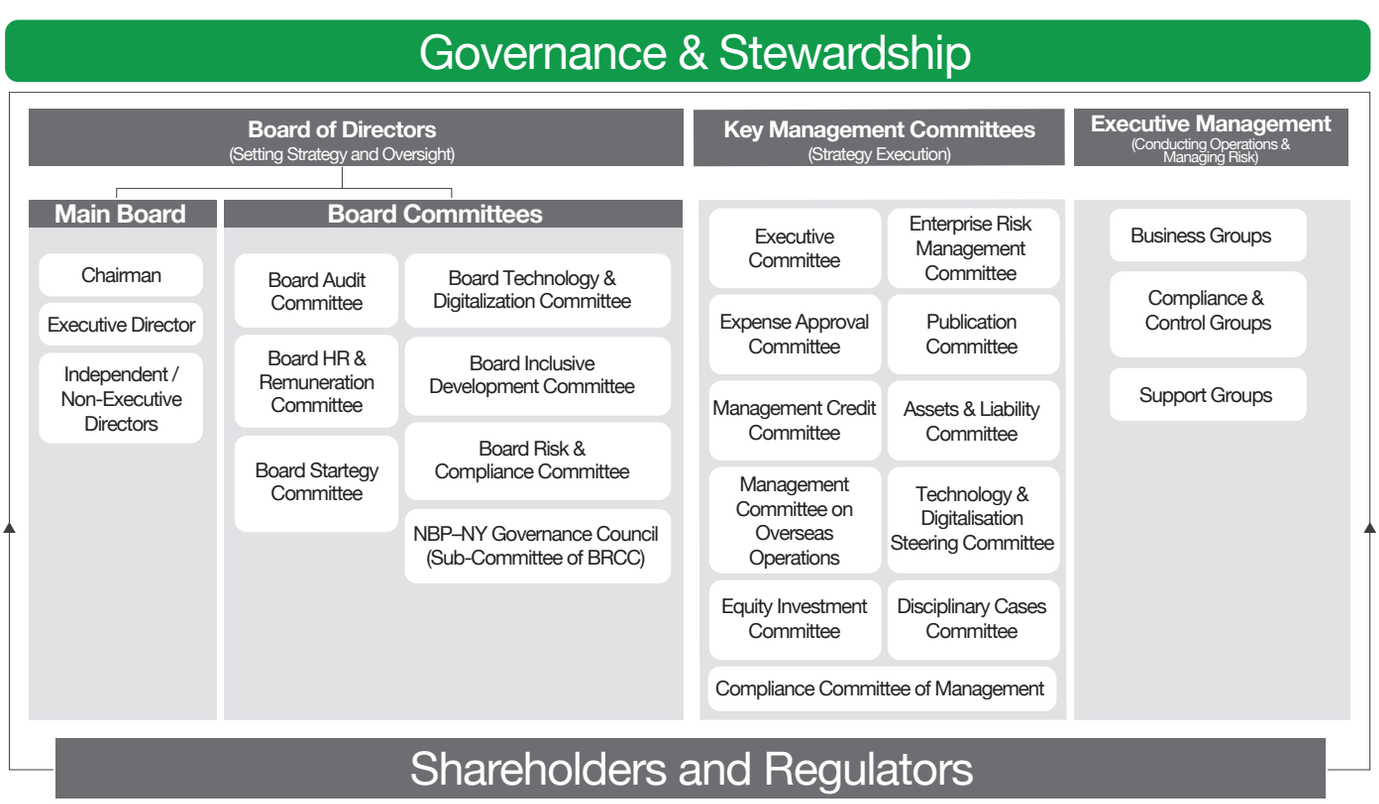
No.	Name	Status	No. of Meetings	BAC	BHRRC	BRCC	BTDC	BIDC	NBP-NYGC	BSC
1.	Mr. Ashraf Mahmood Wathra	Chairman	13/13		10/10		1/1	4/4		
2.	Mr. Rehmat Ali Hasnie	President	10/13			8/9	2/4	3/4	3/3	1/1
3.	Mr. Farid Malik	Director	13/13	13/13	10/10		4/4			1/1
4.	Mr. Amjad Mahmood	Director	13/13	13/13			4/4	4/4		1/1
5.	Mr. Ali Syed	Director	13/13	13/13	10/10	9/9	4/4			1/1
6.	Mr. Nasim Ahmad	Director	13/13	13/13		9/9		4/4	3/3	
7.	Mr. Ahsan Ali Chughtai*	Director	6/6	4/4		5/5			1/1	

Chairperson *Retired on June 20, 2024*

OUR GOVERNANCE FRAMEWORK

Our governance framework is embedded in all the Bank's operations and is designed to provide clear direction for responsive decision-making and support responsible behaviour.

This framework enables the Bank understand the emerging opportunities and risks, be agile to adopt new operating models, launch new product & services and effectively allocate its resources in a challenging & uncertain economic environment to deliver and protect sustainable shared value.



GOVERNANCE FRAMEWORK

The Bank's governance framework and practices are driven by and aligned with the requirements of applicable regulatory frameworks that mainly includes:

KEY LAWS & REGULATIONS	INTERNAL FRAMEWORKS/ STANDARDS	VOLUNTARY STANDARDS	INTERNAL MECHANISMS
• NBP Ordinance, 1949 and NBP Bye-laws 2015 • The Banking Companies Ordinance, 1962 • The Banks' (Nationalisation) Act 1974 • The Companies Act 2017 • SOE Act 2023 • Corporate Governance regulatory framework of SBP • Code of Corporate Governance and other SBP's CGRF • Pakistan Stock Exchange Listing Rules • The Listed Companies (Code of Corporate Governance) Regulations, 2019 • The Public Sector Companies (Corporate Governance) Rules, 2013	• Terms of Reference of Board Committees of the Board of Directors and Management Committees • NBP Code of Conduct • Comprehensive suite of internal policies • NBP Staff Service Rules • Related Party Transactions Policy	• Integrated Reporting Framework published by the IIRC • Global Reporting Standards of the Global Reporting Initiative • Standards issued by the Sustainability Accounting Standards Board	• Strategic Planning • Stakeholder Engagement • Risk Management • People Management • IT Governance • Investor Relations

GOVERNANCE PRINCIPLES

Structure and Effective Functioning of the Board	Robust Control & Compliance	Disclosure & Transparency	Responsible Corporate Citizenship

GOVERNANCE FRAMEWORK

REGULATIONS	FINANCIAL GOVERNANCE	RISK GOVERNANCE	SUSTAINABILITY GOVERNANCE
• Board Structure • Rotation • Committee charters • Policies & Systems • Board evaluation • Culture & ethics	• Strategic Plan • Budgeting and financial control • Capital allocation • Performance management • Taxation	• Risk management • Internal Controls • Internal Audit • Compliance	• Environment and Social Management Considerations

OUTCOMES AND VALUE CREATION THROUGH GOVERNANCE (PKR Bn.)

Providers of Funds	Shareholders	Employees	Government	Suppliers	Society	Value Retained
918.5	17.5	136.3	29.8	37.3	0.15	26.9

OBJECTIVES OF OUR CORPORATE GOVERNANCE FRAMEWORK

As Pakistan's largest public sector bank, NBP bears a critical responsibility in upholding public trust and supporting national development. Our Corporate Governance framework is structured to ensure transparency, accountability, and ethical decision-making across all levels. It aims to protect stakeholder confidence, enable effective oversight, and guide the Bank's long-term resilience and value creation in alignment with its strategic and public service mandate.

NBP's Corporate Governance framework is designed to uphold integrity and drive performance by embedding discipline, oversight, and a strong ethical foundation across the institution. The core objectives include:

Objectives	Description
Strengthening Strategic Oversight	Ensure management decisions align with the Bank's strategic direction through rigorous review, challenge, and performance monitoring.
Building Organisational Resilience	Guide the Bank and its subsidiaries to remain agile, stable, and forward-looking amid change and uncertainty.
Accountability in Risk Management	Define clear roles and ownership for identifying, assessing, and mitigating current and emerging risks.
Robust Systems and Controls	Maintain efficient processes and internal controls that enable early detection and escalation of issues and incidents.
Embedding Sustainability and ESG Practices	Integrate environmental, social, and governance considerations into strategy and risk management to drive long-term resilience and responsible banking.
Upholding Compliance and Ethics	Promote strict adherence to applicable laws, regulatory requirements, and ethical standards, in both letter and spirit.
Safeguarding Institutional Assets	Ensure strong stewardship of financial and non-financial assets through proactive governance and oversight.
Creating Sustainable Stakeholder Value	Focus on delivering value to stakeholders across the short, medium, and long-term horizons through responsible governance and strategic execution.

INDEPENDENCE OF THE BOARD

As of December 31, 2024, 03 out of 06 Directors were independent, reflecting a strong emphasis on independence within the Board. The independent Directors'sole association with the Bank and its Group is their directorships, safeguarding their judgment from external influences or conflicts of interest.

INDEPENDENT ASSURANCE ON GOVERNANCE COMPLIANCE

In line with regulatory requirements and best corporate governance practices, the Bank has provided detailed disclosures on its compliance with Code of Corporate Governance in the statement given on pages # 108 to 113 of this Annual Report. The Bank's External Auditors have provided Review Report to the Members on compliance with Code of Corporate Governance after reviewing the Bank's compliance with the Codes.

BOARD OF DIRECTORS

At NBP, the Board of Directors anchors the Bank's governance framework, upholding the highest standards of public trust, ethical conduct, transparency, and accountability. As stewards of the nation's leading public sector financial institution, the Board provides strategic oversight and principled leadership to ensure NBP's long-term sustainability, operational resilience, and continued contribution to Pakistan's economic development—while preserving the Bank's integrity and institutional reputation.

MATTERS RESERVED FOR THE BOARD

The Board of Directors exercises its powers with responsibility, diligence and after due deliberations in compliance with the requirements of applicable laws including the National Bank of Pakistan Ordinance 1949, the Banking Companies Ordiance 1962, the Bank's (Nationalisation) Act 1974, the Companies Act 2017, the Listed Companies (Code of Corporate Governance) 2019, the Public Sector Companies (Corporate Governance) Rules, 2013, and the Bye-laws of the Bank as approved by the Federal Government in 2015. Moreover, the regulations put in place by the State Bank of Pakistan, the Ministry of Finance, Pakistan Stock Exchange Limited, the State Bank of Pakistan, and the Securities and Exchange Commission of Pakistan also form an integral part of our corporate governance.

There are a number of areas where the Board has delegated powers and responsibilities to its Committees and to the management. At a broader level, general direction and superintendence of the affairs of the Bank and the overall policy making in respect of its operations, are vested in the Board. The Board exercises its powers and discharge its duties in accordance with sound banking principles and prudent banking practices and shall ensure compliance with the regulatory requirements. Without prejudice to the powers conferred to the Board as stated above, the Board is generally responsible to:

- Ensure that the Bank's strategies and policies are aligned with its Vision and Mission towards achieving its strategic goals;
- Establish effective credit & risk management and internal controls framework;
- Approve and periodically review strategic business plans, budget, investments in major projects and new ventures, related party transactions and donations, etc.;
- Review of management letter issued by the external auditors; and approval of the Banks's financial statements including dividend pay-out and appointment of external auditors;
- Consider significant issues, placed by the CEO, for the information, consideration and decisions of the Board and its Committees;
- Consider the matters recommended by the Board Committees and review of internal audit reports;
- Maintain a complete record of the Bank's significant policies along with their respective dates of approval or amendment;
- Establish performance evaluation criteria for the employees of the Bank and mechanism for addressing integrity and ethical issues;
- Appointment/removal, determination of remuneration and renewal of contracts, terms and conditions of key management positions;
- Consider absorption or regularisation of employees, appointed or recruited under contract with the Bank and on third party contracts, under the terms of service as determined by the Board, including but not limited to their remuneration, transfer or posting, evaluation criteria, promotions, end service benefits, etc.

KEY DELIVERY BY THE BOARD-2024

- Approval of Annual Budget and Strategic Plan
- Approval of Interim and Annual Financial Statements
- Recommendation of 80% i.e. Rs. 8.0 Dividend payout for the year 2024
- Reviewed the Composition of Board Committees, respective Committee Charters and Terms of Reference
- Constituted a Board Strategy Committee to provide oversight and guidance on the Bank's long-term strategic direction, major business initiatives, and transformation agenda
- Took effective decisions to rationalise the Bank's overseas operations through closure, consolidation and scale back of operations
- Based on recommendations made by the Board HR & Remunerations Committee, revived the process of promotion of staff.
- Materially revamped the risk architecture of the Bank so that the asset quality is reinforced through assessments by skilled and independent seniors
- Conducted the 75th Annual General Meeting on March 28, 2024
- Effectively steered the successful upgrade of Core Banking Application which the Board had approved 3 years back in 2021.

BOARD AND MANAGEMENT SYNERGY

At the National Bank of Pakistan, the synergy between the Board of Directors and the Corporate Management is defined by clarity of roles, mutual respect, and effective delegation. This relationship underpins strong governance, strategic alignment, and operational excellence—reinforcing NBP's position as a leading public sector institution dedicated to national development.

SEGREGATION OF ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

At the National Bank of Pakistan, the roles of Chairman and Chief Executive Officer (CEO), who also holds the position of President, are clearly segregated to maintain a balance of power and authority. This structure is in alignment with corporate governance principles and regulatory requirements.

ROLE OF THE CHAIRMAN

The Chairman, an Independent Non-Executive Director appointed by the Government of Pakistan, holds critical responsibilities, including:

- **Board Leadership**
  Leading the Board's activities, presiding over meetings, and ensuring effective governance and orderly conduct during deliberations

- **Upholding Governance Standards**
  Promoting a culture of integrity, transparency, and ethical conduct, ensuring the Bank adheres to the highest corporate governance standards.

- **Ensuring Informed Decision-Making**
  Guaranteeing that the Board receives all pertinent and timely information needed to make well-informed strategic decisions.

- **Maintaining Power Balance**
  Ensuring an appropriate balance of authority between Executive and Non-Executive Directors, with the Board retaining effective control over NBP's affairs.

- **Encouraging Board Participation**
  Fostering active engagement and dialogue among all Board members, ensuring diverse viewpoints contribute to the decision-making process.

- **Stakeholder Responsibility**
  Overseeing that the Board fulfills its fiduciary duties and obligations to all stakeholders, including shareholders, customers, and regulators.

- **Facilitating Strategic Communication**
  Ensuring open lines of communication between the Board and Corporate Management to align on strategic priorities and operational execution.

CONTRIBUTIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Directors at NBP provide invaluable contributions to the Board by offering objectivity, specialized expertise, and a fresh perspective on key matters.

Key Contributions:

- **Independent Perspectives**
  Offering unbiased and independent viewpoints on critical matters, ensuring that decisions are made in the best interest of the Bank and its stakeholders.

- **Enhancing Decision-Making**
  Leveraging their vast experience and knowledge to complement the insights of Executive Directors and other Board Members, thereby enhancing the overall decision-making process.

- **Constructive Challenge**
  Engaging in constructive challenge, questioning both the Board and Management to ensure robust deliberations, comprehensive assessments, and effective decision-making.

- **Strategic Guidance**
  Assisting in shaping and refining NBP's strategy, ensuring that it is aligned with the Bank's long-term goals, vision, and governance principles.

ROLE OF THE PRESIDENT & CEO

The President & CEO, an Executive Director appointed by the Federal Government, holds crucial responsibilities in leading the Bank's day-to-day operations and aligning the institution with its strategic objectives set by the Board.

Key Responsibilities of the President & CEO:

- **Leadership of Operations**
  Heading the Executive Management team to oversee daily operations, ensuring the seamless execution of Board-approved strategies, plans, and budgets.

- **Upholding Corporate Governance**
  Managing the Bank's affairs in full alignment with the governance principles, ethical standards, and integrity set by the Board, ensuring transparency and accountability.

- **Defined Decision-Making Authority**
  Operating within the authority limits and corporate objectives as established by the Board, ensuring strategic alignment and governance compliance.

- **Strategic Execution**
  Focusing on achieving NBP's long-term goals, while driving operational efficiency and effectiveness to ensure sustainable growth and success.

COMMITTEES OF THE BOARD

The Board establishes its Committees to streamline the discharge of its responsibilities. For each Board Committee, the Board adopts formal Terms of Reference (ToRs) setting out the matters relevant to the composition, roles, functions, responsibilities and administration of such Committees. During the year, the Board had established the following Committees:

1. Board Audit Committee
2. Board Human Resource & Remuneration Committee
3. Board Inclusive Development Committee
4. Board Risk & Compliance Committee
5. Board Technology & Digitalisation Committee
6. Board Strategy Committee
7. NBP-NY Governance Council (Sub-Committee of BRCC)

The Board Committees' ToRs are reviewed periodically, or on need basis. It is intended that each Board Committee has a Non-Executive Director as Chairman of the Committee. As a matter of principle, Committee Members have access to the appropriate external and professional advice needed to assist the Committee in fulfilling its role.

1. BOARD AUDIT COMMITTEE

Name	Status	Category
Mr. Nasim Ahmad	Chairman	Independent Director
Mr. Ali Syed	Member	Independent Director
Mr. Amjad Mahmood	Member	Non-Executive Director
Mr. Farid Malik	Member	Non-Executive Director

Key Functions of the Committee

The Committee has oversight responsibilities relating to the effectiveness of the Bank's internal & external audit functions, and integrity of the Bank's financial statements. It oversees the system of internal controls, safeguarding of Bank's assets against associated risks, compliance with the applicable legal and regulatory requirements, corporate governance and facilitating the Board in establishing a clear & observable 'tone at the top' for strong and effective system of internal controls based on and supported by sound ethical practices, control culture, comprehensive policies, procedures, processes and technological systems. It also oversees compliance with the Bank's Code of Conduct.

2. BOARD HR & REMUNERATION COMMITTEE

Name	Status	Category
Mr. Ashraf Mahmood Wathra	Chairman	Chairman / Independent Director
Mr. Farid Malik	Member	Non-Executive Director
Mr. Ali Syed	Member	Independent Director

Key Functions of the Committee

The Committee is responsible for the review and recommendation of human resource policies for Board approval and advising the Board on matters concerning senior executive recruitment, appointments, and disciplinary actions. Additionally, it recommends remuneration packages for Bank staff, oversees industrial relations, and evaluates Organisational restructuring when necessary. It also provides guidance on training policies and diversity & inclusion strategies, reviews succession planning & key performance indicators and any other functions in line with the applicable laws and regulations.

3. BOARD INCLUSIVE DEVELOPMENT COMMITTEE

Name	Status	Category
Mr. Amjad Mahmood	Chairman	Non-Executive Director
Mr. Ashraf Mahmood Wathra	Member	Chairman / Independent Director
Mr. Nasim Ahmad	Member	Independent Director
Mr. Rehmat Ali Hasnie	Member	Executive Director

Key Functions of the Committee

The Committee is responsible for advising and reporting to the Board on the status of inclusive development activities and initiatives within the Bank. This involves reviewing the Bank's progress across various sectors such as low-cost housing, SME, agriculture, financial inclusion and women's empowerment. Additionally, it monitors progress on these initiatives, suggesting policy changes to facilitate growth in underserved segments. Ensuring adequate resources and capacity for implementing inclusive development mandates, aligning CSR strategy, and collaboration with governmental bodies for subsidised financings and low-cost housing initiatives.

4. BOARD RISK & COMPLIANCE COMMITTEE

Name	Status	Category
Mr. Ali Syed	Chairman	Independent Director
Mr. Nasim Ahmad	Member	Independent Director
Mr. Rehmat Ali Hasnie	Member	Executive Director

Key Functions of the Committee

The Committee encompasses a comprehensive approach to both Risk Management and Compliance. With regards to Risk Management, it guides the development and review of Risk Management Policies, oversees the adequacy of risk management systems & controls, and monitors the Bank's Risk Appetite and associated limits. Additionally, it evaluates risk management strategies, ensures alignment with the Bank's overall strategy, and assesses the performance of the Risk Management function in the Bank. On the Compliance front, the Committee shapes the Compliance Risk Management framework and policies, oversees their implementation, and fosters a culture of compliance within the Bank. It oversees addressing compliance concerns related to overseas branches, conducts regular reviews of compliance-related risk factors and reports, and monitors the implementation of regulatory requirements and due-diligence milestones.

5. BOARD TECHNOLOGY AND DIGITALIZATION COMMITTEE (BTDC)

Name	Status	Category
Mr. Farid Malik	Chairman	Non-Executive Director
Mr. Ashraf Mahmood Wathra	Member	Chairman / Independent Director
Mr. Ali Syed	Member	Independent Director
Mr. Rehmat Ali Hasnie	Member	Executive Director
Mr. Amjad Mahmood	Member	Non-Executive Director

Key Functions of the Committee

The Committee is tasked with advising and updating the Board on technology activities and digital initiatives within the Bank. It reviews the overall business needs and available resources to meet these needs, recommending IT and digital strategies and policies to the Board. Ensuring that technology resources are up-to-date and meeting requirements, including hardware, software, middleware, and security. The Committee also oversees risk management strategies to achieve resilience against wide-scale disruptions, such as Cyberattacks, and monitors technology policies and plans like IT & Digital Strategy and Cybersecurity Implementation Plan. It receives updates from management-level committee (Technology & Digital Steering Committee) on approved technology-related projects, reviews business continuity arrangements including disaster recovery and backup, and ensures that technology procurement aligns with the approved IT strategy.

6. BOARD STRATEGY COMMITEE

Name	Status	Category
Mr. Farid Malik	Chairman	Non-Executive Director
Mr. Amjad Mahmood	Member	Non-Executive Director
Mr. Ali Syed	Member	Independent Director
Mr. Rehmat Ali Hasnie	Member	Executive Director

Key Functions of the Committee

The Board Strategy Committee provides strategic direction and oversight on the Bank's long-term goals, growth priorities, and transformational initiatives. It evaluates and endorses major business plans, etc. prepared the management before they are presented to the full Board. The Committee ensures alignment between the Bank's strategic objectives and market opportunities. It also monitors the execution of key strategic initiatives and reviews performance against approved strategic business plans. It supports the Board in shaping NBP's future in the evolving financial landscape.

7. NBP- NY GOVERNANCE COUNCIL (SUB COMMITTEE OF BRCC)

Name	Status	Category
Mr. Rehmat Ali Hasnie	Chairman	Executive Director
Mr. Nasim Ahmad	Member	Independent Director

Key Functions of the Committee

The Committee is mandated to ensure compliance with all applicable laws and regulatory requirements across NBP's international operations, particularly in the USA. It periodically reviews and monitors jurisdiction-specific strategic plans, presenting measurable outcomes to the Board of Directors.

DIRECTORS' REMUNERATION POLICY

The shareholders of the Bank, in their general meeting held on July 27, 2020, had approved a Board Remuneration Policy for the non-executive/independent directors for attending meetings of the Board and Board Committees. This Policy is compliant with applicable laws including the Banks' (Nationalisation) Act 1974, NBP's Bye-laws, and instructions of the State Bank of Pakistan. In terms of this Policy, the Board shall, from time to time, determine and recommend such level of remuneration for approval by the shareholders, for attending meetings of the Board or meetings of the Committees thereof, as may be within the limits for such remuneration as prescribed by the SBP from time to time and determined to be an adequate measure of remuneration for the performance of relevant duties by such members. In terms of this Policy, the Board shall also ensure that such remuneration is not determined in a manner that may undermine the independence of the Board or Committee members. The detail of compensation paid to the Directors in 2023 is given in financial statements.

ETHICS AND COMPLIANCE

The Bank's comprehensive code of conduct ensures that high standards of ethical behavior are embedded in all aspects of business conduct, decision-making and compliance of laws and regulations. It is mandatory for members of the Board and employees to read, acknowledge, and abide by the Code of Conduct, on joining and throughout their tenure. The Code of Conduct is regularly updated in line with changes in applicable laws and regulations. Grievances arising due to any unethical practices are promptly identified and redressed to mitigate any occurrence in future.

MATTERS DELEGATED TO THE MANAGEMENT

The Board of Directors approves the strategic plan/objectives and takes the overall responsibility of overseeing its implementation. The Board performs its duties by giving guidelines to the Management, setting performance targets and monitoring their achievements. The Management is primarily responsible for implementing the strategies as approved by the Board of Directors in effectively conducting the operations of the Bank. Tactical and operational matters are delegated to the Management. Further, under the direction and oversight of the President & CEO of the Bank, the Senior Management carries out and manages the Bank's activities in a manner consistent with the strategic plan, business goals, risk appetite and ensuring compliance with policies approved by the Board of Directors.

ROLES AND RESPONSIBILITIES OF THE PRESIDENT & CEO

The Chief Executive Officer at Bank plays a critical and significant role, and is entrusted with numerous responsibilities, subject to the control and supervision of the Board of Directors. The Chief Executive has the authority over and responsibility for the management of the affairs of the Bank subject to the overall control and direction of the Board. The Chief Executive and other officers of the Bank shall act in accordance with the policies, criteria and guidelines determined by the Board. The Chief Executive and other officers of the Bank shall exercise their powers and discharge duties in accordance with sound banking principles and prudent banking practices and shall ensure compliance with the instructions and directions that may be issued by the Board and the State Bank from time to time. Role of the President & CEO also includes:

- To serve as the link between the Board and Senior Management for execution of Board driven vision and strategies;
- To comply with and ensure bank-wise implementation of and compliance with all policies, procedures and manuals approved by the Board of Directors, and any directives given by the Board of Directors or Board Committee(s);
- To prepare plans for growth and expansion of the Bank's operations, and submit the same for consideration and approval of the Board of Directors;
- To deal with, represent, and act on behalf of the Bank before the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, federal and provincial ministries, government departments, local bodies, corporations, courts, stock exchanges, and any other competent authority;
- To ensure that the culture and values of the Bank are upheld at all times, the Board receives timely, accurate and complete information, shareholders' interests are protected in compliance with laws and regulations, meetings are duly recorded, productive participation of board members, and effective resolution of issues.

SHARES HELD BY DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN

Shares held by Directors, the Chief Executive Officer, their spouses and minor children have been disclosed in the "Pattern of Shareholding" section, given at page # 161.

DIRECTOR'S TRAINING

Trainings are arranged to acquaint Directors with the latest developments and trends in the areas of governance, management and leadership. These trainings are aimed at increasing directors' familiarity with the Bank and financial services industry, equipping them with sufficient information and resources to facilitate informed decision-making.

DIRECTOR'S ORIENTATION

Directors' Orientation refers to the process of helping new Directors contribute fully, and as early as possible in their tenure, to the governing work of the Board. The objective of the orientation is to enable the Directors to:

- Understand their roles, responsibilities and time commitment to governance work around the Board and Committees.
- Be aware of the current goals, opportunities and challenges facing the Organisation.
- Be aware of who the organisation's main stakeholders are, including clients, partners, public, as well as the staff.
- Develop an understanding of how their own background, knowledge, experience and skills will contribute to the current work of the Board, and the goals of the organisation.
- Appreciate the background, knowledge, experience and skills of other Directors.
- Gain knowledge of how the Board meetings are run, decisions are made, and what formal governing policies and practices exist; and
- Understand how the Board functions similarly or differently from other boards they have served on, or are serving on.

APPOINTMENT OF DIRECTORS

Pursuant to the provisions of the Banks' (Nationalisation), Act, 1974 (XIX of 1974), the Directors of the Bank shall be appointed by the Federal Government for a period of three years. Appointment of Directors has been mentioned in the Statement of Compliance with Code of Corporate Governance.

WHISTLE BLOWING/SPEAK-UP POLICY

Under Code of Conduct of the Bank, all employees are required to behave with integrity and honesty in their dealing and any suspected violation of law, regulation or ethical standard must be reported to the appropriate level of authority in the Bank. The Whistle Blow policy encompasses the process of submitting concerns and complaints, directed towards the Bank, by independent third parties, for the sake of ensuring transparency in Bank's affairs and wherever they found any impropriety in conducting the business of the Bank. The objective of the policy is to encourage Bank employees and all other stake holders to raise concerns in good faith, having identified or discovered any financial malpractices hitting bank profitability or wrong doing which may affect Banks reputation. Whistle-Blowing covers reporting of incidents of misconduct, involving or affecting an Organisation, to enable the Organisation to take appropriate action. It is a window to obtain feedback on issues bordering on both corporate governance, as well as reputational risk.

Who Can Speak-Up/Blow the Whistle?

Any individual, institution and an employee of the Bank and its subsidiaries (irrespective of employment type) from Bank's local as well global operations, who has observed a reportable misconduct, shall report his / her concerns to the designated officials within the Bank. The Board of Directors and the Board Risk & Compliance Committee (BRCC) give assurance that employees, stakeholders, or any member of the public can raise legitimate concerns, without fear of reprisals, provided they are made in good faith. All staff should ensure that they take steps to

disclose any wrongdoings or malpractices of which they become aware as nonaction/concealment will be deemed as complicity.

Protection to a Whistle-Blower

By setting up the necessary procedures safeguarding confidentiality and offering anonymity, the interests of the whistle-blower are protected from possible harassment or victimization by those accused of misconduct. Any person who makes a disclosure or raises a concern under this Policy will be protected if the person:

- Discloses the information in good faith.
- Believes it to be substantially true.
- Does not act maliciously or make false allegations, and
- Does not seek any personal or financial gain.

KEY MANAGEMENT COMMITTEES

The Bank has several management committees for the purpose of strategic planning and decision-making under the Chairmanship of the CEO. The Board of Directors has approved the Committees and their TORs. The role of these Committees is to ensure that the activities of the Bank reflect its vision, purpose and aims. They establish the fundamental values, ethical principles and strategic direction in which the Bank operates. These Committees meet regularly and their decisions are communicated to the Board frequently. Key management committees include the following.

1. Executive Committee
2. Enterprise Risk Management Committee
3. Expense Approving Committee
4. Publication Committee
5. Management Credit Committee
6. Management Committee on Overseas Operations
7. Assets & Liability Committee
8. Equity Investment Committee
9. Disciplinary Cases Committee
10. Technology and Digitalisation Steering Committee
11. Compliance Committee of Management

INVESTOR RELATIONS

Being a listed Public Limited Company, NBP is determined to discharge its obligation of providing material information about its financial position & performance, its group companies, management, operations as well as its future prospects. At NBP, investor engagement is conducted through the Company Secretary office as well as by an Investor Relations 'IR' team within the finance function. The IR team ensures that all material developments are communicated to investors and analysts via statutory announcements through the stock exchange and holding analyst briefing. Such information is also made readily available on the Bank's website. In addition, in-person discussions are also arranged with foreign analysts and shareholders as and when required. The idea behind the Bank's investor engagement through these briefings is to give the right perspective of the business affairs of the Bank to the investors (both existing and potential) which help them in making their investment decisions. Our Company Secretary office strives for timely dissemination of material information e.g. financial statements, to shareholders. The Bank has put into place comprehensive guidelines to address their grievances for the Investors and Shareholders in compliance with the regulatory requirements:

- For all shares related matters, shareholders are requested to contact the Bank's Shares Registrar with contact details available on the Bank's corporate website.
- In order to facilitate the shareholders who, intend to register a complaint, the contact details of the focal person of Shares Department are given on the Bank's corporate website for this purpose.
- In addition, if Shareholders' grievances are not resolved by the Shares Registrar of the Bank, they may escalate their complaints to the Company Secretary of the Bank.
- If a complaint still remains unaddressed, the same can be forwarded to Securities and Exchange Commission of Pakistan (SECP); using the link of SECP website which is available on the Bank's corporate website.
- Furthermore, queries with respect to financial position & performance results of the Bank can be directed to 'Investor Relations' team, which is headed by Chief Financial Officer, at the email address investor.relations@nbp.com.pk (which is also available on corporate website as well).

ANNUAL CORPORATE BRIEFING

The Bank held its corporate briefings on February 29 and September 02, 2024. CEO of the Bank jointly with the CFO presented a detailed analysis of Bank's performance along with future outlook; session was followed by Q&A session.

Presentation made at corporate briefing is available at:
https://intranet.nbp.com.pk/InvestorRelations/NBP-Corporate-Briefing-Half-Year-Ended.pdf

STEPS TO ENCOURAGE MINORITY SHAREHOLDERS PARTICIPATION

The Bank encourages minority shareholders to participate in the EOGM/AGM as well as the analyst briefing sessions, the date of which are announced through the stock exchange. These events provide an open forum for a two-way engagement with our stakeholders, particularly the minority shareholders. Participation of the minority shareholders to these events is encouraged through:

- Notice of General Meetings is published at least 21 days before the meeting in newspapers having nationwide circulation. Moreover, the notice is also circulated from the forum of Pakistan Stock Exchange.
- The Bank timely updates its website with respect to all notices of general meetings.
- Annual Report of the Bank is sent to each member of the Bank before Annual General Meeting
- During AGM, Analyst Briefing a detailed briefing on the Bank's performance and strategies is given to the shareholders.
- The shareholders are encouraged to raise queries and give suggestions relating to the Bank's operations.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

With a Vision to be the Nation's leading bank enabling sustainable growth and inclusive development, we have embedded the consideration of social, economic and environmental impacts into our business strategy. We take our responsibilities to the society and the environment seriously, and we commit to being transparent and accountable for our impacts. In line with the Environmental & Social Risk Management Implementation Manual issued by the State Bank of Pakistan, our Board and Senior Management are committed to develop an Environmental and Social Management System to understand, monitor and manage its social, environmental and economic impact to enable it to contribute to society's wider goal of sustainable development.

INTERNAL AUDIT

The Board appoints the Chief Internal Auditor, who functionally reports to the Board Audit Committee and administratively to the President & CEO; whereas performance appraisal of the CIA is carried out by the Audit Committee. The Board ensures that the Chief Internal Auditor is suitably qualified, experienced and conversant with the Bank's policies and procedures; and the Internal Audit team comprises of experts of relevant disciplines in order to cover all major heads of accounts maintained by the Bank. The Chief Internal Auditor function continuously monitors implementation of the policies and effectiveness of the internal controls framework approved by the Board.

CAPITAL EXPENDITURES PLANNED FOR NEXT YEAR

The Bank has budgeted significant capital expenditure for the next year. This would primarily be invested in increasing our Core Banking Application and other Technology Platform upgrade, operational outreach, safeguarding our existing infrastructure / relationships from growing threats on cyber security front along with normal replacements to ensure smooth operations.

PERFORMANCE OF PRIME MINISTER'S DELIVERY UNIT

The Prime Minister Delivery Unit under the umbrella of President Secretariat, is responsible for managing and addressing customer complaints received through Pakistan Citizen's Portal.

The NBP's PMDU Team handles two dashboards i.e. President NBP PCP Portal and the product specific Prime Minister's Youth & Agriculture Loan Scheme Portal.

As of December 31, 2024, 30,792 complaints were received on President NBP's PCP Portal out of which 30,730 stand addressed. Besides, 24,567 complaints were received on Prime Minister's Youth & Agriculture Loan Scheme Portal out of which 24,537 were addressed.

On President NBP's PCP Portal, 46.7% citizens' have shown their satisfaction to the response posted by the PMDU Team. As per Summary of Statistics of PCP provided by PMDU Islamabad, President NBP PCP Portal ranks amongst the top 10 in terms of percentage of satisfied customers.

In line with Prime Minister's Office instructions, President NBP conducts 2 hours' e-Kachehri sessions every month wherein general public register their complaints regarding the Bank through telephone calls. The session is also telecasted live on Facebook. The e-Kachehri events were publicized on the Bank's social media channels including Facebook, Instagram, & LinkedIn and also on Bank's website. During 2024, 08 e-Kachehri sessions were conducted as per the SOPs given by PM's Office, wherein, approx. 200 callers shared their grievances with President NBP.

COMPLAINT MANAGEMENT AT NBP

Complaint Management Wing under umbrella of President Secretariat, is responsible for managing and resolving customer complaints. The Bank acknowledge complaints through channels like Call Centre, Web Portal, Mobile Application, Email, Fax, Branch, Complaint Box and External Agencies like SBP & BMP etc.

The Bank's Complaint Management Services is based on the following principles:

- Promote a culture that values customer experience with Courtesy Fair and efficient resolution of consumer grievances with Impartiality & Transparency.
- Every complaint must be resolved within the shortest possible time.
- Informs customers regarding its complaint handling mechanism and channels through SMS, ATM Screens and Website.
- Adequate monitoring and controls are in place to ensure the operational efficiency and effectiveness of complaint handling mechanism.

NBP had enhanced Complaint Management System (CMS) in 2024 to facilitate the customer proficiently, and also complaint lodgment procedures and awareness about complaints is being emphasized bank vide via training sessions. Also customer awareness has been created regarding modes of complaint lodgment through Biannual SMS. We encourage our customers to approach the external dispute resolution forum i.e. Banking Mohtasib Pakistan, if they are not satisfied with the resolution provided by the bank.

As a post resolution activity, Service Quality Council exists to foresee customer issues and advise fixes that could result into satisfied customers. This committee comprises of senior executives. The committee examined the complaints data, trends and peaks to identify gaps and areas of improvement besides bringing more operational efficiency and improving the quality of customer services. The Bank is committed to continue investment in people, resources and technology to support consumer grievances handling functions.

We ensure the following:

- Customers are treated fairly
- Customers are informed about the complaints handling mechanism
- Complaints are resolved within the shortest time possible
- Complaint handling mechanism is visible and accessible for all customers through our website, banking helpline, ATM Screens and notices placed at prominent places at branches
- Complaint's handling is comprehensive, well integrated and handled with impartiality and transparency

Year 2024 ended on a good note where customer grievances were resolved efficiently and effectively by meeting the expectations of the customers.

Key highlights of year 2024 are as under:

- The Bank received a total of 193,324 complaints,
- Effectively maintain a complaint resolution rate of 98.85%,
- Improvement in average responding time from 3.97 (2023) to 3.83 (2024) Working Days.

Achievements/Initiatives Taken in 2024:

- Dissemination of NBP Complaint Handling Policy & Procedures.
- Launch of eLearning module for Consumer Grievance Handling through CRM, Sunwai & PMDU Portal.
- Upgrade of Complaint Management System for ease in lodgment of complaint, response mechanism and accuracy of information.
- Availability of feedback mechanism on complaint resolution and grievance handling mechanism through NBP website/ SMS.

MANAGING CONFLICTS OF INTEREST

The Directors manage their personal, financial and business affairs in a manner that ensures avoidance of any conflict of interest. At an individual level, members of the Board declare conflicts of interest situations and withdraw from taking part in deliberations on/exercising influence over matters where conflict or the appearance of conflict of interest arises. The actions are appropriately minuted for future reference. In addition, the affiliations and transactions of Directors' are regularly reviewed to ensure that there are no conflicts or relationships that might impair Directors independence. One of the key duties that Directors owe to the Bank is the duty to avoid conflicts of interest. This includes not placing one's self in a position where the Director's personal interest could possibly conflict with their duty to the Bank.

RELATED PARTY TRANSACTIONS

The Bank may enter into transactions with its related parties in its daily operations to meet its business objectives, while doing so we recognize the need to maintain transparency and to fulfill our obligations towards all our stakeholders, including the shareholders, regulators, employees, etc. The Bank follows the philosophy that there must not be any conflict of interest or non-disclosure of such transactions. In this connection, the Bank has a formal documented Related Party Transactions Policy, approved by the Board of Directors. This policy governs 'transactions between the Bank and its related parties', and aims to ensure that the Bank meets its obligations under the applicable legal and regulatory requirements, and applicable Financial Reporting Standards. Transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis. Pursuant to the regulatory requirements, all related party transactions are placed before the Board Audit Committee every quarter, for review and recommendation to the Board of Directors. The same are then placed before the full Board for consideration and approval by the Board as per the Audit Committee's recommendations. All members of the Board are required to disclose their interests held in their individual capacity. Details of all related party transactions both affecting balance sheet and profit & lose account have been adequately disclosed in unconsolidated and consolidated financial statements along with transactions with government related parties.

ADHERENCE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

An integrated report aims to provide insight about the resources available to an entity collectively referred to as "the CAPITAL" and categorised as financial, manufactured, intellectual, human, social and relationship, and natural capital. An Integrated Report also seeks to explain how the Organisation interacts with the external environment and the CAPITALS to create, preserve or erode value over the short, medium and long term. It also supports integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term.

Integrated framework is still a voluntary practice in its early stages. As of August 2022, the International Accounting Standards Board 'IASSB' and the International Sustainability Standards Board 'ISSB' actively encouraged the continued adoption and use of the Integrated Reporting Framework and the Integrated Thinking Principles underpinning it. NBP, being a Systemically Important Bank and one of the largest commercial banks in the country, plays a critical role in financial ecosystem of the country. By virtue of its role as 'Banker to the Nation', NBP has an impact far beyond the financial bottom line. In line with the increasing industry practice and recommendations of IASB and ISSB, the Bank has started reporting as per the Integrated Reporting Framework to present a holistic & integrated overview of its philosophy to create value for its stakeholders over the short, medium and long term. We will continue to improve the information produced to make it more comprehendible, while taking into account the opinion of stakeholders reading this report.

BUSINESS CONTINUITY PLAN

Business Continuity Planning" is becoming more and more important in today's world as organizations particularly banks & financial institutions are facing multiple internal as well as external threats. The Business Continuity Plan of the Bank ensures the continuity of its critical functions to prevent any major disruption in delivering of services in the face of a disruptive event. Having thorough and broadly established plan as contained in its "Business Continuity Management Framework and Plan (BCMF&P)" it is ensured that critical business processes at the Bank can be restored on an interim basis with minimal latency time.

The primary objectives of the Bank's Business Continuity Planning include creating a culture that enables adaptability in its business operations in the midst of any disruption through proactive planning, maintenance, testing of people, spaces, systems, and dependent third parties and avoiding any financial and reputational loss, non-availability of basic banking services/systems for customers besides providing safety to personnel and other relevant stakeholders before, during and after an event.

Moreover, in line with the initiatives of the Government of Pakistan and State Bank of Pakistan to address the energy crisis, National Bank of Pakistan invoked the work management (i.e. Work from Home, Work from Office, Staggered Approach) to fulfil its national obligations towards energy conservation drive without operational disruptions.

Furthermore, Business Continuity Plan also helped the Bank for resumptions/continuation of the service/operations in Branches/Offices at the flood affected areas through alternate arrangements (i.e. alternate processing sites, Back-up media/networks etc.)

ENTERPRISE RESOURCE PLANNING

Rollout and Integration of ERP

NBP has implemented an efficient Enterprise Resource Planning (ERP) software to manage and integrate the functions of its core business processes, such as finance and human resources, into a single system. The ERP software is designed to streamline operations, improve efficiency, and provide a centralized and unified approach to managing key functions.

Efective Implementation & Updation

The implementation of the ERP software has been fully supported by senior management, who recognizes the importance of technology in the bank's operations. The management has provided the necessary resources, including funding and personnel, to ensure the effective implementation and continuous updating of the ERP system.

User Training & Orientation

National Bank of Pakistan provides comprehensive training to its employees. to ensure that all users are able to effectively utilize the enterprise resource planning software, The training covers all aspects of the software, including its features, functions, and best practices for its use. This training helps to ensure that users are able to make the most of the system and provides a smooth transition to the new technology.

Risk Management & System Security

NBP has a robust risk management process in place to manage and control risk factors on ERP projects. This includes regular risk assessments, regular reviews of the systems, and the implementation of control measures to mitigate potential risks. The bank's incident response plan is also in place to manage any potential cyber threats to the ERP system.

In conclusion, the ERP software at NBP is designed to manage and integrate key business processes, such as finance and human resources, into a single system. The implementation of the ERP software has been fully supported by senior management, and comprehensive user training is provided to ensure its effective use.

DISCLOSURES BEYOND BCR CRITERIA

Over the recent years, there have been significant developments in the corporate reporting domain, particularly in relation to the amount of details included in the entities' annual reports, as well as the importance ascribed by users to the information beyond the audited financial statements and the auditor's report thereon. There has been an evolution in the manner in which entities disseminate and communicate information to their stakeholders as users attach increasingly greater importance to supplementary information and look for better ways to inform their analysis and confirm understanding of more complex areas in the financial statements. Considering this emerging necessity, the Bank strives to go beyond the realm of essential reporting requirements in order to disclose all relevant information that facilitates the stakeholders in understanding various aspects of the Bank's operational and financial performance. Following is the list disclosures that have been made in addition to the BCR criteria:

- President & CEO Review
- Key interest bearing Assets and Liabilities
- Quarterly Performance Analysis
- Six Years' Financial Performance 2019-2024
- Four Years' summary of operating expenses
- Six Years' summary of markup and nonmarkup income
- Statement on Internal Controls
- Groups' Performance Reviews
- Detail of Management Committees & Other Senior Management
- Investor Awareness through Jama Punji Initiative by the Securities & Exchange Com

ISSUES RAISED IN LAST AGM

General queries and clarifications sought by shareholders regarding the agenda points, dividend payment and financial & operational performance of the Bank were addressed to their satisfaction.

Following are the details of AGM and EOGM organised during the year.

AGM

The 75th Annual General Meeting (AGM) of NBP shareholders was held on March 28, 2024, chaired by Mr. Ashraf Mahmood Wathra, to confirm previous meeting minutes, adopt the 2023 audited financial statements showing record profit and asset growth despite pension liabilities preventing dividend declaration, reappoint auditors with justified fee adjustments, update the Board Remuneration Policy, approve digital transmission of annual accounts, and authorize the CEO to close certain foreign branches; all resolutions were passed with substantial shareholder participation covering 80.827% of the bank's capital.

EOGM

The Extraordinary General Meeting (EOGM) of NBP shareholders was held on November 22, 2024, both physically and electronically, chaired by Mr. Ashraf Mahmood Wathra. The meeting confirmed the minutes of the 75th AGM without objections. A special business item regarding the approval of the compensation package for President & CEO Mr. Rehmat Ali Hasnie, appointed by the Federal Government in August 2023, was discussed. Voting on the matter showed 84.27% shareholding present, with 80.08% in favor and 4.183% against.





Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Bank: National Bank of Pakistan
Name of the line Ministry: Ministry of Finance
For the year ended: December 31, 2024

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) (both herein referred to as 'Codes') issued for the purpose of establishing a framework of good governance, whereby a public sector bank is managed in compliance with the best practices of public sector governance. In case where there is inconsistency with the Regulations, the provisions of the Rules shall prevail and in case of any conflict between the Codes and the Banks (Nationalization) Act, 1974, the provisions of the Banks (Nationalization) Act, 1974 have been followed.

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

S.No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant box	
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	√	
2.	The Board has the requisite percentage of independent directors. As at December 31, 2024, the Board includes :	3(2)	√	
	Category / **Names** / **Date of Appointment**			
	Independent Directors: - Mr. Ashraf Mahmood Wathra (18-1-2023); - Mr. Ali Syed (18-1-2023); - Mr. Nasim Ahmad (18-1-2023)			
	Executive Directors: - Mr. Rehmat Ali Hasnie, President/CEO (07-08-2023)			
	Non-Executive Directors: - Mr. Farid Malik (27-8-2023); - Mr. Amjad Mahmood (18-1-2023)			
3.	A casual vacancy occurring on the board was filled up by the directors within ninety days.	3(4)	N/A	
4.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	√	
5.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as Board members under the provisions of the Ordinance.	3(7)	N/A	
6.	The Chairman of the Board is working separately from the Chief Executive of the Bank.	4(1)	√	
7.	The Chairman has been elected from amongst the independent Directors, except where the Chairman of the Board has been appointed by the Government.	4(4)	√	
8.	The Board has evaluated the candidates for the position of the Chief Executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the Chief Executive has been nominated by the Government)	5(2)	√	
9.	a) The Bank has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.	5(4)	√	
	b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures, including posting the same on the Bank's website www.nbp.com.pk.		√	
	c) The Board has set in place adequate system and controls for the identification and redressal of grievances arising from unethical practices.		√	

10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	√	
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstance considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5(b)(ii))	√	
12.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Bank.	5(5) (b)(vi)	√	
13.	a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service. b) A committee has been formed to investigate deviations from the Bank's Code of Conduct.	5(5) (c)(ii)	√ √	
14.	The Board has ensured compliance with the law as well as the Bank's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services in accordance with PPRA Rules.	5(5) (c)(iii)	√	
15.	The Board has developed a vision or mission statement, corporate strategy of the Bank.	5(6)	√	
16.	The Board has developed significant policies of the Bank. A complete record of the particulars of the significant policies together with the date on which they were approved or amended has been maintained.	5(7)	√	
17.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Bank as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	√	
18.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	√	
19.	a) The Board has met at least four times during the year. b) Written notices of the Board meetings, along with agenda duly approved by the Chairman, were circulated at least seven days before the meetings. c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	√ √ √	
20.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	√	
21.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the Audit Committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	√	
22.	a) The Board has approved the profit and loss account for and balance sheet as at the end of first, second and third quarter of the year as well as the financial year end. b) The Board has ensured that half yearly accounts are prepared and reviewed by the external auditors. c) The Board has placed the annual financial statements on the Bank's website.	10	√ √ √	
23.	All the Board members underwent an orientation course arranged by the Bank to apprise them of the material developments and information as specified in the Rules.	11	√	
24.	a) The Board has formed the requisite committees, as specified in the Rules. b) The committees were provided with written term of reference defining their duties, authority and composition. c) The minutes of the meetings of the committees were circulated to all the Board members. d) The committees were chaired by the following non-executive directors:	12	 √ √ √	√

Committees	No. of Members	Name of Chairman
Board Audit Committee	04	Mr. Nasim Ahmad
Board HR & Remuneration Committee	03	Mr. Ashraf Mahmood Wathra
Board Inclusive Development Committee	04	Mr. Amjad Mahmood
Board Risk & Compliance Committee	03	Mr. Ali Syed
Board Strategy Committee	04	Mr. Farid Malik
Board Technology & Digitalization Committee	05	Mr. Farid Malik

25.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications.	13	√	
26.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	√	
27.	The Bank has adopted International Financial Reporting Standards notified by the Commission in terms of sub- section (1) of section 225 of the Act.	16	√	
28.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	√	
29.	The directors, CEO and executives, or their relatives, are not, directly, or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Bank except those disclosed in pattern of shareholding to the Bank.	18	√	
30.	a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. b) The Annual Report of the Bank contains criteria and details of remuneration of each director.	19	√ √	
31.	The financial statements of the Bank were duly endorsed by the Chief Executive and Chief Financial officer, before approval of the Board.	20	√	
32.	The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members as at December 31, 2024:	21 (1) and 21(2)	√	

Name of Banker	Category	Professional Background
Mr. Nasim Ahmed	Independent Director	Senior Banker
Mr. Farid Malik	Non-Executive Director	Finance Professional
Mr. Amjad Mahmood	Non – Executive Director	Additional Finance Secretary
Mr. Ali Syed	Independent Director	Business Executive

The Chief Executive and Chairman of the Board are not members of the Audit Committee.

33.	a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed. b) The Audit Committee met the external auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives. c) The Audit Committee met the Chief Internal Auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the external auditors.	21(3)	√ √ √	
34.	a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the Audit Committee. 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 auditors for their review.	22	√ √ √	
35.	The external auditors of the Bank have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	√	
36.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	√	

III. Certain additional disclosures, required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (The Regulations)

1. The total number of directors are as follows:
   a. Male: 06
   b. Female: Nil

2. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 as well as these Regulations.

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

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

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

a) Board Audit Committee (BAC)

S. No	Name of Director	Status
1	Mr. Nasim Ahmad	Chairman
2	Mr. Farid Malik	Member
3	Mr. Amjad Mahmood	Member
4	Mr. Ali Syed	Member

b) Board HR & Remuneration Committee (BHRRC)

S. No	Name of Director	Status
1	Mr. Ashraf Mahmood Wathra	Chairman
2	Mr. Farid Malik	Member
3	Mr. Ali Syed	Member

c) Board Inclusive Development Committee (BIDC)

S. No	Name of Director	Status
1	Mr. Amjad Mahmood	Chairman
2	Mr. Ashraf Mahmood Wathra	Member
3	Mr. Nasim Ahmad	Member
4	Mr. Rehmat Ali Hasnie	Member

d) Board Risk & Compliance Committee (BRCC)

S. No	Name of Director	Status
1	Mr. Ali Syed	Chairman
2	Mr. Nasim Ahmad	Member
3	Mr. Rehmat Ali Hasnie	Member

e) Board Strategy Committee (BSC)

S. No	Name of Director	Status
1	Mr. Farid Malik	Chairman
2	Mr. Amjad Mahmood	Member
3	Mr. Ali Syed	Member
4	Mr. Rehmat Ali Hasnie	Member

f) Board Technology & Digitalization Committee (BTDC)

S. No	Name of Director	Status
1	Mr. Farid Malik	Chairman
2	Mr. Ashraf Mahmood Wathra	Member
3	Mr. Amjad Mahmood	Member
3	Mr. Ali Syed	Member
4	Mr. Rehmat Ali Hasnie	Member

g) NBP-NY Governance Council (Sub-Committee of BRCC)

S. No	Name of Director	Status
1	Mr. Rehmat Ali Hasnie	Chairman
2	Mr. Nasim Ahmad	Member

6. The frequency of Meetings (Quarterly/half yearly/yearly) of the Committees were as per following:

S. No	Name of Committees	No. of Meetings held during the year
A	Board Audit Committee	13
B	Board HR & Remuneration Committee	10
C	Board Inclusive Development Committee	04
D	Board Risk & Compliance Committee	09
E	Board Strategy Committee	01
F	Board Technology & Digitalization Committee	04
G	NBP-NY Governance Council (Sub-Committee of BRCC)	03

7. The Board has set up an effective internal audit function for both local and overseas operations. With regards to NBP-USA, Internal audit function of the Bank is outsourced to an independent professional firm. In addition, audit function in Germany is also outsourced. Both these audit firms are considered suitably qualified, experienced and conversant with the policies and procedures of the Bank and all applicable laws and regulations.

8. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.

9. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or directors of the Bank;

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

11. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the following non-compliance:

    i) As per regulation 7, it is mandatory that the Board shall have at least one female director when it is reconstituted after the expiry of its current term. No female director was appointed on the Board after retirement of Ms. Sadaffe Abid, whose tenure ended on April 16, 2022.

12. Explanation for non-compliance with requirements, other than regulation 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

S. No	Rule/Sub Rule No	Requirement	Explanation for not meeting non-mandatory requirements
1	Ch, 9 (29)	The Board may constitute a separate committee, designated as the nomination committee	**Nomination Committee:** Not applicable where the Chairman, Board of Directors and Chief Executive have been nominated by the Federal Government.
2	Ch. 3 (10) / (10A)	The Board shall ensure that complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the Bank. The significant policy may include but not limited to the following: Environmental, Social and Governance (ESG) Policy. Furthermore, the board may establish a dedicated sustainability committee having at least one female director or assign additional responsibilities to an existing board committee.	The Board currently oversees the Company's Environmental, Social, and Governance (ESG) initiatives and is in the process of implementing this requirement.

EXPLANATION FOR NON-COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the Bank to seek compliance by the end of next Financial Year:

S. No	Rule/Sub Rule No	Reasons for Non-Compliance	Future course of action
1	8 (1)	The performance evaluation of the members of the Board including the Chairman and the Chief Executive is required to be undertaken annually by the Government for which, the Government is required to enter into performance contract with each member of the Board at the time of his appointment. Hence the compliance to this provision is primarily attributable to the Government.	The Bank is conducting Board Evaluation in line with Regulation G-13 of Corporate Governance Regulatory Framework (CGRF) of SBP. However, a letter has been sent to the Federal Government, communicating the said non-compliance and seeking action thereupon on part of the Federal Government.
2	9 (29)	The Board shall set up the following committees, namely: Procurement Committee, and Nomination Committee. However, both procurement and nomination committee are not required, as explained.	**Procurement Committee:** The Bank follows PPRA Rules hence formation of Procurement Committee is not required, as explained. **Nomination Committee:** Not applicable where the Chairman, Board of Directors and Chief Executive have been nominated by the Federal Government.

REHMAT ALI HASNIE
President & CEO

ASHRAF MAHMOOD WATHRA
Chairman

REVIEW REPORT TO THE MEMBERS

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
I.I Chundrigar Road
P.O. Box 4716
Karachi – 74000

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block-C
Lakson Square Building No.1,
Sarwar Shaheed Road,
Karachi – 74200

INDEPENDENT AUDITORS' REVIEW REPORT

Review report to the Members on the Statements of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) (both herein referred to as 'Codes') and Banks (Nationalisation) Act, 1974 prepared by the Board of Directors of National Bank of Pakistan (the Bank) for the year ended December 31, 2024 to comply with the requirements of regulation 36 of the Regulations and the provisions of the Rules.

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

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

The Codes require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arms' length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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

Further, we highlight below instances of non-compliance with the requirements of the Codes as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No	Reference	Description
i	Regulation 7	It is mandatory that the Board shall have at least one female director. However, there was no female director holding the office of Directors during the current year.
ii	Rule 8(1)	The performance evaluation of members of the Board including the Chairman and the Chief Executive shall be undertaken annually by the Government. However, no performance evaluation was undertaken of the above stated personnel.
iii	Rule 12 (1) (d) & (e)	The Board shall set up the following committees, namely: Procurement Committee, and Nomination Committee. However, these committees have not yet been constituted.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: March 4, 2025
UDIN: CR202410068yKFiAvhJB

BDO Ebrahim & Co.
Chartered Accountants
Karachi
Dated: March 4, 2025
UDIN: CR202410067fGmtKc6H7

STATEMENT OF INTERNAL CONTROL

REPORTING OF INTERNAL CONTROL SYSTEM

The Bank's management has established and is managing a system of internal controls, approved by the Board of Directors, to achieve effective and efficient operations, while complying with applicable laws and regulations and preserving the reliability of financial reporting. This internal control system comprises of various interrelated components to gauge the overall control environment. These components include the availability of well-documented policies and procedures and their compliance, risk assessment, identification of risks and mitigating controls, technology governance, information security, and management reporting.

The management and the employees at all levels within the Bank are required to perform their duties as per defined guidelines. The internal control system also requires effective and efficient external and internal reporting, adequate MIS, maintenance of proper records and processes, operational loss database management, compliance with applicable laws and regulations, and internal policies with respect to the conduct of business. The Bank remains cognizant of its responsibility to continuously improve and strengthen its system of internal control on an ongoing basis to address evolving risks and operational challenges The Bank has successfully implemented Internal Control Over Financial Reporting ("ICFR") roadmap and obtained the statutory auditor's Long Form report for 2023, as mandated by the State Bank However, management recognizes that while ICFR implementation marks significant progress in financial reporting controls, the broader internal control framework requires further enhancement to ensure comprehensive risk management and operational efficiency.

The Bank's internal control system is designed to manage rather than eliminate the risk of failure to achieve objectives under a dynamic environment. There are inherent limitations in the effectiveness of any system, including the possibility of human error or system failure, circumvention and overriding of control. Accordingly, even an effective internal control system can only provide reasonable assurance regarding the achievement of objectives.

EVALUATION OF INTERNAL CONTROLS

Besides the monitoring of the implementation of internal control system at the management level, the Bank has an independent Internal Audit function namely the Audit & Inspection Group with three Area Audit & Inspection Offices that conduct audits of Branches, Regions, and Groups at the Head Office on an on-going basis to evaluate the efficiency and effectiveness of internal control system. In addition, an Internal Control function is established under Operations Group for testing & monitoring key controls across operations. Adequate compliance systems and processes are available to evaluate and assess the adequacy of customers onboarding, sanctions screening and transactions monitoring.

For the year 2024, the management continues its efforts to strengthen the internal control system of the Bank. The observations made by the external/ internal auditors and regulators in their respective audits/ inspections are reviewed and measures are taken by the management for mitigation. In addition, key issues are being reported to Board Sub-Committees and Board of Directors along with time-bound corrective action plan for their oversight and non-occurrence of such issues.

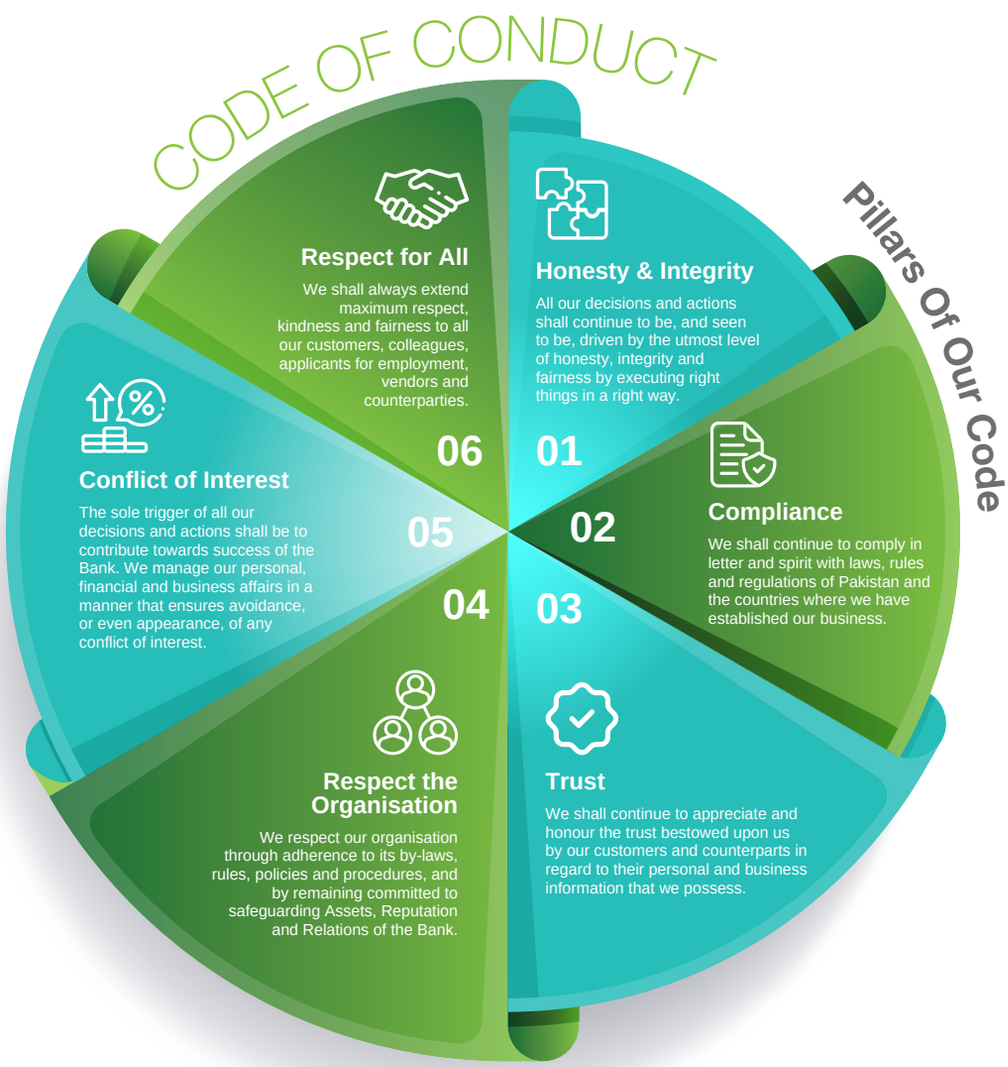
Based on the results achieved from review of controls by management during the year along with, Compliance Group, Internal Control Division within Operations, Internal Control over Financial Reporting by Financial Control Group and Internal Audit performed by Audit & Inspection Group, the management considers that the Bank's existing internal control system needs further improvement to address emerging risks and operational complexities. This is an ongoing process, and management would continuously be evaluating the efficacy of its in-built controls to enhance and further strengthen the overall control framework of the Bank.

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

Haroon Zamir Khan Chief Risk Officer	**Abdul Wahid Sethi** Chief Financial Officer	**Muhammad Abdul Moeed** Chief Compliance Officer	**Imran Farooqui** Group Chief Operations	**Umer Anwar** Chief Internal Auditor

OUR ETHICS & CODE OF CONDUCT

It is the responsibility of all employees at the Bank to uphold values of responsibility, honesty, trustworthiness, conscientiousness, and dedication to the highest ethical standards in business practices. Our Code of Conduct embodies our commitment to fulfilling stakeholder expectations and establishes the core principles and guidelines related to ethics, conduct, and compliance, ensuring integrity in all actions. We are committed to conducting business with honesty and integrity, and we expect all employees to adhere to these high standards in alignment with this Code, which forms an essential part of their terms of employment.



PURPOSE OF CODE

The Code of Conduct (the “Code”) defines the standards of commitment that the Bank expects from its employees, outlining clearly what acts, conduct, and practices are considered ethical. It provides a detailed description of the appropriate behavior required from all employees to uphold the reputation of the Bank and its subsidiaries. Additionally, the Code highlights, where applicable, actions or omissions that would be in violation of its principles.

APPLICATION OF CODE

It is the responsibility of all employees to act responsibly, honestly, trustworthily, conscientiously, and in dedication to the highest standards of ethical business practices. The Bank’s internally developed Code of Conduct ("the Code") provides guidance on expected behavior, explaining the consequences of decisions and outlining the principles that must be followed. The Code applies to all employees of the Bank and its subsidiaries, as well as to interns, consultants, agents, and service providers

engaged by the Bank. A copy of the Code is provided to all relevant parties to ensure they understand the applicable provisions and are committed to following them during their employment or business relationship with the Bank. The rules set forth in this Code must be applied at all times and in all circumstances when performing Bank duties, whether professional or social.

COMPLIANCE WITH THIS CODE

Failure to comply with this Code or applicable laws, rules, or regulations (including those of the SBP) will result in disciplinary measures, which may include termination of employment. Violations of the Code could also constitute violations of law, potentially leading to civil or criminal penalties for the individual and their supervisors. The competent authority or designated persons will determine the appropriate actions for any violations. If necessary, relevant external authorities will be notified.

BASIC PRINCIPLES OF THE CODE

- **Act with Honesty and Integrity**
  All decisions and actions must be driven by the highest levels of honesty, integrity, and fairness, executing the right things in the right way.

- **Comply with the Law**
  We are committed to fully complying with all applicable laws, rules, and regulations of Pakistan and the countries where we operate.

- **Dress Code**
  Employees must adhere to professional attire standards in line with the Bank's corporate image.

- **Political Affiliation**
  Employees must ensure political activities do not create conflicts of interest or misrepresent the Bank's position.

- **Declaration of Secrecy**
  Employees must safeguard confidential data and not disclose sensitive information without proper authorization.

- **Treat all with Respect**
  We will treat all customers, colleagues, job applicants, vendors, and counterparties with the utmost respect, kindness, and fairness.

- **Conflict of Interest**
  All decisions and actions must contribute to the Bank's success. Personal, financial, and business affairs must be managed to avoid any actual or perceived conflicts of interest.

- **Respect the Organisation**
  We will adhere to the Bank's bylaws, rules, policies, and procedures, and work to safeguard the Bank's assets, reputation, and relationships.

- **Non-Discrimination**
  The Bank does not tolerate discrimination in any form. We are committed to providing equal employment opportunities regardless of age, gender, race, religion, color, national origin, or marital status, and ensuring that clients are not discriminated against.

- **Safeguard the Confidentiality of Information**
  We are committed to respecting and protecting the trust placed in us by customers and counterparts regarding their personal and business information.

- **Limited Use of Confidential Information**
  Confidential information should not be disclosed to employees within the Bank unless they have a clear business need to know this information for their duties.

- **Use of NBP's Computer Systems**
  Employees are granted access to NBP's computer systems to perform their job duties and are expected to protect this access, maintaining the confidentiality of associated passwords.

- **External Communications**
  Only designated senior management and the Corporate Communications Division are authorized to represent the Bank in communications with the press and the public.

- **Sincerity with NBP/Management and Others**
  Employees have an obligation to report any questionable or potentially illegal activities involving NBP using the means provided by the Bank.

- **Self-Dealing**
  Employees are prohibited from representing or exercising authority on the Bank's behalf, granting credit accommodations, or acting as account officers in transactions involving themselves or their immediate family.

- **Respect the Policies of the Organisation**
  Employees must be aware of and adhere to all policies and processes set by authorized Bank officials, which may be updated periodically.

- **Demonstrate Discipline and Decency**
  Employees are expected to demonstrate punctuality, discipline, and appropriate behavior at work, attending to official duties during working hours and being present at work as required.

- **Acceptance of Gifts from Suppliers or Clients**
  Employees are prohibited from accepting gifts, services, discounts, or entertainment valued above PKR 5,000 from clients, suppliers, or any other individuals in exchange for business or confidential information.

- **Borrowing Money from Vendors or Clients**
  Employees are strictly prohibited from borrowing money from, or lending money to, any of NBP's vendors or clients.

- **Data Security**
  Confidential customer information must be protected with strong security measures.

- **Money Laundering and Misconduct**
  Employees must comply with anti-money laundering (AML) regulations. Any suspicious activities must be reported immediately.

- **Misconduct**
  Any misconduct, including but not limited to insubordination, dishonesty, harassment, negligence, or violation of workplace policies, will not be tolerated. Any actions that compromise the Bank's ethical standards, financial integrity, or workplace environment will be subject to disciplinary action.

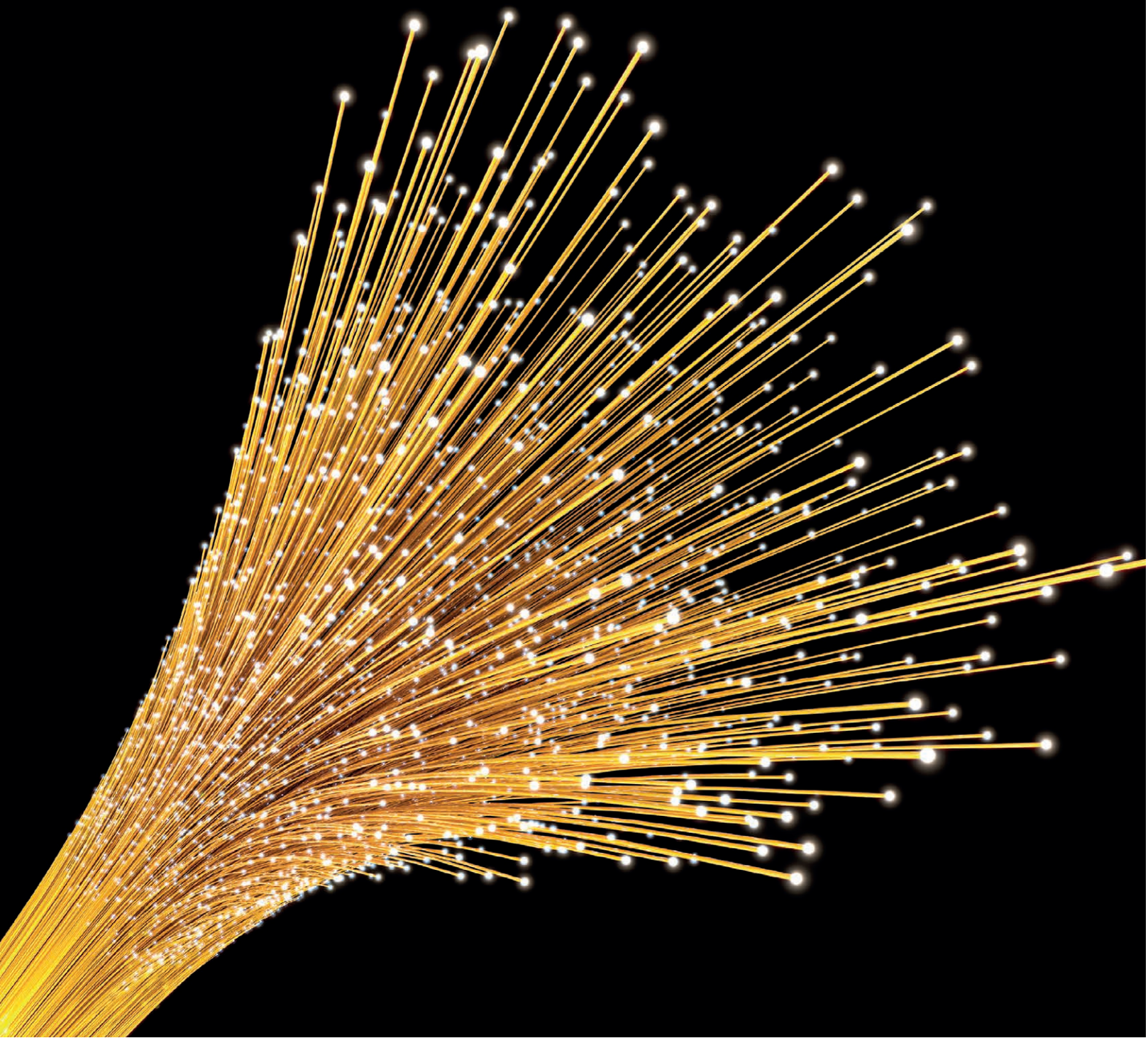
Policy Framework Governing Over Code of Conduct

Topic	Key Policies, Documents, and Guidelines
Conflict of Interest	Related Party Transactions Policy
	Anti-Bribery and Anti-Corruption Policy
Bribery and Corruption	AML/CFT Policy
	Guidelines on Gift Policy
Entertainment and Gifts	Code of Conduct & Ethics
	Financial Statement Closure Process
Accurate Accounting and Record-Retention	Internal Controls on Financial Reporting
	Accounts Reconciliation Process and Monitoring of
	Suspense Accounts
	Accounting & Disclosure Policy
Fair and Transparent Procurement	Procurement Policy
	Expenditure Approval Guidelines
	Sponsorship Guidelines
Confidentiality	Information Classification Policy
	Data Governance Policy
Fair Dealing	Group Conduct Risk Management
Protection and Proper Use of Company Assets	Information Security Policy
	Assets Management Policy
	Risk Management Policies
Harassment, Discrimination, and Abuse	Code of Ethics
	HR Policies
Compliance with Laws, Rules, and Regulations	Insider Trading Policy
	Group Compliance Policy
Encouraging Reporting of Unethical Behaviour	Whistleblowers' Charter

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Guided by Insight

Risk isn't darkness—it's data waiting to be read. Like strands of light moving with purpose, our approach to risk is rooted in clarity, control, and foresight. At NBP, we don't just react—we anticipate, using intelligence and structure to guide decisions that protect value and unlock future potential. Every strand we follow strengthens the path forward.



Risk Management

Risk Management Framework 122

IT Governance & Cyber-Security 129

RISK MANAGEMENT FRAMEWORK



The Risk Management Group (RMG) operates as a cohesive and integrated function within the Bank, ensuring that the organization is equipped to effectively manage all forms of risk. RMG is overseen by the Chief Risk Officer (CRO) and is structured into several specialized functions, each focusing on distinct areas of risk.

RMG is equipped to address a wide array of risks, ranging from credit, market and operational risks to cybersecurity. The direct reporting structure to the President, along with dotted line communication with the Board, ensures effective oversight and a proactive approach to risk management, allowing the Bank to navigate challenges and maintain its financial stability. Key functions of the RMG are:

1. Credit Risk Management

CRM function is dedicated to identifying, assessing, and managing credit risks across the Bank's portfolio. This includes risks arising from borrower defaults, concentration risks, and counterparty risks in credit-related transactions. Key functions include development of credit policies and collaboration with key stakeholders for implementation, review, and approve credit exposures and counterparty limits, and ensure that the Bank's credit portfolio re mains within acceptable risk thresholds.

2. Retail & Program Lending

R&PL function manages risks associated with retail banking products and program lending. It ensures that risks related to consumer lending, including creditworthiness of borrowers, are identified and effectively mitigated. Key functions include designing, monitoring, and evaluating the risk management strategies for retail lending products, and focusing on product performance and the overall risk associated with the retail banking portfolio.

3. Enterprise Risk Management

ERM function takes a broader perspective, dealing with enterprise-wide risks, including strategic, operational, market, and liquidity risks. It ensures that risks across all aspects of the Bank's operations are identified, quantified, and managed in alignment with the Bank's overall risk appetite and strategic goals. ERM assesses associated risks and their impact on the Bank's capital adequacy, prepares risk reports, and ensures that effective risk mitigation strategies are in place across various risk categories.

4. Information Security Division

ISD focuses on managing information security risks, ensuring the integrity, confidentiality, and availability of data. With the increasing dependence on digital platforms, ISD works to protect the Bank's systems from cyber threats, breaches, and data leaks. ISD is responsible for implementing cybersecurity frameworks, managing threats and vulnerabilities, and maintaining robust governance around information security.

5. Credit Administration Division

CAD ensures that all credit facilities are administered in accordance with the Bank's credit policies and regulatory requirements. It is responsible for monitoring the performance of credit portfolios and managing any risks associated with the credit lifecycle. CAD plays a key role in loan management and monitoring, DAC issuance and collateral management.

RISK MANAGEMENT PRINCIPLES

RMG proactively identifies, assesses, and mitigates risks to ensure the Bank's resilience, regulatory compliance, and stakeholder protection. The risk management process begins with continuous monitoring of internal and external factors, including economic conditions, market fluctuations, and regulatory changes. Comprehensive risk mapping identifies key risk categories, with special focus on emerging threats such as cybersecurity and geopolitical developments. A collaborative review process engages various business units to enhance risk identification.

Once identified, risks are assessed qualitatively and quantitatively to determine their impact and likelihood. Qualitative assessments consider regulatory, economic, and industry trends, while quantitative methods, including Value-at-Risk (VaR), stress testing, and scenario analysis estimate financial consequences.

Based on risk appetite and tolerance, the Bank either mitigates or accepts risks. Mitigation strategies include strengthening credit policies, diversifying portfolio, and enhancing internal controls through frameworks such as Risk and Control Self-Assessment (RCSA) and Key Risk Indicators (KRIs).

Recognizing that risk management is an ongoing process, RMG continuously monitors risks and adjusts strategies in response to market dynamics and technological advancements. Regular risk reporting ensures senior management and the Board remain informed, while internal audit and compliance verify the effectiveness of mitigation measures.

UNDERSTANDING THE DRIVERS OF RISKS

A comprehensive understanding of the drivers of risk is essential in identifying and managing the various uncertainties that may affect the Bank. The main drivers of risk can be categorized into three broad areas: Business Environment Analysis, Market Analysis, and Industry Analysis.

BUSINESS ENVIRONMENT ANALYSIS

- **Economic Factors:** Changes in the macroeconomic environment, such as GDP growth rates, inflation, unemployment, and fiscal policies, can have direct and indirect effects on the Bank's portfolio.
- **Political Factors:** Political instability, changes in government policies, and geopolitical situation can create uncertainty, disrupt business operations, and introduce new regulatory requirements.
- **Regulatory Landscape:** The evolving regulatory environment, including changes in banking regulations, tax laws, and compliance requirements, can impose new operational challenges and affect capital requirements.

MARKET ANALYSIS

- **Interest Rate Movements:** Fluctuations in interest rates can have a direct impact on the Bank's net interest margin, as changes in rates affect both lending and deposit pricing as well as impacting the value of the Bank's fixed income investments.
- **Currency Fluctuations:** Foreign exchange risk arises from the movement in currency values, particularly if the Bank has foreign exchange exposure

INDUSTRY ANALYSIS

- **Competition:** The banking sector is highly competitive, with numerous financial institutions competing for market share. Intense competition can lead to margin compression and aggressive pricing.
- **Technological Advancements:** The rapid evolution of digitization has transformed the banking industry. While this opens up opportunities, it also presents risks related to cybersecurity, data privacy, and the need for constant technological upgrades.
- **Regulatory Trends in the Banking Industry:** Shifts in banking regulations, such as enhanced capital adequacy requirements or the introduction of digital banking regulations, can impact the Bank's risk profile.
- **Emerging Market Trends:** Changes in customer preferences, such as the shift toward digital banking services and mobile banking, demand that the Bank adapts quickly to new market expectations.

UNDERSTANDING TYPES OF RISKS

The classification of risks into distinct categories provides a clear structure for identifying, assessing, and managing diverse challenges the Bank faces. Each risk type requires tailored mitigation strategies to safeguard the Bank's financial stability, reputation, and long-term success. Below is a more detailed description of each type of risk and its impact on the Bank's operations, along with the risk management strategies that the Bank can adopt to mitigate each.

Credit Risk	Credit risk arises from the possibility that a borrower or counterparty will fail to meet their financial obligations.
Market Risk	Market risk refers to the potential for losses due to changes in market variables such as interest rates, exchange rates, equity prices and/ or commodity prices.
Liquidity Risk	Liquidity risk refers to the Bank's inability to meet its short-term financial obligations without incurring significant losses.
Operational Risk	Operational risk is the risk of loss due to inadequate or failed internal processes, people, systems, or external events.
Reputational Risk	Reputational risk is the risk of damage to the Bank's reputation, which could affect its relationships with customers, investors, and regulators.
Strategic Risk	Strategic risk is the risk that a bank's business strategies, decisions, or competitive environment may adversely affect its performance.
Compliance Risk	Compliance risk refers to the risk of failing to comply with relevant laws and regulations, which can result in penalties and reputational damage. The risk of incurring legal or regulatory penalties due to non-compliance with applicable regulations, such as those related to anti-money laundering (AML) or know-your-customer (KYC).
Environmental and Social Risk	These risks arise from the environmental and social impact of the Bank's operations or its financing decisions.
Model Risk	Model risk arises from the potential inaccuracies or limitations in models used for decision-making. To mitigate model risks, the Bank uses various model validation and testing processes, periodically reviews its models, and ensures transparency in model development.

UNDERSTANDING THE IMPACT OF RISKS

A thorough understanding of risk drivers, types, and impacts enables the Bank to develop strong risk management strategies that protect its capital, earnings, and reputation. Using quantitative models, scenario analysis, and stress testing, the Bank mitigates potential risks effectively. Clear communication ensures stakeholders remain informed about the Bank's risk profile and mitigation efforts. This holistic approach enhances resilience, supports sustainable operations, and safeguards financial stability in a dynamic environment. The following risk assessment techniques play a crucial role in quantifying and evaluating risk impacts:

Quantitative Impact Assessment	Quantitative models use statistical/ financial tools to measure the potential financial impact of various risks on the Bank's capital and earnings. This approach assigns numerical values to different risk factors and calculates their possible effects on the Bank's financial position.
Scenario Analysis	Scenario analysis involves evaluating the impact of specific hypothetical scenarios or events on the Bank's financial health. These scenarios include adverse market conditions, regulatory changes, or sudden economic downturns. The Bank estimates their impact on key financial metrics, such as profitability, capital and leverage ratios.
Sensitivity Analysis	Sensitivity analysis involves assessing how changes in key variables - such as interest rates, and exchange rates - may affect the Bank's performance and financial position. The Bank regularly analyzes the effect of small changes in related variables on its portfolio, earnings, and capital.
Stress Testing	Stress testing involves subjecting the Bank's positions and portfolios to extreme but plausible adverse scenarios to evaluate its resilience under severe conditions. The Bank simulates scenarios such as a sharp decline in asset prices, liquidity shortages, or large-scale defaults by borrowers.

RISK MITIGATION AND CONTROLS

Once the risks are identified and their potential impact is assessed, the next step is to implement measures to mitigate these risks. Effective risk management involves a combination of setting limits, developing policies, and ensuring proper controls are in place.

1. Setting Risk Limits
Risk limits are established to cap the amount of exposure the Bank can take in each risk category, ensuring that the Bank does not exceed its risk tolerance. These limits may be applied to various areas, including credit risk, market risk, and operational risk and ensure that the Bank maintains a balanced risk profile and avoids overexposure to any single risk.

2. Developing Risk Policies and Procedures
The Bank develops detailed policies and procedures that define how risks are identified, measured, mitigated, and how they are to be reported. Well-defined risk policies and procedures provide clear guidance for employees, ensuring that risk management practices are standardized, effective, and aligned with the Bank's overall strategy.

3. Establishing Control Mechanisms
Control mechanisms are designed to monitor, manage, and limit risk exposure. The Bank regularly monitors risk exposure and conducts internal audits to ensure that controls are effective.

4. Regularly Monitoring and Updating Risk Mitigation Strategies
The Bank continuously monitors key risk indicators, tracks performance against risk limits, and updates risk management strategies. This involves adjusting exposure limits and adopting new risk management tools based on evolving market conditions. Regular monitoring ensures that the Bank's risk management strategies remain relevant, responsive, and effective in addressing new or emerging risks.

COMMUNICATION AND REPORTING

Clear and consistent communication of risk information is essential for effective governance and oversight. The Bank provides stakeholders with the necessary insights to understand the risks it faces and how these are being managed.

1. Communicating Risk Information to the Board and Senior Management
Regularly updating the Board of Directors and senior management on the Bank's risk profile and risk exposures, ensures that decision-makers are informed and able to take appropriate actions. Regular risk reports are reviewed by the board and senior management, including key metrics such as capital adequacy, liquidity ratios, portfolio dynamics, and risk concentrations. Transparent communication ensures that the board and senior management have a comprehensive understanding of the risks facing the Bank, allowing them to make informed strategic decisions.

2. Reporting to Relevant Stakeholders
In addition to internal stakeholders, the Bank must communicate its risk management efforts to external stakeholders, including regulators, investors, and the public. The Bank provides annual reports, regulatory filings, and investor communications that outline its risk management framework, risk exposure, and the effectiveness of risk mitigation measures. Effective external reporting fosters transparency, builds trust, and ensures regulatory compliance, which can enhance the Bank's reputation and attract business.

RISK GOVERNANCE AND OVERSIGHT STRUCTURE

The Bank's Risk Governance and Oversight Structure is a key component of its overall strategy to effectively identify, assess, and mitigate risks. It ensures that risk management processes are integrated into the organization's daily operations and strategic decision-making. This governance structure plays a critical role in maintaining a robust risk management culture and protecting the Bank's long-term financial health, regulatory compliance, and reputation.

The Board of Directors holds ultimate responsibility for overseeing risk management practices, setting the strategic direction for managing risk, and ensuring that the Bank's risk-taking activities align with its risk appetite and financial goals. The Board delegates specific functions to specialized committees to ensure that risk management efforts are appropriately executed and supervised.

The key committees and their functions within the Bank's risk governance structure:

1. Board Risk & Compliance Committee (BRCC)
The BRCC oversees risk management activities and ensures comprehensive governance over significant risks encountered by the Bank. The Committee works on behalf of the Board and holds the primary responsibility for endorsing risk management policies and frameworks.

Key Responsibilities of BRCC

- BRCC is responsible for ensuring that all risk-related matters, including credit, market, liquidity, operational, and other material risks, are identified, assessed, and managed effectively.
- It plays a key role in formulating and endorsing policies and frameworks for mitigating and managing risks within the Bank.

- The BRCC is instrumental in cultivating a strong risk culture within the Bank by evaluating the effectiveness of risk management strategies and their integration within the Bank's day-to-day operations.
- Provides the strategic oversight necessary for the formulation of risk strategies and ensures they align with the Bank's objectives and risk appetite.

2. Enterprise Risk Committee (ERC)

The ERC is a senior management level committee that provides a holistic, integrated approach to risk management across the entire organization.

Key Responsibilities of ERC

- ERC oversees the development, implementation, and evaluation of the Bank's risk management framework from an institution-wide perspective.
- The Committee is responsible to review and recommend risk strategies that address both existing and emerging risks.
- It is involved in the review of relevant risk management policies, ensuring that they align with the best practices and meet regulatory requirements.
- ERC reviews risk management MIS reports for onward submission to the Board Risk & Compliance Committee (BRCC) for appropriate action and decision-making.
- The Committee regularly evaluates the effectiveness of risk management tools, methodologies, and Management Information Systems (MIS).

3. Management Credit Committee (MCC)

The MCC is a senior management body responsible for overseeing the Bank's credit risk and ensuring that credit exposures and policies align with the institution's overall risk appetite. The Committee plays an integral role in assessing individual credit exposures, borrower limits, and establishing robust credit policies to mitigate potential credit losses.

Key Responsibilities of MCC

- MCC is responsible for reviewing and approving credit exposures and counterparty limits to manage credit risk effectively.
- The Committee reviews and ensures that credit policies are implemented consistently across the Bank.
- The Chief Risk Officer (CRO) and Chief Credit Officer (CCO) are integral members of the Committee, ensuring that risk considerations are effectively incorporated into the credit decision-making process.

4. Asset Liability Committee (ALCO)

The ALCO plays a vital role in managing the Bank's balance sheet structure and liquidity position to ensure long-term financial stability. ALCO's responsibility spans managing both on-balance sheet and off-balance sheet items with a focus on achieving the Bank's strategic goals, including liquidity, profitability, and adherence to the risk appetite.

Key Responsibilities of ALCO

- ALCO is responsible for overseeing and managing the composition and pricing of the Bank's assets and liabilities to optimize financial outcomes.
- The Committee ensures that the Bank's liquidity position is aligned with its regulatory and internal requirements, ensuring it can meet its short-term obligations while optimizing its return on assets.
- The Committee provides strategic guidance on optimizing the Bank's balance sheet structure to achieve a harmonious alignment between growth, profitability, and risk tolerance.
- ALCO monitors interest rate movements and foreign currency fluctuations, ensuring that these risks are effectively managed within the Bank's risk appetite.

RISK MANAGEMENT FRAMEWORK IMPLEMENTATION

The Bank's Risk Management Framework follows the 'Three Lines of Defence' model, ensuring a structured, accountable, and transparent approach to risk management. By clearly defining responsibilities across business, risk management, and audit functions, the Bank fosters an integrated and resilient risk governance framework. Continuous assessment, improvement, and independent oversight enable effective risk mitigation, ensuring long-term stability and stakeholder value.

1st Line of Defense: Business Groups (Risk Ownership)

The 1st Line of Defense refers to the Business Groups whose activities generate risks, whether financial or non-financial, and who own these risks. The 1st Line of Defense manages these risks within the defined risk appetite, establishes an appropriate risk governance and risk culture, and adheres to the risk frameworks.

Key Responsibilities

- Business groups are tasked with identifying risks that could impact their operations, such as credit risk in lending, market risk in trading, and operational risk in daily activities.
- Once risks are identified, business groups must assess the potential impact, set limits, and continuously monitor risks against established parameters.

- Business groups implement necessary procedures, controls, and safeguards to mitigate identified risks. This includes, but is not limited to, credit limits, operational controls, and strategies to manage market risks.
- Business groups are responsible for ensuring their activities are aligned with the Bank's established risk policies, procedures, and risk appetite, as set by the Board and management level committees.

2nd Line of Defense: Risk Management and Compliance Functions (Oversight)

The 2nd Line of Defense refers to the roles of Risk Management and Compliance Groups which defines the risk management framework for specific risks. The 2nd Line of Defense independently assesses the implementation of the risk frameworks and adherence to the risk appetite, and acts as an advisor to the 1st Line of Defense on how to identify, assess, and manage risks.

Key Responsibilities

- Risk Management Group evaluates the effectiveness of risk controls established by the 1st Line of Defense. This includes reviewing risk reports, assessing risk management strategies, and ensuring the implementation of risk controls.
- Compliance Group ensures that the Bank adheres to relevant laws, regulations, and industry standards, reducing the risk of non-compliance and reputational damage.
- Risk Management and Compliance Groups are responsible for continuous risk monitoring across all business areas. They work closely with operational teams to identify emerging risks, and evaluate whether existing controls are adequate or need enhancement.
- Risk management issues or concerns that are identified at the 2nd Line of Defense are escalated to senior management and relevant committees, including the Board Risk & Compliance Committee (BRCC), Compliance Committee of Management (CCM) and Enterprise Risk Committee (ERC) for decision-making.

3rd Line of Defense: Independent Assurance (Audit & Inspection)

The 3rd Line of Defense is Audit and Inspection Group, alongside the Board Audit Committee. 3rd Line of Defense is responsible for providing independent and objective assurance on the adequacy of the design, operating effectiveness, and efficiency of the risk management and internal control systems.

Key Responsibilities

- Audit & Inspection Group evaluates the design and operational effectiveness of risk management, internal controls, and governance processes. They assess whether the first and second lines of defense are functioning as intended.
- As an independent party, the third line provides assurance to the Board and senior management that risks are being effectively controlled, managed, and mitigated.
- The group conduct audits to assess compliance with internal policies, regulatory requirements, and industry standards. They look for gaps or weaknesses in internal controls, providing recommendations for corrective actions.

RISK MANAGEMENT GROUP (RMG) AND ITS MISSION

Our mission is to promptly identify, measure, manage, report, and monitor risks enabling the Bank to maximize stakeholders' value through sustainable growth, based on risk-based decision-making and a consistent risk focused culture across the Bank.

RISK MANAGEMENT APPROACH

NBP's Risk Management approach is embedded in the Basel Framework, which provides essential guidance for its capital and liquidity strategies. By adhering to the Basel principles, the Bank is committed to ensuring that it maintains a strong balance sheet, effectively managing risks, and optimizing capital usage. These provide guidelines for the capital adequacy ratios, liquidity management, and overall risk mitigation processes, allowing the Bank to remain resilient and sustainable in an ever-evolving financial landscape. The Bank's approach focuses on several key objectives aimed at safeguarding its financial stability, strategic alignment, and resilience to emerging risks.

Identify and Assess Significant Risks

The Bank systematically identifies and assesses risks that could have a substantial impact on its operations and overall financial health. This involves a thorough understanding of various risk categories, including credit risk, market risk, operational risk, liquidity risk, and other external and internal factors. By proactively recognizing potential threats, the Bank ensures it can address them promptly before they materialize into more severe issues by continuous monitoring of economic, regulatory, and market conditions, comprehensive risk mapping across different functions and regular assessments of risks that could affect the Bank's financial stability, capital, and liquidity.

Timely Response and Risk Appetite Formulation

Once significant risks are identified, the Bank formulates a timely and effective response. This involves defining the Bank's risk appetite - the amount and types of risk the organization is willing to take to achieve its strategic goals. The risk appetite is directly aligned with the Bank's objective, financial capacity, and regulatory requirements. Establishing clear parameters and thresholds for risk-taking ensures that all stakeholders understand the Bank's approach to risk management. This includes establishing risk tolerance levels with acceptable loss thresholds, formulating strategic decisions based on the Bank's risk capacity and objectives, and adjusting risk appetite in response to changes in market conditions or strategic priorities.

Equip the Bank with an Appropriate Risk Management Architecture for Effective Risk Management

To manage risks effectively, the Bank has invested in sophisticated tools, models, and technologies that support risk identification, measurement, and mitigation. These tools and models are designed to provide accurate risk assessments and help the Bank make informed decisions by deploying advanced risk management tools for better decision-making, integrating risk management models into core business systems, and continuously evaluating and upgrading these tools to enhance risk management efficiency.

Analyze the Overall Risk Profile

The Bank continuously evaluates its overall risk profile, which involves assessing the interconnection of various risk factors and their collective impact on the Bank's financial position. The goal is to ensure that risks are understood in a holistic manner, taking into account how individual risk exposures may amplify or mitigate each other. This involves regularly reviewing the Bank's overall risk exposure and capital adequacy, assessing the cumulative effect of different risks on capital, liquidity, and profitability, and identifying correlations between risks to develop a comprehensive risk mitigation strategy.

Keep Track of Emerging Risks

The Bank actively monitors the external environment to detect emerging risks, ensuring that it remains agile and prepared to address future challenges. This proactive approach helps the Bank stay ahead of potential risks that could evolve in response to shifts in regulatory landscapes, market dynamics, and technological advancements. This involves monitoring macroeconomic trends, regulatory changes, and technological developments, engaging with industry bodies and regulators to stay informed about evolving risks, and identifying potential vulnerabilities while assessing their likelihood and potential impact.

Perform an Active Role in Risk Mitigation

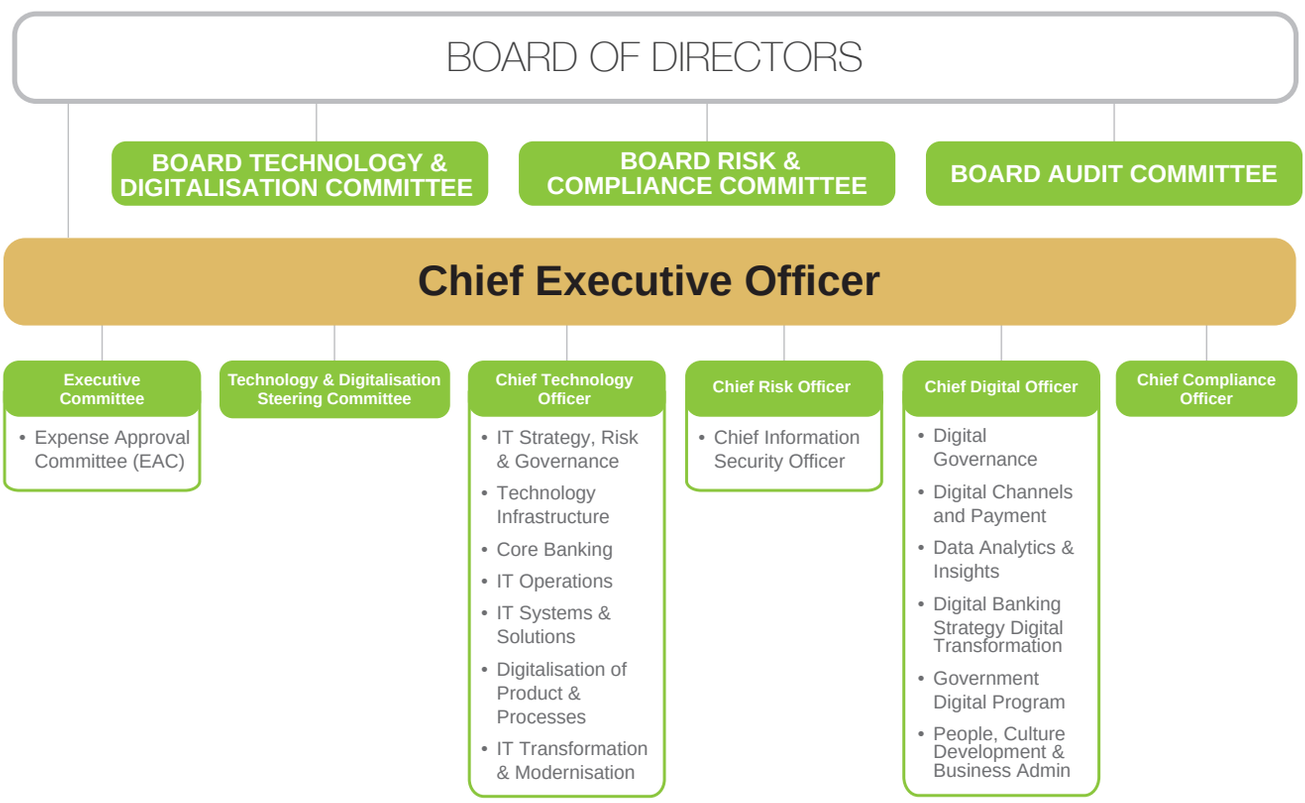
The Bank plays an active role in mitigating risks by implementing proactive measures. This includes developing and enhancing risk mitigation strategies such as setting risk limits, improving operational controls and diversifying risk exposures. The goal is to ensure that the Bank remains resilient in the face of adverse conditions and that it can respond to potential challenges swiftly and effectively. This involves developing action plans and contingency measures for managing risks, maintaining risk diversification strategies to reduce concentration in specific sectors, and continuously refining risk mitigation strategies in response to emerging threats.

Managing Information Security Risk

In the digital age, information security risks are critical. The Bank adopts a comprehensive Information Security Risk Management strategy, which includes various frameworks and measures to safeguard against potential cyber threats and ensure data integrity. The Information Security Policy and Cybersecurity Framework covers a wide array of areas, including network security, application security and governance compliance, ensuring that the Bank’s sensitive data and systems are protected from external and internal risks. This involves implementing cybersecurity frameworks to protect against data breaches and cyberattacks, establishing security operations teams responsible for threat management and monitoring, and conducting regular assessments and updates to ensure compliance with information security regulations and best practices.

IT GOVERNANCE & CYBER-SECURITY

IT GOVERNANCE



In today's dynamic digital economy, the importance of IT Governance and Management cannot be overstated. It ensures that investments in IT, both current and future, are in line with the Organisation's business objectives and risk tolerance. Consequently, the banking sector's IT landscape is also rapidly evolving, necessitating a focus on:

- Maximising the business value derived from IT investments
- Achieving operational excellence through reliable, scalable and maintainable technology solutions
- Managing IT-related risks within acceptable thresholds
- Ensuring accurate and relevant data is available for data-driven strategic decision-making
- Ensuring compliance with an evolving regulatory and legal environment
- Maximising cost efficiency in IT services and technology.

This strategic shift underscores the importance of integrating IT strategies with broader Organisational objectives, ensuring alignment and agility in an evolving technological environment. IT Governance of the Bank comprises monitoring by:

NBP BOARD OF DIRECTORS

The NBP board oversees business conduct and supervises management, committed to upholding the highest standards of corporate governance. Responsibilities include ensuring integrity and compliance with laws and regulations.

The CEO and senior management execute operations according to approved plans and policies, presenting significant matters to the Board or its Committees for consideration. Sub-committees monitor and control various areas of the Bank. The Board's Technology & Digitalisation Committee oversees IT network and security projects to address the legal and regulatory implications of cyber risks.

BOARD TECHNOLOGY & DIGITALISATION COMMITTEE

The NBP Board has set up a dedicated sub-committee tasked with supervising technology operations and digital ventures within the bank. This Committee advises management on IT risk strategies to enhance resilience and response capabilities, particularly in addressing cyber incidents and wide-scale disruptions. Recognising the heightened significance of technology-related risks, the BTDC prioritises enhancing governance and fostering collaboration with senior executives to effectively manage risks and maintain a robust IT risk profile. The Committee ensures consistent updates on IT network enhancements, security measures, and all ongoing IT projects.

CHIEF EXECUTIVE OFFICER

The NBP CEO supervises corporate functions across all businesses and subsidiaries, providing reports on bank activities to the board and relevant committees as requested by their respective chairs. The CEO holds the primary responsibility for managing the bank's operations and affairs, offering leadership and vision to enhance profitability and shareholder value while ensuring adherence to corporate policies established by the board.

CHIEF TECHNOLOGY OFFICER

The Information Technology Group, led by the Chief Technology Officer (CTO), serves as the backbone of the Bank, delivering round-the-clock support for connectivity, servers, applications, and network and security infrastructure. The NBP CTO oversees crucial IT capability decisions to enhance management, ensure compliance, and maximise value from technology resources. Central to the CTO's role is establishing robust IT governance, which involves understanding the impact of IT decisions on business value.

IT STRATEGY, RISK & GOVERNANCE

An exclusive IT Governance domain is defined under the supervision of the CTO by the name of IT Strategy, Risk & Governance Division that is specifically responsible to prepare, review and implement IT-related policies, incident response, and controlling planning for IT governance. The division is managing technology programs and operations and proposes strategic IT initiatives to ensure that IT operates within budget while meeting targets. The Division has also established policies and procedures for implementing controls in each area of ITG. Additionally, IT Network Security assessment was also conducted to further improve the cybersecurity posture of the Bank.

Concerning continuous learning and development, IT SRG implements a program that endeavours to educate all employees by organizing awareness and training sessions on Cyber Security. Key training topics such as Zero-Trust Architecture, Software Defined Networks, Service Oriented Architecture, Cybersecurity fundamentals, Project Management, Security Analyst, and others are delivered to ITG employees to ensure they remain up-to-date with the latest trends and technologies. Furthermore, ITG employees are encouraged and assisted in obtaining relevant Specialised certifications to ensure they remain current enabling them to effectively assess, respond to, and often anticipate developments in a rapidly changing landscape. The ongoing strategy of recruiting new talent with specific IT skills helps bridge any gaps in expertise and capabilities, while resource augmentation remains a continuous process at the Bank.

CHIEF INFORMATION SECURITY OFFICER

CISO is responsible to ensure that cybersecurity procedures and policies are communicated to the management. Also, CISO has to ensure that the management enforces compliance with Information Security and related policies. In the case of security breaches, the CISO is responsible for reviewing the incidents and assessing the impact of the incident to give recommendations on how to avoid such vulnerabilities in the future.

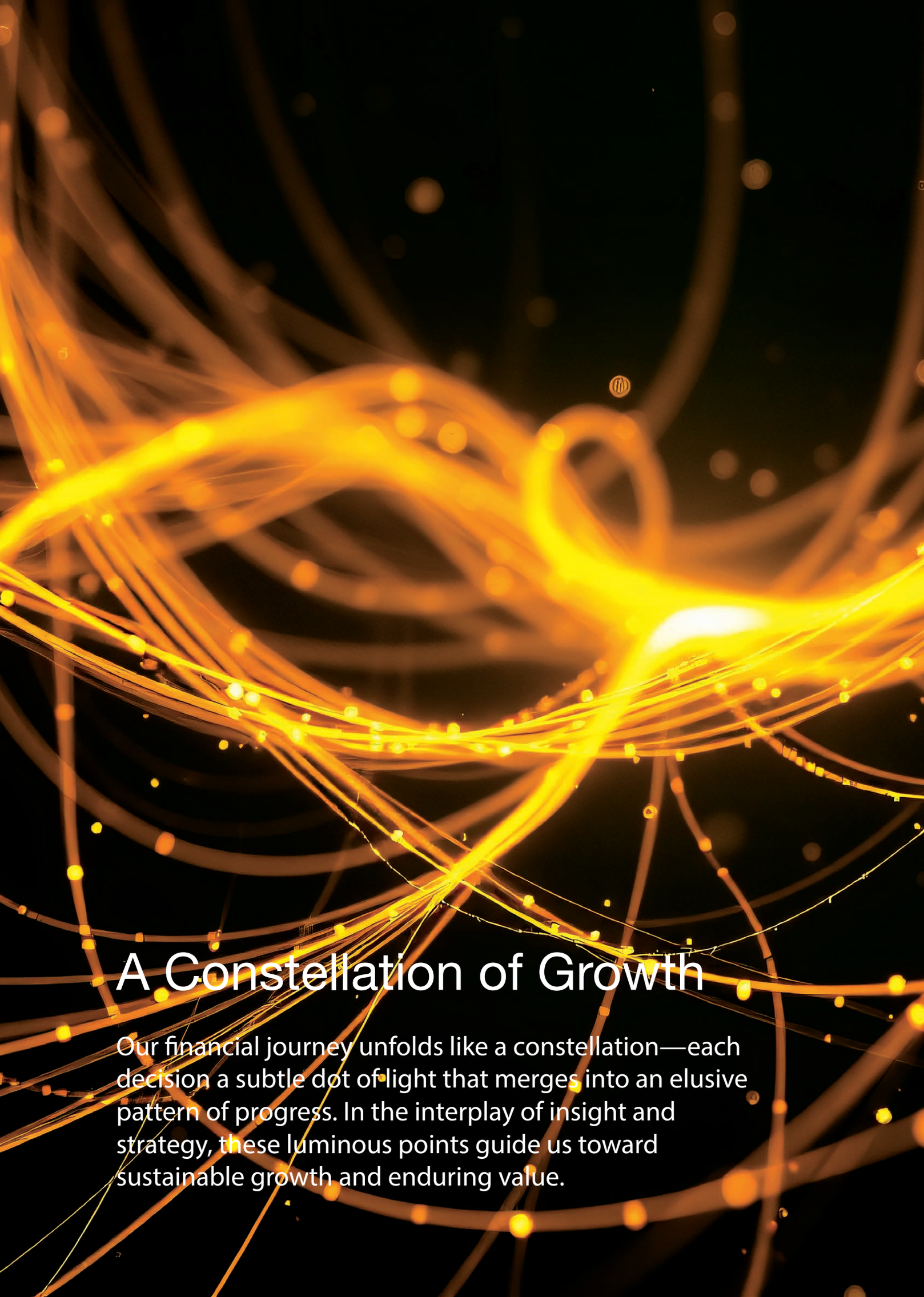
CHIEF DIGITAL OFFICER

The Chief Digital Officer is responsible for overseeing the Bank's adoption of digital technologies, transforming business strategy via the use of technology and data, and evangelising how people, processes, and technology can achieve the digital vision. The CDO is largely accountable for transforming the overall business model and introducing a digital dimension to the Bank's operations. CDO is vigorously embracing the newest digital technologies, such as cloud computing, data analytics, etc., and has established a dedicated division to enhance transparency, reporting, and governance in the digital domain. CDO is working on NBP's long-term strategy, which includes the deployment of robotic process automation, AI-based decision making in lending-based business and cross-selling, and the implementation of block chain technology for the expansion of digital banking footprints in NBP. To meet NBP's long-term, mid-term, and short-term ambitions, the CDO keeps Ex Com and BTDC updated of the latest digital domain developments and projects on a regular basis.

DIGITAL GOVERNANCE

Under the leadership of the CDO, the Digital Governance domain is pursuing and executing the process governance for horizontal policies to implement internal controls, ensure compliance with all internal and regulatory mandates, and ensure that all processes & procedures are flawless for instant audit. The Digital Governance Division is responsible for the execution of all digital banking-related policies, regulatory requirements, SOPs, and SLAs.

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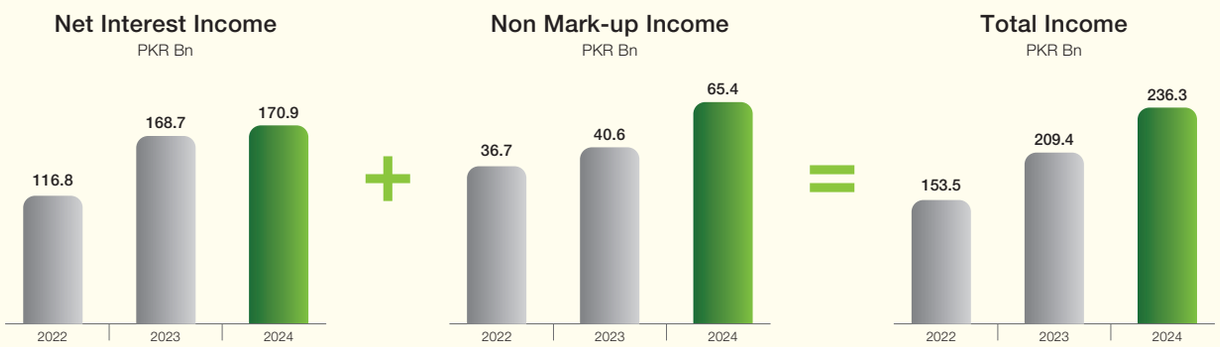
A Constellation of Growth

Our financial journey unfolds like a constellation—each decision a subtle dot of light that merges into an elusive pattern of progress. In the interplay of insight and strategy, these luminous points guide us toward sustainable growth and enduring value.

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FINANCIAL OVERVIEW



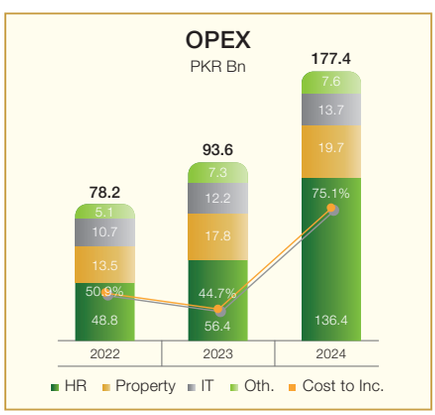
During 2024, average policy rate remained at 19.66% compared to 20.69% of last year. This translates into decrease in average policy rate by 103bps. The Bank earned a gross mark-up/ interest income of PKR 1,089.4 Bn 6.32% YoY. Net interest-bearing assets during the period averaged at PKR 6,374.7 Bn 12.64% YoY. Interest-bearing investment portfolio averaged 14.40% up at PKR 4,507.8 Bn (Dec-2023: PKR 3940.4 Bn) and generated interest/ mark-up income of PKR 842.0 Bn (8.79% YoY), making 77.29% of the total mark-up income. Average loans and advances (net) increased by 6.63% to PKR 1,401.5 Bn (2023: PKR 1,314.3 Bn) and generated mark-up/interest income of PKR 233.3 Bn, which compared to PKR 221.8 Bn levels of 2023, is higher by 5.18%. Average interest-bearing liabilities increased by 11.44% to PKR 5,827.5 Bn. Therefore, the Bank's cost of funds also increased to PKR 918.5 Bn 7.32% YoY, of which PKR 460.5 Bn (Dec-2023: PKR 365.1Bn) was on account of profit to the depositors. The Bank's cost of deposits decreased by 41bps to close at 15.84% for 2024 (2023: 16.25%). Overall, the Bank's net mark-up/ interest income closed at PKR 170.9 Bn, which is 1.27% higher against PKR 168.7 Bn earned during the prior year.

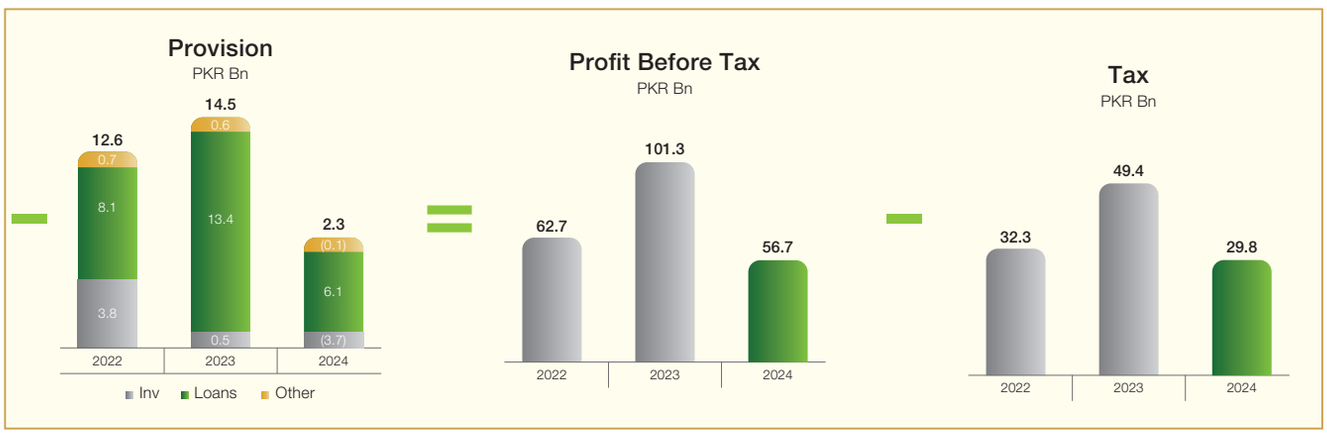
Despite a generally lower economic activity during the year, the Bank achieved 61.12% growth in its non-fund income stream by generating a non-mark-up income of PKR 65.43 Bn (2023: PKR 40.6 Bn.) Non-markup income constitutes 27.69% of the total income (2023: 19.39%). Suppressed international trade volumes, decreased the foreign exchange income by 17.17% YoY to PKR 5.9 Bn (2023: PKR 7.1 Bn). Branch banking operations continued generating healthy fees & commission income that closed at PKR 25.48 Bn 15.64% YoY. Dividend income increased by 15.96% to PKR 6.1 Bn as companies resorted to paying dividends. These gains were further supported by higher gain on securities that amounted to PKR 27.89 Bn (2023: PKR 4.38 Bn). Accordingly, the non-markup/interest income of the Bank totalled PKR 65.4 Bn, as against PKR 40.6 Bn of the last year.

Net interest income and non-interest income collectively generate PKR 236.3 Bn during the year.

Operating expenses for the year closed at PKR 177.4 Bn against PKR 93.6 Bn for the year 2023. HR compensation that accounts for 76.88% of the total operating expenses amounted to PKR 136.3 Bn compared to PKR 56.4 Bn for the year 2023. Resultantly, the Bank's operating Cost to Income ratio stood at 75.1%, against 44.7% for the prior year.

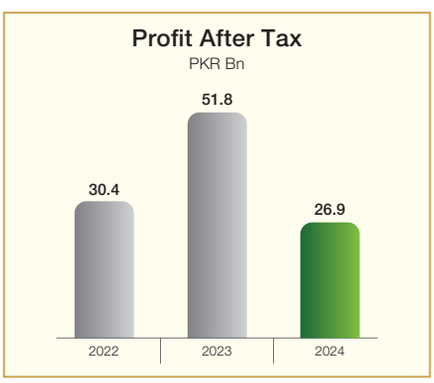
The Bank invests appropriate funds in the uplift and maintenance of its business premises, providing a secure & healthy work environment to its workforce and customers. This year we spent a sum of PKR 1.7 Bn on repair and maintenance of our business premises. Overall property-related expenses amounted to PKR 13.7 Bn, which is 12.61% more than the prior year. Since Information Technology is pivotal for the Bank to achieve its strategic goals, the Bank continues to invest in upgrading its IT infrastructure, systems, and applications architecture. In 2024, we spent PKR 3.3 Bn on software maintenance and PKR 1.00 Bn on Network enhancement.

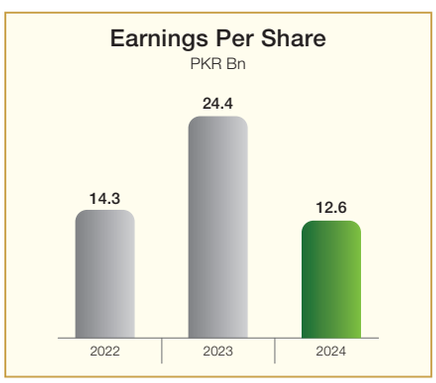


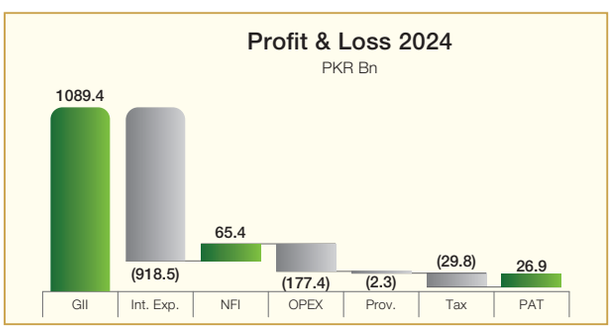


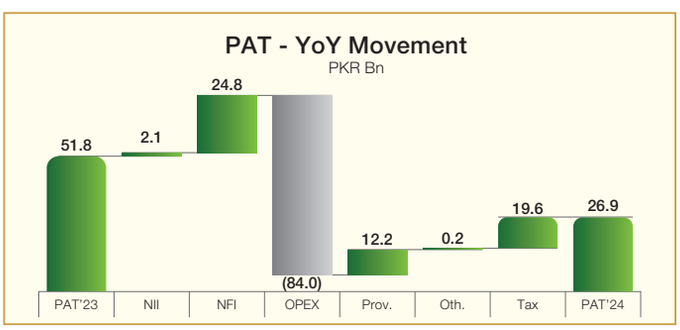
Pre-tax profit for the year amounted to PKR 56.7 Bn i.e. (44.02%) lower YoY against PKR 101.3 Bn of 2023. Tax charge amounted to PKR 29.8 Bn, translating into an effective tax rate of 52.60% (2023: 48.80%).

Profit after-tax for the year 2024 closed at PKR 26.87 Bn i.e. (48.18%) below the PKR 51.84 Bn in 2023. This translates into Earnings Per Share of Rs. 12.63 as compared to Rs. 24.37 in the corresponding year. Significant growth is achieved in profit before provisions, partially offset by higher provisions charge and higher tax. Net assets increased by PKR 74.2 Bn to PKR 457 Bn.









Our performance remained strong as we continued to create growth opportunities for the Nation through uninterrupted delivery of services to our customers. Financial results for the year 2024 reflect our resilience to challenging environment amidst high inflation and interest rates that has created difficulties for some of our customers.

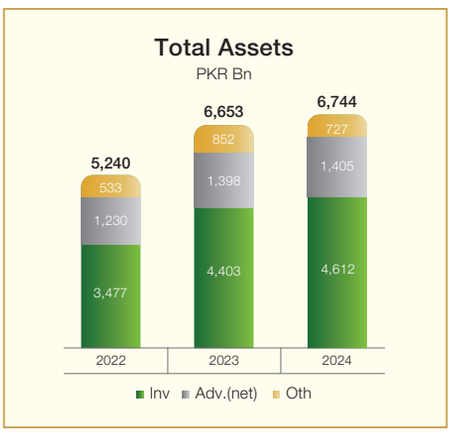
Significant growth is achieved in profitability, partially off-set by Opex.

Balance Sheet Strength

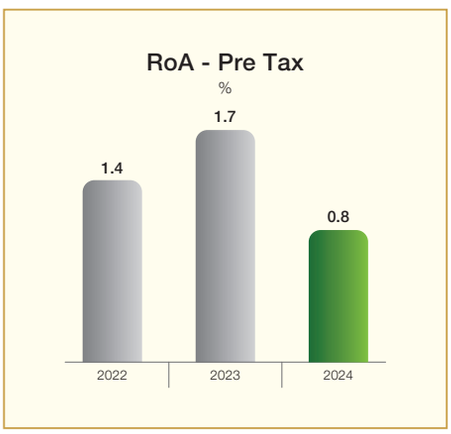
Balance sheet strength is critical to the Bank's ability to serve its customers, drive core business outcomes and deliver strong & sustainable returns for the stakeholders. Our capital, liquidity and funding metrics have strengthened further during FY'24. The strength of our balance sheet means the Bank is well-positioned to support its customers and the Pakistani economy through challenging and uncertain times.



Assets



As of December 31, 2024, total assets of the Bank amounted to PKR 6,744.08 Bn, which is 1.37% more from PKR 6652.71 Bn at the end of 2023. The Bank has managed its overall asset-liability mix by generating stable funds and deploying the same into earning avenues offering positive yield.



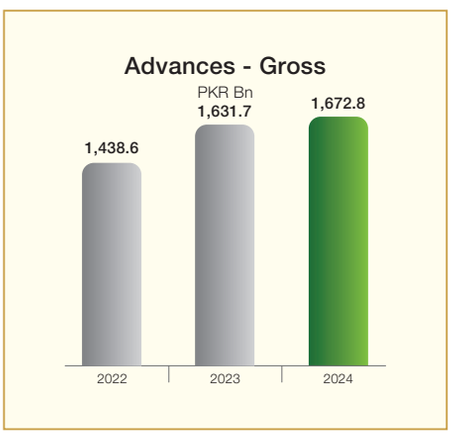
Loans and Advances

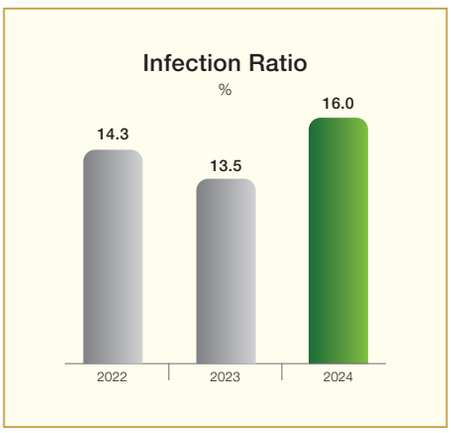
At Dec-2024, gross loans & advances of the Bank amounted to PKR 1,672.8 Bn depicting a 2.52% prudent increase from the year end 2023 levels. The loan book is diversified over 30+ sectors. Private and Public sector constitute 63.9% (2023: 60.5%) and 36.1% (2023: 39.5%), respectively.

With PKR 183.2 Bn, Individuals make 11% of the loan book whereas Power makes 9.6% share and PKR 160.2 Bn in outstanding loans, followed by 9.5% of the Textile sector where the exposure decreased by 1.1% YoY to reach PKR 158.4 Bn.

Oil & Gas recorded a decline of 13.2% growth to reach PKR 270.7 Bn from PKR 311.9 Bn in 2023. In line with the Bank's refreshed vision of inclusive development, healthy growth was also achieved in Commodity and Agriculture & Allied sectors. These 4 major sectors make almost 46.2% of the total loan book with PKR 772.5 Bn in outstanding.

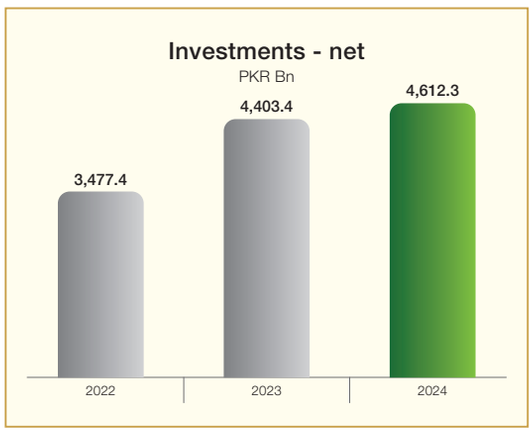
With PKR 269.3 Bn of NPLs at end of 2024, net loans & advances amounted to PKR 1,404.9 Bn i.e. 0.48% up from PKR 1398.1 Bn level at end 2023. Given the focused decline in deposits and a prudent growth in advances, the Bank's Advances-to-Deposits Ratio (gross) declined from 44.5% at the end of Dec'23 to 43.3% at end Dec'24. Business groups that contributed towards YoY growth in advances include C&IBG (-PKR 83.9Bn), IDG (+PKR 92.2 Bn), RBG (+PKR 19.2 Bn), and AIBG (+PKR 72.2 Bn), etc





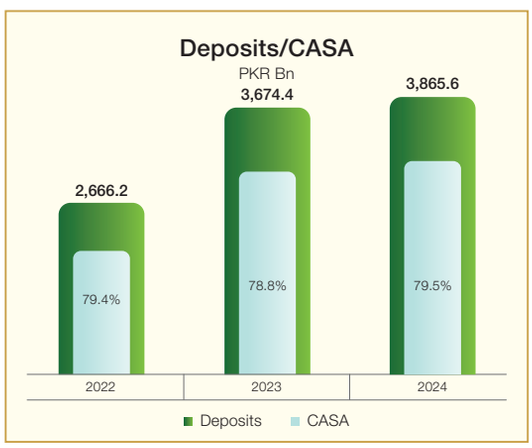
Investments

At the end of 2024, the Bank's investments (fair value/amortized cost) amounted to PKR 4,475.4 Bn (YE'23: PKR 4,393.9 Bn), making over two-third of the Bank's balance sheet. Given the limited quality loan-growth opportunities, and a constant growth in the customer deposits, excess liquidity with the Bank is placed in shorter term GoP securities to capitalize on price volatility in the hiking policy rate environment. The PKR 81.5 Bn or 1.9% increase in investments (at cost) mostly came in T-Bills that increased by PKR 210.5 Bn from PKR 977.9 Bn at the YE'23 to PKR 1,188.4 Bn at end Dec'24. PIBs decreased by PKR 171.4 Bn from PKR 3,154.2 Bn at the YE'23 to PKR 2,982.8 Bn at end Dec'24. As the market opportunity offered decent spread, investments were funded through deposit mobilization as well as leveraging.



Deposits

The Bank has established an unparalleled outreach to a wide range of core depositors throughout the country. As the Bank enjoys depositors' utmost trust, most of our deposits are 'stable funds' coming from core customers. During the year, the Bank followed a focused strategy to optimize its deposits to deliver higher PAT to its stakeholders. Deposits increased by PKR 191.2 Bn and amounted to PKR 3,865.6 Bn, which is 5.20% higher than PKR 3,674.4 Bn, at the end of year 2023. Customers' deposits as of Dec'24 amounted to PKR 3,641.4 Bn, representing 94.2% of the total deposits. Total current deposits (including FI's) stood at PKR 1,948.3 Bn, depicting a 1.13% decrease YoY. Also, the saving deposits increased by 21.6% to PKR 1,124.4 Bn, as compared to PKR 924.3 Bn a year back. The bank's CASA deposits increased slightly from 78.8% in December 2023 to 79.5% as of December 31, 2024.

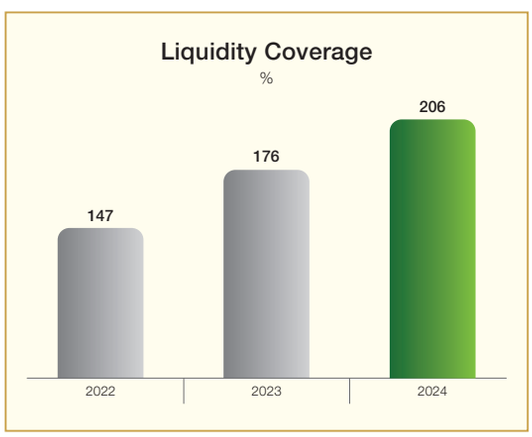


Funding & Liquidity

The Bank's liquidity and funding profile are sound as the vast bulk of assets are funded by a large and stable customer deposit base which continued to grow strongly.

Most of the Bank's funding comes from core customer deposits that contribute 94.2% (PKR 3,641.4 Bn) of the Bank's total deposits. Compared to Dec 31, 2023, customer deposits have increased by PKR 474.9Bn or 15.0%. FI deposits, decreased during the period under review by PKR 283.6 Bn and closed at PKR 224.1 Bn (Dec'23: PKR 507.8Bn).

The Bank's liquidity coverage ratio stood at 206%, and the Net Stable Funding Ratio stood at 174%, well above the statutory requirement of 100%.

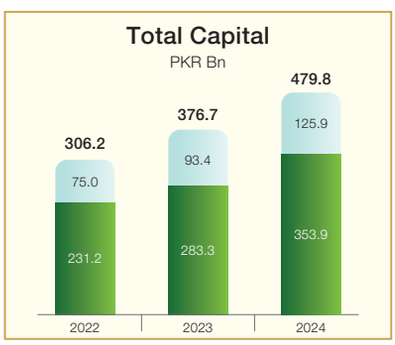


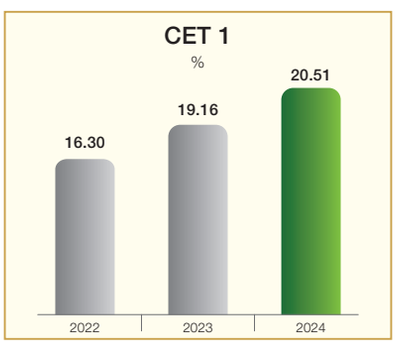
Capital Strength and Adequacy

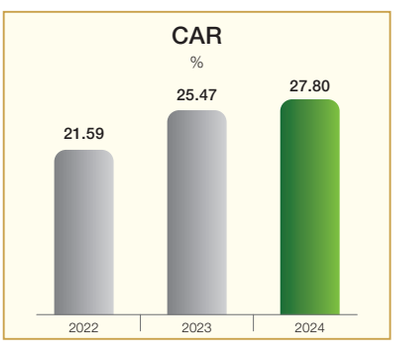
The Bank has been identified by the SBP as Domestic Systemically Important Bank 'DSIB'. Therefore, the Bank is required to maintain minimum CET-1 at 10% and Total CAR at 13%.

During 2024, the Bank's Eligible Tier 1 capital increased by PKR 70.6 Bn or 24.93% from PKR 283.3 Bn at YE'23 to PKR 353.9 Bn at the end of 2024. Likewise, Eligible Tier 2 capital also increased by PKR 32.5 Bn or 34.80% to close at PKR 125.9 Bn at year end 2024. Tier 2 capital eligible component increased corresponding to increase in total Tier 1 capital. Whereas total RWAs increased significantly by PKR 247.2 Bn or 16.72% from PKR 1,478.9 Bn at YE'23 to PKR 1,726.1 Bn at end Dec'24. Accordingly, Total Capital Adequacy Ratio (CAR) improved to 27.80% (2023: 25.47%). with Tier-1 capital adequacy ratio at 20.51% (2023: 19.16%). Leverage ratio of 3.0% was introduced in response to the Basel III accord as a regulatory minimum. At the year-end 2024, the Bank's leverage ratio was at 3.88% (2023: 3.12%).

Financial soundness indicators of the Bank have improved significantly in recent years and have resulted in the Bank being in a much stronger position. Retaining the profit has added to the Shareholders' wealth through higher book value per share, which has increased 19.38% from PKR 179.9 per share at the end of 2023 to PKR 214.8 per share at the end of December 2024. Key financial soundness indicators of our Bank are as follows.







Capital soundness at December 31,2024

Capital	Actual	Required	Buffer(bps)
CET1	20.51%	10%	1,051
CAR	27.80%	13%	1,380
Leverage	3.88%	3%	88

Movement in RWAs(PKR Bn)

RWA Type	Dec'24	Dec'23	Change	
Credit	1,218.35	1,053.11	165.24	15.69%
Market	147.81	121.29	26.51	21.86%
Operational	359.91	304.45	55.45	18.21%
Total RWAs	1,726.06	1,478.85	247.21	16.72%

Capital Adequacy

PKR "Bn"

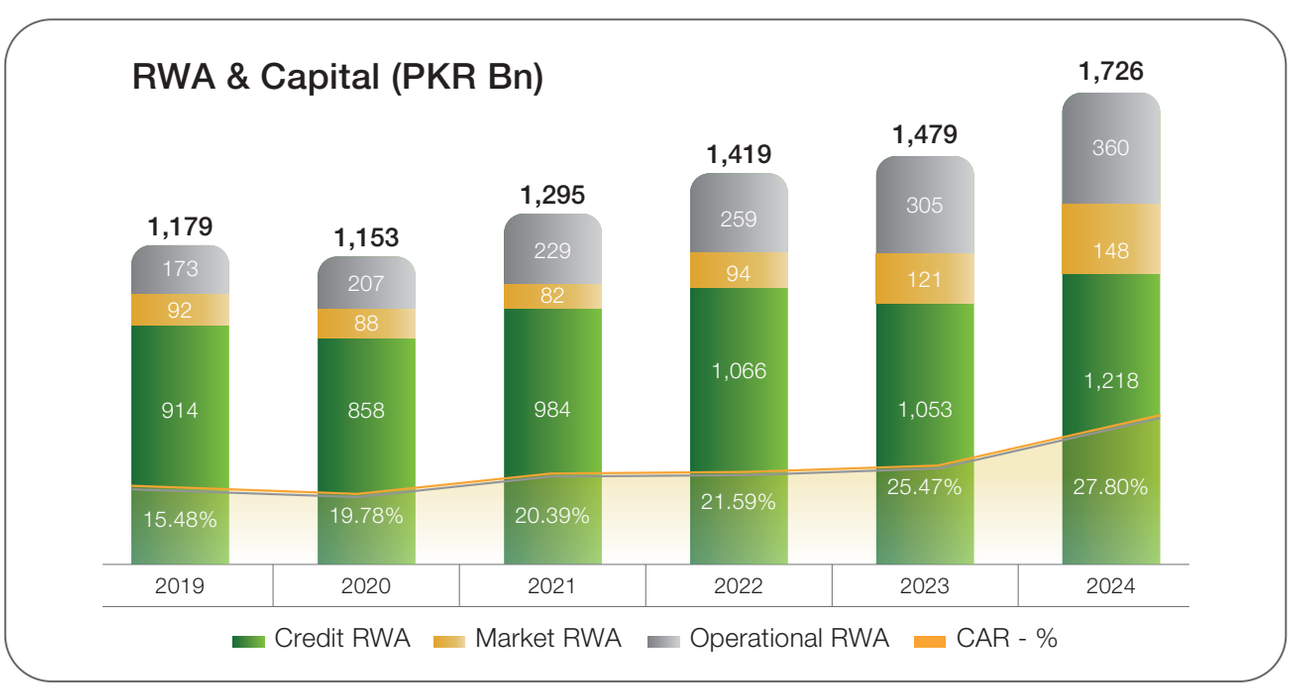
Financial performance	2024	2023	2022	2021	2020	2019
Total Eligible Tier-1 Capital	354	283	231	200	173	143
Eligible Tier-2 Capital	126	93	75	64	55	40
Total Eligible Capital (Tier-1 + Tier-2)	**480**	**377**	**306**	**264**	**228**	**183**
Risk Weighted Assets						
Credit Risk	1,218	1,053	1,066	984	858	914
Market Risk	148	121	94	82	88	92
Operational Risk	360	305	259	229	207	174
Total Risk Weighted Assets	**1,726**	**1,479**	**1,418**	**1,295**	**1,153**	**1,179**
Capital Adequacy Ratio						
Total Eligible Capital	480	377	306	264	228	183
Total Risk Weighted Assets	1,726	1,479	1,418	1,295	1,153	1,179
Capital Adequacy Ratio	**27.80%**	**25.47%**	**21.59%**	**20.39%**	**19.78%**	**15.48%**

Minimum Capital Requirement

Minimum Capital Requirement (PKR Bn)	2024	2023
Paid-up capital	21.3	21.3
Capital Adequacy Ratio		
Eligible Common Tier-1 (CET-1) Capital	353.9	283.3
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	**353.9**	**283.3**
Eligible Tier-2 Capital	125.9	93.4
Total Eligible Capital (Tier-1 + Tier-2)	**479.8**	**376.7**
Risk Weighted Assets		
Credit Risk	1,218.3	1,053.1
Market Risk	147.8	121.3
Operational Risk	359.9	304.5
Total Risk Weighted Assets	**1,726.1**	**1478.9**
Common Equity Tier 1 Capital Adequacy Ratio	20.51%	19.16%
Tier 1 Capital Adequacy Ratio	20.51%	19.16%
Total Capital Adequacy Ratio	27.80%	25.47%

The full disclosure on the Capital Adequacy, Leverage Ratio and Liquidity Requirements as per SBP instructions issued from time to time, is available on NBP's website. The link to the full disclosure is available at https://www.nbp.com.pk/blsd/

Shareholders' Value	2024	2023	2022
Net Asset (PKR Bn)	457.0	382.8	300.8
Break-up Value per Share(Rs.)	214.8	179.9	141.4



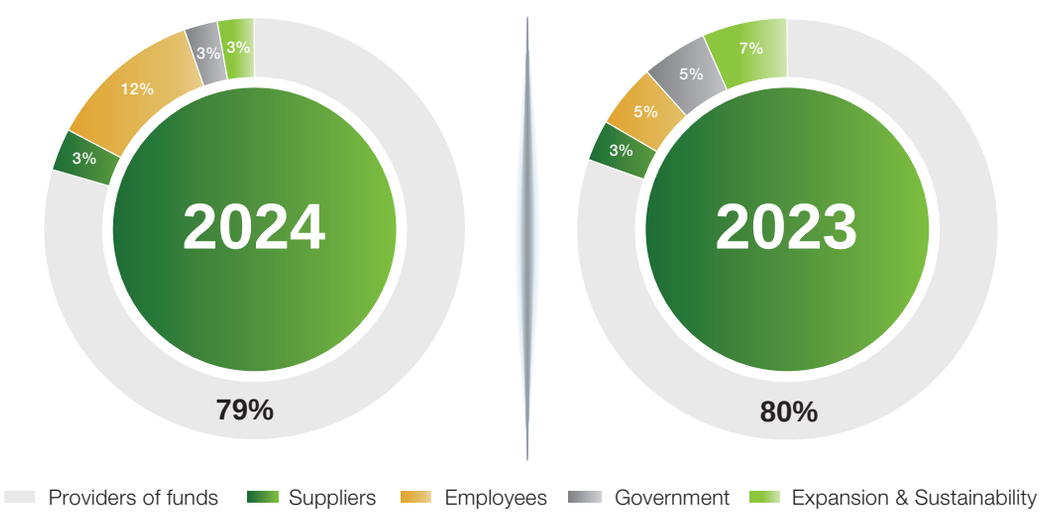
PKR 1,155 Bn to Our Stakeholders

Value Creation and Distribution

PKR "Bn"

Economic Value Generated	2024	%	2023	%
Mark-up / Interest Income Earned	1,089.4	94%	1,024.7	96%
Non Mark-up / Interest Income Earned	65.4	6%	40.6	4%
Total Value Generated	**1,154.8**	**100%**	**1,065.3**	**100%**

Economic Value Generated	2024	%	2023	%
Providers of Funds: Profit / Mark-up on Deposits, borrowings, etc.	918.5	79.53%	855.9	80.34%
Suppliers: Payments made for the provision of utilities, goods and services	35.8	3.10%	32.3	3.03%
Employees: Salaries, superannuation contributions, incentives, etc.*	136.3	11.80%	56.4	5.29%
Society: Donations & CSR	0.15	0.01%	0.05	0.00%
Government: Income Tax	29.8	2.58%	49.4	4.64%
Others:	0.04	0.00%	0.3	0.03%
Expansion & Sustainability:				
Depreciation / Amortization	5.2	0.45%	4.7	0.44%
Provision against non-performing assets	2.3	0.20%	14.5	1.36%
Value Retained	26.9	2.33%	51.8	4.87%
Total Economic Value Distributed	**1,154.8**	**100%**	**1,065.3**	**100%**



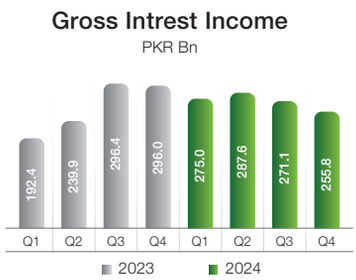
*Gender Pay Gap

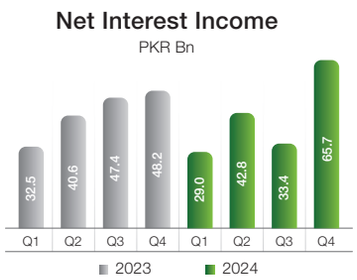
In compliance with SECP Circular No. 10 of 2024, dated April 17, 2024, the gender pay gap for the year ended December 31, 2024, has been calculated as follows:

- **Mean Gender Pay Gap - 16%**
- **Median Gender Pay Gap - 29%**

Quarterly Performance

Net Interest Income

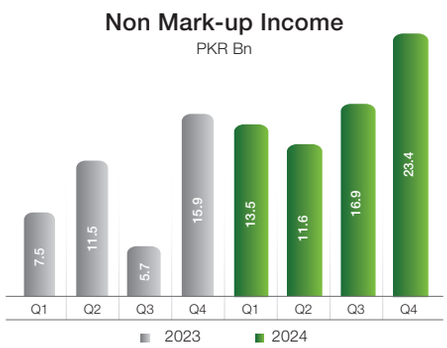


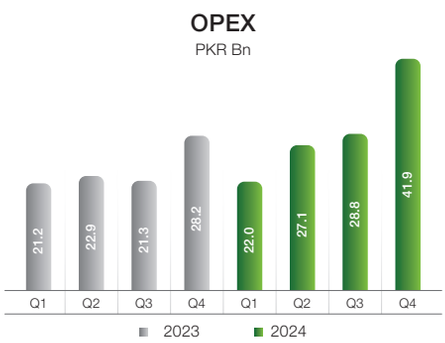


Net interest income 'NII' for Q1 '24 amounted to PKR 29 Bn depicting a drop by 39.87% as compared to Q4 '23 reflecting the seasonal positive impact usually observed in Q4 of the year. For the Q2 '24, NII amounted to PKR 42.8 Bn, i.e. 47.66% up as compared to the previous quarter and 5.34% as compared to 2nd quarter of 2023. This is mainly due to decrease in policy rate i.e. from 22% to 20.50% creating ease for borrowers. NII for the Q3 '24 amounted to PKR 33.4 Bn with a decrease of 21.95% as compared to the previous quarter and show a decrease of 29.55% as compared to the corresponding quarter of last year. Net interest income for the Q4 '24 amounted to PKR 65.7 Bn, i.e. 96.78% more than previous quarter. However, this was 36.35% higher than the corresponding quarter last year.

Non Interest / Mark-up Income

Non-interest income for the Q1 '24 amounted to PKR 13.5 Bn, reflecting 15.16% decrease, as compared to the previous quarter due to redused deposits during the quarter. Non-interest income for the Q2 '24 amounted to PKR 11.6 Bn i.e. 14.07% down as compared to Q1'24 mainly due to implementation of IFRS-09 and increased by 0.41% than the corresponding quarter last year. Non-interest income for the Q3 '24 amounted to PKR 16.9 Bn i.e. 46.25% up as compared to the previous quarter. Non-interest income for the 4th quarter amounted to PKR 23.4 Bn which is 38.49% up as compared to the previous quarter and 47.43% as compared to the corresponding quarter last year, which is mainly due to an increase in dividend and foreign exchange income.



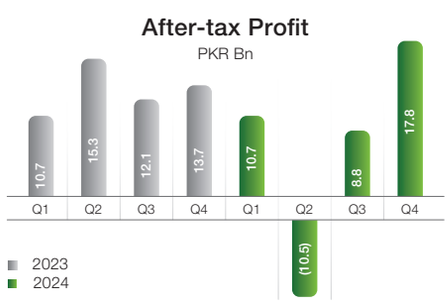


Operating Expenses

Due to inflationary pressure and geo-political tensions resulting in an increase in commodity prices particularly of oil & gas and food which ultimately had an adverse impact on operating expenses of Bank. Operating expenses of Q1'24 amounted to PKR 21.9 Bn, reflecting 22.06% decrease, as compared to the previous quarter. For the Q2 '24, operating expenses amounted to PKR 27.1 Bn which is 23.38% higher, as compared to Q1'24 and 18.22% higher against the Q2'23. Operating expenses for the Q3'24 increased to PKR 28.8 Bn, slightly higher by 6.31% as compared to the previous quarter. For the 4th quarter operating expenses amounting to PKR 41.9 Bn showing an increase of 45.44% as compared to Q3'24 due to creation of certain provisions.

Profit After Tax (PAT)

Profit after tax for the Q1 '24 amounted to PKR 10.7 Bn as compared to a profit of PKR 13.7 Bn in Q4 '23 reflecting 21.67% decrease as compared to previous quarter. In Q2 '24, profit after tax is decreased by 197.65% and closed at PKR (10.5) Bn as against PKR 10.7 Bn in the previous quarter. Profit after-tax for the Q3 '24 amounted to PKR 8.8 Bn, 183.84% up as compared to the previous quarter. For the Q4 '24 profit after-tax amounted to PKR 17.8 Bn, i.e., 203.16% up as compared to the previous quarter.



Quarterly Data - 2024 vs 2023

PKR "Mn"

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial Position								
Cash and balances with treasury and other banks	314,234	350,009	337,184	407,595	294,993	301,202	337,542	254,592
Balances with other banks	56,836	25,157	37,210	29,111	42,325	12,395	25,476	34,429
Lending to financial institutions	30,000	489,693	369,537	58,022	192,430	567,584	135,025	479,050
Investments - net	4,612,334	4,735,148	4,728,270	4,336,332	4,403,364	4,150,759	4,099,258	3,741,390
Advances - net	1,404,868	1,244,480	1,282,610	1,225,578	1,398,077	1,295,340	1,298,998	1,231,517
Operating Fixed assets	61,668	57,951	56,966	56,944	56,974	56,849	57,153	57,312
Intangible Assets	1,940	1,858	1,780	1,491	1,510	1,561	1,367	1,426
Right of use assets	6,318	6,107	6,219	6,676	6,934	7,103	6,634	6,784
Deferred tax assets - net	-	-	9,426	6,799	-	21,926	30,054	34,471
Other assets	255,880	229,588	263,835	217,177	256,100	224,421	220,256	214,655
Total Assets	**6,744,078**	**7,139,991**	**7,093,037**	**6,345,725**	**6,652,707**	**6,639,139**	**6,211,763**	**6,055,626**
Bills payable	26,060	17,852	18,486	11,882	68,000	11,227	20,093	7,907
Borrowings	1,937,757	2,211,645	2,188,096	2,199,941	2,177,743	2,610,387	2,102,404	2,503,004
Deposits and other accounts	3,865,565	4,101,446	4,103,539	3,424,269	3,674,359	3,344,976	3,451,689	2,976,228
Lease Liability against right-of-use assets	8,030	7,557	7,723	8,094	8,265	8,355	7,967	9,059
Deferred tax liabilities	40,944	23,336	-	-	720	-	-	-
Other liabilities	408,771	363,666	404,019	316,573	340,864	319,361	306,009	254,478
Total Liabilities	**6,287,127**	**6,725,501**	**6,721,865**	**5,960,759**	**6,269,952**	**6,294,306**	**5,888,162**	**5,750,676**
Net Assets (Represented as below)	**456,951**	**414,490**	**371,172**	**384,966**	**382,756**	**344,834**	**323,600**	**304,949**
Share capital	21,275	21,275	21,275	21,275	21,275	21,275	21,275	21,275
Reserves	82,412	79,738	78,097	79,337	79,071	77,763	76,690	74,169
Surplus on revaluation of assets	118,202	102,074	70,112	59,867	63,655	37,904	29,733	27,611
Unappropriated Profit	235,062	211,403	201,688	224,486	218,754	207,892	195,902	181,894
	456,951	**414,490**	**371,172**	**384,966**	**382,756**	**344,834**	**323,600**	**304,949**

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial Performance								
Mark-up / return / interest earned	255,757	271,052	287,623	274,983	295,973	296,353	239,941	192,392
Mark-up / return / interest expensed	(190,038)	(237,655)	(244,831)	(246,002)	(247,775)	(248,948)	(199,318)	(159,869)
Net mark-up / Interest income	65,719	33,397	42,792	28,981	**48,197**	**47,405**	**40,623**	**32,523**
Non interest income	23,440	16,925	11,573	13,488	15,899	5,682	11,526	7,500
Operating Expenses	(41,920)	(28,822)	(27,112)	(21,975)	(28,194)	(21,342)	(22,934)	(21,161)
Profit before provisions	**47,239**	**21,500**	**27,253**	**20,494**	**35,903**	**31,744**	**29,214**	**18,861**
(Reversal) / Provisions and write offs-net	(2,525)	(1,516)	1,118	665	(5,245)	(8,813)	272	(684)
Extra Ordinary Item	(8,536)	-	(49,014)	-	-	-	-	-
Pre-tax profit	**36,178**	**19,984**	**(20,644)**	**21,159**	**30,659**	**22,931**	**29,487**	**18,177**
Taxation	(18,342)	(11,206)	10,173	(10,436)	(16,968)	(10,803)	(14,153)	(7,488)
After-tax profit	**17,836**	**8,778**	**(10,471)**	**10,723**	**13,690**	**12,128**	**15,333**	**10,689**

Key 6 Years' Performance Ratios

			2024	2023	2022	2021	2020	2019
A .	SIZE FACTORS							
1 .	Total Assets	Rs. Mn	6,744,078	6,652,707	5,240,425	3,846,684	3,008,527	3,124,389
2 .	Capital & Reserves	"	456,951	382,756	300,848	286,203	267,559	232,614
3 .	Deposits	"	3,865,565	3,674,359	2,666,184	3,019,155	2,418,966	2,198,049
4 .	Profit before Tax	"	56,677	101,253	62,737	52,860	46,224	28,003
5 .	Profit after Tax	"	26,866	51,840	30,410	28,008	30,559	15,810
B .	ASSET QUALITY							
6 .	Assets to Equity	Times	19.91	20.85	20.32	17.35	15.52	19.24
7 .	Total Assets Growth Rate	%	1.37	26.95	36.23	27.86	-3.71	11.64
8 .	NPLs To Total Assets	"	3.99	3.32	3.92	5.15	5.69	4.76
9 .	Investment to Deposit Ratio	"	119.32	119.84	130.42	64.2	60.5	65.95
10 .	Investment to Total Assets	"	68.39	66.19	66.36	50.39	48.64	46.39
11 .	Infection Ratio - NPLs/ Gross Advances	"	16.10	13.53	14.27	15.17	14.77	12.92
12 .	Earning Assets to Total Assets Ratio	"	95.17	95.17	95.18	95.76	94.30	92.76
13 .	NPL Coverage - Total provision/ NPLs	"	101.07	105.79	101.34	96.89	103.11	96.25
14 .	NPL Coverage - (specific provision / NPLs)	"	95.80	92.19	92.89	90.59	89.99	90.20
C .	CAPITAL ADEQUACY							
15 .	Tier-I Capital	Rs. Mn	353,930	283,307	231,191	199,752	172,896	142,716
16 .	Total Eligible Capital	"	479,825	376,704	306,227	264,095	228,120	182,532
17 .	Risk Weighted Assets - RWA	"	1,726,061	1,478,849	1,418,477	1,295,116	1,153,101	1,178,941
18 .	RWA to total assets	%	25.59	22.23	27.07	33.67	38.33	37.73
19 .	Tier-I Ratio	%	20.51	19.16	16.30	15.42	14.99	12.11
20 .	Capital Adequacy Ratio	%	27.80	25.47	21.59	20.39	19.78	15.48
D .	INVESTMENT / MARKET RATIOS							
21 .	Earning per Share and Diluted EPS	Rs.	12.63	24.37	14.29	13.16	14.36	7.43
22 .	Price Earning Ratio	Times	5.30	1.32	1.65	2.62	2.99	5.83
23 .	Price to book value ratio	Times	0.31	0.18	0.17	0.26	0.34	0.40
24 .	Market Value per Share	Rs.	66.92	32.11	23.59	34.52	42.96	43.3
25 .	Breakup value per share							
	- without surplus on revaluation of fixed assets		191.56	157.63	118.97	113.69	104.67	88.38
	- with surplus on revaluation of fixed assets & investments		214.78	179.91	141.41	134.52	125.76	109.34
E .	LIQUIDITY							
26 .	Gross Advances to Deposits Ratio	%	43.27	44.41	53.96	43.23	47.95	52.38
27 .	Net Advances to Deposits Ratio	"	36.34	38.05	46.15	36.88	40.65	45.87
28 .	Net Loans To Total Assets	"	20.83	21.02	23.48	28.94	32.68	32.27
29 .	Net Loans To Total Deposits (Deposits & Borrowings)	"	24.21	23.89	26.71	33.41	38.45	37.76
30 .	Cash Reserve Ratio	"	206.08	176.23	147.25	164.00	180.02	147.57
31 .	Net Stable Funding Ratio	"	173.54	159.01	251.00	278.00	256.00	233.00
32 .	CASA	"	79.49	78.92	79.43	82.28	83.83	81.8
F .	PROFITABILITY							
33 .	Return on Average Assets - Pre Tax	%	0.85	1.70	1.38	1.54	1.51	0.95
34 .	Return on Average Equity - Pre Tax (Excl. Surplus on Rev.)	"	17.23	35.09	26.16	25.44	25.95	18.11
35 .	Operating Profit To Average Assets	"	0.88	1.95	1.66	2.18	2.51	1.43
36 .	Total Income To Average Assets	"	3.53	3.52	3.38	3.93	4.57	3.65
37 .	Non-Interest Income To Total Income	"	27.69	19.40	23.90	27.45	25.73	33.48
38 .	Operating Expenses To Average Assets	"	2.65	1.57	1.72	1.75	2.06	2.22
39 .	Loan Loss Provisioning Expense to Operating Profit	"	3.83	12.50	16.73	15.98	40.06	33.73
40 .	Profit before tax ratio	"	5.20	9.88	12.46	22.80	17.93	11.69
41 .	Cost to income ratio	"	75.06	44.72	50.92	44.59	45.01	60.91
G .	DuPont Analysis							
42 .	Net Operating Margin"	%	11.37	24.76	19.81	20.81	21.79	14.62
43 .	Asset Utilization	"	3.53	3.52	3.38	3.93	4.57	3.65
44 .	Return on Assets - After Tax	"	0.40	0.87	0.67	0.82	1.00	0.53
45 .	Return on Equity - After Tax	"	8.17	17.97	12.68	13.48	17.16	10.22
H .	Per Branch							
46 .	Gross Advances	Rs. Mn	1,113	1082	951	863	756	752
47 .	Deposits	"	2,572	2,437	1,763	1,995	1,576	1,437
48 .	Profit before Tax (PBT)"	"	37.71	67.14	41.49	34.94	30.11	18.30
49 .	Profit after Tax (PAT)	"	17.87	34.38	20.11	18.51	19.91	10.33
50 .	No. of branches	Number	1,503	1,508	1,512	1,513	1,535	1,530
51 .	No. of employees	"	14,798	14,962	15,112	15,409	15,109	15,188
I .	RATES							
52 .	Exchange Rate	US $	278.5500	281.8607	226.4309	176.5135	159.8344	154.8476

6 Years' Summary (Unconsolidated)

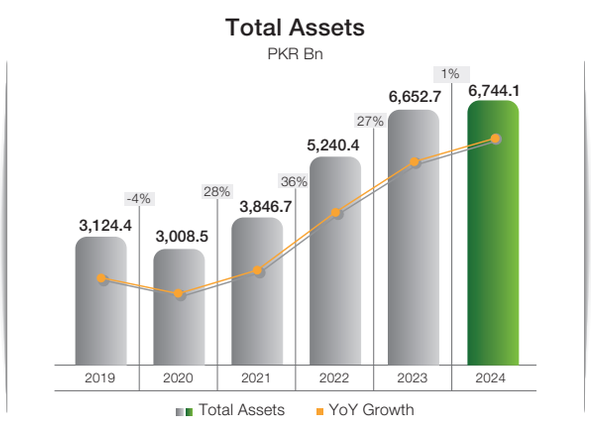
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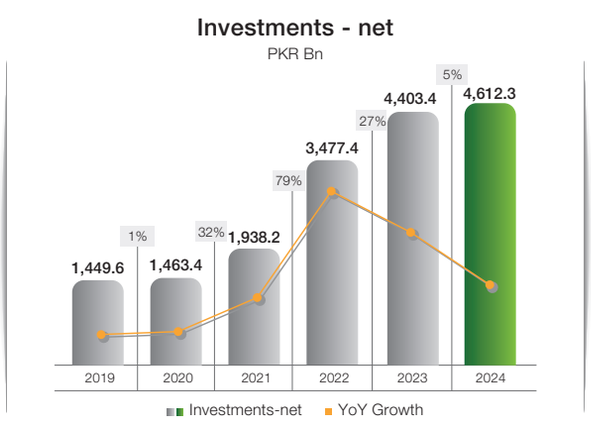
Financial Position	2024	2023	2022	2021	2020	2019
Asset						
Cash and balances with treasury banks	314,234	294,993	229,911	278,747	249,260	292,513
Balances with other banks	56,836	42,325	18,594	17,667	14,227	13,221
Lending to financial institutions	30,000	192,430	31,272	335,467	126,805	134,780
Investments - net	4,612,334	4,403,364	3,477,354	1,938,171	1,463,398	1,449,555
Advances - net	1,404,868	1,398,077	1,230,522	1,113,392	983,255	1,008,139
Operating Fixed assets	63,608	58,484	58,495	54,754	54,717	54,679
Deferred tax assets - net	-	-	22,299	1,626	-	-
Right of use assets	6,318	6,934	6,708	6,605	6,670	7,221
Other assets	255,880	256,100	165,269	100,255	110,196	164,281
Total Assets	**6,744,078**	**6,652,707**	**5,240,425**	**3,846,684**	**3,008,527**	**3,124,389**
LIABILITIES						
Bills payable	26,060	68,000	55,268	21,848	16,795	19,867
Borrowings	1,937,757	2,177,743	1,940,486	312,925	138,539	471,757
Deposits and other accounts	3,865,565	3,674,359	2,666,184	3,019,155	2,418,966	2,198,049
Lease liability against right of use assets	8,030	8,265	8,268	7,894	7,534	7,640
Deferred tax liabilities	40,944	720	-	-	2,978	10,916
Other liabilities	408,771	340,864	269,371	198,660	156,156	183,545
Total Liabilities	**6,287,127**	**6,269,952**	**4,939,577**	**3,560,482**	**2,740,968**	**2,891,775**
Net Assets (Represented by as below)	**456,951**	**382,756**	**300,848**	**286,203**	**267,559**	**232,614**
Share capital	21,275	21,275	21,275	21,275	21,275	21,275
Reserves	82,412	79,071	64,144	60,371	56,563	52,309
Surplus on revaluation of assets	118,202	63,655	42,917	64,482	73,699	70,244
Unappropriated Profit	235,062	218,754	172,512	140,074	116,021	88,786
	456,951	**382,756**	**300,848**	**286,203**	**267,559**	**232,614**

Financial Performance	2024	2023	2022	2021	2020	2019
Mark-up / return / interest earned	1,089,415	1,024,658	503,310	231,883	257,811	239,477
Markup / Return / Interest expensed	(918,527)	(855,910)	(386,484)	(134,265)	(153,656)	(167,570)
Net Mark-up / Interest Income	**170,888**	**168,748**	**116,827**	**97,618**	**104,155**	**71,907**
Fee & commission income and Exchange Income	31,392	29,171	28,602	24,314	22,327	25,170
Capital gain & Dividend income	33,989	9,642	6,345	10,783	9,787	5,262
Net loss on derecognition of financial assets	(662)	-	-	-	-	-
Other income	708	1,793	1,737	1,844	3,963	5,768
Total non-mark-up / interest income	**65,426**	**40,606**	**36,684**	**36,942**	**36,077**	**36,199**
Total income	**236,314**	**209,354**	**153,510**	**134,559**	**140,232**	**108,107**
Non-Markup / Interest Expenses	(177,379)	(93,632)	(78,173)	(60,004)	(63,112)	(65,853)
Profit before provisions	**58,935**	**115,722**	**75,338**	**74,556**	**77,120**	**42,254**
Credit loss allowance / provisions and write offs - net	(2,258)	(14,469)	(12,601)	(11,916)	(30,896)	(14,250)
Extra Ordinary Item	-	-	-	(9,779)	-	-
Profit before taxation	**56,677**	**101,253**	**62,737**	**52,860**	**46,224**	**28,003**
Taxation	(29,811)	(49,413)	(32,327)	(24,852)	(15,665)	(12,194
Profit after taxation	**26,866**	**51,840**	**30,410**	**28,008**	**30,559**	**15,810**

6 Years' Horizontal Analysis (Balance Sheet)

	2024	YoY	2023	YoY	2022	YoY	2021	YoY	2020	YoY	2019	YoY
ASSETS	Mn	%	Mn	%	Mn	%	Mn	%	Mn	%	Mn	%
Cash and balances with treasury banks	314,234	7%	294,993	28%	229,911	-18%	278,747	12%	249,260	-15%	292,513	18%
Balances with other banks	56,836	34%	42,325	128%	18,594	5%	17,667	24%	14,227	8%	13,221	8%
Lending to financial institutions	30,000	(84%)	192,430	515%	31,272	-91%	335,467	165%	126,805	-6%	134,780	27%
Investments - net	4,612,334	5%	4,403,364	27%	3,477,354	79%	1,938,171	32%	1,463,398	1%	1,449,555	13%
Advances - net	1,404,868	0.5%	1,398,077	14%	1,230,522	11%	1,113,392	13%	983,255	-2%	1,008,139	9%
Operating Fixed assets	63,606	9%	58,484	(0.02%)	58,495	7%	54,754	0%	54,717	0%	54,679	1%
Deferred tax assets - net	-	-	-	(100%)	22,299	1,272%	1,626	0%	-	-	-	-
Right of use assets	6,318	(9%)	6,934	3%	6,708	2%	6,605	-1%	6,670	-8%	7,221	100%
Other assets	255,880	(0.1%)	256,100	55%	165,269	65%	100,255	-9%	110,196	-33%	164,281	-2%
Total Assets	**6,744,078**	**1.4%**	**6,652,707**	**26.9%**	**5,240,425**	**36.2%**	**3,846,684**	**27.9%**	**3,008,527**	**-3.7%**	**3,124,389**	**12%**
LIABILITIES `												
Bills payable	26,060	(62%)	68,000	23%	55,268	153%	21,848	30%	16,795	-15%	19,867	100%
Borrowings	1,937,757	(11%)	2,177,743	12%	1,940,486	520%	312,925	126%	138,539	-71%	471,757	20%
Deposits and other accounts	3,865,565	5%	3,674,359	38%	2,666,184	-12%	3,019,155	25%	2,418,966	10%	2,198,049	9%
Lease liability against right of use assets	8,030	(3%)	8,265	0%	8,268	5%	7,894	5%	7,534	0%	7,640	100%
Deferred tax liabilities	40,944	5585%	720	0%	-	-	-	-100%	2,978	-73%	10,916	56%
Other liabilities	408,771	20%	340,864	27%	269,371	36%	198,660	27%	156,156	-15%	183,545	8%
Total Liabilities	**6,287,127**	**0.4%**	**6,269,952**	**27%**	**4,939,577**	**39%**	**3,560,482**	**30%**	**2,740,968**	**-5%**	**2,891,775**	**12%**
NET ASSETS	**456,951**	**19%**	**382,756**	**27%**	**300,848**	**5%**	**286,203**	**7%**	**267,559**	**15%**	**232,614**	**12%**
Share capital	21,275	0%	21,275	0%	21,275	0%	21,275	0%	21,275	0%	21,275	0%
Reserves	82,412	4%	79,071	23%	64,144	6%	60,371	7%	56,563	8%	52,309	-2%
Surplus on revaluation of assets	118,202	86%	63,655	48%	42,917	-33%	64,482	-13%	73,699	5%	70,244	17%
Unappropriated profit	235,062	7%	218,754	27%	172,512	23%	140,074	21%	116,021	31%	88,786	23%
	456,951	**19%**	**382,756**	**27%**	**300,848**	**5%**	**286,203**	**7%**	**267,559**	**15%**	**232,614**	**12%**

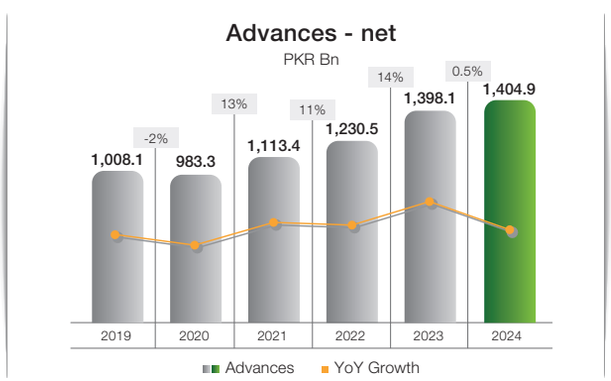




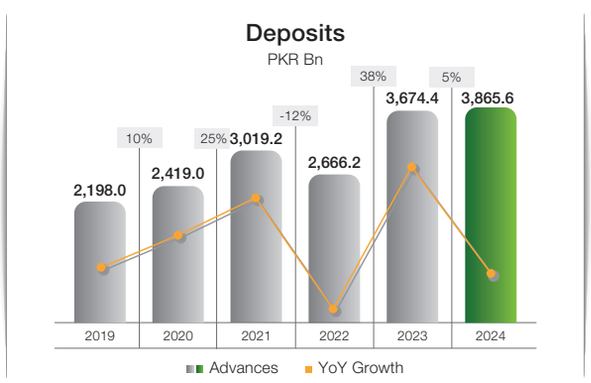
Over the past 6 years, the Bank's asset base has increased manifold depicting 16.64% CAGR. The PKR 6.74 trillion of total assets represents approximately 14.0% of the total industry. In recent years, the Bank has achieved coherent growth in assets-mix efficiently managing its assets-liability maturity profile. The YoY increase of 1.4%t in the asset base has been observed in 2024. This increase in 2024 is due to investments that stood at PKR 4,612.33 bn, which is PKR 209 bn or 4.7% up from PKR 4,403.36 bn at the end of 2023. This was in line with the Bank's prudent strategy of liquidity & funding management. Investments continue to take a major share of the total asset base 4.7% YoY growth in 2024 is due to Bank has diversified investment portfolio and earns a higher yield on investments. This translates into 26.04% CAGR over the past six years.

6 Years' Vertical Analysis (Balance Sheet)

	2024		2023		2022		2021		2020		2019	
ASSETS	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**
Cash and balances with treasury banks	314,234	5%	294,993	4%	229,911	4%	278,747	7%	249,260	8%	292,513	9.4%
Balances with other banks	56,836	1%	42,325	1%	18,594	0%	17,667	0.46%	14,227	0.47%	13,221	0.4%
Lending to financial institutions	30,000	0%	192,430	3%	31,272	1%	335,467	9%	126,805	4%	134,780	4.3%
Investments - net	4,612,334	68%	4,403,364	66%	3,477,354	66%	1,938,171	50.39%	1,463,398	48.64%	1,449,555	46.4%
Advances - net	1,404,868	21%	1,398,077	21%	1,230,522	23%	1,113,392	29%	983,255	33%	1,008,139	32.3%
Operating Fixed assets	63,608	1%	58,484	1%	58,495	1%	54,754	1%	54,717	2%	54,679	1.8%
Deferred tax assets - net	-	0%	-	0%	22,299	0%	1,626	0%	-	0%	-	0.0%
Right of use assets	6,318	0%	6,934	0%	6,708	0%	6,605	0.17%	6,670	0%	7,221	0.2%
Other assets	255,880	4%	256,100	4%	165,269	3%	100,255	3%	110,196	4%	164,281	5.3%
Total assets	**6,744,078**	**100%**	**6,652,707**	**100%**	**5,240,425**	**100%**	**3,846,684**	**100%**	**3,008,527**	**100%**	**3,124,389**	**100%**
LIABILITIES												
Bills payable	26,060	0%	68,000	1%	55,268	1%	21,848	1%	16,795	1%	19,867	1%
Borrowings	1,937,757	31%	2,177,743	35%	1,940,486	39%	312,925	9%	138,539	5%	471,757	16%
Deposits and other accounts	3,865,565	61%	3,674,359	59%	2,666,184	54%	3,019,155	85%	2,418,966	88%	2,198,049	76%
Lease liability against right of use assets	8,030	0%	8,265	0%	8,268	0%	7,894	0%	7,534	0%	7,640	0%
Deferred tax liabilities	40,944	1%	720	0%	-	0%	-	0%	2,978	0%	10,916	0%
Other liabilities	408,771	7%	340,864	5%	269,371	5%	198,660	6%	156,156	6%	183,545	6%
Total Liabilities	**6,287,127**	**100%**	**6,269,952**	**100%**	**4,939,577**	**100%**	**3,560,482**	**100%**	**2,740,968**	**100%**	**2,891,775**	**100%**
NET ASSETS	**456,951**	**7%**	**382,756**	**6%**	**300,848**	**6%**	**286,203**	**7%**	**267,559**	**9%**	**232,614**	**7%**
Share capital	212,75	4.7%	21,275	5.6%	21,275	7.1%	21,275	7.4%	21,275	8.0%	21,275	9.1%
Reserves	824,12	18.0%	79,071	20.7%	64,144	21.3%	60,371	21.1%	56,563	21.1%	52,309	22.5%
Surplus on revaluation of assets	118,202	25.9%	63,655	16.6%	42,917	14.3%	64,482	22.5%	73,699	27.5%	70,244	30.2%
Unappropriated profit	235,062	51.4%	218,754	57.2%	172,512	57.3%	140,074	48.9%	116,021	43.4%	88,786	38.2%
Equity	**456,951**	**100%**	**382,756**	**100%**	**300,848**	**100%**	**286,203**	**100%**	**267,559**	**100%**	**232,614**	**100%**



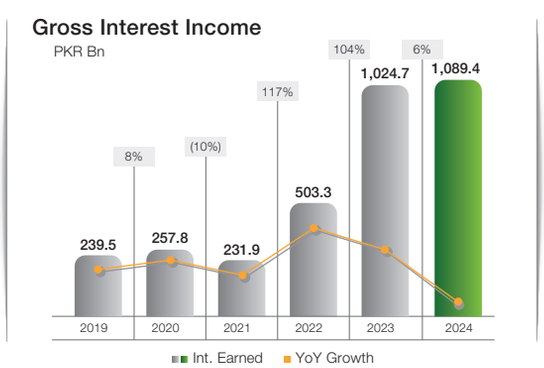
Steady growth in advances over the last six years from PKR 1008.1 billion in 2019 to PKR 1,404.87 billion in 2024 with a CAGR of 6.86%. An increase of 0.49% YoY in 2024 is observed due to high policy rate during most of the year 2024, and certain large single borrower assertion in NPL (which are expected to regularize soon). With moderation in policy rate, an increase in loan demand as expected.



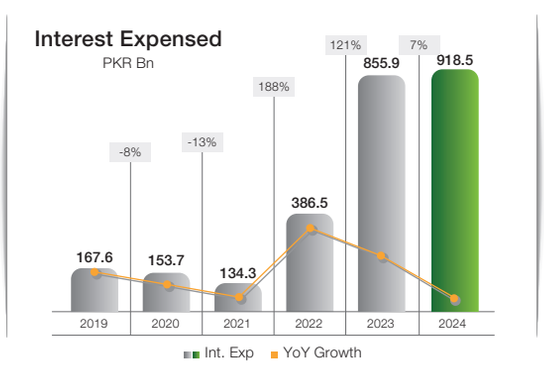
Deposits remain the primary source of funding for the Bank. In line with the total asset base, deposits of the Bank have also increased significantly over the last six years' growing from PKR 2198.0 billion in 2019 to PKR 3,865.6 billion in 2024. This translates into a massive 75.87% growth with a CAGR of 11.95%. Smooth growth was observed throughout these years, with the moderate YoY increase of 5.20% being reported in 2024. Deposits accounted for 57% of our total assets as of the end of December 2024. Despite the short-term maturity profile of its deposit base, it has historically proved to be sticky and a stable funding source.

6 Years' Horizontal Analysis (P&L)

	2024	YoY	2023	YoY	2022	YoY	2021	YoY	2020	YoY	2019	YoY
PROFITABILITY	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**	**Mn**	**%**
Markup / Return / Interest earned	**1,089,415**	**6%**	**1,024,658**	**104%**	**503,310**	**117%**	**231,883**	**-10%**	**257,811**	**8%**	**239,477**	**60%**
Markup / Return / Interest expensed	918,527	7%	855,910	121%	386,484	188%	134,265	-13%	153,656	-8%	167,570	88%
Net Markup / Interest Income	**170,888**	**1%**	**168,748**	**44%**	**116,827**	**20%**	**97,618**	**-6%**	**104,155**	**45%**	**71,907**	**19%**
Fee, commission and exchange Income	31,392	8%	29,171	2%	28,602	18%	24,314	9%	22,327	-11%	25,170	-7%
Capital gains & dividend Income	33,989	253%	9,642	52%	6,345	-41%	10,783	10%	9,787	86%	5,262	-20%
Net loss on derecognition of financial assets	(662)	0%	-	-	-	-	-	-	-	-	-	-
Other Income	708	(61%)	1,793	3%	1,737	-6%	1,844	-53%	3,963	-31%	5,768	115%
Non Markup Income	**65,426**	**61.1%**	**40,606**	**10.7%**	**36,684**	**-0.7%**	**36,942**	**2.4%**	**36,077**	**-0.3%**	**36,199**	**-0.1%**
Total income	**236,314**	**13%**	**209,354**	**36%**	**153,510**	**14%**	**134,559**	**-4%**	**140,232**	**30%**	**108,107**	**12%**
Operating expenses (Non Mark-Up Expenses)	177,379	89%	93,632	20%	78,173	30%	60,004	-5%	63,112	-4%	65,853	18%
Profit before Credit loss allowance / provisions	**58,935**	**(49%)**	**115,722**	**54%**	**75,338**	**1%**	**74,556**	**-3%**	**77,120**	**83%**	**42,254**	**3%**
Credit loss allowance / Provisions	2,258	(84%)	14,469	15%	12,601	6%	11,916	-61%	30,896	117%	14,250	26%
Extra Ordinary Item	-	-	-	-	-	-	9,779	-	-	-	-	-
Pre-tax profit	**56,677**	**(44%)**	**101,253**	**61%**	**62,737**	**19%**	**52,860**	**14%**	**46,224**	**65%**	**28,003**	**-6%**
Taxation	29,811	(40%)	49,413	53%	32,327	30%	24,852	59%	15,665	28%	12,194	26%
After-tax profit	**26,866**	**(48%)**	**51,840**	**70%**	**30,410**	**9%**	**28,008**	**-8%**	**30,559**	**93%**	**15,810**	**-21%**



In the backdrop of higher average policy rates coupled with a major volumetric growth in interest bearing assets, the Bank generated a gross mark-up/interest income of PKR 1,089.4 Bn which is approximately equal to the PKR 1024.7 Bn of prior year. Gross mark-up / interest earned has posted compounded average increase of 35.4% over the span of the last six years. While growth was low during the initial two years, a sharp increase was achieved in the year 2020,2021 and 2023 on the back of increasing discount rate and volumetric growth in earning assets. Corresponding to the shift in asset mix on the back of higher liquidity placed into investments, contribution from income on investments has increased constantly over the years.

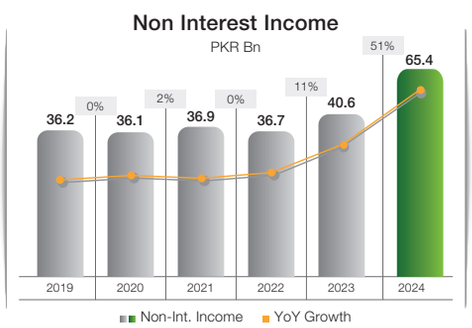


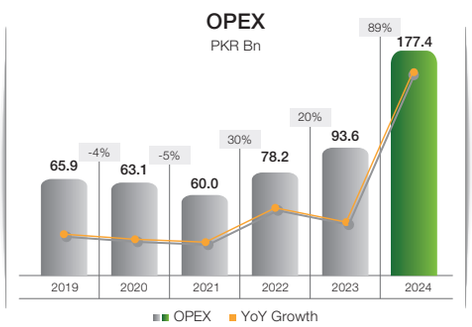
The increase in mark-up expense reflects the impact of volumetric growth in deposits and borrowings coupled with the impact of revision in profit rates in line with the policy rate increase from time to time. Responding to the increasing discount rate, the Bank has been particularly active in mobilizing low-cost CASA deposits. Satisfactory results have been delivered in this regard by both conventional as well as Islamic banking operations. During the year 2024, the average policy rate remained at 19.66% compared to 20.69% of last year. This translates into an average decrease in the policy rate by 103bps. As a consequent of that, the Bank recorded a decrease in cost of funds of 41bps to 15.84% for 2024 (2023: 16.25%).

6 Years' Vertical Analysis (P&L)

Financial Performance	2024 Mn	2024 %	2023 Mn	2023 %	2022 Mn	2022 %	2021 Mn	2021 %	2020 Mn	2020 %	2019 Mn	2019 %
Markup / Return / Non Interest Income Earned												
Markup / Return / Interest earned	1,089,415	94%	1,024,658	96%	503,310	93%	231,883	86%	257,811	88%	239,477	87%
Fee & commission income and Exchange Income	31,392	3%	29,171	3%	28,602	5%	24,314	9%	22,327	8%	25,170	9%
Capital gains & dividend income	33,989	3%	9,642	1%	6,345	1%	10,783	4%	9,787	3%	5,262	2%
Net loss of derecognition of financial assets	(662)	0%	-	-	-	-	-	-	-	-	-	-
Other income	708	0%	1,793	0%	1,737	0%	1,844	1%	3,963	1%	5,768	2%
Total Income	**1,154,841**	**100%**	**1,065,264**	**100%**	**539,994**	**100%**	**268,824**	**100%**	**293,888**	**100%**	**275,677**	**100%**
Markup / Return / Non Interest Expense												
Markup / Return / Interest expensed	918,527	80%	855,910	80%	386,484	72%	134,265	50%	153,656	52%	167,570	61%
Operating expenses and other charges	177,379	15%	93,632	9%	78,173	14%	60,004	22%	63,112	21%	65,853	24%
Provisions / Credit loss allowance	2,258	0%	14,469	1%	12,601	2%	11,916	4%	30,896	11%	14,250	5%
Extra ordinary item	-	0%	-	-	-	-	9,779	4%	-	-	-	-
Taxation	29,811	3%	49,413	5%	32,327	6%	24,852	9%	15,665	5%	12,194	4%
Total Expense - As a % of Total Income	**1,127,975**	**98%**	**1,013,424**	**95%**	**509,584**	**94%**	**240,816**	**90%**	**263,329**	**90%**	**259,867**	**94%**
After-tax profit	26,866	2%	51,840	5%	30,410	6%	28,008	10%	30,559	10%	15,810	6%
Total	**1,154,841**	**100%**	**1,065,264**	**100%**	**539,994**	**100%**	**268,824**	**100%**	**293,888**	**100%**	**275,677**	**100%**

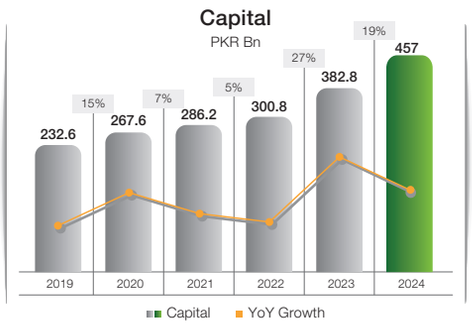
The Bank's Non-mark-up / interest income "NFI" has remained satisfactory for most of the years. During these years, NFI has maintained a trend of contributing approximately one-third of the Bank's total income, on the back of bullish performance of the stock market, and higher dividend payout by companies during 2024, NFI for 2024 61% higher than 2023.





Total operating expenses in 2024 amounted to PKR 177.4 Bn against PKR 93.6 Bn for the year 2023. The operating expenses increased by 89.53%. Over the period increase was observed from 2021 to 2024 with a massive increase in 2024. This increase was due to one off expenditure in form of Pension due that were accorded by Court of Law. In 2024, 89.53% YoY growth depicts the impact of both i.e. the extra-ordinary item as well as inflationary pressure in the rising utility and fuel prices.

Reflecting our prudent capital management strategy, net assets of the Bank have also posted healthy increase on the back of higher profitability and profit retention in the recent years. Net assets, that amounted to PKR 232.6 Bn in 2019, have increased to PKR 457 Bn at the end of December 2024. This translates into a 14.5% CAGR over the past six years.



6 Years' Summary (Consolidated Financials)

PKR "Mn"

	2024	2023	2022	2021	2020	2019
Cash and balances with treasury banks	314,787	295,455	230,226	278,869	249,970	293,198
Balances with other banks	58,645	43,005	19,623	19,211	15,015	13,598
Lending to financial institutions	30,000	192,430	31,272	335,467	126,805	134,780
Investments - net	4,614,849	4,414,174	3,482,936	1,942,741	1,466,405	1,452,799
Advances - net	1,404,627	1,398,073	1,230,669	1,113,314	983,871	1,008,399
Operating Fixed assets	64,808	59,663	59,706	56,005	56,109	55,990
Deferred tax assets - net	-	-	22,406	1,903	-	-
Right of use assets	6,596	7,336	7,186	7,091	7,017	7,447
Other assets	259,684	258,738	167,741	102,434	112,018	166,148
Total Assets	**6,753,997**	**6,668,874**	**5,251,766**	**3,857,035**	**3,017,210**	**3,132,360**
Bills payable	26,060	68,000	55,268	21,848	16,795	19,867
Borrowings	1,937,757	2,177,743	1,940,486	312,925	138,539	471,757
Deposits and other accounts	3,865,212	3,673,110	2,665,273	3,018,148	2,418,928	2,197,985
Lease liabilities	8,586	8,683	8,761	8,361	7,869	7,831
Deferred tax liabilities	40,995	843	-	-	2,933	10,869
Other liabilities	411,338	342,873	271,556	200,596	157,545	184,633
Total Liabilities	**6,289,948**	**6,271,460**	**4,941,466**	**3,562,012**	**2,742,808**	**2,893,138**
Net Assets	**464,049**	**397,414**	**310,300**	**295,023**	**274,402**	**239,223**
Net Assets (Represented as below)						
Share capital	21,275	21,275	21,275	21,275	21,275	21,275
Reserves	82,145	85,079	67,489	62,427	57,591	53,261
Surplus on revaluation of assets	118,109	64,232	42,274	64,995	73,988	70,359
Unappropriated Profit	241,120	225,694	178,190	145,313	120,632	93,466
Sub Total	**462,650**	**396,280**	**309,227**	**294,010**	**273,486**	**238,360**
Non-controlling interest	1,399	1,134	1,073	1,013	916	863
Total	**464,049**	**397,414**	**310,300**	**295,023**	**274,402**	**239,223**

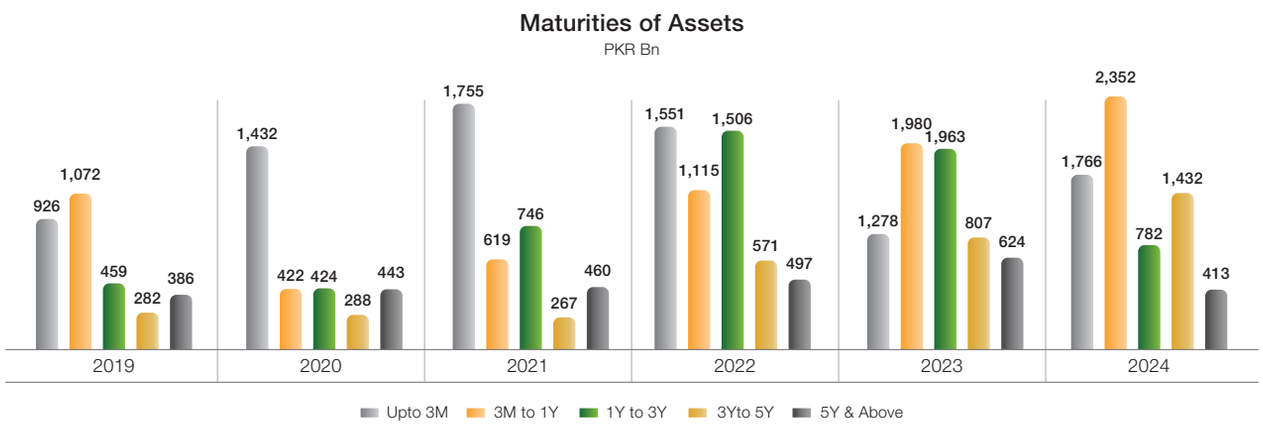
PKR "Mn"

	2024	2023	2022	2021	2020	2019
Mark-up / return / interest earned	1,089,891	1,025,135	503,576	232,052	258,031	239,710
Mark-up / return / interest expensed	918,452	855,780	386,474	134,285	153,652	167,556
Net mark-up / Interest income	**171,439**	**169,354**	**117,102**	**97,767**	**104,379**	**72,154**
Fee & commission income and Exchange income	35,084	31,878	30,840	26,054	23,823	26,737
Capital gain & Dividend income	34,093	9,626	6,193	10,718	9,748	5,265
Net gain/(loss) on derecognition of financial assets	(662)	-	-	-	-	-
Share of profit / (loss) from joint venture - net of tax	605	1,226	545	218	(219)	(96)
Share of profit / (loss) from associates - net of tax	479	245	(95)	23	43	37
Other income	725	1,797	1,790	1,856	3,965	5,817
Total non-markup / interest income	**70,323**	**44,772**	**39,273**	**38,869**	**37,360**	**37,760**
Total income	241,762	214,126	156,375	136,636	141,739	109,914
Operating Expenses	180,139	95,445	79,661	61,406	64,443	67,379
Profit before Credit loss allowance / provisions	**61,623**	**118,681**	**76,714**	**75,230**	**77,297**	**42,535**
Credit loss allowance / Provisions	4,503	15,382	13,116	11,659	30,912	13,557
Extraordinary item	-	-	-	(9,779)	-	-
Pre-tax profit	**57,120**	**103,299**	**63,597**	**53,792**	**46,385**	**28,978**
Taxation	30,617	49,978	32,648	25,032	15,798	12,331
After-tax profit	**26,503**	**53,321**	**30,949**	**28,760**	**30,586**	**16,647**

6 Years' - Maturities of Assets & Liabilities

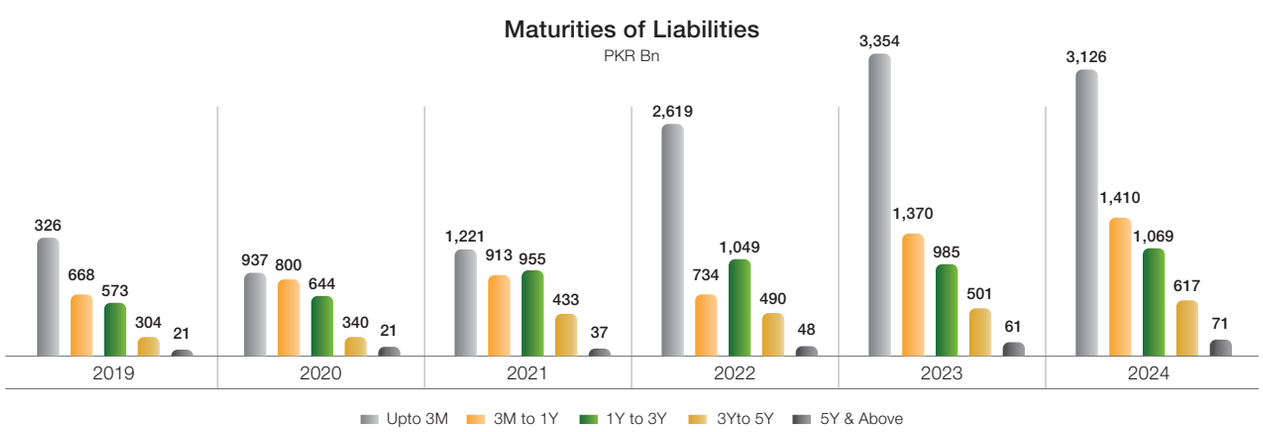
Maturity of Assets

At the year end 2024, the Bank's total assets stood at PKR 6,744.1 Bn, increasing at a CAGR of 16.64% over the past six-years based on expected maturities at the year end 2024. While 12.92% of the Bank's assets are expected to mature within a period of one month and 13.28% of Bank's assets are expected to mature over one but within three months i.e. a total of 26.21% of Bank's assets are expected to mature within three months, the remaining 73.79% of the assets have a maturity period beyond 3 months.



Maturity of Liabilities

At the year end 2024, the Bank's total liabilities stood at PKR 6,287.1 Bn, increasing at a CAGR of 16.80% over the past six-years based on expected maturities. While 42.58% of the Bank's liabilities are expected to mature within a period of one month and 6.21% are expected to mature over one but under three months period, the remaining 51.21% of the liabilities have a maturity period beyond 3 months. Thus, efficiently managing the liquidity risk, the Bank maintains a positive maturity gap between the average maturity of its assets and liabilities.

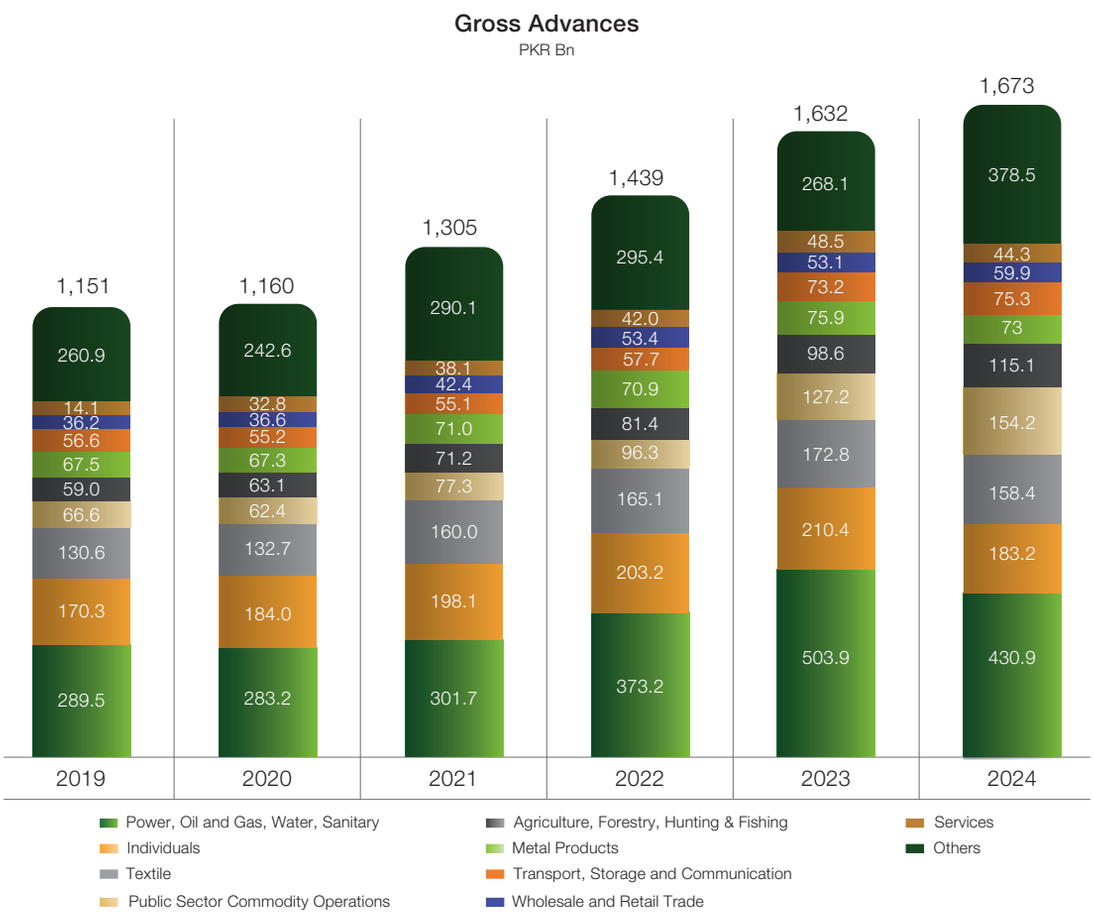


Sectoral Concentration

Sector	Gross advances			Contingencies and Commitments		
	2024	(%Share)	(%YoY)	2024	(%Share)	(%YoY)
Power, Oil & Gas, Water, Sanitary	430,920	25.8%	(14.5%)	158,945	5.6%	44.2%
Individuals	183,202	11.0%	(12.9%)	212	0.0%	(7.0%)
Textile	158,393	9.5%	(8.3%)	21,025	0.7%	33.8%
Public Sector Commodity Operations	154,241	9.2%	21.2%	27,400	1.0%	697.1%
Agriculture, Forestry, Hunting & Fishing	115,102	6.9%	16.7%	229	0.0%	5.0%
Metal Products	72,997	4.4%	(3.8%)	13,541	0.5%	(42.8%)
Transport, Storage and Communication	75,316	4.5%	2.8%	54,873	1.9%	(1.2%)
Wholesale and Retail Trade	59,878	3.6%	12.7%	2,332	0.1%	(24.9%)
Services	44,263	2.6%	(8.7%)	1,567,386	54.8%	3.7%
Others	378,451	22.5%	41.2%	1,012,828	35.4%	0.1%
	1,672,763	**100%**	**2.5%**	**2,858,771**	**100%**	**4.5%**

Gross Advances

Gross advances of the Bank grew steadily over the last six years at a CAGR of 8.0%, closing at PKR 1,672.8 Bn at year end 2024. Whereas 25.8%, 11.0% and 9.5% of the Bank's gross advances pertain to Power, Individuals and Textile that primarily drive Pakistan's economy, Over the past six years, and more particularly in the recent years, significant growth in advances to Textile, Financial and Oil and Gas sectors is witnessed given an increasing demand following the Government's relief package for various sector.

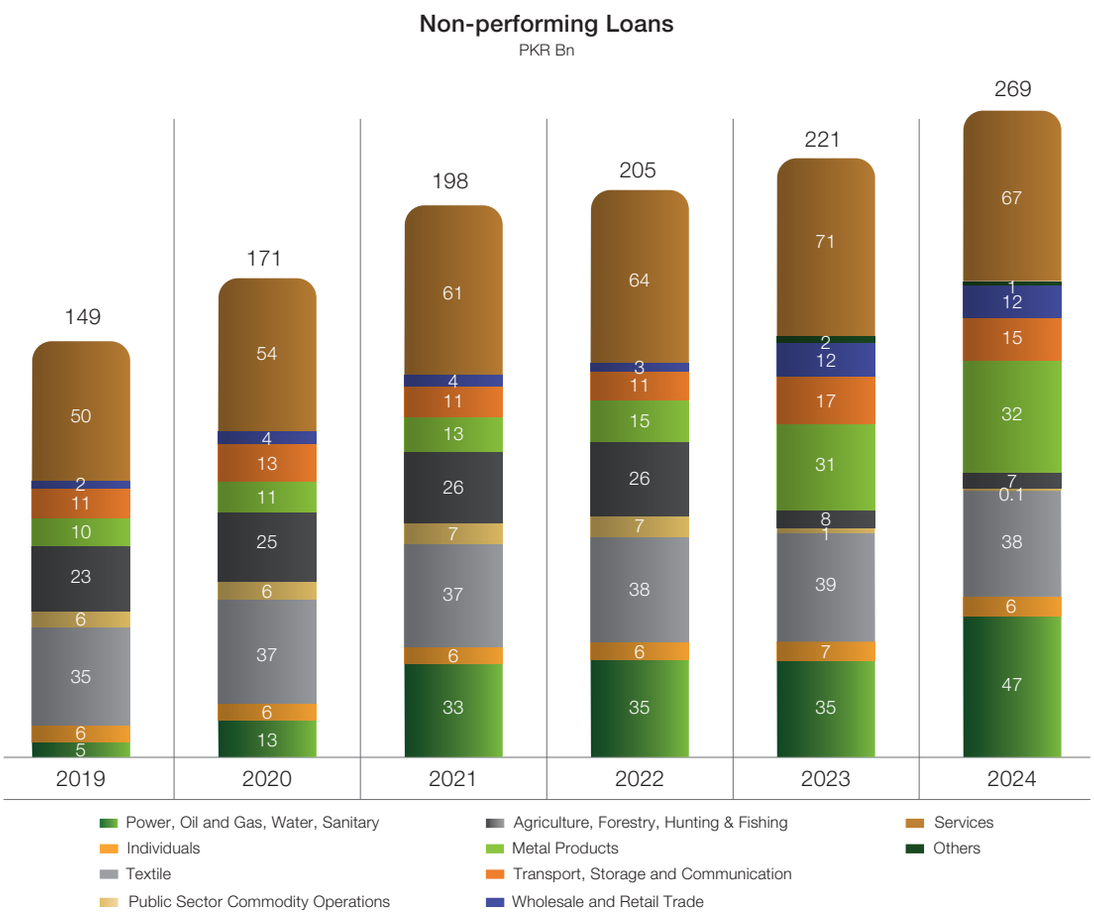


Sectoral Concentration

Sector	Non-Performing Loans			Specific Provisions Held		
	2024	(%Share)	(%YoY)	2024	(%Share)	(%YoY)
Power, Oil & Gas, Water, Sanitary	32,146	11.9%	-6.8%	47,095	20.9%	47.0%
Textile	38,446	14.3%	-0.8%	38,287	17.0%	35.0%
Individuals	7,401	2.7%	7.3%	5,829	2.6%	(0.8%)
Public Sector Commodity Operations	74	0.0%	-89.7%	74	0.0%	(68.5%)
Agriculture, Forestry, Hunting & Fishing	59,624	22.1%	647.0%	7,145	3.2%	22.0%
Metal Products	32,512	12.1%	5.0%	32,323	14.3%	4.7%
Transport, Storage and Communication	17,233	6.4%	0.6%	14,917	6.6%	(1.1%)
Wholesale and Retail Trade	11,847	4.4%	0.2%	11,598	5.1%	(0.3%)
Services	1,301	0.5%	-42.4%	1,214	0.5%	(22.7%)
Others	68,704	25.5%	-1.6%	67,351	29.8%	6.3%
	269,289	**100%**	**21.9%**	**225,833**	**100%**	**10.9%**

Non-performing Loans

At year end of 2024, Bank's non-performing loans stood at PKR 269.3 Bn, demonstrating a 21.95% YoY deterioration. Accordingly, the infection ratio has increased from 13.53% in 2023 to 16.10% in 2024. NPL's that grew at a CAGR of 12.72% over the period under review, are more concentrated in the Oil, Gas, Sugar, Textile and Metal Products sectors.

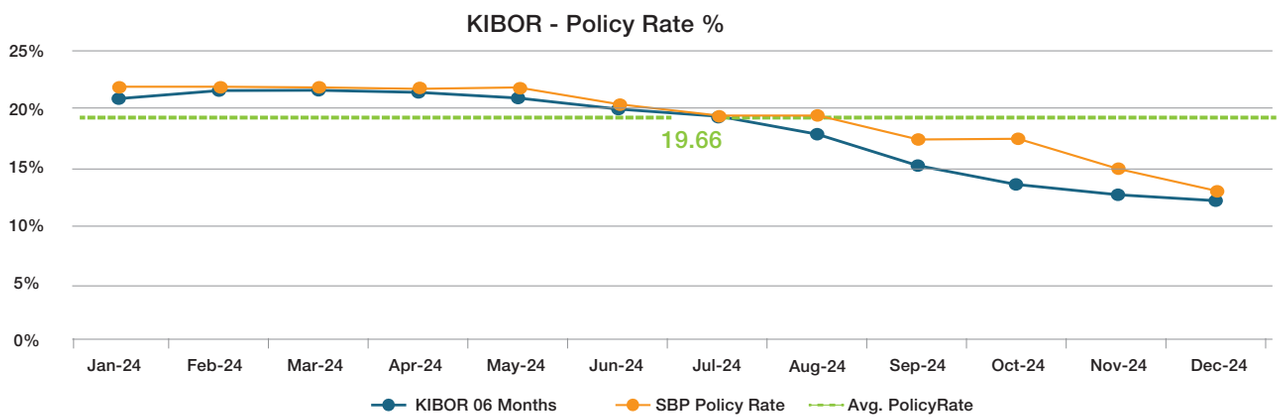


Maturities of Assets and Liabilities

Financial Position	2024						
	Total	Upto 3 Months	Over 3 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	---------- (Rupees in Mn) ----------						
Assets							
Cash and balances with treasury banks	314,234	238,375	75,859	-	-	-	-
Balances with other banks	56,836	55,556	1,281	-	-	-	-
Lending to financial institutions	30,000	30,000	-	-	-	-	-
Investments	4,612,334	701,912	1,869,600	378,186	274,258	1,221,983	166,395
Advances	1,404,868	545,307	369,186	46,099	54,151	205,792	184,332
Fixed assets	61,668	-	1,432	3,002	1,432	1,400	54,402
Intangible assets	1,940	-	647	647	647	-	-
Right of Use Assets	6,318	3	154	418	931	1,249	3,563
Deferred tax assets -	-	-	-	-	-	-	-
Other assets	255,880	196,217	34,725	21,401	786	1,179	1,572
	6,744,078	**1,767,370**	**2,352,883**	**449,753**	**332,204**	**1,431,604**	**410,264**
Liabilities							
Bills payable	26,060	18,744	4,877	2,439	-	-	-
Borrowings	1,937,757	1,882,908	20,688	3,573	2,606	4,995	22,987
Deposits and other accounts	3,865,565	952,343	1,360,303	497,633	519,868	530,682	4,737
Liabilities against assets subject to right of use assets	8,030	5	187	579	1,064	1,710	4,485
Deferred tax liabilities	40,944	-	-	-	-	40,944	-
Other liabilities	408,771	213,317	49,308	49,373	19,737	38,787	38,248
	6,287,127	**3,067,318**	**1,435,362**	**553,597**	**543,275**	**617,118**	**70,457**
Net Assets	**456,951**	(1,299,948)	917,521	(103,844)	(211,071)	814,486	339,807

Key Interest Bearing Assets and Liabilities

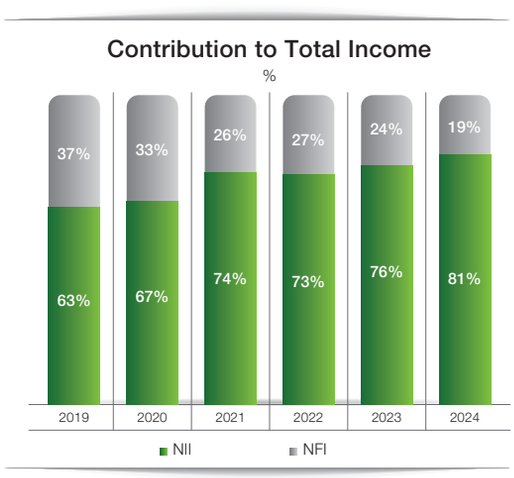
Financial Performance	2024			2023		
	Avg. Volume	Yield %	Interest	Avg. Volume	Yield %	Interest
Interest Earning Assets						
Placements	112.1	12.57%	14.1	145.6	19.84%	28.9
Advances (net)	1,518.7	15.36%	233.3	1,491.0	14.87%	221.8
Investments	4,352.9	19.34%	842.0	3,904.4	19.82%	774.0
Interest Bearing Liabilities						
Deposits	3,542.4	13.00%	460.5	2,956.8	12.35%	365.1

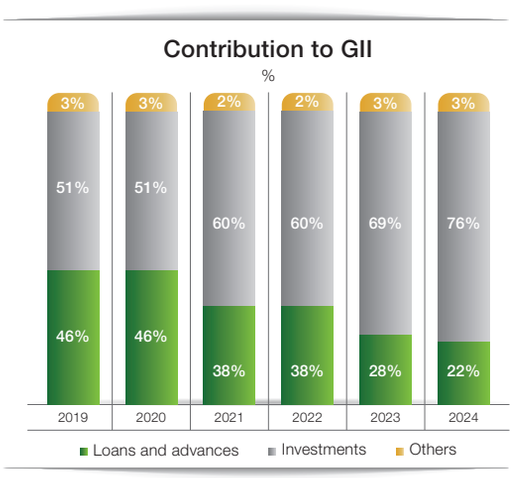


Markup & Non Markup Income

PKR "Mn"

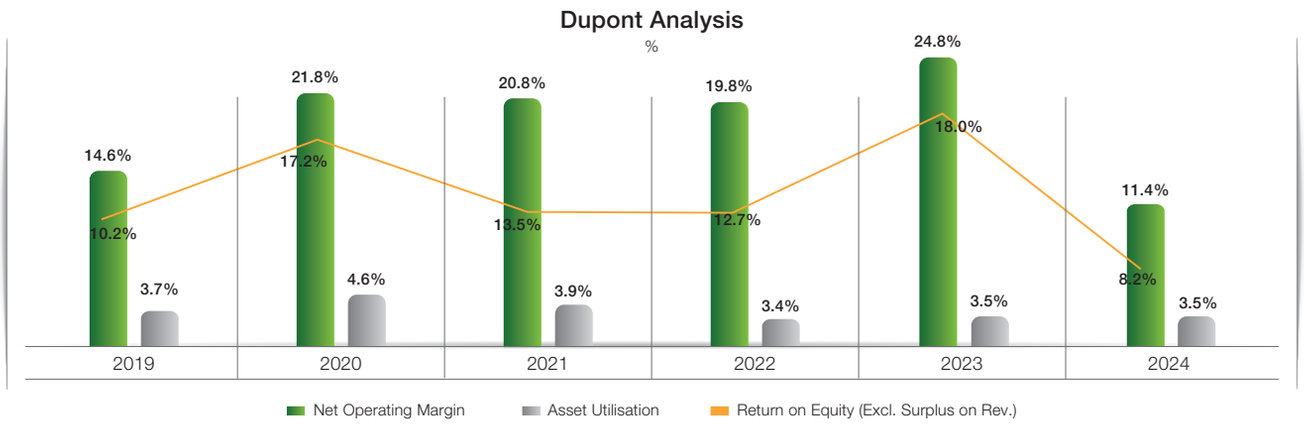
MARK-UP EARNED	2024	2023	2022	2021	2020	2019
Loans and advances	233,285	221,787	141,365	87,347	99,781	109,646
Investments	842,031	773,985	348,305	139,115	154,041	122,337
Lending to FIs	10,810	27,619	12,815	3,957	2,374	5,367
Balances with other banks	3,288	1,266	825	1,464	1,616	2,128
Total	**1,089,415**	**1,024,658**	**503,310**	**231,883**	**257,811**	**239,477**
MARK-UP EXPENSED						
Deposits	460,512	365,117	209,598	87,838	103,380	110,075
Borrowings	8,957	6,989	5,117	6,839	6,930	6,982
Cost of foreign currency swaps against foreign currency deposits / borrowings	15,257	14,294	10,026	8,018	9,175	9,157
Finance charge on lease liability against right of use assets	994	811	849	775	754	719
Securities sold under repurchase agreements	432,806	468,699	160,895	30,795	33,417	40,637
Total	**918,527**	**855,910**	**386,484**	**134,265**	**153,656**	**167,570**
NON MARK-UP / INTEREST INCOME						
Fee and commission income	25,479	22,032	21,152	17,804	18,254	19,125
Dividend income	6,097	5,258	5,207	4,595	1,901	3,150
Foreign exchange income	5,913	7,139	7,450	6,511	4,073	6,045
Gain on securities - net	27,893	4,384	1,138	6,188	7,886	2,112
Net loss on derecognition of financial assets - measured at Amortized Cost	(662)	-	-	-	-	-
Other income	708	1,793	1,737	1,844	3,963	5,768
Total	**65,426**	**40,606**	**36,684**	**36,942**	**36,077**	**36,199**





Dupont Analysis

Indicator	Formula		Unit	2024	2023	2022	2021	2020	2019
Net Operating Margin	PAT / Total Income	A	%	11.37	24.76	19.81	20.81	21.79	14.62
Asset Utilisation	Total Income / Avg Assets	B	%	3.53	3.52	3.38	3.93	4.57	3.65
Return on Assets	PAT / Avg Assets	C = A x B	%	0.40	0.87	0.67	0.82	1.00	0.53
Leverage Ratio / Equity Multiplier	Avg Assets / Avg Equity	D	Times	20.36	20.31	18.95	16.50	17.22	19.15
Return on Equity (Excl. Surplus on Rev.)	PAT/Avg Equity	E = C x D	%	8.17	17.97	12.68	13.48	17.16	10.22

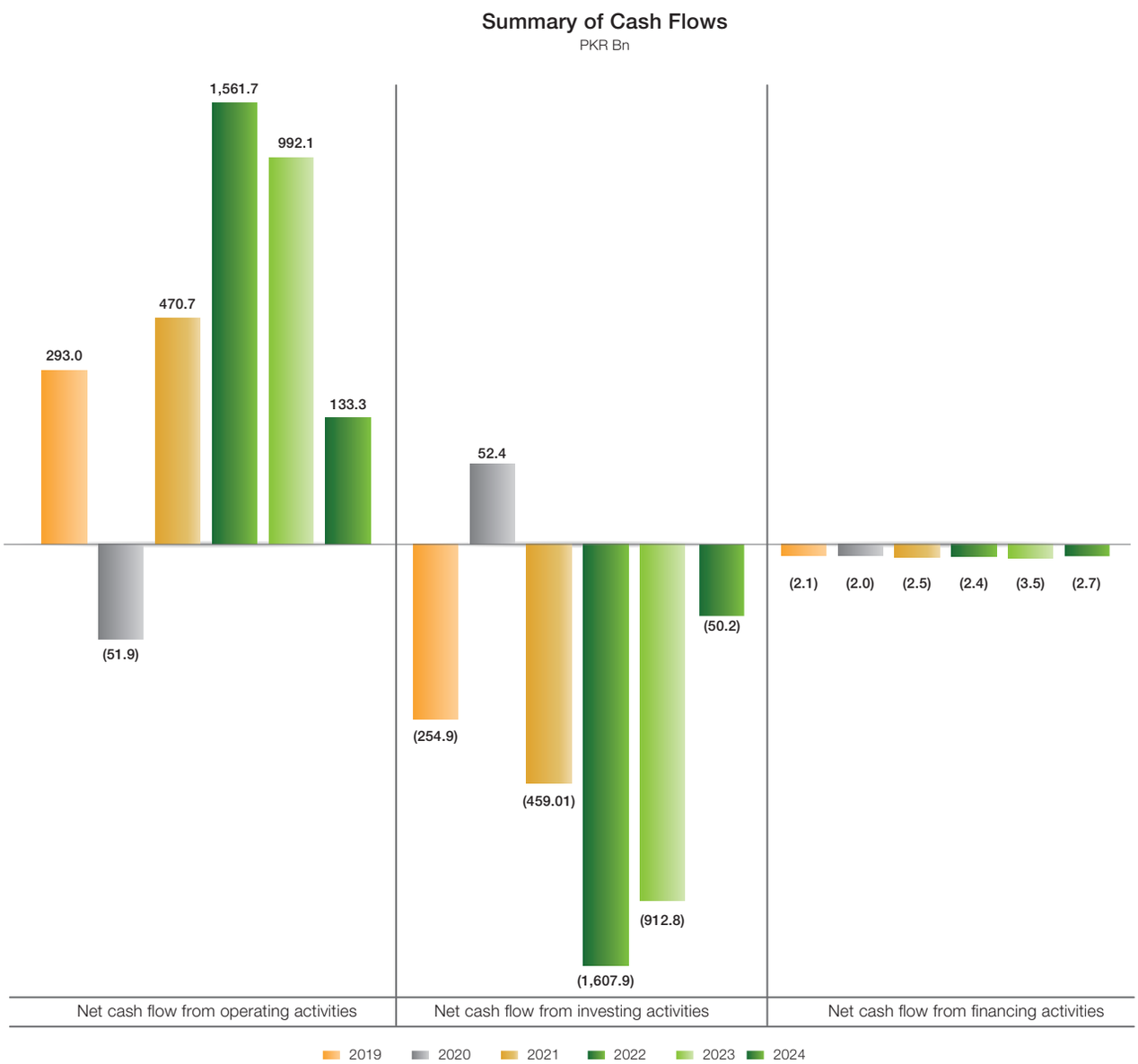


- Net operating margins of the Bank decreased from 24.8% to 11.37%. Increase in the net operating margin is mainly pertains to the SBP policy rate which increase the total income.
- Asset Utilisation in term of Total Income remain unchanged at 3.53% in 2024 from 3.52% in 2023. This was mainly due to decrease in policy rate by SBP which decreased the cost of deposits.
- Return on Equity during 2024 dropped to 8.17%.

Summary of Cash Flows

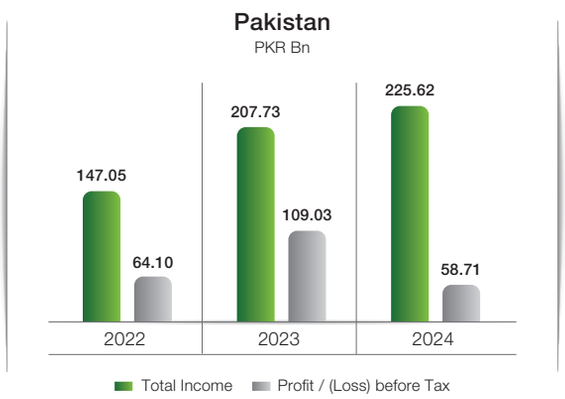
PKR "Mn"

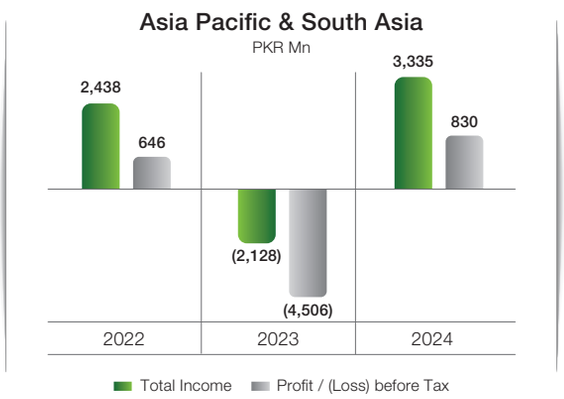
Classification	2024	2023	2022	2021	2020	2019
Cash Flow from Operating Activities	133,268	992,103	1,561,683	470,702	(51,870)	293,000
Cash Flow from Investing Activities	(50,199)	(912,791)	(1,607,937)	(459,106)	52,401	(254,952)
Cash Flow from Financing Activities	(2,747)	(3,454)	(2,428)	(2,454)	(2,042)	(2,046)
Cash & Cash equivalent at Beginning of the Year	298,562	222,704	271,386	262,243	263,754	227,753
Cash & Cash equivalent at the End of the Year	**378,884**	**298,562**	**222,704**	**271,386**	**262,243**	**263,754**

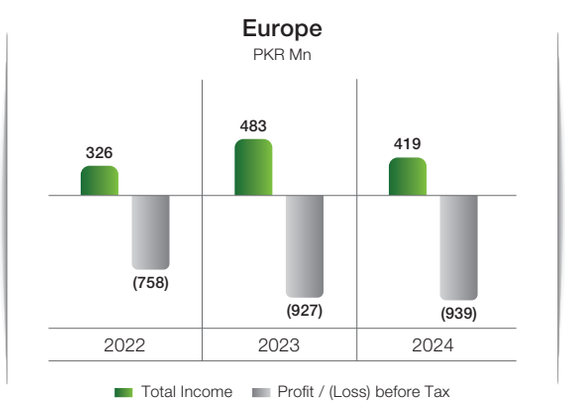


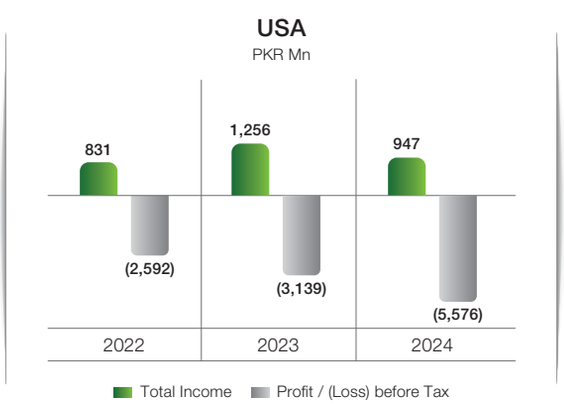
Cash Flow from Operating Activities mainly represent the core activity of the Bank i.e. mobilization of deposits. Since 2019, deposits of the Bank have shown a CAGR of 10.6%. During year 2024, there was net inflow of PKR 133.3 billion from Operating Activities. The major outflow under investing activities was on account of net investments in available-for-sale securities and investment made in held-to-maturity securities. During the year 2024, outflows of PKR 2.75 billion under financing activities were observed against payment of lease obligation.

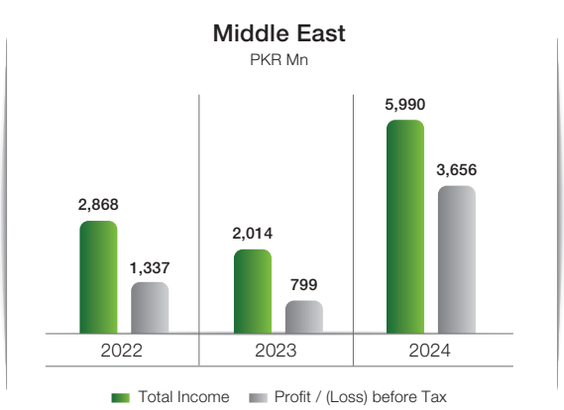
Geographical Segment



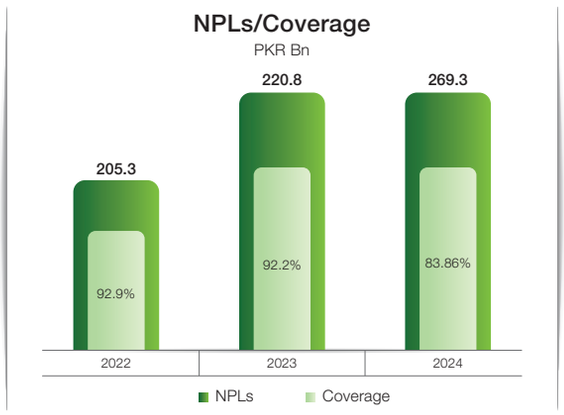








Assets Quality and Credit Loss Allowance



There is an increase in domestic NPLs by PKR 52 Bn (33.3% YoY). However, NPLs in FCY denominated loans recorded a decrease of PKR 3.5 Bn mainly due to exchange impact. We prudently measure impairments in the assets portfolio and maintain robust levels of provisions. Provisions charge for 2024 amounted to PKR 2.3 Bn of which PKR 6.1 Bn was against impairment in loans, and reversal of PKR 3.7 Bn against value of investments.

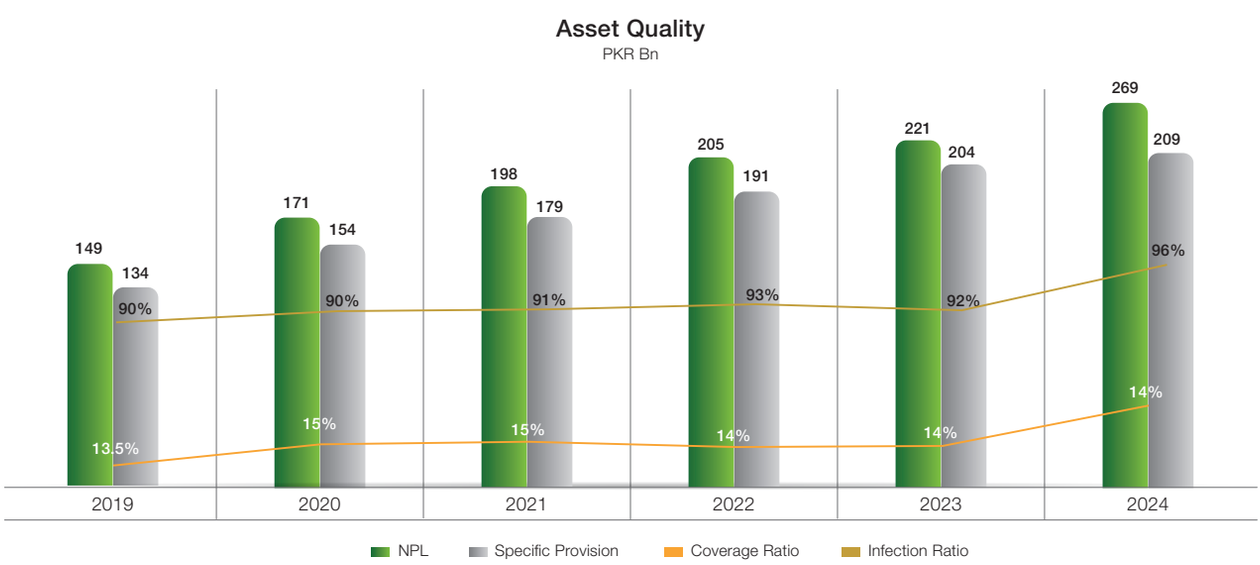
Specific provisions held against NPLs stood at PKR 209.1 Bn (Dec'23: PKR 203.6 Bn) whereas general provisions stood at PKR 11.5 Bn (Dec'23: PKR 30 Bn) and NPL coverage against total NPL is 77.7%. Since IFRS 9 stands implemented effective January 01, 2024, therefore prudently some general provisions under the expected credit loss methodology have been kept over and above as allowed by SBP vide BPRD Circulae No.1 of 2025 dated January 22, 2025 upto December 31, 2026.

Non-Performing Loans

PKR "Mn"

	2024		2023	
Category-wise	**NPL**	**Spec. Prov.**	**NPL**	**Spec. Prov.**
OAEM	2,441	1,258	2,156	60
Substandard	55,793	3,597	6,421	1,560
Doubtful	10,117	7,848	11,844	6,180
Loss	200,938	196,414	200,404	195,770
Total	**269,289**	**209,117**	**220,825**	**203,570**

Non-Performing Loans

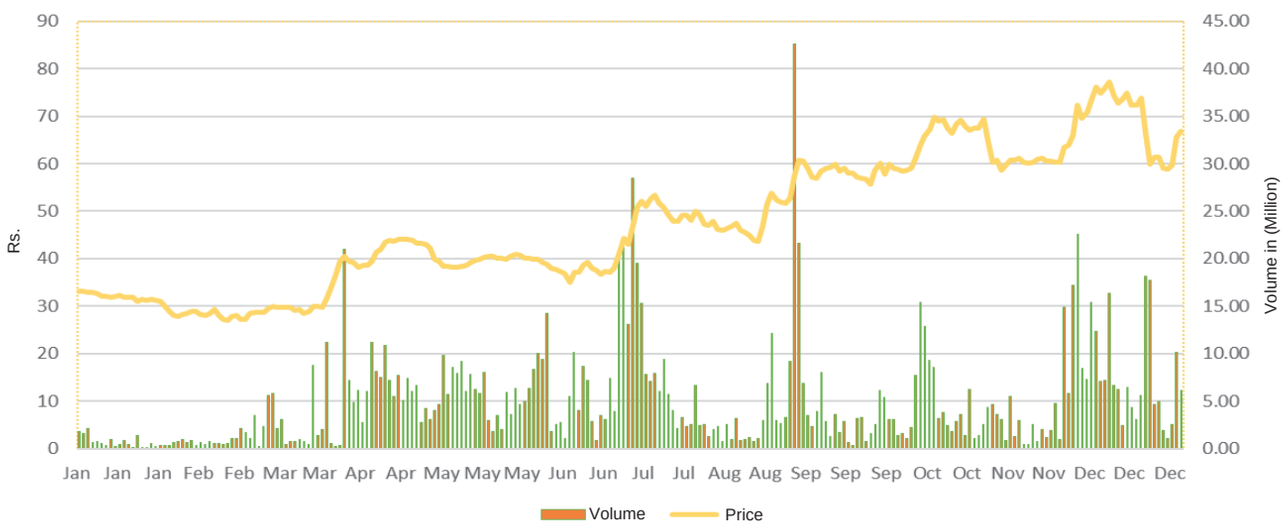


Share Price

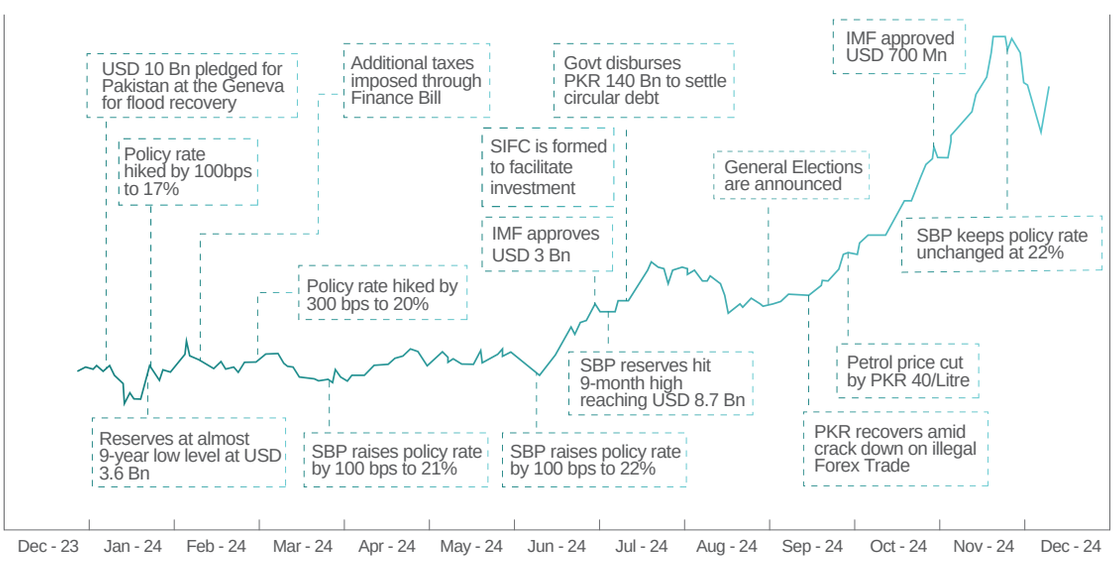
NBP Share	Q1-24	Q2-24	Q3-24	Q4-24
High	41.74	45.09	63.00	78.50
Low	26.60	33.50	36.81	57.69
Closing	38.26	37.15	60.00	66.92
Average volume	1,908,771	5,918,809	6,095,293	5,716,367
Total volume	120,252,608	331,453,354	377,908,226	371,563,894
Closing market capitalization(Mn)	81,398	79,037	127,650	142,373

		Increase	Decrease
		10%	10%
No of shares closing	2,128	2,128	2,128
Closing share price	66.92	73.61	60.23
Market Capitalization(Mn)	142,373	156,610	128,135

Share Price / Trade Volume - 2024



KSE 100 Index



Share Price Sensitivity

PKR "Bn"

Market Capitalisation as of December 31, 2024	142.37
Capitalisation due to movement in share price by:	
+10.0%	156.61
- 10.0%	128.14

The following major factors have varying impact on financial performance of the Bank and market valuation of its shares

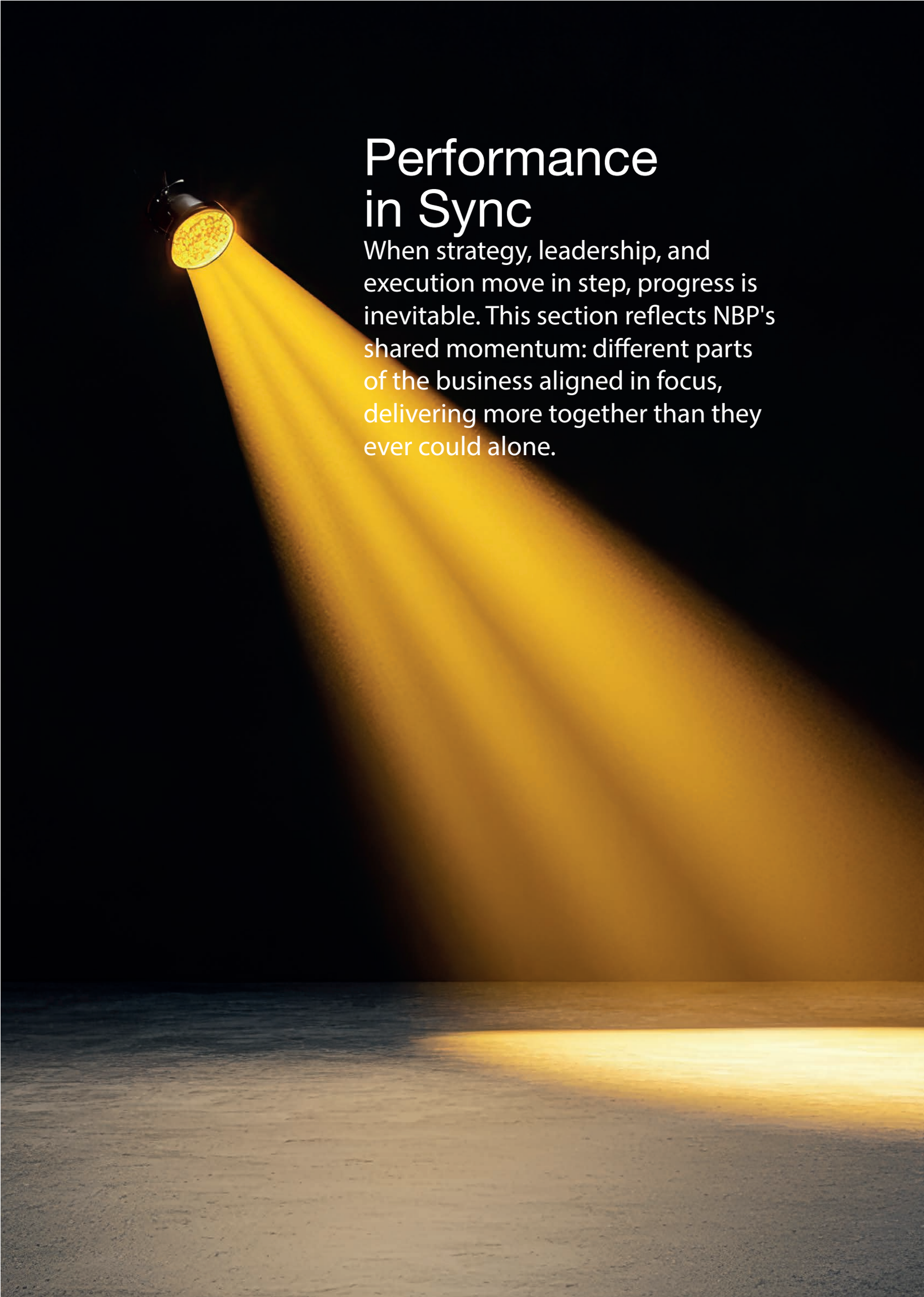
Factor	Impact
Policy Rate	The State Bank of Pakistan has maintained an accommodative policy stance, and market expectations suggest that the policy rate will remain at a lower range in the short to near term. However, any volatility in interest rates could impact the Bank's revenue and profitability.
Capital and Money Markets	The Bank's investments amount to PKR 4,612 Bn, primarily consisting of high-yielding, low-maturity, low-risk Government Securities. Trends in the money and capital markets have a direct bearing on the Bank's financial performance.
Minimum Rate of Return on Deposits	An upward revision in the profit rate payable to fund providers generally leads to an increase in the cost of funds and a compression in net interest margins. Such revisions may adversely affect the Bank's earnings and, consequently, its share price.
Exchange Rate fluctuations	As a key facilitator of the country's international trade, the Bank is significantly exposed to foreign currency risk. Major currency fluctuations can therefore materially impact the Bank's business operations.
Inflation	Inflation exerts an indirect influence on the Bank's earnings by driving up the policy rate and increasing the cost of doing business. Higher policy rates typically shift investments toward high-yield, low-risk Government securities, which may enhance interest margins. This, in turn, could positively influence overall profitability and the Bank's share price.
Political Stability	Political stability is essential for economic growth and for the Bank's resilience. A stable political environment reduces uncertainty and encourages investors to channel funds into economic activities. Greater political stability stimulates trade and business activity, ultimately leading to higher earnings for the Bank and increased value for its shareholders.
Natural Calamities	Events beyond the Bank's control, such as natural disasters, floods, geo-political tensions, or pandemics, may significantly disrupt operations and negatively affect the Bank's performance and share price.

Pattern of Shareholding

As at 31 December, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government Holding			
M/S. FEDERAL GOVERNMENT OF PAKISTAN	1	6,238,919	0.29
M/S. PAKISTAN ATOMIC ENERGY COMMISSION	1	679,424	0.03
FINANCE DIVISION, MINISTRY OF FINANCE, GOVT. OF PAKISTAN	1	1,656,788	0.08
State Bank of Pakistan			
M/S. STATE BANK OF PAKISTAN	1	1,599,845,728	75.20
Directors, Chief Executive Officer, their spouse(s) and minor children			
REHMAT ALI HASNIE	1	949	0.00
FARID MALIK	1	1,000	0.00
Associated Companies, undertakings and related parties	1	70,000	0.00
NIT and ICP	1	1,213,078	0.06
Banks Development Financial Institutions, Non-Banking Financial Institutions	9	10,482,944	0.49
Insurance Companies	10	22,033,590	1.04
Modarabas and Mutual Funds	32	38,155,155	1.79
Public Sector Companies and Corporation	6	118,928,006	5.59
General Public			
a. Local	10,174	114,592,558	5.39
b. Foreign	108	1,134,719	0.05
Foreign Companies	20	149,669,794	7.03
Others	204	62,810,374	2.95
Totals	**10,571**	**2,127,513,026**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
M/S. STATE BANK OF PAKISTAN	1,599,845,728	75.20



Performance in Sync

When strategy, leadership, and execution move in step, progress is inevitable. This section reflects NBP's shared momentum: different parts of the business aligned in focus, delivering more together than they ever could alone.

Group Performance

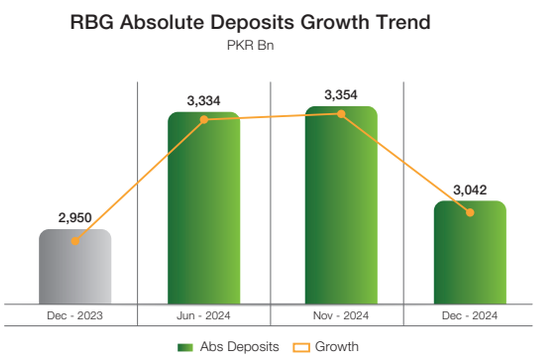
Consumer & Retail Banking	164
Corporate & Investment Banking	168
Treasury & Capital Markets	170
Digital Banking	172
Aitemaad Islamic Banking	176
Inclusive Development	178
ESG Considerations	180
CSR Activities and Achievements	183
Human Resource Management	186

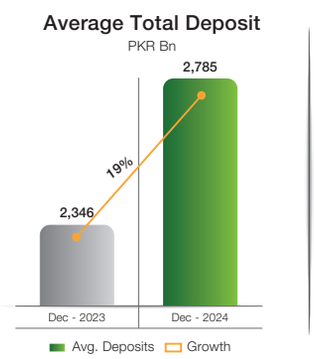
Consumer & Retail Banking

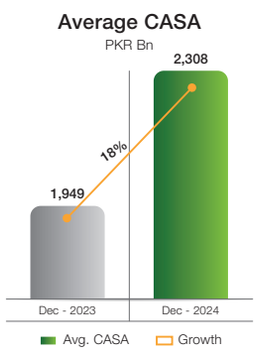
Our Retail banking strategy in 2024 remained coherent with the overall economic landscape and environment.
The group focussed on certain key strategic goals which includes growth in deposits preferably 'Low Cost' deposits to rationalize (NIMS), asset growth, conversion towards Islamic and diversification.

Liabilities & Wealth Management Business

Our Retail deposits reported a growth rate of over 3% as on 31-12-2024 at Rs 3,042 Bn. Our Average Retail CASA deposits grew by 18% during FY 2024 as we carried a strong growth momentum throughout the year. These phenomenal growth figures were achieved despite an attrition of approx. Rs 270 Bn resulting from controlling cost of deposits, TSA sweeping and diversion of large ticket deposit.







NTB AND DORMANT ACCOUNT ACTIVATION DRIVE

The drive to attain new to bank accounts in targeted segments bore fruit as the business acquired over 420K in new to bank accounts in 2024. A significant contribution (almost 75%) came from special segments like Women accounts as a part of SBP's Banking on Equality (BoE) initaive, Assan accounts for supporting financial inclusion in the country by tapping low-income groups and Remittance accounts to facilitate Non-Resident Pakistanis and their families residing in the country.

NTBs Opened and Dormant A/C activations during 2024 ('000)	
NTB opened	427,968
NTB Women ACs	150,941
NTB Asaan ACs	127,710
NTB Remittance ACs	44,060
Dormant ACs Activation 2024	885,071

DEBIT CARDS ACTIVATION

RBG's Debit card base continued to build a strong momentum from the outset and we closed December 2024 at 694,443 debit card activations. This healthy growth was an outcome of various measures taken in 2024, which included establishment of debit card discount & loyalty offers in collaboration with our loyalty partners, PayPak branch activity Campaigns, introduction of debit card activations through ADCs (ATMs and Mobile App), improvement in card activation process and incentive campaigns for Bank's staff & customers.

Debit Card Activations	No.
Dec-23	577,162
Dec-24	694,443
YoY Growth	**20%**

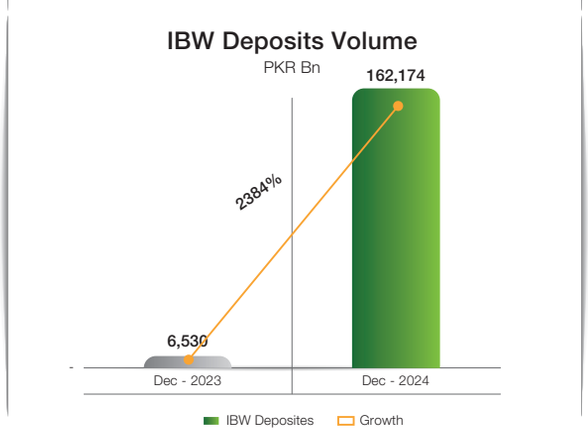
Network Planning & Service - Branch Conversion, Relocation and Addition of IBWs in Conventional Network

2024 proved to be the breakthrough year for RBG in terms of network planning and mobilization of Islamic deposits. As far as network planning is concerned, 13 conventional branches were relocated to business viable locations, 19 conventional branches were converted into full fledge Islamic Banking Branches resulting in conversion of around 21K accounts with balance of approx. Rs 10 Bn. In addition, 250 fresh IBWs were also added to conventional RBG branches during the year. Higher network coverage coupled with enhanced focus on service and growth volumes resulted in phenomenal growth in RBG's Islamic deposits portfolio as evident in the below appended exhibit:

Further to improve service, more than 200 branches were renovated and more than 350 ATMs were replaced in 2024 in the conventional network.

IBW Performance 2024 (Amount in Mn)	
IBW-2023	6,530
IBW-2024	162,174
Volume Growth	155,644
% Growth	2384%





WEALTH MANAGEMENT & AFFLUENT SEGMENT

Remarkable progress has been witnessed – in 2024 - in this segment. Key achievements of the bank within this segment include

a) 10% growth – relative to 2023 – in premium booking (of cancellation) against Bancassurance business
b) 14% growth – relative to 2023 – in revenue against Bancassurance
c) Earned Rs 23.0 M revenue – from fund size - by managing AUM of Rs 1.8 Billion
d) Launched 02 new insurance plan in collaboration with Insurance Partners (IP)
e) Improved persistency insurance benchmarks – more than 80% and 90% in Year 2 & Year 3 respectively
f) Conducted nation-wide training sessions to ensure quality sales and customer satisfaction
g) Established "Centralized Monitoring Unit" to improve process and strengthen controls.

PRODUCT DEVELOPMENT

NBP Itmenan Account was launched in July 2024 to offer senior citizens a complete proposition catering to their investment, transactional and financing needs along attractive rates with monthly profit payouts. We have procured around 2.5K NTBs with a portfolio balance of approx. PKR 5Bn+ in less than 6 months' time.



NBP continues to reinforce its commitment to financial inclusion, remittances, and sectoral modernization through a series of strategic agreements and MOUs in 2024. These partnerships span various sectors, from housing finance to remittances, showcasing NBP's efforts to drive growth, innovation, and development across the country. Below are the key highlights:

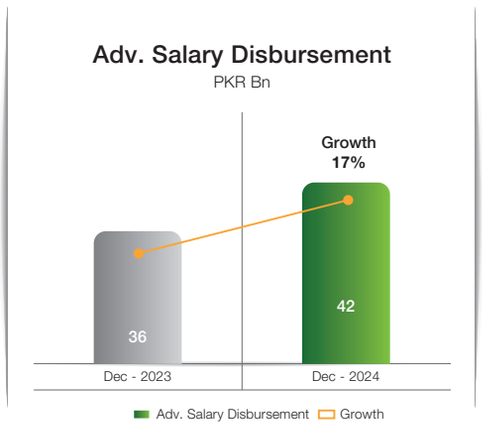
CONSUMER ASSETS

Adopted a prudent and selective growth strategy in 2024. This approach focused on secured and collateralized retail assets, underscoring our commitment to risk management and asset quality. The strategy was further supported by enhanced due diligence at the underwriting stage, increased monitoring and improved recovery and collection efforts. Besides, Consumer Assets business in 2024 progressed on the trajectory of "Change Management" through process re-engineering, technological advancement, digitization, new product development, target market expansion and build upon institutional sales initiative. Resultantly, the retails assets book posted a growth 9% in 2024. Further, total disbursements of retail assets posted a growth of 26%.

NBP ADVANCE SALARY

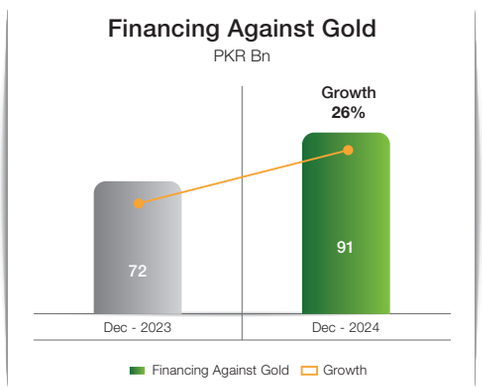
Empowering Salaried Individuals:
NBP Advance Salary stands as a beacon of financial support for salaried individuals, catering to their personal and domestic needs. This personal loan facility serves employees from diverse sectors, including government organizations, armed forces, and the private sector. With a track record of serving over 252,000 satisfied borrowers, NBP leads the industry in the realm of personal loans.

Performance Highlights and Challenges:
In 2024, NBP Advance Salary demonstrated notable growth, with disbursements increasing by 17%, amounting to approximately Rs. 42 billion. However, the portfolio experienced a 5% reduction, primarily due to monetary contractions and regulatory adjustments. The revision of the Debt Burden Ratio (DBR) from 50% to 40% and the reduction in financing tenor from 5 to 4 years, that continued in 2024, impacted the average ticket size for new loans and rollover cases. Increased repayments further compounded the challenges faced by the portfolio.



FINANCING AGAINST GOLD

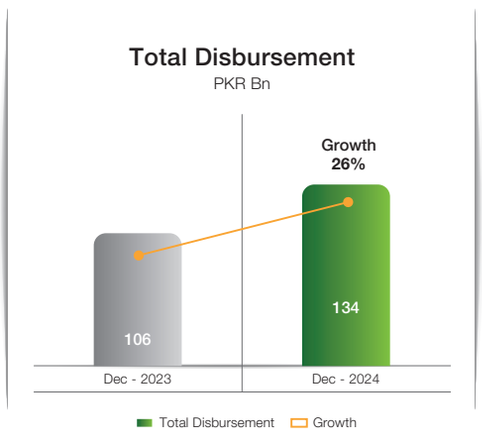
Strategic Response and Achievements:
We successfully disbursed a total of Rs. 102,416 million to 192,406 borrowers across the Agricultural and Consumer sectors. This endeavor not only underscored our commitment to supporting our customers but also led to a notable 26% growth in our portfolio.



RECOGNITION AND IMPACT

Empowering Agriculture and Women Entrepreneurs:
In 2024, we achieved a historic milestone in agricultural financing, becoming the largest lender to the sector with record disbursements Aligned with its vision to enhance access to priority sectors, NBP expanded its Agricultural Loan Program, introducing competitive markup rates and financing options for diverse needs, including irrigation systems, solar tube-wells, and modern agricultural equipment. Partnerships with agricultural universities, businesses, and government departments further promote technology adoption and operational optimization in farming.

To encourage greater female participation, NBP launched tailored initiatives for women entrepreneurs in agriculture, offering discounted markup rates, flexible terms, and swift processing to eliminate financial barriers. These efforts reflect the Bank's strong commitment to supporting Pakistan's agricultural prosperity and product innovation.

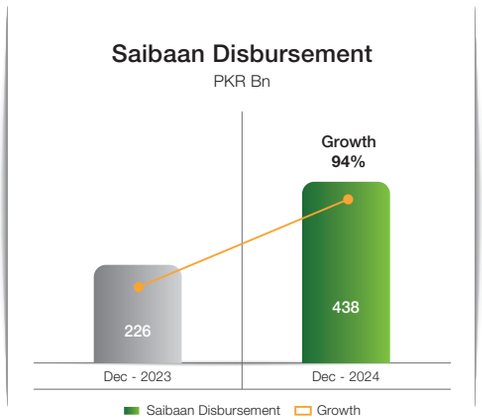


Empowering Female Borrowers:
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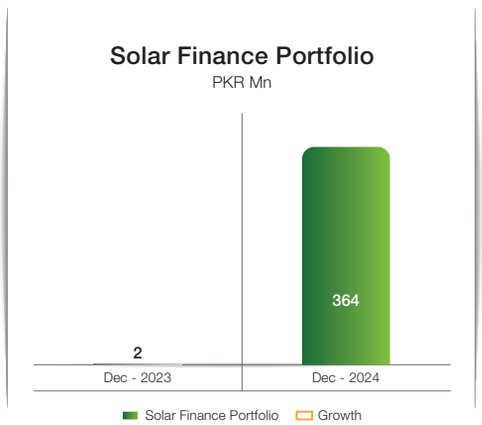
HOUSING & SOLAR FINANCE

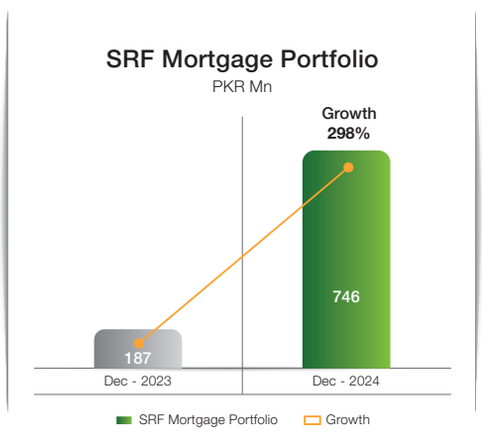
NBP offers a range of housing and solar finance solutions to meet the need of its existing and potential clientele. NBP product suite under the umbrella include “Saibaan Housing Finance”, “Roshan Ghar – Solar Finance” and “Secured Running Finance (SRF) Mortgage”. In 2024 the product line was extended by developing and offering of a new Saibaan variant for providing housing finance to Pakistan Air Force (PAF) officers. Besides, to support affordable housing, the Bank secured a funding line from the Pakistan Mortgage Refinance Company (PMRC), to offer housing and solar products at competitive rates.

In 2024, lending in the housing sector remained challenging due to various factors, including high interest rates and additional government-imposed property taxes. Despite these hurdles, NBP achieved remarkable success by increasing our Saibaan housing disbursements by an impressive 94%.



Aligned with the Government of Pakistan (GoP) and the State Bank of Pakistan's (SBP) green energy initiatives, **Roshan Ghar – Solar Finance** received special attention and support. The product gained significant acceptance, driven by rising electricity costs thereby making solar energy an attractive alternative. Resultantly, the bank successfully booked new Solar Finance portfolio amounting to Rs. 369 million, primarily comprising small-ticket loans. This initiative has predominantly benefited residents of rural areas, empowering them with access to sustainable and cost-effective solar energy solutions.





Secured Running Finance (SRF) against mortgages, a unique personal loan product in the banking industry, has gained significant market acceptance. It continued to be the key area of interest for our customers. The product’s growth was exceptional, achieving a remarkable ~300% increase.

Improved efficiency and better customer experience has always been the forte of NBP. This led to the successful development of Loan Origination Systems (LOS) and Loan Management Systems (LMS) for Solar and Saibaan Financing.

Corporate & Investment Banking

The Corporate & Investment Banking Group handles one of the largest corporate portfolios amongst all peer banks in Pakistan and constitutes major advances and trade finance portfolio of the NBP. With its presence in all major cities of Pakistan, CIBG is well-positioned to cater to the banking & financial needs of all its local corporate customers, multinationals, and government entities by offering a wide spectrum of financial products & services ranging from working capital solutions to structured trade finance, medium to long term Demand Finance for growth & maintenance capex, advisory to syndication, supply chain to receivable financing and cash management to deposit mobilization and custodial services.

This year, CIBG posted a historic highest ever pre-tax profit of PKR 26.9 Bn. as compared to PKR 5.8 Bn. during the previous year and demonstrated a massive 363% YOY growth. The numbers & graphical representation of Key Financial Metrics of CIBG over the years can be found below:

Major transactions executed by C & IBG

Pakistan Aeronautical Complex

CIBG has successfully executed and closed a landmark trade transaction of USD 558 million (PKR 159 billion) for Pakistan Aeronautical Complex Board. This is the largest stand-alone trade transaction ever executed by NBP or any financial institution in Pakistan. This marks the initiation of a transaction under the total export contract valued at USD 1.6 Bn.

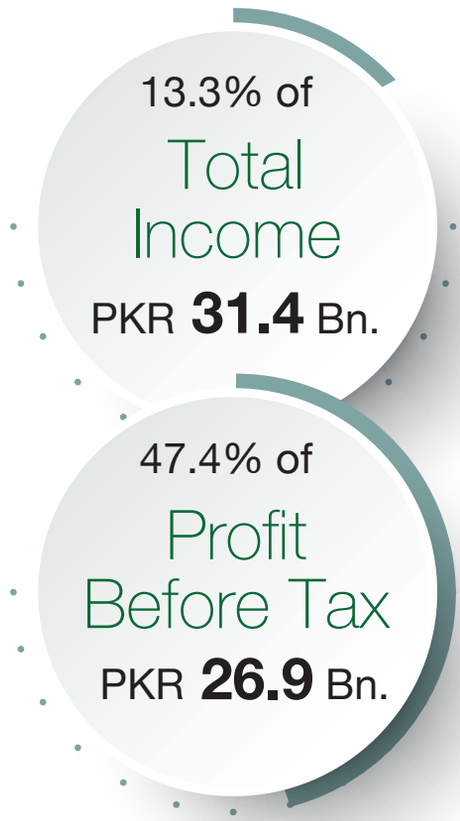
Pakistan International Airlines Corp Limited – Reprofiling of the Entity and Debt

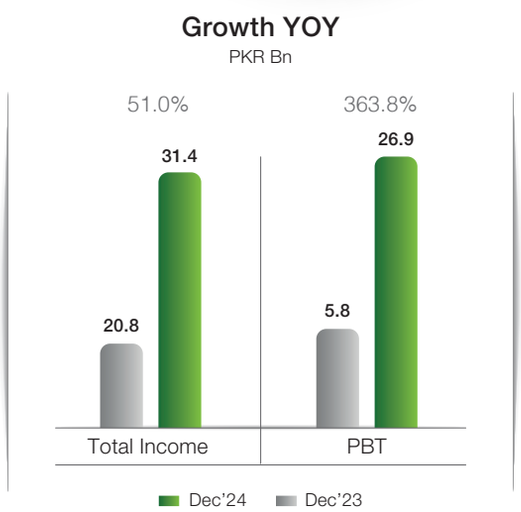
CIBG performed as advisor & arranger to negotiate/execute with stakeholders of this highly complex entity's re-profiling and debt restructuring of approx. PKR 250 Bn, including ~USD 100 Mn syndicated off-shore debt. Net benefit / result that the Bank gained was income realization of ~PKR 4.5 Bn and furthermore a recovery of ~USD 37 Mn – which includes not only mark-up (interest) payment but also principal amount of ~USD 29 Mn a stuck-up loan of the NBP Bahrain Branch since FY2004.

Agritech Limited – Divestment of Exposure and Full recovery of a NBP account

CIBG identified potential buyers, entered into negotiation, and eventually was able to successfully close - the acquisition of NBP exposure - with a stronger entity in the fertilizer space i.e. Fauji Fertilizer Company Ltd (FFC). The settlement plan envisaged no write-off / waiver. Even though, most other creditors settled / are settling the exposure at a discount.

The deal meant - the Buyer (FFC) acquired and fully settled the entire stake of NBP in AGL – such payment included principal settlement / recovered at prevalent market price + unpaid mark-up.





Service Long March Tyres (Pvt) Ltd.

M/s. Service Long March Tyres (Pvt) Limited stands as the sole manufacturer and exporter of Truck Bus Radial (TBR) Tyres in Pakistan, playing a pivotal role in reducing reliance on imported tyres. By significantly enhancing Pakistan's foreign exchange reserves, their export-oriented strategy underscores their commitment to economic growth. Partnering with National Bank of Pakistan (NBP) through availing partial project finance of PKR 2,000 Million, they have expanded their production capacity from 740,000 to 1,300,000 tyres per annum. This continuous expansion will not only increase exports but also drive Pakistan's economy forward, cementing their role as a key player in the industry.

JDW Sugar Mills Ltd.

One of Pakistan's largest sugar producers, has established a state-of-the-art distillery with an impressive capacity of 200,000-230,000 liters per day. This initiative not only boosts the economy by producing high-quality ethanol but also enhances export potential, thereby earning significant foreign exchange income. By promoting industrial growth, JDW Sugar Mills plays a crucial role in ensuring the country's economic stability. The National Bank of Pakistan (NBP) has also been instrumental as a syndicate member in this transaction, helping the company achieve this remarkable milestone.

Interloop Ltd.

During CY'24, RCC Faisalabad timely recognized a robust opportunity in the largest growing conglomerate of the region "Interloop". A back-to-back LC facility of PKR 1,000 Million was introduced within the approved facility structure to on board one of a kind 3-way merchandizing model. It was a time bound opportunity considering the market was eyeing to grasp additional trade business through this unique offering. NBP ensured to capitalize this opportunity in an extremely short span, leading to additional trade reciprocity of PKR 11,000 Million along with optimal utilization of facilities and fetching aggregate ancillary business of PKR 29 Billion.

40% of
Total
Advances
PKR **661** Bn.

14.7% of
Total
Deposits
PKR **567** Bn.

Corporate
Centers
06



Strategic Collaboration with Silk Road Industry Investment Management Co. Ltd (SRIIMCO)

Treasury & Capital Markets

TCMG continues to be the central hub for managing liquidity, foreign exchange (FX), and investment portfolios. The group is instrumental in ensuring the optimal allocation and utilization of funds, aligning with NBP's overarching strategy while navigating both domestic and global market dynamics.

Strategic Units at TCMG - Financial Markets Trading, Equity Markets , Sales & Structuring, and Assets & Liabilities Management work in harmony to ensure efficient service to the bank's clientele while optimizing value creation for the bank



Asset Liability Management
ALM desk is tasked with managing the bank's liquidity and balance sheet to maintain a resilient financial position across both domestic and international operations within the regulatory parameters. This desk is responsible for Interest Rate Risk Management, Liquidity Management, and Balance Sheet Optimization.

Financial Markets Trading
Focuses on investments and trading in domestic and international foreign exchange (FX) and fixed income (FI) markets. The team plays a pivotal role in the price discovery process and liquidity provision, strengthening NBP's standing as a leading market maker in FX and FI markets.

Sales & Structuring
Sales & Structuring desk functions as a client-centric segment, providing tailored financial solutions across FX and fixed income markets. This team addresses the needs of a diverse clientele, including corporate clients, institutional investors, and government entities. Its main responsibilities include Customized Solutions, Client Relationship Management and product innovation.

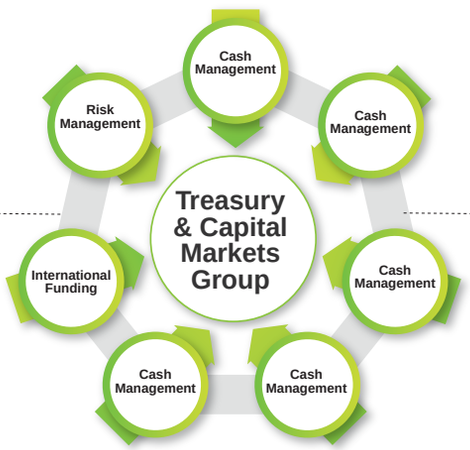
Equity Markets
Equity Markets desk is dedicated to investments and trading in domestic equities. This desk actively builds and manages a portfolio of equity investments, positioning NBP in prominent sectors of the domestic economy. Its key responsibilities include Portfolio Management, and strategic diversification. :

In addition to these functional pillars, TCMG operates in alignment with global and domestic macroeconomic indicators, including exchange rate, equity, and interest rate movements. The group's proactive risk management, robust systems, and strong external and internal stakeholder relationships enable TCMG to mitigate risks and seize market opportunities, contributing to enhanced financial performance.

Centralized Functions
Serves as the central hub for managing liquidity, foreign exchange, and investment portfolios of the bank.

Managing Markets
TCMG immunizes the bank's balance sheet by managing market and liquidity risks originating from foreign exchange and interest rates.

Strategic Functioning
TCMG within NBP involves a strategic and proactive approach to manage various financial aspects, with the primary goal of enhancing the bank's resilience, profitability, and positioning in the market.



1st Line of Defence
TCMG, by anticipating and pre-empting market movements and volatilities of asset classes, aligns the orientation of bank's book accordingly.

Profitability Enhancement
Aims to enhance the overall profitability of the bank by making strategic financial decisions and optimizing the risk return trade offs.

Market Intelligence
It is imperative to stay up-to-date on economic, financial and political developments in the global market.

Key Achievements

Strategic Portfolio Adjustments

In response to the volatility in global and domestic markets, TCMG dynamically rebalanced its investment portfolio to better adapt to changing interest rates, with a strong focus on increasing duration of investment portfolio to align with the declining interest rate environment. This proactive shift led to optimal returns despite inversion in yield curve.

Capital Gains and Income Generation

TCMG registered a significant capital gain of over PKR 13 Bn, further bolstered by dividend income of PKR 6.0 Bn, contributing substantially to the bank's overall financial performance.

FX Income Outperformance

Despite lower trade volumes, stable exchange rate and political uncertainty, TCMG exceeded its budgeted foreign exchange income targets. This was achieved through effective risk management strategies and tapping into emerging opportunities within the FX market, showcasing resilience in a difficult economic environment.

Automation and Efficiency Gains

TCMG continued its commitment to technological advancement with the automation of key functions such as Investor Portfolio Securities products, ALM, and Fund Transfer Pricing (FTP). These efforts not only increased operational efficiency but also enhanced the bank's ability to manage interest rate risks and better align with market fluctuations.

Recognition as Leading Primary Dealer

NBP's Treasury Group has maintained its position as one of the top-performing primary dealers and secured 2nd position in PD ranking, a testament of recognition from the State Bank of Pakistan. The group's consistent success in achieving Primary Dealer targets, contributing to price discovery, and facilitating government securities market growth reinforces its stature in the industry.

Risk and Compliance Enhancements

TCMG has strengthened its control and compliance environment by revising and updating various procedural documents, including manuals for Equity Market Division, Fixed Income Sales, ALM, and FX/Rates trading.

Market Expertise and Client Solutions

TCMG's ability to provide tailored FX and FI solutions to its diverse clientele continued to be a key differentiator in 2024. The group's expertise in structuring products and providing liquidity solutions allowed NBP to cater to a wide spectrum of institutional and retail clients, thereby enhancing its market share and reputation.

Focus on Liquidity Management and Stabilization

Amidst ongoing macroeconomic challenges, including inflationary pressures and fluctuating exchange rates, TCMG effectively managed liquidity and worked closely with the Asset Liability Management desk to optimize the bank's balance sheet.

Systematic Development and Market Impact

The Treasury & Capital Markets Group continued to lead initiatives aimed at enhancing market infrastructure, such as initiatives aimed at fostering growth within the debt capital market. NBP's recognition as a market maker in government securities reflects its commitment to the growth of the domestic capital markets and supporting economic development.

Digital Banking

Digital Transformation by Advancing Financial Innovation and Excellence

The Digital Banking Group (DBG) of the National Bank of Pakistan (NBP) has been at the forefront of pioneering innovation and transformation within the financial landscape of Pakistan. Its focus on modernizing infrastructure, enhancing security, and improving customer experience has led to a series of successful initiatives that are not only keeping pace with global banking trends but also contributing significantly to the bank's growth and operational excellence. This article covers the key achievements of DBG, highlighting their strategic initiatives in the areas of Mobile Banking, ATMs, digital account opening systems, corporate banking solutions, and debit card services.

Enhancing NBP Digital: A New Era of Convenience

Digital Banking Group is thrilled to introduce new features in the "NBP Digital" banking's platform. These enhancements have been crafted with customers in mind, ensuring a smoother and more enjoyable experience. The updates reflect the bank's ongoing commitment of delivering the best possible user experience, with added value and convenience.

Leveraging these new features, NBP Digital has significantly improved customer satisfaction, strengthened relationships, and encouraged long-term loyalty.

Key NBP Digital Statistics: New Features in NBP Digital

Mobile App Rating

Year	Android	IOS
2023	3.7	2.9
2024	4.7	4.4

Here is a list of features now available to customers on the NBP Digital platform:



Enhanced Security Measures in NBP Digital

NBP has also introduced new security features to further protect its users:
Leveraging these new features, NBP Digital has significantly improved customer satisfaction, strengthened relationships, and encouraged long-term loyalty.

- **Cooling-Off Period:** A 2-hour wait time for new registration, upgrade registrations, device changes, limit management, debit card pin change and reset, MPIN change and reset and password change and reset is implemented as a regulatory requirement.
- **OTP Auto-Fetch:** Automatically fetches the OTP from the NBP short code, ensuring seamless verification.
- **Sender Binder Control:** Ensures OTPs are fetched only from trusted sources.
- **Beneficiary Addition Restrictions:** Limitations have been introduced on the Internet Banking channel for security purposes.
- **Public Wi-Fi Access:** Restricted access on open Wi-Fi networks, enhancing user security.
- **Internet Banking Authenticator:** A login authentication tool for secure access.

Improved User Functions

The interface has been redesigned for a ***seamless customer experience***, including enhancements to:

- Home Screen and Bottom Drawer Icons
- Account Statement and Fund Transfer Flows
- Bill Payments, E-Transaction Receipts, and SMS Notifications
- The Hamburger Menu for navigation
- Improved user experience for beneficiary payments (Unified Beneficiary Management for Raast and IBFT Transactions)
- IESCO services shift from NADRA to 1Link
- Expired Debit Cards will no longer display on mobile application. Only active Debit Cards will be displayed

These updates ensure a smoother and more secure banking experience for NBP customers.

Revolutionizing Account Opening with Smart AOS

To streamline the account opening process and improve operational efficiency, NBP has revamped its ***Account Opening System (AOS) into a Smart AOS***. This comprehensive overhaul aligns the bank with industry best practices, significantly enhancing the ease and speed with which customers can open accounts. The Smart AOS provides ***one-stop solution*** for branch staff, enabling them to process all account types through a unified platform.



Features of Smart AOS:
- Instant Account Number Issuance
- Unified Data Capture
- Automated Risk Approvals
- Automated Cheque Book and Debit Card Processing
- Biometric Integration:
- NADRA Data Integration

Digital Account Opening Services

In line with its digital transformation strategy, NBP has launched a digital account opening service that allows customers to initiate the account opening process online through the NBP Digital app or the web portal at https://newaccount.nbp.com.pk. This service empowers customers to open accounts from the comfort of their homes without visiting a physical branch, making the process highly convenient.

Upon completion, they receive a ***tracking number*** via email and SMS, allowing them to monitor the progress of their application.

Empowering Businesses with the NBP Corporate Payment Portal, SmartPay Solution

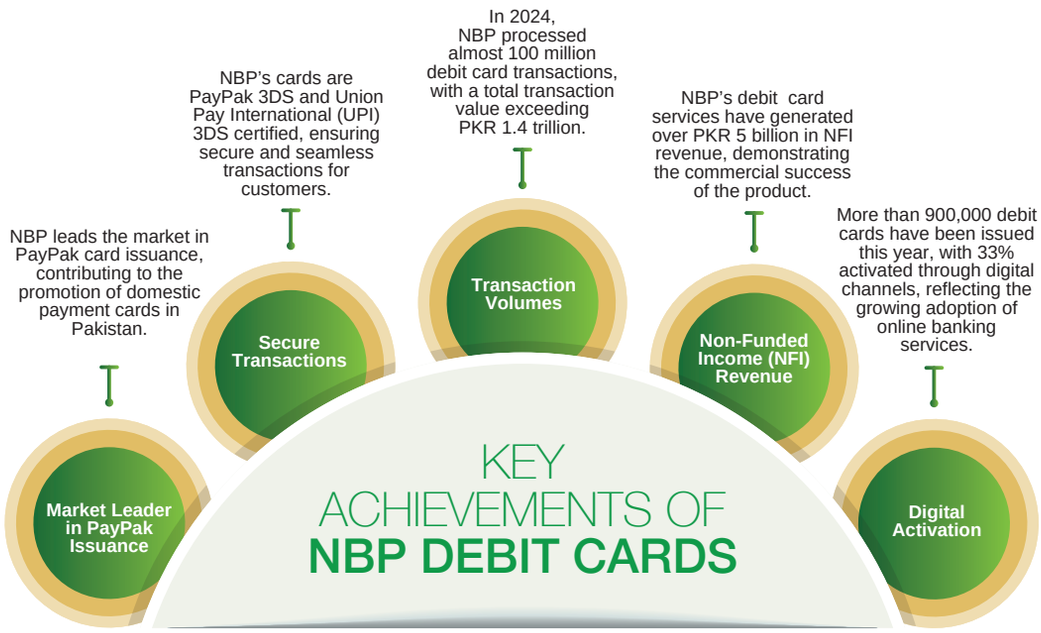
Launched in 2024, NBP's ***Corporate Payment Portal*** offers businesses a powerful tool to manage their financial transactions digitally, 24/7. Designed to enhance the banking experience for corporate and business customers, this portal provides the following key features:

- Internal Bank Transfers (IBT)
- Inter-Bank Funds Transfer (IBFT)
- Additional Services

In a significant move to streamline corporate payments, NBP has introduced the ***Raast Bulk Payments*** feature, allowing businesses to disburse funds to account holders through the SBP Raast Channel. Future developments include ***RTGS Payments and Cash Over the Counter (COC)***, ensuring further convenience for corporate customers.

NBP Digital Debit Cards: A Leader in Digital Payments

NBP's Debit Cards have redefined convenience and security for customers, with a series of impressive achievements making the bank a market leader in this segment. The year 2024 saw significant progress in terms of card issuance and transaction volumes.



To further enhance the customer experience, NBP has partnered with Golootlo, providing cardholders with access to discounts at over 30,000 merchants nationwide. Including benefits such as Cashback and Motorbike Giveaway on Point-of-Sale (POS) transactions.

Modernizing and Securing the ATM Network

NBP operates an extensive fleet of ***1,425 ATMs*** across Pakistan, comprising 825 Diebold ATMs and 600 NCR ATMs, many of which were procured between 2014 and 2016. With the technology landscape evolving rapidly and security threats on the rise, DBG has undertaken a comprehensive, phased modernization plan to ensure the bank's ATMs remain secure, efficient, and customer-friendly.

Key Phases of ATM Modernization:

Technological Upgrades: DBG has implemented a strategic roadmap to bring all ATMs in line with the latest technological advancements and security protocols. Older ATMs running on outdated operating systems have been upgraded to date. ATMs procured in 2018 are being equipped with enhanced security features.

Procurement of New ATMs: In light of the older ATMs reaching their End of Life (EOL), DBG secured approval for procurement of 250 new ATMs for 2025. The bank follows a "First In, First Out" (FIFO) approach to retire machines that either cannot be upgraded or are reaching their end of support.

Security Enhancements: To further safeguard customer transactions, DBG is deploying cutting-edge security solutions such as the Transport Layer Security (TLS) protocol and physical security measures, including cable harnessing, concealing communication boxes. These measures are being implemented across Diebold and NCR ATMs, ensuring comprehensive protection.

Timely Replacements: To address vulnerabilities promptly, the bank has directly procured 371 new ATMs from Diebold and NCR under a declared state of emergency to accelerate the replacement of vulnerable ATMs. By the 31st of December 2024 all the vulnerable ATMs were replaced.

Addition to the existing fleet of ATMs: DBG had raised a Request for Proposal (RFP) for the procurement of 225 new ATMs, with M/S TPL the supplier of ATMs winning the bid. These ATMs will be added to the existing fleet of ATMs to ensure that the bank updates the fleet and weeds out the older ATMs.

This methodical approach has bolstered NBP's ATM network and contributed to increased revenue. As of Dec 2024, ***YTD Off-Us ATM revenue stands at almost PKR 200 million***, indicating steady growth and increased customer engagement through ATMs.

At ***Digital Banking Group (DBG)***, the ***People Culture Development*** function has been meticulously structured in line with international best practices, reinforcing its critical importance to the organization's success. No organization can achieve sustainable digital transformation without the active involvement of its people and a robust cultural foundation. This function serves as the cornerstone of DBG's efforts to align its human resources with strategic goals through a blend of innovative initiatives and structured frameworks.

Core Contributions of People Culture Development at DBG

Building an Agile Workforce

Through programs like the Train-the-Trainer (TTT) concept, employees are equipped to transfer essential knowledge and skills effectively, fostering an adaptable and skilled workforce. DBG has trained employees within and outside the organizations to upgrade their skill set in line with the current and upcoming projects and enable them to cope challenges in an effective manner.

Resource Identification and Placement

This function plays a pivotal role in identifying internal talent and ensuring optimal placement within the bank to maximize productivity and growth.



Cascading Strategic Initiatives

The People Culture Development function ensures that organizational goals and initiatives are effectively communicated and implemented at all levels.

Managing Payments with Compliance

The function also oversees payment management while adhering to all rules and regulations, thereby improving operational efficiency.

Critical Team-Building Activities and Celebrations



The Impact on Organizational Success

These initiatives form an integral part of DBG's employee recognition program, underscoring the value of individuals beyond their work contributions. The efforts of the People Culture Development function cultivate an environment where employees feel appreciated, motivated, and empowered to excel. By prioritizing people and culture, DBG has established a workplace that attracts and retains top talent while driving its digital transformation journey forward.

Through the combination of structured development practices, resource optimization, compliance adherence, and innovative team-building activities, DBG's People Culture Development function ensures a thriving workplace culture that is essential for achieving long-term organizational success.

Aitemaad Islamic Banking

Alhamdulillah, NBP Aitemaad Islamic Banking Group posted pre-tax profit of Rs. 6.05 billion for the year ended December 31, 2024 which is 71% higher than last year Rs. 3.53 billion. NBP Aitemaad earned net spread Rs. 10.26 billion as compare to year 2023 Rs. 7.82 billion and recording 31% YOY growth, while total operating income was Rs. 10.75 billion during the year under review which is 31% higher than previous year Rs. 8.20 billion. NBP Aitemaad earned 0.49 billion non fund income in 2024, depicting 30% increase YOY. Despite the declining trajectory in policy rate during second half of 2024, this improvement was due to volume growth in average CASA deposit (42%) including 73% in current account and earning assets (47%). Regardless of the inflationary pressure in first half, operating expenses increased by 14% to Rs. 3.98 billion versus last year Rs. 3.50 billion.

Distribution Network

Branches: **207**
IBWs: **251**

NBP Aitemaad closed deposit at Rs. 309 billion for the year ended December-2023 as compared to last year Rs. 114 billion with 172% YOY growth, while CASA growth has been 200%+ YOY. Total deposit customers stood at 282,480 at end of 2024 with increase of 32,543 (13%).

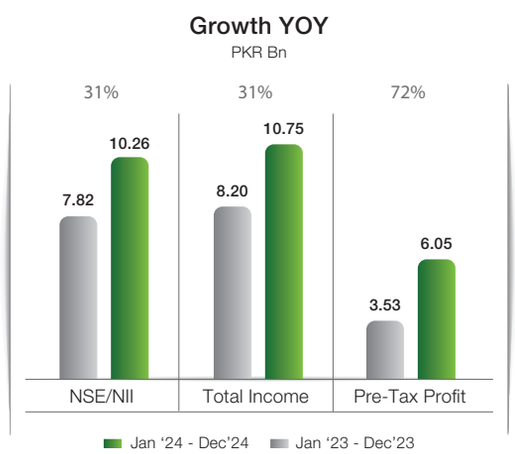
Deposits

PKR: **300 B+**
Growth: **172%**

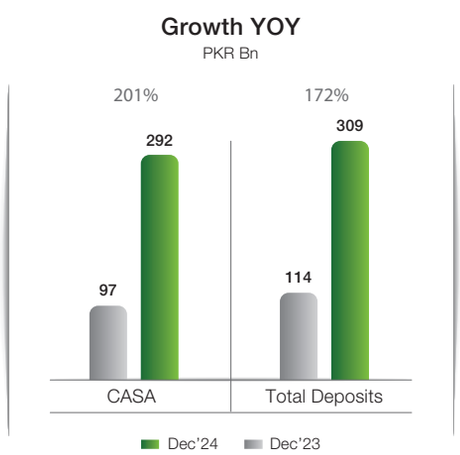
NBP Aitemaad increased its gross financing portfolio by Rs. 72 billion to close the year end at Rs 147 billion as compared to Rs. 75 billion at the end of December-2023, exhibiting a YOY growth of 97%. The financing portfolio comprises corporate customers, located in Karachi, Lahore, Islamabad and Multan. Strategy is to continue booking top tier corporate customers, albeit cautiously.

NBP Aitemaad's gross investment/Placement increased to Rs. 155 billion in December-2024 from Rs. 52 billion in December-2023, having growth 198%. Overall earning assets increased to Rs. 302 billion in December-2024 from Rs. 126 billion in December-2023, portraying 140% YOY growth.

Alhamdulillah in 2024, NBP Aitemaad Islamic Banking has introduced a new financing product 'Running Musharakah' for corporate / commercial customers and also upgraded its deposit products scheme and digital banking features in view of the market trend.



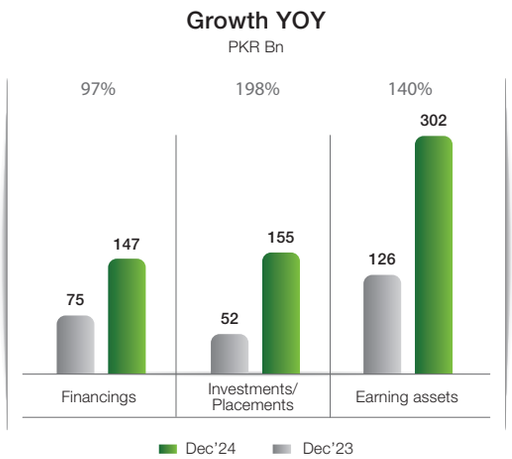
Alhamdulillah! In 2024, NBP Aitemaad Islamic Banking has launched the consumer financing product 'Aitemaad Advance Salary' for salaried employees of government, autonomous bodies and private sector to meet their personal financing needs in a Shariah compliant manner. This product will play a vital role in Bank's conversion alongside new business. The Shariah compliant solution of other conventional consumer financing products is under process as well. NBP has also introduced the customers digital onboarding and enhanced digital banking services for Islamic banking customers.

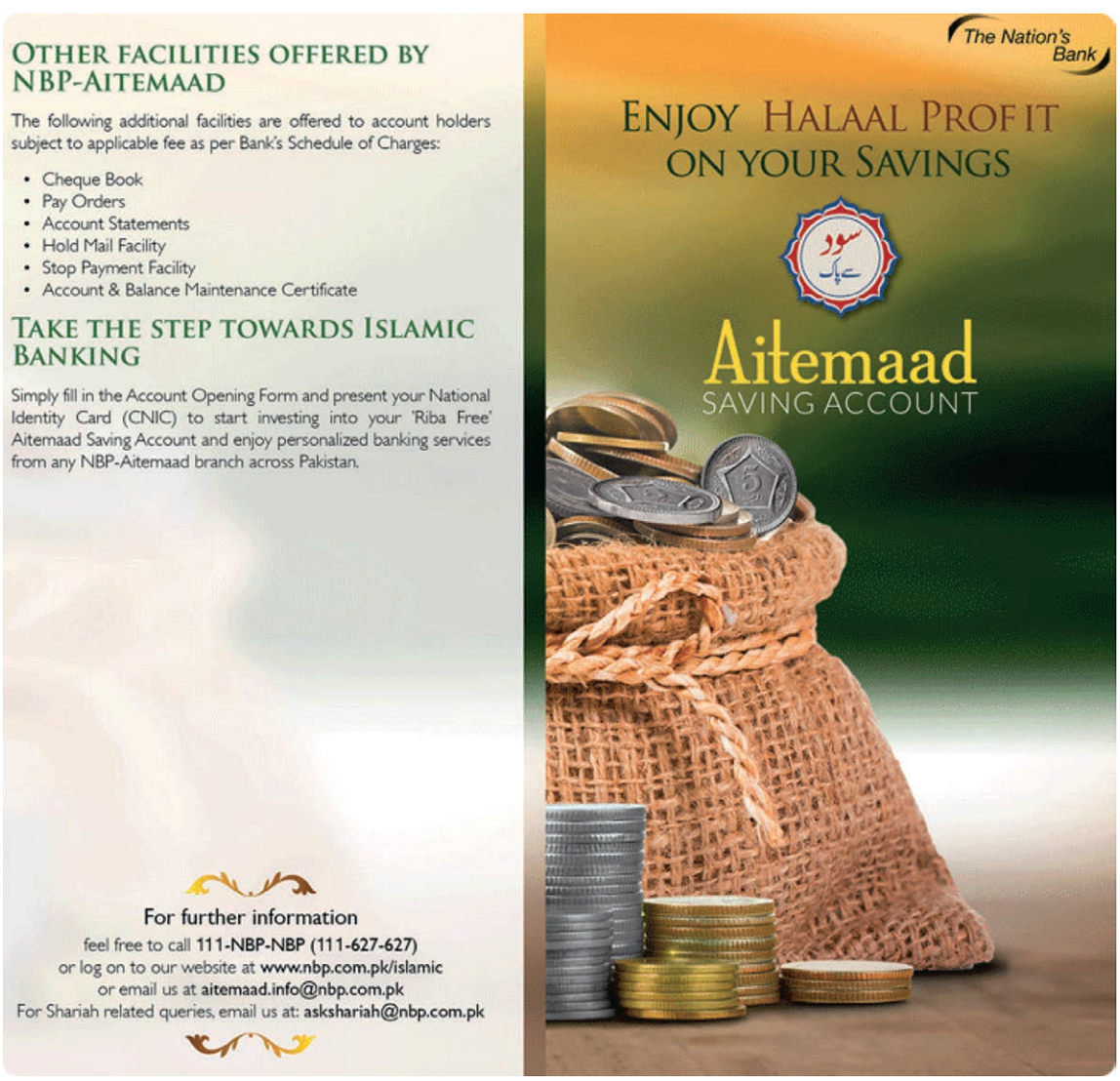


At present, NBP Aitemaad offers a diversified range of products as it is offering seventeen (17) Deposit products, ten (10) Financing products and remains committed to providing 24/7 banking services for various market segments. Moreover, NBP has also expanded its Islamic Banking network from 150 to 251 IBWs and Branches from 188 to 207 during the year.

With meager increase, Home Remittance transactions stood at 293,924 for the year as compared to last year 288,525 due to economic slowdown. Cards Activation increased to 91,711 as of December-2024 from 79,035 from last year, 16% up YOY. Further, NBP Aitemaad activated 22,401 digital banking during the year and closed at 64,701, 53% up YOY.

NBP Aitemaad's total assets/balance sheet footing increased exponentially to Rs. 333 billion in December-2024 from Rs. 140 billion in December-2023 recording steep growth of 138% during the year under review.





Inclusive Development

Aligned with NBP's vision of inclusive growth, the Inclusive Development Group (IDG) led efforts to drive sustainable economic impact nationwide.

Agriculture Finance

NBP Recognized as Top Agri Bank for Second Consecutive Year by SBP in FY23-24

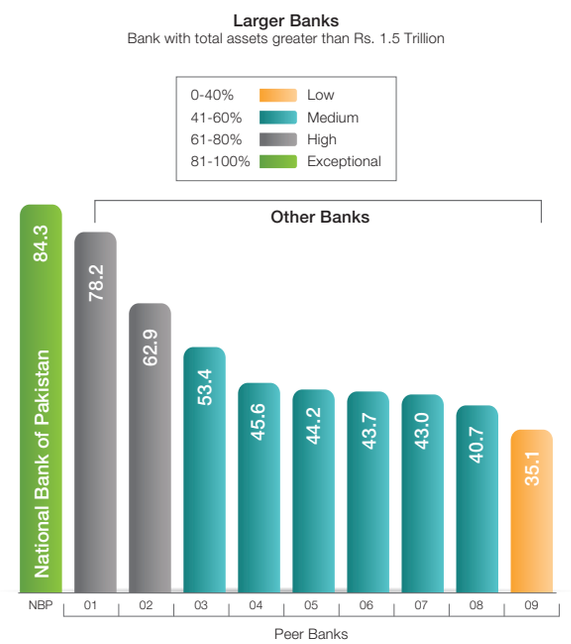
Agricultural credit continues to be a key priority for NBP. The Bank is actively modernizing its products and services to align with evolving market demands. To support small farmers across Pakistan, NBP provides extensive indirect financing by channeling funds through microfinance institutions (MFIs) and microfinance banks (MFBs).

To improve efficiency and outreach, NBP has restructured field operations, enhanced support for Agriculture Finance Officers, and expanded outreach through its 37 regions nationwide. As a result of these continued efforts, NBP was successful to maintain its position as the **Top Performing Agriculture Lending Bank** amongst large banks for the second consecutive year as recognized by the **State Bank of Pakistan (SBP)** in FY 2022–2023 & FY 2023–2024.

In 2024, NBP focused on strengthening its presence in the agri value chain market through targeted marketing and strategic relationship management. The Bank also expanded its agri value chain portfolio in other regions, including Bannu, Faisalabad, D.G. Khan, and Sargodha.

Agricultural Credit Performance of Banks

End June, 2024



NBP continues to drive proactive marketing through mass media, its extensive branch network, and targeted business development initiatives. The Bank places strong emphasis on farmer education, conducting nationwide awareness sessions to promote financial literacy and agri credit awareness. Its robust expansion strategy includes frequent field visits, collaboration with government bodies, and active participation in Agricultural Melas (SBP), agri expos, university seminars, conferences, and events organized by Dairy Agriculture Livestock Farmers Association (DALFA), such as seminars, roundtable discussions, and cattle shows. These efforts strengthen NBP's position as a trusted, forward-looking financial partner for Pakistan's agricultural sector.

Since its designation as the Champion Bank for AJK by SBP in 2022, NBP has expanded agriculture financing in the region through the Regional Agriculture Co-ordination Committee (RACC–AJK) platform. Despite challenges, it met SBP-assigned targets and addressed structural barriers by engaging key stakeholders—reducing mortgage charges and improving credit access for farmers.

In 2024, NBP signed new strategic MoUs to strengthen key agri sectors, building on existing partnerships. Notably, an MoU with **Fauji Foods Ltd.** supports the the Grass Root Incentivized Dairy Development (GRIDD) initiative, while another MoU with **Fauji Fertilizer Company (FFC)** offers tailored agri-financing to farmers via Sona Centers.



Ms. Naushaba Shahzad Group Head - IDG and Mr. Hafiz Sajjad Hussain of Fauji Foods Ltd. signed an MoU under the GRIDD Project in June 2024.



Ms. Naushaba Shahzad Group Head - IDG and Syed Atif Ali, CFO of FFCL signed an MoU for farmer financing in Nov, 2024. (June 2024)

Commercial & SME Financing

IDG focused on enhancing SME and Commercial lending portfolio through customer-centric solutions, policy refinement, and capacity building. It advanced financial empowerment by broadening market outreach, enhancing service quality, delivering innovative and need-driven solutions.

Key achievements during the year include:

- **Ranked 2nd Nationwide in SME Financing,** with an outstanding portfolio of PKR 99 billion, demonstrating the Group's pivotal role in enabling access to finance for SMEs and underserved market segments.
- **Empowering Women Entrepreneurs:** Under the "NBP Women Finance Scheme," the Bank's outstanding performance was recognized by SBP with nine Regional awards—three Winner, five Runner-up, and one Appreciation Award—highlighting its strong commitment to supporting women-led businesses.
- **Policy and Product Enhancements:** Existing policies were reviewed and updated to align with market needs and peer banks' benchmarks. Product design and customization were strengthened to better serve SMEs and Commercial Businesses across various sectors and geographies.
- **Digital Supply Chain Financing (DSCF):** The Bank is now focused on expanding its DSCF initiative, offering Invoice Financing, Purchase Order Financing, and Dealer/Distributor Financing through strategic partnerships with fintechs. Product development and fintech onboarding is in the process.
- **Celebration of SME Weeks Nationwide:** To boost customer awareness and engagement, the Bank celebrated SME Week nationwide with interactive events across regions, partnering with local Chambers of Commerce and SME Associations to reinforce NBP's role as a proactive SME ecosystem partner.



IDG celebrates SME Week with clients in Northern Punjab Cluster



DG celebrates SME Week with clients in Lahore Cluster

Financial Inclusion and Digital Transformation – The Role of MFSID

Financial inclusion remains a cornerstone of IDG's strategic vision, focused on ensuring equitable financial access for underserved segments across Pakistan. Within this mandate, NBP has emerged as the largest commercial bank lender to microfinance institutions (MFIs), facilitating last-mile credit delivery.

With a portfolio exceeding **PKR 30 billion—reflecting 50% growth over the past two years** —NBP underscores its commitment to expanding finance access for low-income and vulnerable populations

Aligned with **digital transformation agenda, end-to-end automated lending processes** for government schemes has helped to operational efficiency and enhanced transparency and customer satisfaction—critical enablers in broadening access to credit.

Through Government flagship schemes—**PMYB&ALS and the Farm Mechanization Program—over 32,900 applications were processed** thus achieving targets assigned by the State Bank of Pakistan (SBP). These achievements reflect the bank's ability to implement large-scale financing programs through robust systems.

These efforts collectively highlight the Group's strategic focus on financial inclusion, innovation, and sustainable business development, aligning with national priorities and NBP's long-term growth objectives.

ESG Considerations

Green Banking & Environmental Social Risk Management (GB & ESRM)

As the Green Banking Policy advances through its implementation phase across the Bank, NBP has taken strategic steps to align with the SBP's ESRM Implementation Manual. Accordingly, the existing Green Banking Policy has been renamed as the Green Banking and Environmental & Social Risk Management (GB & ESRM) Policy, which is expected to be approved and enforced in 2025. This Policy will enable the Bank to systematically identify, assess and manage environmental and social risks.



Furthermore, the development of the GB & ESRM Policy is guided by international best practices, including IFC Performance Standards, ILO Conventions and SBP's Green Banking and ESRM Guidelines. It also integrates Pakistan's environmental regulatory frameworks, ensuring a robust and comprehensive approach to sustainable banking.

Green Financing and ESG Considerations

The Bank remains steadfast in its commitment to environmental sustainability by expanding its Green Finance framework, aimed at achieving key environmental objectives. This framework facilitates green financing across Corporate, Investment, Islamic, Commercial / SME, Agriculture and Consumer sectors, supporting projects in Wind Power, Hydro and Solar Energy. By strategically identifying Green Lending Activities, the Bank is actively redirecting capital toward environmentally sustainable initiatives.



To further reinforce its sustainable financing agenda, the Bank has introduced a revised and updated Auto Financing Manual, incorporating emerging and innovative technologies, including electric vehicles (EVs), within its product portfolio.
Furthermore, the Bank is proactively developing strategic initiatives to enhance its Green Banking portfolio, which includes:

- Introduction of Green Banking Financial Products
- Funding support for Hydro Power Projects
- Collaboration with 1Link on a "Go Green" campaign, encouraging customers to reduce paper usage and promote environmental sustainability
- Expansion of eco-friendly digital banking solutions, such as EMV Debit Cards, Internet Banking and Mobile Banking.



In furtherance of its Environmental, Social and Governance (ESG) commitments, the Bank has introduced the Roshan Ghar Solar Financing Scheme, facilitating household installations of solar panels and supporting Pakistan's clean energy transition. Such products are expected to take-off following the continuous decline in interest rates.

These initiatives underscore the Bank's unwavering commitment to integrating sustainability principles into its operations and fostering environmentally responsible banking practices.

Sector-Wise Exposure Reduction Plan

The Bank is formulating a Sector-Wise Exposure Reduction Plan for its existing portfolio, prioritizing carbon emissions and fossil fuel-related exposures. This plan entails a phased reduction in financing to high-carbon-emitting entities, while simultaneously increasing exposure to sustainable and environmentally responsible businesses. The initiative aligns with global climate action commitments and regulatory expectations, ensuring a gradual transition towards sustainability.



Own Impact Reduction Measures

The Bank is implementing measures to reduce its environmental footprint, including:

- Expansion of solar energy usage, reducing dependence on grid / fossil fuel-based energy
- Paper consumption reduction initiatives
- Energy efficiency enhancements, such as replacing traditional bulbs with energy-efficient LED lighting across Branches, Regions and Head Offices
- Deployment of inverter-type air conditioners, significantly improving energy efficiency



The successful installation of 495 solar-powered ATMs and Branches nationwide underscores the Bank's commitment to sustainable practices. Moving forward, the Bank may consider converting selected solarized Branches into fully Green Branches, adhering to the SBP's Green Banking Guidelines.

The cumulative impact of these measures demonstrates that the Bank has successfully begun to achieve its Green Banking objectives, as outlined in the SBP Guidelines.



Paperless Operations

In an endeavor to foster a paperless environment, the Bank has successfully implemented loan origination module for the Advance Salary product. Automation of other products is also being planned. The Bank is actively working to transform internal operations and branches / offices from paper based processes to efficient and cost-effective paperless operations and services.

Moreover, customer service enhancement initiatives include maximizing electronic methods such as e-statements, online funds transfer, online bill and fee payments etc. The Bank has also implemented a value-added feature to its ATMs by enabling the option for making financial transactions without receipt printouts. The Bank has so far registered 577,200 customers as users of NBP Mobile App. Similarly, 575,131 activations of NBP ATM/Debit Card were also achieved.



Internal Capacity Building

Green Banking training remains a mandatory component in the Bank's Annual Training Calendar. The e-learning portal has also emerged as an important source for staff members to obtain Green Banking and other trainings. The e-learning portal has contributed to resource conservation encompassing paper, printing, electricity and fuel, when compared to traditional classroom training settings resulting in a reduced carbon footprint. In 2024, approximately 1,300+ personnel successfully obtained Green Banking training through e-learning module.



As part of our commitment to responsible and sustainable banking, NBP is cognizant of key environmental, social, and governance (ESG) themes that are increasingly critical to the financial services sector, both nationally and globally. These reflect the Bank's alignment with Pakistan's development priorities, the United Nations Sustainable Development Goals (SDGs), and sector-specific best practices, including those identified by initiatives such as the State Bank of Pakistan's Green Banking Guidelines, PSX's minimum SDG disclosure requirements, and evolving international frameworks.

Our approach to these themes demonstrates our dedication to ethical practices, stakeholder value creation, and long-term sustainable growth. This proactive disclosure also aims at strengthening NBP's position in ESG practices among country's corporate sector.

Theme	Relevance to Pakistan	Aligned with SDGs	NBP Position
Climate Change and Nature	Yes, Green Banking Guidelines by SBP, PSX and SECP	Yes	Embedded in risk management and credit policies. The Bank is committed to reducing greenhouse gas emissions (GHGs) from its internal operations. We also emphasis on enhanced climate-related disclosures in the Annual Reports in line with IFRS S1 and S2 once applicable in Pakistan.
Human Rights	Ministry of Human Rights initiatives exist	Yes	Risk Management Framework and Code of Conduct embed Human Rights in internal operations of the Bank.
Financial Consumer Protection	SBP Circulars on consumer protection	Yes	Customer Grievance Redressal Mechanism strengthened; fair treatment of customers in a non-discriminatory way; disclosures on customer rights enhanced on website and Annual Report.
Equality and Labour Rights	Yes, SBP's 'Banking on Equality' policy	Yes	Enhanced Gender Inclusion focuses on Zero tolerance towards gender-based discrimination, NBP's Women Empowerment Banking is operational; data reporting aligned with SBP gender KPIs. NBP offers its staff equal participation and access to senior positions.
Ani-Corruption	Yes, AML policies by SBP and Banking Mohtasib role	Yes	Anti-Bribery, Anti-Corruption, AML/CFT Policies are in place at both parent (Bank) and subsidiary companies. Policies are designed to counter corrupttion and safeguard bank's interest while dealing with PEPs. Whistleblower mechanism enhanced with independent reporting channels.
Arms	Federal and Provincial Government regulate arms	Yes	No exposure to private arms manufacturing or trading clients; prohibited sectors list maintained under ESRM screening.
Tax	Comprehensive tax regimes exist	Yes	Transparent disclosure of tax payments; tax strategy aligned with regulatory compliance and ethical practices.
Transparency & Accountability	Corporate governance standards exist	Yes	Strengthened ESG disclosures in light of IFRS S1 and S2 as becomming applicable in Pakistan.

CSR Activities and Achievements

During 2024, Our CSR activities are in line with the following SDGs:



NBP undertook social projects in the following categories

Differently Abled People

NBP through its CSR initiatives play a vital role for Differently Abled People by providing opportunities to develop independence, confidence and fitness through various forums.

As part of this initiative for empowering differently-abled athletes and since it aligns with the UN Sustainable Development Goal of Reduce Inequalities (SDG 10) and Partnership for the Goals (SDG 17), NBP supported Special Olympics Pakistan by covering the event participation cost of 10 Special Athletes in the Special Olympics World Summer Games held in Berlin Germany.



Gold Medalist



Bronze Medalists

Special Olympics World Summer Games held in Berlin Germany

Education

Pakistan suffers from an extensive education crisis that needs attention. Through philanthropic investments, the Bank aims to uplift people's lives and empower them on their journey to gain education and technical knowledge.

NBP partnered with Tehzib ul Akhlaq Trust to provide educational support for one year to 25 students mainly from remote areas of Pakistan.

NBP supported Pakistan Alliance for Girls Education Trust for operations of five non-formal education schools in 3 districts of Balochistan, namely Jaffarabad, Naseerabad & Jhal Magsi.
NBP contributed towards The Hunar Foundation for setting up a Robotics and Industrial Automation Lab at the Hunar Foundation, Korangi Campus, Karachi to produce high tech-technicians and equip them with modern tools required for industry automation.

NBP also partnered with Family Educational Services Foundation to support one year's educational expenses of 130 students with hearing impairment in the NBP Higher Education Wing, Deaf Reach School in Rashidabad, Tando Allah Yar. Which also aligns with the UN Sustainable Development Goals of Quality Education (SDG 4), Reduced Inequalities (SDG 10) and Partnerships for the Goals (SDG 17).



Rehmat Ali Hashle President & Chief Executive Officer NBP visited Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI) to inaugurate girl's hostel supported by NBP.



NBP setting up the Robotics and Industrial Automation Lab at The Hunar Foundation

Environment

Environmental sustainability is crucial for the health of our planet and future generations, because responsible environmental practices help preserve natural resources, reduce pollution and mitigate the impacts of climate change. Sustainable operations ensure that economic growth does not come at the expense of environmental degradation.

In this sector NBP focued on investing in energy-savings and renewable energy projects to save valuable resources and manage potential environmental risks.



10th Environment Health & Safety Conference & Awards 2024

Health

Health remains a priority area for NBP.

NBP has donated to the Child Aid Association for comprehensive blood cancer treatment of five underprivileged children covering a period of three years at their Children Cancer Centre. The NBP CSR team celebrated Independence Day, 14th August with children afflicted with different types of cancer. Specially made NBP goodie bags were distributed amongst the children.

NBP adopted the Marie Adelaide Leprosy Centre and covered all its operational expenses for a year. The services provided at this health facility are treatment for leprosy, TB, eye testing, surgery and rehabilitation etc. with free provision of medicines that are frequently unavailable in Government hospitals.

NBP collaborated with ChildLife Foundation for the treatment of 7,500 children in ChildLife Emergency Rooms across its network. Through this initiative we are not only saving lives but also saving families from abject poverty by helping in free of cost treatment in various ERs across Pakistan.

NBP donated to Afzaal Memorial Thalassemia Foundation for treatment and welfare of Thalassemia and Blood Disorders patients. We also ran a blood donation drive at NBP Head office building to arrange blood donors for thalassemia and blood disorder patients.

NBP also donated to Karwan-e-Hayat for managing a 10 bed ward for female patients for a year at their Keamari facility. This is being done to help them find their voice and give them an environment where their safety is not compromised and a sense of security prevails, mentally and physically.



NBP CSR Team celebrated Independence Day with cancer patients associated with Child Aid Association.



NBP collaboration with ChildLife Foundation

Women's Empowerment

NBP's CSR efforts are empowering women in a multitude of ways from encouraging them to seek education to standing on their own feet and becoming income earning citizens. Our CSR Policy has been hailed as a new means to address gender inequality, particularly by facilitating women's empowerment. This involves empowering our women through granting them tools, opportunities and autonomy to overcome barriers and play a vital role in society. One initiative in this regard includes support to the Strengthening Participatory Organization (SPO) for the project "Empowering Women: Menstrual Sanitation, Health Awareness and Capacity Building" in District Jaffarbad, Balochistan.



1st Inclusive Women's Bike Rally of Pakistan 2024

Water, Sanitation & Hygiene (Wash)

NBP collaborated with Sindh Community Foundation (SCF) to support a Water, Sanitation and Hygiene (WASH) project in Matiari District, Sindh. This project is benefiting 50 poor and marginalized households directly and 1500 individuals indirectly in 4 flood affected villages in terms of improved water and sanitization facilities





NBP collaborated with SCF to support WASH Project in Matiari District, Sindh.



HUMAN RESOURCE MANAGEMENT

Commitment to People



As an organization that values its people, NBP's Human Resources team is dedicated to prioritizing employee needs to drive the Bank's growth. Through policies, compensation and benefits, learning and development initiatives, and engagement activities, the Bank aims to foster an inclusive and collaborative environment. In 2024, NBP stayed focused on enhancing efficiency, employee satisfaction and performance.

Work Environment & Culture

The National Bank of Pakistan takes pride in fostering a supportive workplace rooted in a vibrant, values-driven culture. Guided by trust, service excellence, global best practices and social responsibility, the bank emphasizes an inclusive organizational culture that prioritizes employee engagement.

Commitment to Diversity, Equity & Inclusion

I. **Gender Diversity:** NBP values and supports the evolving role of women, fostering their active contributions across all levels, in various departments. By promoting inclusion and diversity, the bank recognizes the inherent value women bring to the workplace and is committed to creating an environment that reflects equality and opportunity for all.

II. **Persons with Disabilities (PWDs):** The bank fosters an inclusive and empowering work environment where employees are inspired to innovate and contribute towards shared goals. As an equal opportunity employer, the Bank celebrates diversity and welcomes individuals from all walks of life. With 158 PWDs already part of its workforce, the Bank continually evolves its culture and practices to ensure a safe, supportive, and inclusive workplace where every employee feels valued.

Capability Development



The Learning & Development team at the National Bank of Pakistan in collaboration with subject matter experts, designs training programs to boost productivity, enhance job performance, and foster skill development across roles and functions. These initiatives are tailored to meet the evolving needs of the industry and workforce.

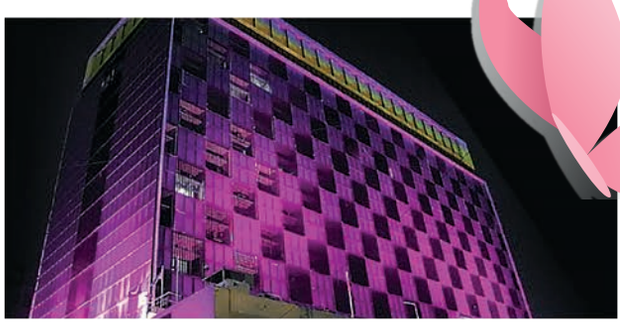
In 2024, the division embarked on transformative initiatives aligned with management's strategic direction for a full conversion to Islamic Banking. Priority was given to comprehensive training programs equipping employees with the necessary knowledge and skills needed for this transition.

The bank's commitment to workplace inclusion was evident through initiatives like Gender and PWD Sensitization sessions, International Women's Day celebrations, and Pinktober awareness campaigns. Additionally, the division advanced financial empowerment through the National Financial Literacy Program and developed new modules addressing workforce and regulatory requirements.

Empowering Women

National Bank of Pakistan Stands Strong for Breast Cancer Awareness in **PINKtober**







Women's Day MARCH 8TH

Celebration at NBP

Palwasha Bashir won runners-up trophies in the women's doubles and mixed **doubles category**



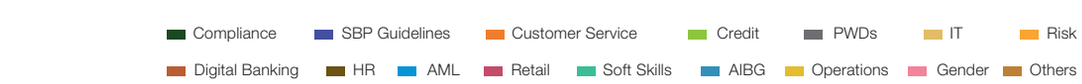
Training Reach and Impact

In 2024, the Bank's L&D division trained 32,001 participants through a variety of in-house programs, utilizing classroom sessions, mobile training, and virtual/online methods.

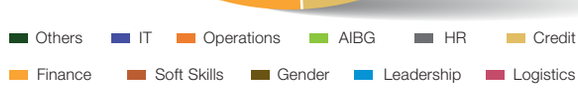
In addition to the robust in-house initiatives, the division facilitated participation of 760 employees in external training programs and workshops.

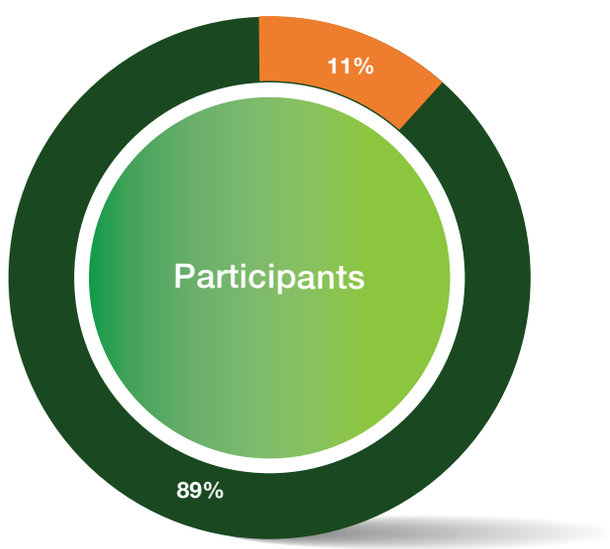
















NBP Blood Donation Campaign



NBP Fitness Club

Performance & Rewards

NBP is committed to fostering a positive and thriving environment that values exceptional performance.

The Bank's rewards system includes special awards and incentives such as performance bonuses and increments, serving as both recognition and motivation. By acknowledging outstanding efforts, the Bank inspires loyalty and dedication, driving success and a positive workplace culture.

During 2024, the performance and rewards framework was strengthened by enhancing performance-based compensation to foster a culture of high performance and accountability. Remuneration enhancements were proposed, aligning with organizational goals and industry benchmarks.

Digital transformation advanced the automation and digitization of HR functions, improving efficiency, service delivery, and the overall employee experience.

Awards & Recognition

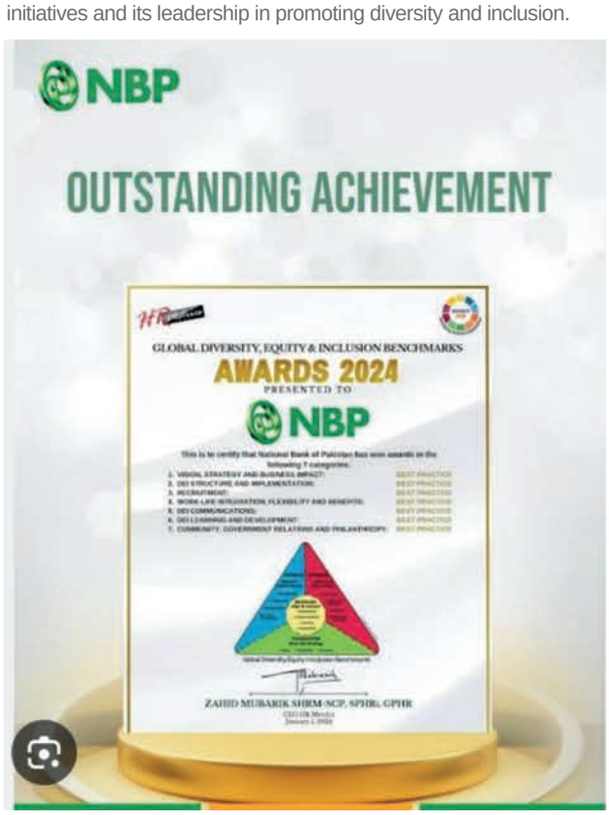
I. ADB Disability Inclusion Champion Award 2024

In 2024, NBP received the prestigious Disability Inclusion Champion Award from the Asian Development Bank (ADB) at the 10th Trade and Supply Chain Awards, recognizing its commitment to fostering a culture of diversity, equity and inclusion.



II. GDEIB Award 2024

NBP's commitment to DEI has garnered significant recognition, notably at the Global Diversity, Equity, and Inclusion Benchmarks Awards 2023, where the institution excelled across seven categories. This external recognition highlights the effectiveness of NBP's initiatives and its leadership in promoting diversity and inclusion.



Employee Relations

The Employee Relations division fosters transparency, efficiency and ethical conduct in line with ESG standards. Management and employees work collaboratively to build and sustain positive relationships as a core aspect of their lives.

Employee Well-Being & Engagement

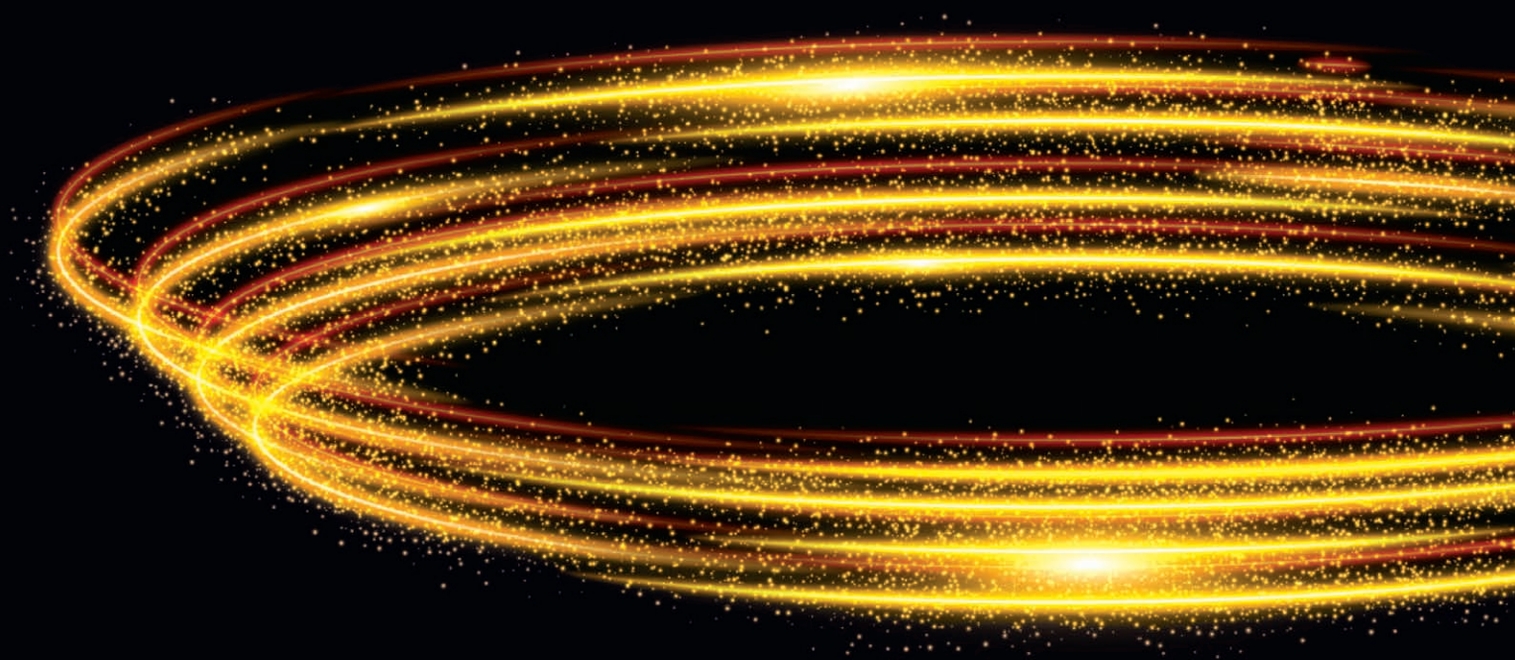
NBP prioritizes employee well-being at all levels to drive sustainable performance and a thriving workforce. In 2024, the bank supported wellness through training and awareness programs, celebrating key events like Breast Cancer Awareness, Diabetic and Cardiac Health. It also honoured International Women's Day and National Working Women Day, recognizing the achievements of its female employees.

NBP CA Training Program



The Institute of Chartered Accountants of Pakistan and the National Bank of Pakistan have joined hands to promote professional development and prepare young finance professionals for leadership roles. NBP, through this program, provides training and support for aspiring CAs, and have a talented team of individuals preparing to shape future dynamics of the industry.

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A Strategy in Motion

At NBP, our strategy is a continuous loop of insight, innovation, and impact. We adapt, evolve, and lead with purpose—driving sustainable growth for our customers and stakeholders.

Strategic Overview

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Value Chain & Operating Model

Our vision is to be the nation's leading bank. We prioritize strategic planning to address emerging challenges and achieve balanced growth. Each year, we refine our strategic planning processes, drawing insights from past experiences and adapting to macro trends. Financial planning, corporate governance, and risk management serve as the guiding principles for our business operations.

Over the past seven decades, our business model has evolved, reflecting our commitment to the nation and resilience in challenging environments. Our objective is to create and deliver value, promoting inclusive development and growth for all stakeholders. We aim to collaborate with stakeholders to enhance their prosperity while addressing economic, social, and environmental priorities.

Engaging with stakeholders helps us gain insights into their needs and maintain equitable relationships. Our strategies and key performance indicators (KPIs) are developed considering available resources and inputs. We have designed a customer-centric business strategy, offering tailored financial solutions to individuals, small and medium enterprises, large corporations, and public sector entities. Each customer segment is supported by a dedicated business unit responsible for aligning strategies with the overarching goals of the bank.

OUR COMPETENCIES

Governance, Risk Management, IT Infrastructure & System,
Human and Social Capital, Cross Function Support.

Primary and Support Activities for Value Creation

UPSTREAM
Financial Inputs, Environment, Suppliers, etc.

Funding	Investment	Services
Deposits	Leading & Credits	Account Management
Securitization	Securities	Trustee
Borrowings	Financial Products	Advisory
Equity Capital	Corporate Investments	M&A

DOWNSTREAM
Utilization & benefit of our products & services

Customer (Individuals, Organisations, Governments)

CREATING VALUE FOR OUR STAKEHOLDERS

As the nation's bank, we strive to contribute more to society beyond just meeting our financial targets. Our longterm success hinges on serving our customers well and creating value for society through our products, services, and facilities. At NBP, we create value through our business model, where we use various resources or "CAPITALS" through our business activities to produce outcomes that benefit society over time.

Our inputs come from various sources, including financial, manufactured, human, intellectual, customer, social, and natural capitals. Financial institutions like ours typically earn lower returns on assets compared to corporations in other sectors, which may usually earn between 15% to 20%. To make returns more appealing to our shareholders, we employ a strategy called gearing. This allows us to expand our business by mobilizing funds through deposits and borrowings and investing them in income-generating assets, leveraging our shareholders' equity. Currently, our bank operates at a 20.6 times equity multiplier.

Our business and value creation model revolves around two core functions: financial intermediation and maturity transformation. Financial intermediation involves acting as a bridge between different customers, such as depositors and borrowers, importers and exporters, and remitters and beneficiaries, by providing both fund-based and nonfund-based financial solutions. Maturity transformation, on the other hand, involves borrowing money short-term and investing or lending it out at a risk premium.

These two functions are the main drivers of value creation and increasing the bank's financial capital through key income streams: fund-based mark-up/interest income and non-fund-based fee and commission income. Fund-based income, like net interest margin, compensates the bank for the credit and interest rate risks it takes. Our net interest income is the difference between the interest earned on loans and the interest paid on deposits and borrowings. Additionally, the bank earns non-fund-based income through fees and commissions for services provided. This year, 81% of our total revenue came from interest income, while the remaining 19% was generated through capital gains, dividend income, foreign exchange dealings, and other sources. Both categories of income contribute to bolstering the bank's financial capital.

INTEGRATED BUSINESS MODEL

The bank's comprehensive business model is depicted in accordance with the Integrated Reporting Framework, showcasing how the bank's various capitals interact within this framework.

INPUTS FOR CAPITAL

The bank relies on several key inputs for its operations, including financial, intellectual, human, manufactured, natural, social, and relationship capital. These resources set the organisation apart from others because of their unique strengths and capabilities. The organisation heavily relies on these capitals to create value and deliver results for its stakeholders. They are essential for the strength and adaptability of the business model.

STAKEHOLDERS

The bank's stakeholders are grouped into several major categories, including shareholders, customers, regulators, rating agencies, suppliers, employees, & the communities where we conduct business.

OPERATING CONTEXT

For details on the external environment affecting the Bank, please refer to the Outlook section of this Annual Report.

BUSINESS ACTIVITIES

- We continuously adjust our business model to respond to external changes, capital dynamics, & evolving business activities, resulting in improved outputs and outcomes.
- Our unique selling points include our range of products, targeted market segmentation, diverse delivery channels, strategic marketing initiatives, and state-of-the-art technology, all aimed at enhancing services for customers and stakeholders.
- Our focus is on achieving long-term success through refining processes, investing in employee training, strengthening relationships, and innovating products.

OUTPUTS

The products and services offered by the bank to its customers represent the outcomes of our business model. Please refer to the following pages # 42 to 46 in the Organisational Overview section of the Annual Report for details on our products and services.

OUTCOMES

The internal outcomes, such as employee morale, Organisational reputation, revenue, and cash flows, as well as external outcomes like customer's satisfaction, tax payments, brand loyalty, and social and environmental effects, are integral components of our business model. These outcomes result from the exceptional services and products provided by the bank. We prioritize enhancing our services and operational standards to generate positive outcomes.

VALUE CREATION MODEL

Key Drivers of Our Business Model

The Macro Environment
Adjusting To And Managing Through
The Challenging Operating Environment

OUR CAPITALS → **PROCESS**

INPUTS

FINANCIAL CAPITAL

Our strong capital base, as well as diversified sources of deposits and funding from investors and clients that are used to support our clients, including the extension of credit and facilitating payments and transactions.

Equity
PKR 457 Bn (2023: PKR 383 Bn)
Deposits
PKR 3,866 Bn (2023: PKR 3,674 Bn)
Advances
PKR 1,673 Bn (2023: PKR 1,632 Bn)

MANUFACTURED CAPITAL

Our business structure and operational processes, including our fixed assets such as property and equipment, digital assets, including digital products and information technology systems that provide the framework and mechanics of how we do business and create value.

- 1500+ Branches (750+ rural branches)
- 1400+ ATMs
- IT systems and Digital Touchpoints which are being modernized as part of our technology journey
- PKR 8 Bn invested in terms of maintenance and upgrades in our technology platform

HUMAN CAPITAL

Our culture and our people, our collective knowledge, skills and experience to enable innovative and competitive solutions for our clients and value for all stakeholders.

- Strong Corporate Governance
- An experienced and diverse executive team.
- ~15,000 motivated employees who embrace a culture that is:

» client-driven and people-centred;
» innovative and competitive; and
» strong in compliance and governance

INTELLECTUAL CAPITAL

Our intangible assets, including brand, reputation and franchise value, research and development capabilities, innovation, capacity, knowledge and expertise, as well as strategic partnerships.

- Leading Bank of Pakistan
- A leader across various products and segments, including renewable energy finance, corporate and commercial lending, small business services, digital and asset management

SOCIAL AND RELATIONSHIP CAPITAL

Stakeholder relationships, including the communities in which we operate, as we recognize the role that banks play in building a strong and thriving society as well as a financial ecosystem.

- 9 million+ customers
- Embracing sustainable-development financing to meet the SDGs as well as responsible ESG practices
- One of country's largest footprint
- Good relationships with our stakeholders

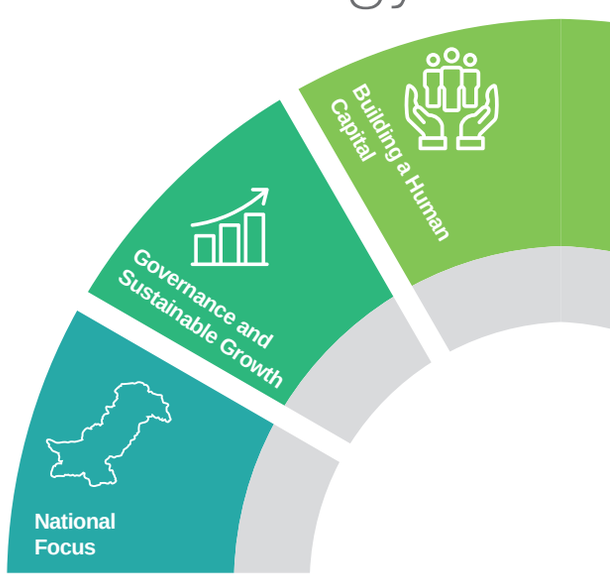
NATURAL CAPITAL

The direct use and impact on natural resources in our operations, including energy, water and climate, and our influence through our business activities.

- We impact the natural environment directly in our operations and indirectly through Green Banking and renewable-energy financing.

OUR VISION

Aligned to the Bank Strategy



ACTIVITIES

- Lending to individuals, SMEs, corporates and Governments
- Source funding from customers and fund providers
- Transactional banking trade services
- Group operations
- Invest in diversified portfolios
- Fund and forex management
- Advisory services

Digital Transformation
Accelerating the shift from physical products, services and channels to digital and client-centred solutions.

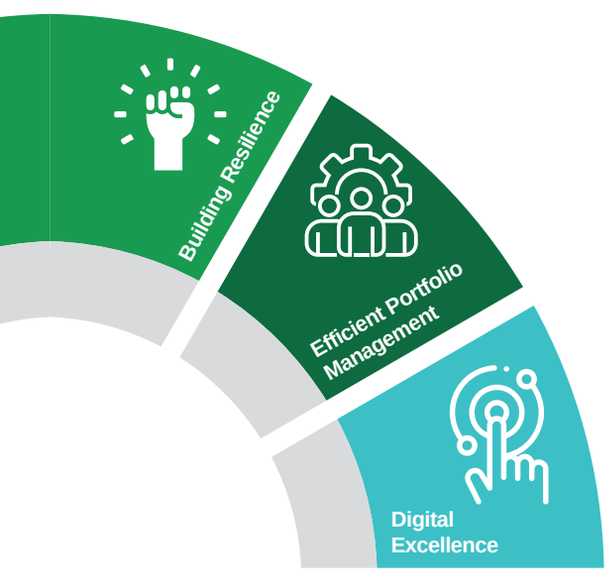
Transformation of Society
Transformation of Society
Increasing focus on delivering on our purpose and the SDGs.

Competency Rollout
Transforming and enabling our human capital for the future.

THAT CREATE VALUE

FOR OUR STAKEHOLDERS

To be the Nation's leading Bank Enabling Sustainable Growth and Inclusive Development



DELIVERED THROUGH BUSINESS CLUSTERS

- Retail and Consumer
- Corporate and Investment
- Treasury and Capital Markets
- Inclusive Development
- Islamic Banking
- Overseas Franchises

OUTPUTS & OUTCOMES

SHAREHOLDERS

Delivering attractive and sustainable shareholder returns on a foundation of strong balance sheet.
- Net Assets Growth by PKR 68 Bn
- PBT of **PKR 57 Bn**
- PAT of **PKR 27 Bn**
- EPS of **12.63**
- CAR **27.80%**

CUSTOMERS

Supporting financial goals for our customers and clients with suitable products and services.
- Profit/Mark-up on deposits, borrowings, **PKR 918 Bn**
- **PKR 1.7 Trillion** of Loans
- **PKR 3.9 Trillion** of Deposits
- Sustainable Financing

EMPLOYEES

Helping our **~15000** colleagues and their families
- **PKR 136 Bn** as Remuneration
- Retirement Benefits
- Career Development
- Training & Development **PKR 184 Mn**
- Conducive Workplace

SUPPLIERS

- Payments made for the provision of goods and services **PKR 37 Bn**
- Fair Dealings
- Preferred local suppliers from the communities where we operate
- Equal business opportunities
- Timely payments to suppliers in efficient and effective manner

COMMUNITY

Providing support to our communities, and access to social and environmental financing to address societal needs.
- Through **CSR initiatives** and Investment in Health and Education
- **PKR 150 Mn**

MARKET POSITIONING AND COMPETITIVE LANDSCAPE

The Bank follows a holistic approach in determining its growth strategy, culminating in the formulation of a Strategic Business Plan. In the process of strategic planning we assess our marketing positioning and the competitive landscape by identifying the issues which could have a material impact on the ability of the Bank to achieve its strategic priorities. Issues material to our strategy are identified through a robust process that includes content gathering from internal and external sources, followed by detailed analysis and curation of the information, and then prioritization. The Bank's strategy aims to leverage its competitive advantages to transform the Bank into a future-fit, competitive organisation which is able to respond to the challenges posed by the rapidly changing competitive landscape and operating environment.

OUR MARKET POSITIONING & COMPETITIVE ADVANTAGE

- Market leader in assets, deposits, loans and advances
- Unparalleled nationwide customer penetration and market outreach
- Trust and confidence created by being a State-owned bank
- Commitment to objectives of the State for the Nation's prosperity
- Commitment to social and environmental sustainability

MARKET POSITIONING

Total Assets

Largest Bank in terms of Total Assets

PKR **6,744.1 Bn**

Deposits

2nd Largest Bank in terms of Total Deposits.
Market Share 13%

PKR **3.9 Tr**

Loans and Advances

One of the Largest Bank in terms of Advances
Market Share 9%

PKR **1.7 Tr**

Branches

2nd largest Bank in terms of Market Outreach.

Branches
1519

Agriculture Loans

One of the largest provider of Agriculture Loans.

Market Funding
107 Bn

Investments

Largest Bank in terms of Investments.

PKR
4.6 Tr

CRITICAL FACTORS AND OUR RESPONSES

Critical trends in the operating landscape as discussed in the PESTEL have direct implications on the Bank's strategy and performance as they present both opportunities and risks to its value creation. Key implications and the Bank's response to each are summarized below:

We pay close attention to the environment in which we operate, scanning the horizon for risks and opportunities, and adapting our strategies accordingly. We also monitor trends in the behavior of our customers and clients so we can effectively meet their evolving needs.

	Possible Implications	Bank's Response
Bargaining powers of customers and suppliers	The retail/transactional level customers/ suppliers usually enjoy relatively higher bargaining power to switch to other competitors due to the low switching costs involved. Although such customers are primary source of funding to the Bank, their bargaining power is considered 'low' as they individually have a minimal impact on the Bank's bottom line. The bargaining power of larger groups (e.g. moving away of the deposits by Government entities to Treasury Single Account) and corporate customer is comparatively greater as their moving away may have sizeable impact on funding and revenues of the Bank.	NBP follows a cohesive strategy to strengthen its business relations with the providers of funds as well as with the suppliers: 1. Identifying alternative sources of funding/ supplies 2. Establishing cordial business relations and treating our suppliers as business partners to create a win-win situation. 3. Optimizing the concentration risk
Intensity of competitive rivalry	Pakistan's banking industry comprises of commercial banks, DFIs, microfinance institutions, Fintech, etc. is quite competitive as the banks have focused on developing a wide range of products to enhance their market share. Product differentiation and the low switching costs give the customers freedom to easily move from one bank to other. Digital Bank's recent development in delivery of services by Fintech through digital channels has further intensified rivalry in the banking industry.t	NBP has initiated following measures with a view to consolidating and further improving its market share: 1. by distinguishing itself in the marketplace primarily on the basis of its longevity, experience and brand image; 2. by distinguishing itself in the marketplace primarily on the basis of its longevity, experience and brand image; 3. offering low-cost banking solutions for customer retention and loyalty 4. leading the G2P payment initiatives
Potential New Entrant into the Industry	Entry of new rivals may have an impact on the Bank's business and profitability in the long run. However, heavy minimum capital requirements and time taking licensing process to setup a bank serve as strong entry barrier for new entrants. The central bank has recently been following accommodative policy allowing entry of microfinance & digital banks that are posing a challenge in the retail segment with focus on transactional services through digital solutions.	NBP is responding to such threats by 1. Adopting more customer-centric business strategies and improving service quality and convenience for retaining customer loyalty; 2. Substantially investing into and enhancing its digital banking platforms for improving customer convenience; 3. Launching new products and services that cater to a diversified customer base; and 4. Increasing its Islamic banking product suite and outreach.

SWOT ANALYSIS



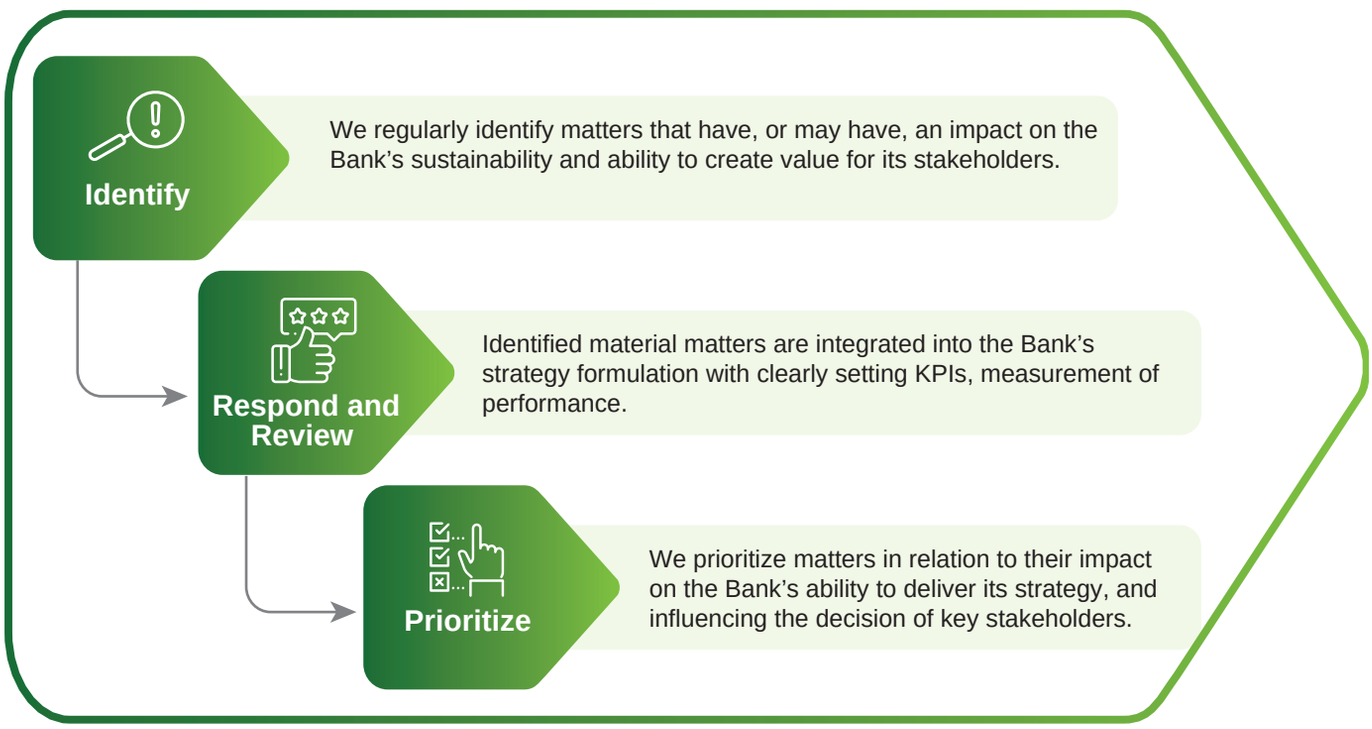
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Leading Financial Position & Profitability	High legacy loan infection	Low policy rate resulting in increased potential advances	Dynamic competitive landscape including growing competition from FinTech's' & other emerging entrants
Strong Capital Base with "AAA" Credit rating	Technology infrastructure issue	Distribution network for remittances	Contingencies relating to pending legal cases
Offering Comprehensive Solutions across Products (Debt, equity issuance, advisory and facility arrangement)	Investment concentration in Government Securities	Strong potential to grow Digital, SME and Islamic segments	Rising Operating / Technology Costs
Unparallel customer outreach with largest rural coverage	Legacy Systems and Infrastructure Constraints	Leveraging Retail & Corporate Relationships for Cross sell Initiatives	Risks arising from PESTEL factors (refer to "Risk and Opportunities" section of the Annual Report for further Details
Professional and experienced senior team and Board	Branch ambiance and infrastructure	Effective and efficient utilization of Low Credit Penetration Ratio	Macroeconomic volatility
Public trust of over 75 years – GoP Ownership	Data cleansing issues High Legacy NPLs (particularly to PSEs)	Capitalize on GoP led infrastructure projects Green financing	
High market share in deposits and advances			

MATERIAL CONSIDERATIONS

Being a Commercial bank with an agenda to play a National role aligned with objectives of the State, material matters and considerations in the process of our strategy making are usually different from those of other commercial banks in the Country. The emerging trends in product delivery and the mounting financial headwinds in the prevailing economic environment have resulted into newer challenges, trends and developments with multiple influences on our operations prompting the Bank to pursue a multi-layered strategy for meeting varying expectations of its stakeholders in a balanced & sustainable manner.

In these challenging times, the Bank helps its customers by offering affordable banking & financial products, while fulfilling genuine needs of its employees and safeguarding the shareholders' value and ensuring compliance to taxonomies of sustainable banking. Amid certain contingencies that may have major impact on our capital base, the Bank's resilience was second to none. Being agile to the emerging trends in technology, stakeholders' preferences and the call for playing an extended role for National economic stability, the Bank responded well to the exterior environment.

In setting its asset growth and risk strategies, the Bank also remains vigilant on emerging global trends & disruptions that influence our performance and sustainability. In a time of financial crises, rising policy rates and volatile exchange rate environment, we remain particularly watchful of our maintaining financial cushions, liquidity and capital buffers by embarking on farsighted provisioning.



OUR APPROACH TO MANAGING MATERIAL MATTERS

Our Approach to managing Material Matters The Bank regularly identifies the topics material to its strategic planning. This entails allocating the required resources to each business and control group based on the significance of each material matter towards achieving the strategic imperatives. Delivery of material topics is measured against predefined and budgeted targets that are approved by the Board and communicated to each strategic unit at beginning of the year.

Effective set of policies and procedures have been put in place to guide our people on how to execute their activities in a responsible and ethical manner in managing the material topics. Adherence to the policies & controls to accomplish the objectives of material topics is ensured through periodic internal and external assurance and verifications, findings of which are reported to the Board and/ or the relevant Management Committees for information and corrective action, where necessary.

STRATEGIC OBJECTIVES

Our objectives in the short-term, medium-term and long-term are reviewed and aligned every year under the Strategic Business Plan which is agreed by the Management and approved by the Bank's Board of Directors. The Strategic Business Plan encapsulates the business strategy and action plan of each Group along with the desired timelines.

Broadly, strategic objectives of the Bank are categorised as follows:

Short Term

- Increasing digital banking footprint
- Rationalising the international franchise
- Improving service quality and customer experience
- Accelerate deposit mobilization
- Strengthening control and compliance functions; and
- Achieving operational efficiencies

Medium Term

To enhance our market share by prudently expanding the core business and strengthening infrastructure by investing into I.T. systems and human capital.

Long Term

Building on its short-term and medium-term achievements, the Bank's long-term objective is to be the Nation's leading bank enabling sustainable growth and inclusive development

Pillars of our strategy are cohesive and complementary, with benefits from improvements in one reinforcing progress across the others. For example, digitising operations and products leads to improved customer experience which in return creates diversified income streams. This makes our Bank more resilient, risk efficient and cost effective.

Powered by Digitalising

Making our business operations more efficient and technologically advanced to enable our customers and clients to engage with us in the way they want to.

Inclusive Bank

Diversify our organisation by business, geography and income type to be more resilient to economic headwinds and future trends.

Prudent Resource Allocation

To ensure efficient resource allocation for generating sustainable and long-term returns for each class of our stakeholders.

Supporting Customers

Putting our customers at the core of the strategic decisions we make in pursuit of our vision to enable sustainable growth and inclusive development.

Strengthening our capital

Strengthening our financial soundness through actions like increasing equity, managing RWAs, and improving profitability. This boosts our stability, resilience, and growth potential, building confidence among stakeholders.

Strengthen Our Culture

Improve our service quality and corporate image of the Bank to make it the best choice for our customers and colleagues.

Strategic Priorities

Overall, our strategic priorities remain unchanged i.e. to be the Nation's leading bank enabling sustainable growth and inclusive development. This is what drives us! In pursuit of our goals, we set our business strategy in a challenging and regulated environment with frequent developments relating to technology, stakeholder preferences, increasing unorthodox competition, greater regulations, etc.

These influences solicit strategic responses for achieving our strategic goals. Strategic responses for emerging challenge areas are identified in our yearly Strategic Business Plan.

The word DELIGHTED remains an acronym for a vast majority of our institutional challenges which are: Data, Enterprise Risk, Legal, International, Governance, Human Resources, Technology, Expense Management and Digitalisation.

The word DELIGHTED remains an acronym for a vast majority of our institutional challenges which are: Data, Enterprise Risk, Legal, International, Governance, Human Resources, Technology, Expense Management and Digitalisation Strategies adopted to achieve desired results in the identified priority areas include:

Information Technology

I.T. to remain high on our agenda. Necessary measures are being adopted to ensure seamless system upgradation, integration and optimise technology landscape to enable innovation and achieve operational excellence.

Digital Banking

New products to be launched and new variants and enablement to be synchronized with the existing channels to move ahead. Effective marketing of digital products to arrest counter traffic and promote financial inclusion.

Inclusive Development

Delivery on our National Agenda Focused approach towards agriculture, and SME segment to capitalize on the government initiated lending programmes. Further, increased availability of affordable housing finance to middle and lower income groups in line with the Government of Pakistan's agenda is also on the cards.

Operational Efficiency

We will streamline the Bank's systems and processes to achieve operational efficiency. Also, improvement in service quality through automation and introducing the concept of branch service ladder. Soon we are launching a new theme of promotional campaigns for customers and colleagues.

Risk Management and Controls

Revision in credit policies, manuals and processes to align the same with the Industry and International Best Practices. Introduce the concept of industry experts across business segments and partner with academia for client advisory for enhanced risk management and prevent deterioration in asset quality.

Strategic Delivery 2024

Most of the year 2024 presented tough challenges for our customers, colleagues and the communities that we serve. We provided exceptional levels of support to those who needed it, demonstrating that we truly put our customer at the heart of our business which is fundamental to building sustainable value in our business. We are building on our strengths to meet our customers' financial needs throughout, enabling them to thrive financially.

During 2024, we made material progress towards achieving our goals as defined at the start of the year. Major achievements in 2024 include:

Organisational Excellence
We further streamlined organisation into new Groups to manage improved service delivery, span of control, rationalise activities and differentiate between first and second line of defence.

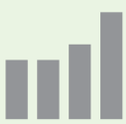
Digital Footprint
Our products include the PayPak Debit Card and the Mobile Banking Application Facility. We spent PKR 8 billion on improving our I.T. systems and peripherals.

Value for Stakeholders
This year the Bank generated a gross value of PKR 457 billion for its stakeholders.

Prudent Capital Allocation
While RWA increased by 16.7%, the CET-1 and Total Capital improved to 20.51% and 27.80%, respectively. This increases our capacity to exploit earning opportunities that are emerging as policy rate is becoming more favourable for lending.

Customer Service
193,324 customer complaints handled with 98.85% resolution rate. In spite of an increased number of complaint processed, on a comparative node the average complaint responding time has also reduced from 3.97 in 2023 to 3.83 working days in 2024.

KEY PERFORMANCE INDICATORS

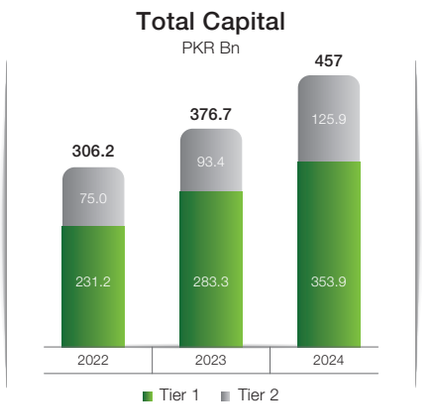
Strategic Objectives	Achievement Area	Achievement Indicator	Achievement Area
Prudent Balance Sheet Growth 	1. Capital 2. Risk Weighted Assets 3. Deposits Mobilisation	As of December 31, 2024, balance sheet grew by 1.37% to reach PKR 6,744.1 Bn from PKR 6,652.7 Bn at the end of 2023. Total deposits with the Bank amounted to PKR 3,865.6 Bn in line with our focused strategy to deliver a higher after-tax profit to our shareholders. Major share of the Bank's funding comes from sticky customer deposits that contribute 94.2% of the total deposits. The Bank maintained its CASA ratio high at 79.5%. Gross loans & advances stood at PKR 1,672.8 Bn depicting an increase of 2.52% YoY. Whereas, net advances stood at PKR 1,404.9 Bn i.e. 0.5% up YoY. Risk prudent growth in advances was achieved in most of our products including corporate, commodity and Islamic. The Bank's advances-to-deposits ratio stood at 43.27% at the end of 2024.	This will remain critically relevant in future.
Sustained Profitability 	Highest ever revenue in the history of the Bank	For the year 2024, the Bank earned total income of PKR 236.3 Bn. This is 12.9% higher against PKR 209.4 Bn earned for corresponding year. Profit before-tax for the year amounted to PKR 56.7 Bn. There is a decrease of PKR 44.6 Bn or 44% due to pension impact compared to prior year's profit before-tax of PKR 101.3 Bn.	This will remain critically relevant in future.
Capital Adequacy & Strength 	CAR	The Bank's eligible Tier-I capital has increased from PKR 283.3 Bn as at December 31, 2023 to PKR 353.9 Bn as of December 31, 2024. Also, our eligible Tier-II capital increased by PKR 32.5 Bn closing at 125.9 Bn. Capital Adequacy Ratio as at December 31, 2024 stood at 27.80% (2023: 25.47%) with Tier-1 capital adequacy ratio at 20.51% (2023: 19.16%).	This will remain critically relevant in future.
Business Development & Operational Efficiencies 	1. Launch of new products 2. Deployment of IT systems	We have upgraded our risk & credit architecture to enhance resilience. Progress was also made in addressing various legacy issues in the area of operations, risk and compliance. We have started the upgradation of our Core Banking Application. This all will streamline the operating efficiencies, greater regulatory compliance, as well as improving the customer service quality and product/service deployment	This will remain critically relevant in future.

RESOURCE ALLOCATION

In pursuit of our commitment to enhancing stakeholders' value and serving the Nation, we have deployed adequate resources to ensure efficient strategy execution. Our resources fall under 6 major categories, each one is briefly discussed below:

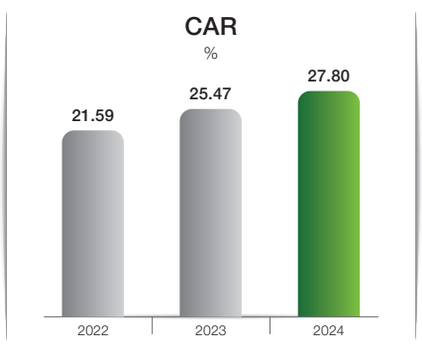
FINANCIAL CAPITAL

The Bank's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain development of the business. Adequacy of the Bank's financial capital is monitored using, inter alia, the rules and ratios established by the SBP. The Bank has devised effective stress testing scenarios to assess the strength of its financial capital under the Internal Capital Adequacy and Assessment Process. Other tools deployed include prudent capital allocation, balancing risk-weighted assets, efficient maturity profiling interest bearing assets & liabilities, etc.



KEY OBJECTIVES OF OUR CAPITAL MANAGEMENT & ADEQUACY STRATEGY INCLUDE:

- Regulatory Compliance
- Meeting internal capital targets which are more stringent than the regulatory requirements
- Maintaining optimum Risk Weighted Assets for profit maximization
- Achieving Corporate Sustainability
- Securing the highest credit rating for the Bank.



At end 2024, the total Risk Weighted Assets under Credit Risk and Market Risk amounted to PKR 1,218 Bn (2023: PKR 1,053 Bn) and PKR 148 Bn (2023: PKR 121 Bn), respectively. Whereas, RWA under Operation Risk amounted to PKR 360 Bn (2023: PKR 305 Bn). Overall, the RWAs were increased by 16.7% YoY to PKR 1,726 Bn.

Moreover, NBP is the only Bank in Pakistan with credit rating of 'AAA' by both the approved credit rating agencies in Pakistan. In June 2024, M/s JCR-VIS Credit Rating Company again reaffirmed the Bank's standalone rating of "AAA", one of the highest credit ratings accorded by the company for any bank in Pakistan. PACRA has also assigned a long-term entity rating of 'AAA' (Triple AAA) and short-term rating of 'A1+' (A-One Plus). This strong credit rating capacitates the Bank to access additional capital in case a requirement arises.

For further details on Capital Adequacy, please refer to Page # 138 to the Financial Statements.

MANUFACTURED CAPITAL

The Banks' financial capital comprises of the funds injected by the equity shareholders and it helps the Bank in acquiring, developing and maintaining other types of capitals to perpetuate its business. Financial capital also acts as a burner to absorb unanticipated losses and serves as a regulatory restraint on imprudent asset growth. Therefore, the regulators have prescribed minimum capital requirements, both in terms of quality and quantity.

The Bank is maintaining an optimal balance between owned and rented business premises. Further, the Bank is also mindful of the requirement to maintain a healthy work environment within the Bank premises and is continuously investing for modernization of the business premises. We have started a plan to standardise our workplace ambiance and quality.

Total value of our manufactured capital stood at PKR 61.7 Bn (2023: PKR 57.0 Bn) at the end of 2024. For further details, please refer to Note 12 to the Financial Statements.

HUMAN CAPITAL

We consider our human capital as the Bank's most important asset. The Bank's most important asset is its human capital. At 31 December 2024 the Bank had 14,602 (2023 : 14,962) people as its full-time employees. In addition, the Bank also engages outsourced personnel of services companies for delivering certain non-critical functions.

SOCIAL AND RELATIONSHIP CAPITAL

We strongly believe the Bank's viability greatly depends on its sustainable relationship with each stakeholder group, e.g. customers, suppliers and business partners, and the wider community, are built on mutual trust, loyalty, and shared values. We also invest into and contribute towards the growth of our communities through various charity and support activities, particularly in the areas of Education, Healthcare, Environment, Sports and Promotion of Culture. During the year 2024, the Bank invested 150 Mn into CSR initiatives.

INTELLECTUAL CAPITAL

Intellectual Capital, being an intangible asset, has zero value on the Bank's balance sheet but positively impacts the performance and success of the Bank. Our intellectual capital includes the brand synonymous values and conduct, human capital knowledge and skills, systems and processes, software and corporate governance. Over the period, the Bank has strengthened and enriched its Intellectual Capital through continued measures including deployment of I.T. of Credit, Compliance, Investment, Human Resource Management and Risk Management, etc.

NATURAL CAPITAL

This includes natural resources like soil, earth, water and oil, etc. The Bank has put in place policy guidelines for economical consumption of materials, water and energy in a sustainable manner which also helps the Bank in improving its cost-to-income ratio. As another measure, we have made it mandatory that only energy-efficient lights, e.g., LED's are installed at all our premises. In line with directives of the State Bank of Pakistan, the Bank is developing credit policies to promote Green Banking in Pakistan.

A network of **1503** Domestic Branches

Over 1.5 Mn registrations for Mobile Banking

A network of **1400+** ATMs

Strong IT System

Number of Employees **14,602**

Female Representation **09%**

Investment in training **PKR 184 Mn**

Total income generated per employee **PKR 16.2 Mn**

LISTENING TO OUR STAKEHOLDERS

The Board and the Management engage directly and indirectly with stakeholders to build an understanding of the impact of the Bank's operations on key stakeholders, This engagement, both directly and through regular communiques ensures the Board and the Management is well-versed on key issues of our stakeholders and their legitimate requirements.

These are considered in strategic decision making by allocating adequate resources and inputs to meet stakeholders' requirements. In doing so, we follow a balanced approach by allocating required CAPITALS to ensure sustained growth and value creation.

Stakeholder Relevance

Stakeholders	Customers	Investors	Regulators	Businesses	Employees	Societies
Relevance	They are the center of everything the Bank does and the key enablers for the Bank to operate as a Sustainable Organisation	They provide the Bank with necessary funding to help the Bank maintain minimum regulatory capital and financial soundness	They are critical to us as the Bank operates in a highly regulated Environment and is a Domestic systemically Important Bank	They are enablers for the Bank in smoothly executing its operations through delivery of goods, services and systems.	They act as the intermediary between the Bank and the customers and other stakeholders	As a responsible corporate citizen it is our inherent duty to contribute towards wellbeing of the societies where we operate
Priority	High			High to Moderate		
Frequency	Proactively Engaged			Keep Satisfied	Keep Informed	

Customers and Clients

Why they are important to us

Engaging with our customers and clients helps us in:

- Maintaining customer loyalty and our market position
- Devising better solution for our customers' financial requirements
- Integrating achievement of strategic objectives



How we engage and what are their expectations

We engage with our customers in a wide variety of ways, including running regular meetings, analysing customer complaints, holding Khullli-kachehri, drawing on the market data and insights and personal customer interactions.

- In the high interest rate environment and inflationary cost pressures, they want affordable lending.
- Our customers are looking for better and all-inclusive digital offerings
- They want their data and deposits to be safe
- Grievance handling mechanism
- Financial education and literacy

How well we responded

We strengthened Complaint Management System to facilitate the customer proficiently. Service Quality Committee exists to foresee customer issues and advise fixes that could result into satisfied customers. Robust Service Quality and Complaint Management Function are in place. Complaint resolution rate improved to 98.85%, and our ATM uptime has improved to 93.79% Our Digital App and Internet Banking services are more efficient.

In the challenging time, we are offering convenient loans to all the sectors in the economy, with particular focus on SME, Agriculture and Retail.



PKR
918.6 Bn
To Provides of Funds

PKR
1.7 TR
of Advances to Customers

PKR
3.9 TR
of Deposits

99%+
Customer Complaints resolved

207
Islamic Banking Branches operational in 2024

Investors

Why they are important to us

Engaging with our shareholders, particularly the minority shareholders, and other market participants helps us in understanding their priorities and drive balanced outcomes.

How we engage and what are they telling us

We continue to benefit from engagement with the shareholders, investors, rating agencies and the analysts. In 2024, we were able to interact more frequently, enabling deeper engagement with such stakeholders. Key takeaways from our dialogue have been:

- Dividend payout
- Continued financial performance of the bank and resilience to a challenging economic environment
- Return to the shareholders
- Financial soundness and resilience to ensure safety of investors' value
- Risk management and governance



PKR
17.2 Bn
Dividend for FY 2024

How well we responded

- We communicated details of our financial performance with greater insights.
- We delivered strong growth to shareholder's value through higher retained earnings of PKR 235.1 Bn and PKR 2.3 Bn set aside as provision to strengthen our Balance Sheet.
- Shareholders' Net Assets increased to PKR 457 Bn with break-up value per share increasing to PKR 214.8.
- Engagement with the analysts, credit rating agencies and financial journalist for building trust and gaining greater market visibility for the Bank.

- We continued to enhance transparency in our disclosures. Our efforts were recognised through NBP achieving the 3rd consecutive Certificate of Merit Award under the Best Corporate Report Awards.

Strategic Performance

PKR 1,155Bn
Value Generation
(2023: PKR 1,065 Bn)

PKR 56.7 Bn
Profit Before Tax
(2023: PKR 101.3 Bn)

PKR 6,744 Bn
Total Assets
(2023: PKR 6,653 Bn)

27.80%
Capital Adequacy
(2023: 25.47%)

PKR 268 Bn
Held as Credit loss allowance / Provisions

Regulators

Why they are important to us

They develop policies that are crucial for our sustainability and keep us on a right path to create and deliver value for all our stakeholder in a balanced way.



How we engage and what are they telling us

We engage with our Regulators through one-on-one meetings, various modes and forums. In the increasingly challenging operating environment, our regulators want:

- Effective corporate Governance
- Enhance Risk Management
- Compliance with all regulatory requirements
- Sustainable business practices.
- Stability of the financial system
- Migration to Islamic Banking

How well we responded

- Remained compliant with regulatory requirements in all territories of our operations.
- Timely submission of applicable statutory returns and material information
- Responding various queries / information solicited by the regulators.
- Timely payment of taxes and government dues.

Suppliers

Why they are important to us

For smooth running of its business operations and uninterrupted delivery of services to its customers, the Bank's supply chain comprises of large number of vendors, through whom it procures IT equipment, stationery and other materials as well as service providers who provide a variety of services required for the smooth continuity of operations.



How we engage and what are they telling us

They provide us with insight that keeps us attuned to the different perspectives of our colleagues and respond accordingly. In the challenging economic environment amidst inflationary pressures:

- They want long-term work relationship
- Adherence to contractual terms and conditions
- Prompt payments
- Transparency & confidentiality

PKR
37 Bn
of Goods & Services

How well we responded

- Adhered to procurement regulations while maintaining good business relationships with the service providers
- Improving turnaround time for payments
- Fair & transparent dealing

Our Colleagues

Why they are important to us

Our people are Integral to deliver the strategic goal of serving the Nation for inclusive development & sustainable growth.



How we engage
We have an established engagement programme through dedicated HR business partners and Career Ambassadors. They provide us with insight that keeps us attuned to the different perspectives of our colleagues and respond accordingly.

In the challenging economic environment amidst inflationary pressures:

- As colleagues embrace challenging working conditions, they require healthy work conditions and health safety arrangements
- Our colleagues told us that with rising costs, they needed financial support
- Our colleagues wanted support to be able to develop their own careers



How well we responded

We brought forward healthy pay increase, awarding 15,000+ colleagues a considerable ad hoc allowance. Our Competency Framework has been rolled out for grade SVP and above to identify employee strengths and development needs and align these to the Bank's
Development Needs Analysis This framework shall be linked to Learning & Development, Talent Management and various other functions of HRMG. We supported colleagues with their next career move within the Bank, helping to retain our diverse and inclusive workforce and mitigate redundancies.

PKR
136.4 Bn
Remuneration

PKR
184 Mn
Training & Development

3000+
Training Programs

Societies

Why they are important to us

They are important to us for delivering our corporate social responsibilities. This helps us in obtaining inputs from communities which are necessary for smooth running of our operations.

How we engage and what are they telling us

In 2024, we engaged with a wide range of Organisations, including non-governmental Organisations (NGOs) and others where appropriate. We also participated in various sustainability forums.

How we engage and what are they telling us

- Support for communities facing hardships
- Wanting to see continued progress related to social and environmental governance
- An increased focus on nature and biodiversity

How we responded

We have worked to promote diversity, equity and inclusion. In support of the communities in which we operate, through our CSR programme we have reached thousands of individuals to help them in the area of e.g. health, education, safe water & sanitation, gender equality and women empowerment. A detailed report on CSR initiatives.



PKR
150 Mn
CSR Initiatives

PESTEL Analysis

Political Scenario

Pakistan's political landscape has recently been unstable, contributing to the uneven and sluggish economic growth patterns observed in the country. The uncertainties stemming from a volatile political environment hinder the long-term clarity of monetary and fiscal authorities, leading them to adopt suboptimal macroeconomic policies with limited scope. Although the banking sector has, over time, weathered political instability with a degree of resilience, it remains deeply connected to the environment in which it functions.

NBP Response

Staying aware of the situation, NBP consistently adjusts its strategies in alignment with the changing landscape. However, the overall performance of the banking sector continues to be closely tied to the consensus among political stakeholders and their willingness to implement long-overdue structural reforms, which are crucial for maintaining macroeconomic stability and ensuring an inclusive, sustainable national development agenda.

Economic Overview

In FY2024, Pakistan's economy showed a moderate recovery, with a GDP growth of 2.38% compared to a contraction of 0.21% in the previous year. Key factors contributing to the recovery included strong growth in agriculture (the highest in 19 years, supported by a double-digit increase in major crop outputs), a reduction in inflationary pressures, and an improved current account balance. On the external side, the government successfully reduced the trade deficit, driven by higher exports and limited imports, which led to a significant reduction in the current account deficit. The deficit for FY2024 narrowed sharply to 0.2% of GDP, down from 1% in the previous year. Remittances grew by 10.7%, reaching US\$ 30.251 Bn, due to structural reforms in exchange companies and enhanced facilitation under PRI.

On the fiscal front, taxation revenues remained below their target in H1-FY2025, with a cumulative aggregation of Rs. 5.6 Tr. against the assigned target of Rs. 6.0 Tr, exerting further pressure on the primary balance, however, the lowered anticipated interest payments on the financing side are likely to contain the overall fiscal deficit around its assigned target. The business confidence index has continued to exhibit positive sentiments amidst successful a initiation US$ 7 Bn. Extended Fund Facility agreement with IMF and strong workers' remittances and export earnings that brought about a cumulative current account surplus of US$ 1.2 Bn. during H1-FY2025.

2023		2024
With SBP US$4.45 Bn. With banks US$ 4.71 Bn.	Foreign exchange reserves	With SBP US$9.39 Bn. With banks US$ 4.61 Bn.
12.57% YOY 23.41% average	CPI Inflation	29.40% YOY 29.18% average
Current account deficit at US$1.695 Bn.	External account	Current account deficit at US$3.275 Bn.
Agriculture: 1.50% Industries: 2.95% Services: 0.86%	Real account growth	Agriculture: 6.25% Industries: 1.21% Services: 1.21%

NBP Response

The bank maintains a highly diversified portfolio of deposits and advances, ensuring that no single sector exerts significant influence or control.

Social Factors

Pakistan's societal framework is influenced by a dynamic interplay of demographic, socioeconomic, cultural, and religious elements. Persistent challenges in the socio-economic domain have been intensified by sluggish growth and high inflation, key contributors to sustained poverty and unemployment. In Pakistan's case, a youthful workforce, rapid urbanization, rising literacy rates, and a well-connected social fabric serve as driving forces with the potential to boost the national economy.

Indicators

Labor Force Statistics

Unemployment Rate
6.3%

Total Labor Force
71.76 Mn.

Literacy Rate
60.7%

Household Access to ICT

Mobile
93.15%

Share of Urban Population
38.04%

NBP Response

At NBP, we strive to uphold social responsibility by conducting our business with integrity and ensuring accountability to all stakeholders on matters related to sustainability, environmental impact, and ethical considerations.

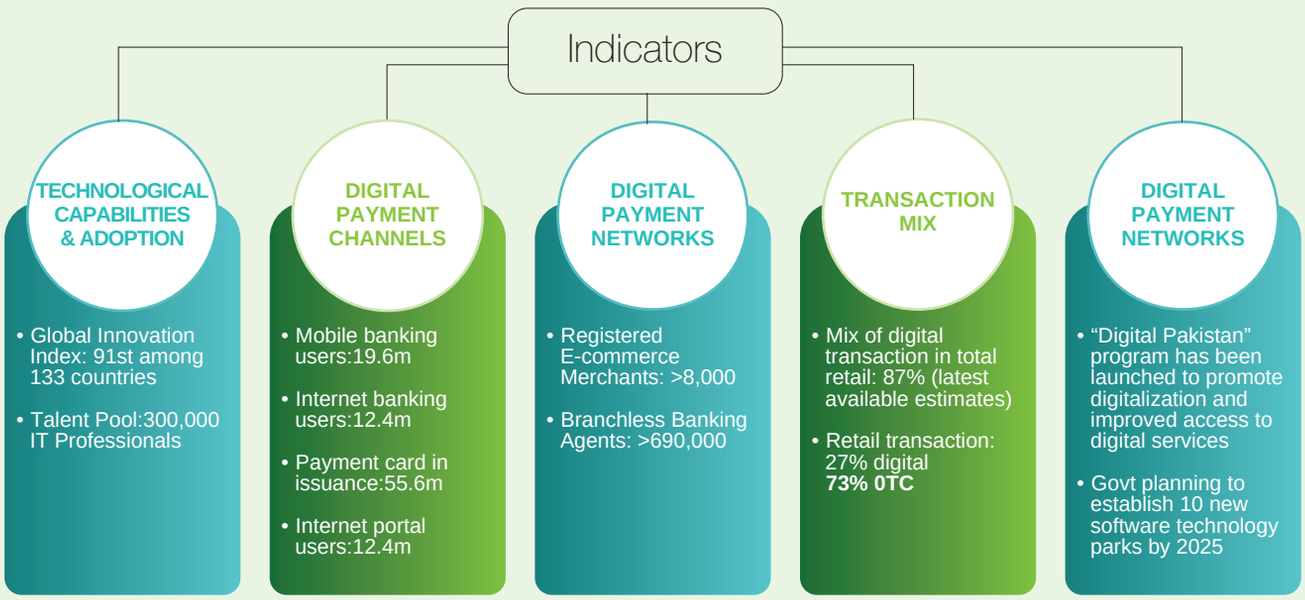
CSR
PKR **150** Mn.

Area of Focus

- > Health Care
- > Enviornment
- > Education & Scholarship
- > Water Sanitation & Hygiene
- > Women Empowerment
- > Innovation & Sustainability
- > Green Energy Initiatives
- > Community Engagement

4 Technological Innovation & Digitization

Technology continues to shape organizational structures, business models, skill demands, internal processes, and remote work practices. The emergence of mobile banking and digital payment solutions has transformed the financial sector, enhancing transaction efficiency and accessibility. As Pakistan navigates the complexities of the digital era, it must not only capitalize on emerging opportunities but also proactively tackle challenges to build an inclusive, sustainable, and digitally empowered future. Achieving this goal requires a comprehensive approach that includes investment in education, cybersecurity enhancements, and the establishment of a resilient digital infrastructure.



NBP Response

Staying vigilant, NBP remains committed to investing in cutting-edge technologies and capabilities that safeguard its clients' data and systems while ensuring a seamless and frictionless user experience.

5 Environmental Factors

Climate change and environmental disasters lead to severe human losses, extensive physical damage, and significant economic and fiscal setbacks, hindering countries from achieving their development goals. The financial system faces climate-related risks through two primary channels. The first is physical risk, stemming from damage to property, infrastructure, and land, which can increase loan portfolio defaults and reduce asset values.

The second is transition risk, arising from shifts in climate policies, technological advancements, and evolving market and consumer preferences during the transition to a lower-carbon economy. Despite contributing less than 1% to global carbon emissions, Pakistan bears some of the harshest consequences of climate change. Therefore, it is crucial for the country to implement its National Adaptation Plan (NAP) by investing in climate-resilient infrastructure and fostering inter-institutional coordination.

NBP Response

NBP prioritizes environmental sustainability and is actively planning and implementing initiatives to protect the environment. The bank has committed PKR 38 Bn. to Green Financing and has undertaken various measures to promote eco-friendly practices.

Indicators

Global Climate Risk Index
Ranked 5th most vulnerable country to climate change

Inform Risk Index (2025)
Ranked 20 out of 191 countries

Environmental & Social Risk Management (ESRM) Implementation Manual
In 2022 SBP required financial institutions to adopt it within 3 years

Green Financing
PKR **38** Bn.

6 Legal & Regulatory Landscape to Address New Frontiers of Risk

The banking sector's characteristics and operations are shaped by a robust legal, regulatory, and supervisory framework enforced by the State Bank of Pakistan. This framework comprises a comprehensive set of policies, guidelines, prudential standards, and processes that govern the licensing regime, prudential regulations, corporate governance, capital adequacy requirements, AML/CFT measures, and market discipline.

This year, the banks had undertaken the implementation of IFRS 9, with several future restructuring initiatives underway. These include the adoption of IFRS S1 & S2 and the transition to Shariah compliance, in accordance with legal requirements set by the State Bank of Pakistan.

NBP Response

The bank adheres to all laws and regulations established by the SBP, SECP, the Government, and other regulatory authorities. Our Compliance, Risk, Audit, and Legal functions are well-equipped with sufficient resources to ensure full regulatory compliance across both domestic and international operations.



Creating Foundations That Endure

The strength of every system lies in its foundation, and like these fractured yet interwoven facets, our financial framework is built with precision and care. At NBP, we understand that each decision, no matter how small, contributes to a larger, more enduring structure.

These layers of effort and strategy come together to create resilience, trust, and value—ensuring growth that is both purposeful and sustainable.

Unconsolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the members of National Bank of Pakistan

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of National Bank of Pakistan (the Bank), which comprise the unconsolidated statement of financial position as at December 31, 2024, and the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 100 branches which have been audited by us and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of 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, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key Audit Matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Credit loss allowance against advances** (Refer notes 4.4, 6.3, 11 and 34 to the unconsolidated financial statements)	
	The Bank records credit loss allowance against advances in Pakistan operations in accordance with the requirements of IFRS 9 as applicable in Pakistan and as per the instructions of the State Bank of Pakistan (SBP). Under IFRS 9, the Bank assesses on a forward-looking basis the Expected Credit Losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments. A lifetime ECL is recorded on advances in which there have been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on advances which are credit impaired as on the reporting date. A 12 months ECL is recorded for advances which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Bank compares the risk of a default occurring on the advances as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12 months ECL are calculated at facility level. The allowance is increased by provisions charged to the unconsolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries. The Bank records charge for Stage 3 exposures based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the State Bank of Pakistan (SBP). This assessment is conducted at the facility level for corporate, commercial, and SME loan portfolios, and at a segment level for the retail portfolio. If one facility of a counterparty becomes 90+ days past due (DPD) or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3. The measurement of ECL involves evaluating a range of possible outcomes, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Credit loss allowance / provisions pertaining to overseas advances are made in accordance with the requirements of regulatory authorities of the respective countries.	Our audit procedures to verify credit loss allowance against domestic advances included, amongst others, the following: We obtained and updated our understanding of management's assessment of credit loss allowance in respect of advances including the Bank's internal rating model, accounting policy, model methodology including any key changes made during the year. We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Bank to identify loss events and for determining the extent of provisioning required against advances. The testing of controls included testing of: • controls over correct classification of advances; • controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria; • controls over accurate computation and recording of provisions; and • controls over the governance and approval process related to provisions, including continuous reassessment by the management. We selected a sample of loan accounts and performed the following substantive procedures: • assessed the reasonableness and accuracy of the data used for ECL computation based on accounting records and information system of the Bank as well as the related external sources used for this purpose; • checked repayments of loans / mark-up instalments and tested classification of advances based on the number of days overdue; • tested the staging of loans and advances as per the criteria of SICR and in accordance with IFRS 9; • evaluated the management's assessment for classification of a borrower's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and discussions with the management; • assessed the ECL model used by the management to calculate expected credit loss against advances balances of the Bank for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model; • assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and • assessed the relevant disclosures made in the unconsolidated financial statements to determine whether they comply with the accounting and reporting standards as applicable in Pakistan.

S.No.	Key Audit Matter	How the matter was addressed in our audit
	The net credit loss allowance made during the year is charged to the unconsolidated statement of profit and loss account and accumulated credit loss allowance is netted-off against advances. The Bank has recognised a net credit loss allowance against advances amounting to Rs. 6,113.132 million in the unconsolidated statement of profit and loss account in the current year. As at December 31, 2024, the Bank holds a credit loss allowance of Rs. 267,895.124 million against advances. The determination of credit loss allowance against advances based on the above criteria remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations and the materiality of advances relative to the overall unconsolidated financial statements of the Bank, we considered this area as a key audit matter.	We issued instructions to auditors of those overseas branches which were selected for audit, highlighting 'Credit loss allowance against financial assets and off-balance items' as a significant risk. The auditors of those branches performed audit procedures to check compliance with regulatory requirements and reported the results thereof to us. We, as auditor's of the Bank, evaluated the work performed by the component auditors and the results thereof.
2	**Pension benefits liability** (Refer notes 21, 25.3.3.1, 32.2 and 40.4 to the unconsolidated financial statements)	
	The Bank operates an approved funded pension scheme for its eligible employees. The valuation for pension benefits is carried out annually by the actuary appointed by the management of the Bank using the projected unit credit method. A number of the Bank's employees had filed writ petitions before the Lahore High Court and Peshawar High Court with respect to their pensionary benefits in prior years. The Supreme Court of Pakistan (SCP) in September 2017 after hearing the arguments of both parties decided the case against the Bank. The Bank had subsequently filed review petitions against the judgement of the SCP. During the year, the SCP has by its order dated March 27, 2024, dismissed all the civil review petitions filed by the Bank, as a result of which the Supreme Court's decision dated September 25, 2017 in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement, the Bank has made payments to majority of petitioners as well as non-petitioners. In addition, the SCP has also directed the Bank to pay arrears of any government increases in pension to the petitioners.	Our audit procedures to verify pension benefits liability included, amongst others, the following: • Reviewed the Supreme Court's order and checked the Bank's compliance with the judgment, including payments made to pensioners on a test basis; • Reviewed minutes of the meeting of the Board of Directors for discussions held with respect to the pension litigation and liability; • Obtained and reviewed the management expert's actuarial report supporting the calculation of pension obligations and evaluated key actuarial assumptions; • Engaged an independent actuarial expert to assess the reasonableness of the pension liability determined by the management's actuary along with the related assumptions; and • Evaluated the adequacy of the disclosures made in the unconsolidated financial statements to ensure compliance with the accounting and reporting standards as applicable in Pakistan.

S.No.	Key Audit Matter	How the matter was addressed in our audit
	As a result of the above decision, the management has recognised a past service cost of Rs. 57,550 million based on the valuation carried out by the management's actuary in the unconsolidated financial statements of the Bank for the year ended December 31, 2024. The net present value of the Bank's obligation against pension scheme as at December 31, 2024, amounted to Rs. 75,639 million. The determination of pension benefits liability as per the order of the SCP required certain estimates and judgments to be made including actuarial assumptions. The calculation of pension benefits remains an area of significant estimate and judgment. Because of the significance of the impact of these judgments / estimations and the materiality of the amount in the overall context of the unconsolidated financial statements, we considered this as a key audit matter.	

Information Other than the Unconsolidated and 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 unconsolidated and consolidated financial statements and our auditor's reports thereon.

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditor's report are **Shahbaz Akbar** and **Zulfikar Ali Causer** on behalf of A. F. Ferguson & Co., Chartered Accountants and BDO Ebrahim & Co., Chartered Accountants, respectively.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: March 4, 2025
UDIN: AR202410068jSP1Xu2Co

BDO Ebrahim & Co.
Chartered Accountants
Karachi
Dated: March 4, 2025
UDIN: AR202410067i82b6nS9e

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

2024	2023		Note	2024	2023
----------(USD in '000)----------				----------(Rupees in '000)----------	
		ASSETS			
1,128,106	1,059,029	Cash and balances with treasury banks	7	**314,234,036**	294,992,570
204,044	151,948	Balances with other banks	8	**56,836,483**	42,325,051
107,701	690,829	Lendings to financial institutions	9	**30,000,000**	192,430,437
16,558,371	15,808,164	Investments	10	**4,612,334,198**	4,403,364,043
5,043,503	5,019,123	Advances	11	**1,404,867,872**	1,398,076,820
221,390	204,539	Property and equipment	12	**61,668,070**	56,974,417
22,680	24,895	Right-of-use assets	13	**6,317,624**	6,934,471
6,963	5,421	Intangible assets	14	**1,939,636**	1,510,061
-	-	Deferred tax assets	20	**-**	-
918,615	919,403	Other assets	15	**255,880,334**	256,099,568
24,211,373	23,883,351	**Total Assets**		**6,744,078,253**	6,652,707,438
		LIABILITIES			
93,556	244,123	Bills payable	16	**26,060,123**	68,000,448
6,956,586	7,818,141	Borrowings	17	**1,937,756,922**	2,177,743,194
13,877,454	13,191,023	Deposits and other accounts	18	**3,865,564,883**	3,674,359,379
28,828	29,671	Lease liabilities	19	**8,030,117**	8,264,782
-	-	Subordinated debt		**-**	-
146,990	2,585	Deferred tax liabilities	20	**40,944,092**	720,183
1,467,495	1,223,708	Other liabilities	21	**408,770,670**	340,863,859
22,570,909	22,509,251	**Total Liabilities**		**6,287,126,807**	6,269,951,845
1,640,464	1,374,100	**NET ASSETS**		**456,951,446**	382,755,593
		REPRESENTED BY			
76,378	76,378	Share capital	22	**21,275,131**	21,275,131
295,860	283,868	Reserves	23	**82,411,898**	79,071,471
424,349	228,521	Surplus on revaluation of assets - net of tax	24	**118,202,425**	63,654,593
843,877	785,333	Unappropriated profit		**235,061,992**	218,754,398
1,640,464	1,374,100			**456,951,446**	382,755,593
		CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(USD in '000)				(Rupees in '000)	
3,911,021	3,678,541	Mark-up / return / interest earned	26	1,089,414,852	1,024,657,648
3,297,529	3,072,734	Mark-up / return / interest expensed	27	918,526,698	855,910,064
613,492	605,807	Net mark-up / interest income		170,888,154	168,747,584
		NON MARK-UP / INTEREST INCOME			
91,468	79,096	Fee and commission income	28	25,478,533	22,032,182
21,887	18,875	Dividend income		6,096,568	5,257,652
21,228	25,630	Foreign exchange income		5,913,187	7,139,106
-	-	Income / (loss) from derivatives		-	-
100,135	15,739	Gain on securities	29	27,892,519	4,384,060
(2,378)	-	Net loss on derecognition of financial assets measured at amortised cost	30	(662,486)	-
2,541	6,439	Other income	31	707,865	1,793,465
234,881	145,779	Total non-markup / interest income		65,426,186	40,606,465
848,373	751,586	**Total income**		236,314,340	209,354,049
		NON MARK-UP / INTEREST EXPENSES			
636,647	335,113	Operating expenses	32	177,337,946	93,345,714
-	-	Workers' welfare fund		-	-
147	1,027	Other charges	33	40,967	285,940
636,794	336,140	Total non-markup / interest expenses		177,378,913	93,631,654
211,579	415,446	Profit before credit loss allowance / provisions		58,935,427	115,722,395
8,108	51,945	Credit loss allowance / provisions and write offs - net	34	2,258,369	14,469,305
203,471	363,501	**PROFIT BEFORE TAXATION**		56,677,058	101,253,090
107,023	177,392	Taxation	35	29,811,314	49,412,628
96,448	186,109	**PROFIT AFTER TAXATION**		26,865,744	51,840,462
(USD)				(Rupees)	
0.05	0.09	**Basic earnings per share**	36	12.63	24.37
0.05	0.09	**Diluted earnings per share**	37	12.63	24.37

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(USD in '000)				(Rupees in '000)	
96,448	186,109	Profit after taxation for the year		26,865,744	51,840,462
		Other comprehensive income			
		Items that may be reclassified to the unconsolidated statement of profit and loss account in subsequent periods:			
(3,592)	34,979	Effect of translation of net investment in foreign branches		(1,000,476)	9,743,375
5,939	-	Transfer of exchange loss translation reserves on closure of foreign branches from OCI to unconsolidated statement of profit and loss account		1,654,329	-
154,710	-	Movement in surplus on revaluation of debt investments carried at FVOCI - net of tax		43,094,464	-
(10,605)	-	Gain on sale of debt securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax		(2,953,934)	-
-	75,890	Movement in surplus on revaluation of debt & equity investments through AFS - net of tax		-	21,139,170
146,452	110,869			40,794,383	30,882,545
		Items that will not be reclassified to the unconsolidated statement of profit and loss account in subsequent periods:			
(1,621)	(2,137)	Remeasurement loss on defined benefit obligations - net of tax	40.7 & 40.8.2	(451,499)	(595,239)
61,385	-	Movement in surplus on revaluation of equity investments to FVOCI - net of tax		17,098,865	-
6,142	(1,501)	Movement in surplus on revaluation of property and equipment - net of tax	24.1	1,710,846	(418,066)
648	711	Movement in surplus on revaluation of non-banking assets - net of tax	24.2	180,451	198,132
66,554	(2,927)			18,538,663	(815,173)
309,454	294,051	**Total comprehensive income**		86,198,790	81,907,834

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

	Capital reserves				Revenue reserves		Surplus / (deficit) on revaluation of				
	Share capital	Exchange translation reserve	Statutory reserve	Merger reserve	General reserve	Total	Investments	Property and equipment / Non banking assets	Total	Unappro-priated profit	Total
	(Rupees in '000)										
Balance as at January 01, 2023	21,275,131	21,289,575	41,969,531	363,606	521,338	64,144,050	(4,253,682)	47,170,584	42,916,902	172,511,676	300,847,759
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	51,840,462	51,840,462
Other comprehensive income for the year											
Effect of translation of net investment in foreign branches	-	9,743,375	-	-	-	9,743,375	-	-	-	-	9,743,375
Movement in surplus on revaluation of investments - net of tax	-	-	-	-	-	-	21,139,170	-	21,139,170	-	21,139,170
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(595,239)	(595,239)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	(418,066)	(418,066)	-	(418,066)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	198,132	198,132	-	198,132
Total other comprehensive income - net of tax	-	9,743,375	-	-	-	9,743,375	21,139,170	(219,934)	20,919,236	51,245,223	81,907,834
Transfer to statutory reserve	-	-	5,184,046	-	-	5,184,046	-	-	-	(5,184,046)	-
Transfer from surplus in respect of incremental depreciation on revaluation of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(181,545)	(181,545)	181,545	-
Balance as at December 31, 2023	21,275,131	31,032,950	47,153,577	363,606	521,338	79,071,471	16,885,488	46,769,105	63,654,593	218,754,398	382,755,593
Impact of adoption of IFRS 9 - net of tax (note 6.1.1)	-	-	-	-	-	-	(1,714,431)	-	(1,714,431)	(10,288,506)	(12,002,937)
Balance as at January 01, 2024 - restated	21,275,131	31,032,950	47,153,577	363,606	521,338	79,071,471	15,171,057	46,769,105	61,940,162	208,465,892	370,752,656
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	26,865,744	26,865,744
Other comprehensive income for the year											
Effect of translation of net investment in foreign branches	-	(1,000,476)	-	-	-	(1,000,476)	-	-	-	-	(1,000,476)
Transfer of exchange loss translation reserves on closure of foreign branches from OCI to unconsolidated statement of profit and loss account	-	1,654,329	-	-	-	1,654,329	-	-	-	-	1,654,329
Movement in surplus on revaluation of debt investments through OCI - net of tax	-	-	-	-	-	-	43,094,464	-	43,094,464	-	43,094,464
Gain on sale of securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax	-	-	-	-	-	-	(2,953,934)	-	(2,953,934)	-	(2,953,934)
Movement in surplus on revaluation of equity investments FVOCI - net of tax	-	-	-	-	-	-	17,098,865	-	17,098,865	-	17,098,865
Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax	-	-	-	-	-	-	(2,705,679)	-	(2,705,679)	2,705,679	-
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(451,499)	(451,499)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	1,710,846	1,710,846	-	1,710,846
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	180,451	180,451	-	180,451
Total other comprehensive income - net of tax	-	653,853	-	-	-	653,853	54,533,716	1,891,297	56,425,013	29,119,924	86,198,790
Transfer to statutory reserve	-	-	2,686,574	-	-	2,686,574	-	-	-	(2,686,574)	-
Transfer from surplus in respect of incremental depreciation on revaluati on of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(162,750)	(162,750)	162,750	-
Balance as at December 31, 2024	21,275,131	31,686,803	49,840,151	363,606	521,338	82,411,898	69,704,773	48,497,652	118,202,425	235,061,992	456,951,446

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
----------(USD in '000)----------				---------(Rupees in '000)----------	
		CASH FLOW FROM OPERATING ACTIVITIES			
203,471	363,501	Profit before taxation		56,677,058	101,253,090
(21,887)	(18,875)	Less: Dividend income		(6,096,568)	(5,257,652)
181,584	344,626			50,580,490	95,995,438
		Adjustments:			
(613,492)	(605,807)	Net mark-up / interest income		(170,888,154)	(168,747,584)
9,878	8,859	Depreciation	32	2,751,478	2,467,633
7,028	7,148	Depreciation on right-of-use assets	32	1,957,699	1,990,974
1,824	995	Amortisation	32	507,990	277,042
8,108	51,945	Credit loss allowance / provisions and write offs - net	34	2,258,369	14,469,305
5,939	-	Exchange loss on closure of branches		1,654,329	-
(20,721)	-	Gain on disposal of joint venture		(5,771,860)	-
(11)	(898)	Gain on sale of property and equipment - net	31	(3,142)	(250,247)
3,570	3,148	Amortisation of lease liability against right-of-use assets	27	994,407	876,989
(32,420)	119	Unrealised - measured as FVTPL / held for trading - net	29	(9,030,655)	33,066
(1,887)	-	Fair valuation gain		(525,619)	-
292,236	42,789	Charge for defined benefit plans		81,402,315	11,918,752
(339,948)	(491,702)			(94,692,843)	(136,964,070)
(158,364)	(147,076)			(44,112,353)	(40,968,632)
		(Decrease) / increase in operating assets			
582,468	(578,560)	Lendings to financial institutions		162,246,564	(161,157,970)
(58,491)	149,029	Securities classified as FVTPL / held-for-trading securities		(16,292,606)	41,512,120
3,536	(693,748)	Advances		985,014	(193,243,387)
(24,955)	22,191	Other assets (excluding advance taxation & markup receivable)		(6,951,098)	6,181,387
502,558	(1,101,088)			139,987,874	(306,707,850)
		Decrease / (increase) in operating liabilities			
(150,567)	45,710	Bills payable		(41,940,325)	12,732,429
(807,276)	805,250	Borrowings from financial institutions		(224,866,764)	224,302,435
686,432	3,619,368	Deposits and other accounts		191,205,504	1,008,175,019
(64,705)	371	Other liabilities (excluding markup payable)		(18,023,590)	103,403
(336,116)	4,470,699			(93,625,175)	1,245,313,286
4,018,539	3,367,052	Interest received		1,119,363,946	937,892,431
(3,285,792)	(2,820,446)	Interest paid / adjusted		(915,257,446)	(785,635,271)
(185,024)	(194,284)	Income tax paid		(51,538,366)	(54,117,686)
(77,367)	(13,188)	Contribution to staff retirement benefits / benefits paid		(21,550,467)	(3,673,558)
478,435	3,561,669	**Net cash flow generated from operating activities**		133,268,013	992,102,720
		CASH FLOW FROM INVESTING ACTIVITIES			
(593,356)	(3,986,479)	Net investments in securities classified as FVOCI / available-for-sale securities		(165,279,396)	(1,110,433,644)
357,301	660,721	Net divestments in amortised cost securities / held-to-maturity securities		99,526,202	184,043,825
21,887	18,875	Dividends received		6,096,568	5,257,652
29,202	-	Net divestments in joint ventures		8,134,293	-
27,602	-	Net divestments in associates		7,688,441	-
(22,675)	(9,715)	Additions in property and equipment		(6,316,216)	(2,705,991)
(339)	38,044	Effect of translation of net investment in foreign branches		(94,357)	10,597,218
163	1,615	Proceeds from sale of property and equipment		45,498	449,996
(180,215)	(3,276,939)	**Net cash flow used in investing activities**		(50,198,967)	(912,790,944)
		CASH FLOW FROM FINANCING ACTIVITIES			
(9,861)	(12,372)	Payment of lease liability against right-of-use assets	19	(2,746,757)	(3,446,309)
(2)	(27)	Dividend paid	38.1	(652)	(7,567)
(9,863)	(12,399)	**Net cash used in financing activities**		(2,747,409)	(3,453,876)
288,357	272,331	**Increase in cash and cash equivalents**		80,321,638	75,857,900
1,021,557	794,984	Cash and cash equivalents at beginning of the year		284,554,663	221,442,758
50,287	4,529	Effects of exchange rate changes on cash and cash equivalents		14,007,564	1,261,569
1,071,844	799,513			298,562,227	222,704,327
1,360,201	1,071,844	**Cash and cash equivalents at end of the year**	38	378,883,864	298,562,227

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

1. STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 (the Companies Act, 2017) and is listed on the Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,503 (December 31, 2023: 1,508) branches in Pakistan including 207 (December 31, 2023: 188) Islamic Banking branches and 16 (December 31 2023: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

The Pakistan Sovereign Wealth Fund Act, 2023 was enacted and became effective during 2023. The shareholding of the Federal Government as per the Bank's Register of Shareholders is 7,895,707 shares only. However, under the said Act, the shares of Federal Government has been shown as 1,608,420,866. The Bank has sought clarification from Federal Government in this respect. Moreover, the process for transfer of shares as defined in NBP Bye-laws, 2015 has not yet been initiated. In view of the foregoing, the Bank's Register of Shareholders continues to show the shareholding position before the enactment of the Act pending completion of transfer formalities and clarification of the Federal Government.

2 BASIS OF PRESENTATION

2.1 In accordance with the directives of the Federal Government of Pakistan regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade related mode 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 utilized and the appropriate portion of mark-up thereon.

2.2 Key financial figures of the Islamic banking branches of the Bank have been disclosed in annexure II to these unconsolidated financial statements.

2.3 These are the unconsolidated financial statements of the Bank in which the investments in subsidiaries and associates are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees which are done in the consolidated financial statements.

2.4 The US Dollar amounts shown on the statement of financial position, statement of profit and loss account, statement of comprehensive income and cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2024 and 2023 as it was the prevalent rate as on December 31, 2024.

2.5 These unconsolidated financial statements have been prepared in accordance with the format for preparation of the annual financial statements of banks issued by the State Bank of Pakistan (SBP), vide its BPRD Circular letter No. 13 dated July 01, 2024.

2.6 Statement of compliance

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

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

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

2.6.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2022 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008 . The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard- for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

2.6.3 The SBP has issued BPRD Circular Letter No. 01 of 2025 dated January 22, 2025 in which certain relaxations / clarifications have been provided upon adoption of IFRS 9 which are disclosed in note 6.1 of these unconsolidated financial statements. As allowed by the SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022, IFRS 9 has not been adopted for overseas branches where it is not applicable as per their local regulations for the year ended December 31, 2024.

2.6.4 The SBP, vide its BPRD Circular No. 13 dated July 01, 2024, issued the revised forms for the preparation of the annual financial statements of the Banks / DFIs which are applicable for periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these unconsolidated financial statements. There is no impact of this change on these unconsolidated financial statements in terms of recognition and measurement of assets and liabilities except mentioned in note 6.

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

2.6.6 These unconsolidated financial statements are the separate financial statements of the Bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees.

2.7 Standards, interpretations of and amendments to published accounting and reporting 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, 2024 but are considered not relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these unconsolidated financial statements except for IFRS 9 (Financial Instruments), the impacts of which are disclosed under note 6.1.

2.8 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective:

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, 2025 but are considered not to be relevant or will not have any material effect on the Bank's financial statements except for:

- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in these unconsolidated financial statements.

- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities and financial assets.

- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The management is in the process of assessing the impact of these amendments on the unconsolidated financial statements of the Bank.

2.9 Critical accounting estimates and judgments

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

a) Credit Allowance against non-performing loans and advances

The Bank regularly reviews its loan portfolio to assess amount of non-performing loans and determine the provisions required there against at each reporting date. In assessing this requirement, various factors including the days past dues, delinquency in the account, financial position and future business / financial plan of the borrower, value of collateral held and requirements of SBP Prudential Regulations are considered. Credit loss allowances are maintained at the higher of ECL under IFRS 9 or the prudential regulation R-8. The Bank also considers the impact of Forced Sale Value (FSV) of collaterals when determining the amount of provisions. However, no benefit of FSV of non-liquid collateral has been taken into account during the year in calculating the provisioning amount.

General provisions for loan losses for overseas branches are made as per the requirements of the respective central banks.

b) Fair value of derivatives

The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest and exchange rates over the term of the contract.

c) Impairment of FVOCI investments

Impairment in respect of unquoted shares is calculated with reference to break-up value. Break-up value is calculated with reference to the net assets of the Investee Company as per the latest available audited financial statements.

Provision and ECL for unquoted debt securities is calculated as per SBP's Prudential Regulations and IFRS-9 respectively.

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' and impairment ECL of stage 3 impairment of FVOCI quoted TFCs, PTC, Ijarah Sukuks & Government Bonds is recognized in accordance with the requirements of Prudential Regulations and other directives issued by SBP as per subjective and objective criteria of Prudential Regulations after taking into account of FSV benefit under Prudential Regulations and IFRS-9.

d) Amortised Cost investments

The Bank follows the guidance provided in the SBP circulars and IFRS 9 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as Amortised Cost. In making this judgment, the Bank evaluates its intention and ability to hold such investments till maturity.

e) Income taxes

In making the estimates for current and deferred taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax department and such amounts are shown as contingent liabilities.

f) Property and Equipment, Non-Banking asset and intangible assets, revaluation, depreciation and amortisation

In making estimates of the depreciation / amortisation method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern.

The Bank also revalues its properties on a periodic basis. Such revaluations are carried out by independent valuer and involves estimates / assumptions and various market factors and conditions.

g) Defined benefit plans including pension expense

The liabilities for employees' benefits plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases, future inflation rates and future pension increases as disclosed in note 40. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

h) Provision against contingencies

Provision against contingencies is determined based on the management judgement regarding the probability of future outflows of resources embodying economic benefits to settle an obligation arising from past events.

i) Lease liability against right of use assets

The Bank applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Bank is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Moreover, management exercises judgement in establishing the discount rate for new leases, utilizing the incremental borrowing rate as a benchmark.

j) Classification of financial assets and liabilities

The classification of financial asset is determined through solely payment of principal and interest (SPPI) criteria and business model of the Bank. The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The financial liabilities are being carried at amortised cost except for derivatives which are being measured at FVTPL.

k) Contingent assets and contingent liabilities

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed unless the probability of an outflow of resources embodying economic benefits are remote. The Bank uses estimates in determining the probability of inflow or outflow of economic benefits.

l) Impairment of non-financial assets

The carrying amount of the assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

3 BASIS OF MEASUREMENT

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

i) certain property and equipment and non banking assets acquired in satisfaction of claims are stated at revalued amounts;

ii) investments classified at fair value through profit and loss and fair value through other comprehensive income are carried at fair value;

iii) foreign exchange contracts are measured at fair value; and

iv) staff retirement benefits are carried at present value;

4 MATERIAL ACCOUNTING POLICIY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except for changes mentioned in note 6.1.3.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks, balances with other banks and call money lendings, less call borrowings and overdrawn nostro accounts having original maturity of three months or less.

4.2 Investments

Investments include Federal Government securities, shares, mutual funds, non-Government debt securities, foreign securities, associates and subsidiaries. Classification and measurement of Federal Government securities, shares, mutual funds, non-Government debt securities and foreign securities has been detailed in note 10.

Associates are all entities over which the Bank has significant influence but not control. Investment in associates is carried at cost less accumulated impairment losses, if any.

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

4.3 Repurchase and resale agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of financial position and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective yield method.

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the statement of financial position, as the Bank does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective yield method.

4.4 Advances

Loans and advances including net investment in finance lease are stated net of credit loss allowance / provision against non-performing loan and advances. Credit loss allowance / provision against loans and advances in Pakistan operations have been made in accordance with the requirements of the Prudential Regulations and IFRS 9 application instructions issued by the SBP. General provisions against loans and advances in Pakistan operations have been maintained against potential high risk advances based on the management's estimates as disclosed in note 11.5.2. Credit loss allowance / provisions pertaining to overseas loans and advances are made in accordance with the requirements of the regulatory authorities of the respective countries. Advances are written off / charged off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Subsidised loans disbursed under Temporary Economic Refinance Facility (TERF) have been recorded at fair value resulting in recognition of fair value adjustment on initial recognition. Unwinding of income on fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

4.4.1 Islamic financing and related assets

Under Murabaha financing, funds disbursed for the purchase of goods are recorded as advance against Murabaha finance and the financing is recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

Assets given on Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Ijarah assets are depreciated on a reducing balance basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount.

In Running Musharakah, the Bank and the customer enter into a Musharakah agreement where the Bank agrees to finance the operating activities of the customer's business and share in the statement of profit and loss account in proportion to an agreed ratio at an agreed frequency.

Under Diminishing Musharakah financing, the Bank creates joint ownership with the customer over the tangible assets to fulfil capital expenditure / project requirements. The Bank receives periodic payments from the customer against the gradual transfer of its share of ownership to the customer.

In Istisna transactions, the Bank finances the cost of goods manufactured by the customer. Once the goods are manufactured, these are sold by the customer as an agent of the Bank to recover the cost plus the agreed profit.

Under Tijarah, the Bank purchases the finished goods from the customer against payment, takes possession and appoints customer as an agent to sell these goods to ultimate buyer on deferred payment basis. Profit is recognized on accrual basis over the period of transaction.

Wakalah is an agency contract in which Bank provides funds to the customer who invests it in a Shariah compliant manner.

In Musawamah financing, the Bank purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

4.5 Fixed assets and depreciation

4.5.1 Property and equipment

4.5.1.1 Owned assets

Property and equipment, except land and buildings, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amount. Buildings are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any. The cost and the accumulated depreciation of property and equipment of foreign branches include exchange differences arising on currency translation at the year-end rates. Depreciation is charged to statement of profit and loss account applying the straight line method except buildings, which are depreciated on diminishing balance method at

the rates stated in note 13.2. Depreciation on addition is charged from the month in which the assets are available for use and no depreciation is charged in the month the assets are disposed off.

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

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in statement of profit and loss account.

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at statement of financial position date.

Land and buildings' valuations are carried out by professionally qualified valuers with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair value.

- Any revaluation increase arising on the revaluation of such assets is recognised in the statement of comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of profit and loss account, in which case the increase is credited to statement of profit and loss account to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such assets is recognised in statement of profit and loss account to the extent that it exceeds the balance, if any, held in "Surplus on Revaluation of Fixed Assets" relating to a previous revaluation of that asset.

- Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the statement of profit and loss account.

- An amount equal to incremental depreciation for the year net of associated deferred tax is transferred from "Surplus on Revaluation of Fixed Assets" to unappropriated profit through statement of changes in equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

- On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to unappropriated profit.

4.5.2 Capital work-in-progress

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

4.5.3 Impairment

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, fixed assets are written down to their recoverable amounts.

The resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount which would have been determined had there been no impairment. Reversal of impairment loss is recognised as income in the statement of profit and loss account.

4.6 Lease liability and right-of-use assets

The lease liabilities are initially measured at the present value of lease payments that includes:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees, if any;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are to be discounted using the incremental borrowing rate being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

On initial recognition, right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of restoration costs.

The Bank leases various offices / branches for the purpose of its operational activities. Rental contracts are typically made for fixed periods of 3 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

4.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The cost and the accumulated amortisation of intangible assets of foreign branches include exchange differences arising on currency translation at the year-end rates. Amortisation is charged to the statement of profit and loss account applying the straight-line method at the rates stated in note 15. Amortisation on additions is charged from the month in which the assets are available for use and no amortisation is charged in the month the intangible assets are disposed off. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4.8 Non-banking assets acquired in satisfaction of claims

In accordance with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by SBP vide its BPRD Circular No. 1 of 2016, dated January 1, 2016, the non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to the statement of profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to the statement of profit and loss account and not capitalized. Depreciation on non-banking assets acquired in satisfaction of claims is charged to the statement of profit and loss account on the same basis as depreciation charged on the Bank's owned fixed assets.

4.9 Deposits and their cost

Deposits are recorded at the fair value of proceeds received.

Deposit costs are recognised as an expense in the period in which these are incurred using effective yield method.

4.10 Taxation

4.10.1 Current

Provision of current taxation is based on taxable income for the year determined in accordance with the prevailing laws of taxation on income earned for local as well as foreign operations, as applicable to the respective jurisdictions. The charge for the current tax also includes adjustments wherever considered necessary relating to prior years, arising from assessments framed during the year.

4.10.2 Deferred

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax is not recognised on differences relating to investment in subsidiaries and branches to the extent the deductible temporary difference probably will not reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit or deductible temporary differences will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to gain / loss recognised on surplus on revaluation of assets is charged / credited to such account.

4.11 Employee benefits

4.11.1 Defined benefit plans

The Bank operates an approved funded pension scheme, an un-funded post retirement medical benefits scheme and an un-funded benevolent scheme for its eligible employees. The Bank also operates an un-funded gratuity scheme for its eligible contractual employees. An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit Method. Remeasurements of the net defined benefit liability / assets which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income. Past-service costs are recognised immediately in the statement of profit and loss account when the plan amendment occurs.

4.11.2 Other employee benefits

4.11.2.1 Employees' compensated absences

The Bank also makes provision in these unconsolidated financial statements for its liability towards compensated absences. This liability is estimated on the basis of actuarial advice under the Projected Unit Credit Method.

4.12 Revenue recognition and Mark up / Non Mark Up income

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

4.12.1 Advances and investments

Income on loans and advances and debt security investments are recognised on a time proportion basis that takes into account effective yield on the asset. In case of advances and investments, profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis.

Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations issued by SBP.

Where debt securities (excluding held for trading securities / FVTPL) are purchased at a premium or discount, those premiums / discounts are amortised through the statement of profit and loss account over the remaining maturity.

4.12.2 Non mark-up / interest income

The Bank earns fee and commission income from certain non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The recognition of fee and commission income depends on the purpose for which the fees are received. Fee and commission income is recognised when or as an entity satisfies the performance obligation, either over time or at a specific point of time. Unearned fees and commissions are included under other liabilities.

Commission on letters of credit and guarantees is recognized on time proportion basis.

Dividend income on equity investments and mutual funds is recognised when right to receive is established.

Gains and losses on disposal of investments, property and equipment, intangible assets and Ijarah assets are dealt with through the statement of profit and loss account in the year in which they arise.

Gain or loss on sale / modification of financial assets is included in the unconsolidated statement of profit and loss account in the period in which they arise.

4.12.3 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the statement of profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.13 Net investment in finance lease

Leases where the bank transfers substantially all the risks and rewards incidental to ownership of the assets to the lessee are classified as finance leases. Net investment in finance lease is recognised at an amount equal to the aggregate of present value of minimum lease payments including any guaranteed residual value and excluding unearned finance income, write-offs and provision for doubtful lease finances, if any.

4.14 Foreign currencies translation and foreign operation

4.14.1 Foreign currencies translation

The Bank's unconsolidated financial statements are presented in Pak Rupees (Rs.) which is the Bank's functional and presentation currency.

Foreign currency transactions are converted into Rupees applying the exchange rate at the date of the respective transactions. Monetary assets and liabilities in foreign currencies and assets / liabilities of foreign branches are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at the rates applicable to their respective maturities. All gains or losses on dealing in foreign currencies are taken to the statement of profit and loss account.

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 Rupee terms at the rates of exchange prevailing at the statement of financial position date.

4.14.2 Foreign operation

Statement of profit and loss account balances of foreign branches are translated at average exchange rate prevailing during the year. Gains and losses on translation are included in the profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

Statement of financial position balances of foreign branches are translated at exchange rate prevailing at statement of financial position date. Gains and losses on translation are included in the statement of profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

4.15 Credit Allowance for off balance sheet obligations

ECL for guarantees, claims and other off balance sheet obligations are made when the bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. ECL against off balance sheet items created based on ORR or Days past dues of borrows and based on CCF factor on undrawn commitments. Charge to profit and loss account is stated net of expected recoveries.

4.16 Off setting

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

4.17 Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Bank in the statement of financial position.

4.18 Dividend and other appropriations

Dividend and other appropriation to reserves, except appropriations which are required by the law, are recognised in the Bank's unconsolidated financial statements in the year in which these are approved.

4.19 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the statement of profit and loss account attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. There were no dilutive potential ordinary shares in issue at December 31, 2024.

4.20 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments.

The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.21 Acceptances

Acceptances comprise undertakings by the Bank to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as on balance sheet financial assets and financial liabilities.

4.22 Segment reporting

A segment is a distinguishable component of the Bank that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, where as a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Bank's functional and management reporting structure.

Business segments

The Bank's primary segment reporting is based on the following business segments:

i. **Retail Banking Group** includes retail lending and deposits, banking services, cards and branchless banking.

ii. **Inclusive Development Group** consists of loans to individuals, agriculture, SME, commodity and commercial customers.

iii. **Corporate and Investment Banking Group** offers a wide range of financial services to medium and large sized public and private sector entities. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services.

iv. **Treasury** includes fixed income, equity, foreign exchange, credit, funding, own position securities, lendings and borrowings and derivatives for hedging and market making.

v. **International Financial Institution and Remittance Group** includes the results of all international branches, correspondent banking business and global remittances. This represents Bank's operations in 11 countries including Pakistan and 16 branches including one branch in Export Processing Zone in Pakistan.

vi. **Aitemaad and Islamic Banking Group** provides shariah compliant services to customers including loans, deposits and other transactions.

vii. **Head Office / Others** includes the head office related activities and other functions which cannot be classified in any of the above segments.

Geographical segments

The Bank is managed along the following geographic lines for monitoring and reporting purposes:

i. Pakistan (including branch in Export Processing Zone)

ii. Asia Pacific (including South Asia)

iii. Europe

iv. United States of America

v. Middle East

5 CLOSURE OF FOREIGN SUBSIDIARIES AND OPERATIONS

In line with SBP Governance Framework 2018, the Board of Directors (BoD) in its 302nd meeting held on January 20 & 21, 2020 had accorded the approval of International Strategy. As per approved Strategy, the BoD allowed closure of all locations in Central Asian Republics. Closure of three (3) locations i.e. Azerbaijan (Baku), Kyrgyzstan (Bishkek) and Kazakhstan (Almaty) got delayed due to challenges faced in the settlement of non-performing loans while others have already been closed.

The tentative timeline for closure of operations at these (3) locations is as under:

1)	JSC SB "National Bank of Pakistan in Kazakhstan" Almaty	31.03.2025
2)	National Bank of Pakistan, Bishkek Branch – Kyrgyz Republic	31.03.2025
3)	National Bank of Pakistan, Baku Branch – Azerbaijan	31.03.2025

The Board of Directors in its 316th meeting held on January 06 & 11, 2021 had accorded the approval to scale down Bangladesh Operations. Later-on, the Board of Directors in its 349th meeting held on June 19, 2023 approved exit from Bangladesh preferably by exploring the options of merger with an existing bank or sale of license / entire business to a new buyer. In this regard, relevant activities have been initiated.

The BoD in its 327th meeting held on January 17, 2022 accorded the approval of exiting from France. After complying to all regulatory requirements, the Bank has closed down its operations in Paris with effect from December 31, 2024.

Further, in line with NBP BoD directives, the Bank voluntarily surrendered its New York Branch's banking license with NYSDFS' approval and closed the branch in October 2024.

6 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

6.1 IFRS 9 - 'Financial Instruments'

As per the SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on banks with effect from January 01, 2024. IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flows characteristics. The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (Letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions to address the matters raised by the banks to ensure compliance by the timelines. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL, accounting methodology for Islamic Banking Institutions and treatment of charity. Accordingly, the Bank has adopted the treatment as instructed in the aforementioned Letters in these unconsolidated financial statements. In addition, the SBP in a separate instruction SBPHOK-BPRD-RPD-NBP-821909 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

On application of IFRS 9, certain accounting policies have been revised to comply with the requirements of IFRS 9. The revised accounting policies have been disclosed in their respective policy notes in these unconsolidated financial statements.

The SBP has directed the Banks through its BPRD Circular Letter No.1 dated January 22, 2025 to disclose the impact of IFRS 9 on revenue recognition from Islamic Operations which is as follows:

Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations profit / return earned on Islamic financing and related assets in unconsolidated statement of profit and loss account for the year ended December 31, 2024 would have been higher by Rs. 135 million and taxation would have been higher by Rs 73 million. Further, an unappropriated profit in unconsolidated statement of changes in equity would have been higher by Rs 62 million.

Application to the Bank's financial assets

Debt based financial assets

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

a) These are measured at amortised cost if these assets meet both of the following conditions and are not designated as fair value through profit and loss (FVTPL):

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

The Bank's business model for these financial assets can still be held to collect (HTC) even when sales of these financial assets occur. However, if more than an infrequent number of sales of significant value are made, the Bank assesses whether and how the sales are consistent with the HTC objective.

b) Debt based financial assets are measured at fair value through other comprehensive income (FVOCI) only if these meet both of the following conditions and are not designated as FVTPL:

- the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

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

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

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics.

	Provision as per current regulatory framework	Remeasurement (ECL)	Reclassification	ECLs under IFRS 9
Impairment allowance against:	(Rupees in '000)			
Cash and balances with treasury banks	-	18,713	-	18,713
Balances with Other Banks	117,033	36	-	117,069
Lending to financial institutions	174,150	9,723	-	183,873
Advances	233,608,873	31,715,097	-	265,323,970
Investments	23,608,927	7,038,193	(12,665,194)	17,981,926
Markup Receivable	-	1,125,218	-	1,125,218
Off-balance sheet obligations	627,494	4,049,283	-	4,676,777
Total	**258,136,477**	**43,956,263**	**(12,665,194)**	**289,427,546**

6.1.1 Adoption impacts

The Bank has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 12,003 million has been recorded as an adjustment to equity at the beginning of the current accounting period.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with previous local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024 :

	Balances as at December 31, 2023 (Audited)	Impact due to: Recognition of expected credit losses	Adoption of revised classifications under IFRS 9	Classifications due to business model and SPPI assessments	Remeasure-ments	Reversal of provisions held	Total impact - gross of tax	Taxation (current and deferred)	Total Impact - net of tax	Balances as at January 01, 2024	IFRS 9 Category
	(Rupees in '000)										
ASSETS											
Cash and balances with treasury banks	294,992,570	(18,713)	-	-	-	-	(18,713)	-	(18,713)	294,973,857	Amortised cost
Balances with other banks	42,325,051	(36)	-	-	-	-	(36)	-	(36)	42,325,015	Amortised cost
Lendings to financial institutions	192,430,437	(9,723)	-	-	-	-	(9,723)	-	(9,723)	192,420,714	Amortised cost
Investments											
- Classified as available for sale	4,081,336,153	-	(4,081,336,153)	-	-	-	(4,081,336,153)	-	(4,081,336,153)	-	
- Classified as fair value through other comprehensive income	-	(7,038,193)	4,081,336,153	(135,639,804)	(1,082,064)	12,665,192	3,950,241,284	-	3,950,241,284	3,950,241,284	FVOCI
- Classified as held to maturity	272,790,034	-	(272,790,034)	-	-	-	(272,790,034)	-	(272,790,034)	-	
- Classified as amortised cost	-	-	272,790,034	105,989,524	-	-	378,779,558	-	378,779,558	378,779,558	Amortised cost
- Classified as held for trading	43,089,648	-	(43,089,648)	-	-	-	(43,089,648)	-	(43,089,648)	-	
- Classified as fair value through profit or loss	-	-	43,089,648	29,650,280	-	-	72,739,927	-	72,739,927	72,739,927	FVTPL
- Associates	2,170,920	-	-	-	-	-	-	-	-	2,170,920	Outside the scope of IFRS 9
- Joint venture	2,362,433	-	-	-	-	-	-	-	-	2,362,433	Outside the scope of IFRS 9
- Subsidiary	1,614,855	-	-	-	-	-	-	-	-	1,614,855	Outside the scope of IFRS 9
	4,403,364,043	(7,038,193)	-	-	(1,082,064)	12,665,192	4,544,934		4,544,934	4,407,908,977	
Advances											
- Classified as amortised cost	1,631,685,693	-	-	-	(40,426,410)	-	(40,426,410)	-	(40,426,410)	1,591,259,283	Amortised cost
- Classified as fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	
- Provisions	(233,608,873)	(31,715,097)	-	-	-	-	(31,715,097)	-	(31,715,097)	(265,323,970)	
	1,398,076,820	(31,715,097)	-	-	(40,426,410)	-	(72,141,507)	-	(72,141,507)	1,325,935,313	
Property and equipment	56,974,417	-	-	-	-	-	-	-	-	56,974,417	Amortised cost
Right-of-use assets	1,510,061	-	-	-	-	-	-	-	-	1,510,061	Outside the scope of IFRS 9
Intangible assets	6,934,471	-	-	-	-	-	-	-	-	6,934,471	Outside the scope of IFRS 9
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
Other assets - financial assets	226,424,116	(1,125,218)	-	-	34,752,344	-	33,627,126	-	33,627,126	260,051,242	Amortised cost & Other than FA & FL
Other assets - non financial assets	29,675,452	-		-	-	-	-	-	-	29,675,452	Amortised cost & Other than FA & FL
	321,518,517	(1,125,218)	-	-	34,752,344	-	33,627,126	-	33,627,126	355,145,643	
	6,652,707,438	(39,906,980)	-	-	(6,756,130)	12,665,192	(33,997,919)	-	(33,997,919)	6,618,709,519	
LIABILITIES											
Bills payable	68,000,448	-	-	-	-	-	-	-	-	68,000,448	Amortised cost
Borrowings	2,177,743,194	-	-	-	(6,149,386)	-	(6,149,386)	-	(6,149,386)	2,171,593,808	Amortised cost
Deposits and other accounts	3,674,359,379	-	-	-	-	-	-	-	-	3,674,359,379	Amortised cost
Lease liability against right-of-use assets	-	-	-	-	-	-	-	-	-	-	
Sub-ordinated sukuks	-	-	-	-	-	-	-	-	-	-	Amortised cost
Lease liabilities against right of use assets	8,264,782	-	-	-	-	-	-	-	-	8,264,782	Amortised cost
Deferred tax liabilities	720,183	(21,538,570)	1,410,784	232,907	-	-	(19,894,879)	-	(19,894,879)	(19,174,696)	Outside the scope of IFRS 9
Other liabilities - non financial liabilities	338,025,095	-	-	-	-	-	-	-	-	338,025,095	FVTPL, Amortised cost & Other than FA & FL
Other liabilities - financial liabilities	2,838,764	4,049,283	-	-	-	-	4,049,283	-	4,049,283	6,888,047	FVT PL, Amortised cost & Other than FA & FL
	6,269,951,845	(17,489,286)	1,410,784	232,907	(6,149,386)	-	(21,994,982)	-	(21,994,982)	6,247,956,863	
NET ASSETS	382,755,593	(22,417,694)	(1,410,784)	(232,907)	(606,744)	12,665,192	(12,002,937)	-	(12,002,937)	370,752,655	
REPRESENTED BY											
Share capital	21,275,131	-	-	-	-	-	-	-	-	21,275,131	Outside the scope of IFRS 9
Reserves	79,071,471	-	-	-	-	-	-	-	-	79,071,471	Outside the scope of IFRS 9
Surplus on revaluation of assets - net of tax	63,654,593	-	(1,714,431)	-	-	-	(1,714,431)	-	(1,714,431)	61,940,162	Outside the scope of IFRS 9
Unappropriated profit	218,754,398	(22,417,695)	11,886,775	242,413	-	-	(10,288,506)	-	(10,288,506)	208,465,891	Outside the scope of IFRS 9
	382,755,593	(22,417,695)	10,172,344	242,413	-	-	(12,002,937)	-	(12,002,937)	370,752,655	

6.2 Classification

Financial assets

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

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

Financial liabilities

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

6.2.1 Business model:

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Bank’s assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash

ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets

iii) Other business models: Resulting in classification of financial assets as FVTPL

6.2.2 Assessments whether contractual cash flows are solely payments of principal and interest / profit (SPPI)

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

6.2.3 Application to the Bank's financial assets

Debt based financial assets

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

a) These are measured at amortised cost if they meet both of the following conditions and are not designated as FVTPL:

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

The Bank's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sales of significant value are made, the Bank assesses whether and how the sales are consistent with the HTC objective.

b) Debt based financial assets are measured at FVOCI only if these meet both of the following conditions and are not designated as FVTPL:

- the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

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

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

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual share in the issuer's net assets.

The Bank measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when

those investments are held for purposes other than for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the statement of profit and loss account, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the statement of profit and loss account as income when the Bank's right to receive payments is established.

IFRS 9 has removed the requirement for impairment assessments on equity investments. However, under BPRD Circular Letter No. 16 of 2024, dated July 29, 2024, Banks may continue to measure unquoted equity securities at the lower of cost or break-up value until December 31, 2024. Starting January 1, 2025, Banks will be required to measure unquoted equity securities at fair value, as mandated by the IFRS 9 application guidelines. For unquoted securities where the break-up value is lower than the cost, the difference has been classified as a loss and charged to the statement of profit and loss account.

Gains and losses on equity instruments at FVTPL are included in the 'Gain on sales of securities' line in the statement of profit and loss account.

6.2.4 Initial recognition and subsequent measurement

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

a) Amortised cost (AC)

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

b) Fair value through other comprehensive income (FVOCI)

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

c) Fair value through profit or loss (FVTPL)

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

6.2.5 Derecognition

Financial assets

The Bank derecognises a financial asset when:

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

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

Financial liabilities

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

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

6.2.6 Modification

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

6.3 Expected Credit Loss (ECL)

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

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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

Stage 1:	When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.
Stage 2:	When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.
Stage 3:	For financial instruments considered credit-impaired, the Bank recognises the LTECLs for these instruments. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.
Undrawn financing commitments	When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financings is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financings and an undrawn commitment, ECLs are calculated on un-drawn portion of the facility and presented within other liabilities.
Guarantee and letters of credit contracts	The Bank estimates ECLs based on the BASEL driven and internally developed credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 11 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

EAD The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest / profit from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. The Bank's product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank expectations of the customer behaviour, its likelihood of default and the Bank future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery

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

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

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

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

Forward looking information

In its ECL models, the Bank relies on range of the following forward looking information as economic inputs, such as:

- GDP Growth
- Consumer Price Index
- Unemployment rate

Definition of default

The concept of " impairment " or "default" is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD.

As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio.

This implies that if one facility of a counterparty becomes 90+ DPD in repaying its contractual dues or as defined in PRs; all other facilities would deem to be classified as stage 3.

Write-offs

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

6.4 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

7 CASH AND BALANCES WITH TREASURY BANKS

	Note	2024	2023
		(Rupees in '000)	
In hand			
Local currency		**64,951,613**	62,369,227
Foreign currencies		**5,781,558**	9,651,086
		70,733,171	72,020,313
With State Bank of Pakistan in			
Local currency current accounts	7.1	**147,167,204**	125,791,892
Foreign currency current accounts	7.2	**22,097,814**	21,661,443
Foreign currency deposit accounts	7.2	**44,108,393**	43,265,618
Foreign currency collection accounts		**212,443**	1,498,122
		213,585,854	192,217,075
With other central banks in			
Foreign currency current accounts	7.3	**24,445,656**	25,964,016
Foreign currency deposit accounts	7.3	**4,583,665**	4,163,614
		29,029,321	30,127,630
Prize bonds		**904,765**	627,552
		314,253,111	294,992,570
Less: Credit loss allowance held against cash and balances with treasury banks		**(19,075)**	-
Cash and balances with treasury banks - net of credit loss allowance		**314,234,036**	294,992,570

7.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

7.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

7.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries and carry interest at the rate of 0 % to 4.50 % per annum (December 31, 2023: 0% to 5.5% per annum).

8 BALANCES WITH OTHER BANKS

	Note	2024	2023
		(Rupees in '000)	
In Pakistan			
In deposit accounts	8.1	**21,964**	15,285
		21,964	15,285
Outside Pakistan			
In current accounts		**48,856,615**	33,508,579
In deposit accounts	8.2	**7,957,922**	8,801,187
		56,814,537	42,309,766
		56,836,501	42,325,051
Less: Credit loss allowance held against balances with other banks		**(18)**	-
Balances with other banks - net of credit loss allowance		**56,836,483**	42,325,051

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8.1 These include various deposits maintained with banks and carry interest at the rates ranging from 9.00 % to 19.6 % per annum (December 31, 2023: 6.00% to 12.70% per annum).

8.2 These include various deposits with correspondent banks outside Pakistan and carry interest at the rates ranging from 1.00 % to 5.44% per annum (December 31, 2023 :1.50% to 7.10% per annum).

9 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	2024	2023
		(Rupees in '000)	
Call / clean money lendings	9.1	-	9,723
Reverse repurchase agreements	9.2 & 9.5	-	192,420,714
Musharka lending	9.3	30,000,000	-
Letter of placement	9.4	172,150	174,150
		30,172,150	192,604,587
Less: Credit loss allowance held against lending to financial institutions	9.7	(172,150)	(174,150)
Lending to financial institutions - net of credit loss allowance		30,000,000	192,430,437

9.1 These also include zero rate lending to a financial institution amounting to Rs Nil (December 31, 2023: Rs. 9.7 million) which is guaranteed by the SBP.

9.2 These carry mark-up at Nil rates per annum (December 31, 2023: 21.00% to 22.95% per annum) with Nil maturities (December 31, 2023: upto February 7, 2024).

9.3 These carry mark-up at the rates ranging from 12.0% to 12.75% per annum with maturities on January 2, 2025.

9.4 These are overdue placements and full provision has been made against these placements as at December 31, 2024.

9.5 Particulars of lending

	2024	2023
	(Rupees in '000)	
In local currency	30,172,150	192,604,587
	30,172,150	192,604,587

9.6 Securities held as collateral against lending to financial institutions

	2024			2023		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	(Rupees in '000)					
Market Treasury Bills	-	-	-	9,485,867	-	9,485,867
Pakistan Investment Bonds	-	-	-	182,934,847	-	182,934,847
Total	-	-	-	192,420,714	-	192,420,714

9.6.1 Market value of the securities under repurchase agreement lendings amounts to Rs. Nil (2023: Rs. 192,518 million).

9.7 Lending to financial institutions - Particulars of credit loss allowance

		2024		2023	
		Lending	**Credit loss allowance held**	Lending	Credit loss allowance held
		(Rupees in '000)			
Domestic					
Performing	Stage 1	**-**	**-**	-	-
Under performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**172,150**	**172,150**	174,150	174,150
		172,150	**172,150**	174,150	174,150
Total		**172,150**	**172,150**	174,150	174,150
Overseas					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		**172,150**	**172,150**	174,150	174,150

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	(Rupees in '000)			
Balance at the start of the year	**-**	**-**	**174,150**	**174,150**
Impact of adoption of IFRS - 9	**-**	**-**	**9,723**	**9,723**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Net remeasurement of credit loss allowance	**-**	**-**	**183,873**	**183,873**
Financial assets that have been derecognised	**-**	**-**	**(11,723)**	**(11,723)**
Balance at the end of the year	**-**	**-**	**172,150**	**172,150**

	2023			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Balance at the start of the year	-	-	174,150	174,150
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	-	-	174,150	174,150
Financial assets that have been derecognised	-	-	-	-
Balance at the end of the year	-	-	174,150	174,150

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10 INVESTMENTS

10.1 Investments by types

	Note	2024			
		Fair value / amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value
		(Rupees in '000)			
- Debt Instruments					
Classified / measured at amortised cost					
Federal Government securities					
-Pakistan investment bonds	10.5.1	222,656,096	-	-	222,656,096
-Ijarah sukuk	10.5.1	14,057,627	-	-	14,057,627
-Foreign currency debt securities	10.5.1	7,104,331	(817,022)	-	6,287,309
Non Government debt securities					
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds		383,471	(383,471)	-	-
Foreign securities					
-Government debt securities		37,707,456	-	-	37,707,456
-Non-Government debt securities		1,077	-	-	1,077
		281,910,058	(1,200,493)	-	280,709,565
Classified / measured at FVOCI					
Federal Government securities					
-Market treasury bills		1,152,657,126	-	17,688,599	1,170,345,725
-Pakistan investment bonds		2,739,200,656	-	33,084,223	2,772,284,879
-GOP ijarah sukuks		31,090,982	-	587,221	31,678,203
-GOP ijarah sukuks-Traded		29,772,129	-	1,127,871	30,900,000
-GOP ijarah sukuks-Discounted		32,874,030	-	951,840	33,825,870
-Foreign currency debt securities		29,229,000	(6,119,189)	(3,541,998)	19,567,813
Non Government debt securities					
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds		39,157,588	(6,984,089)	278,820	32,452,319
Foreign securities					
-Government debt securities		3,100,284	-	143,329	3,243,613
-Equity securities-Listed	10.6	463,294	-	52,106,188	52,569,483
		4,057,545,090	(13,103,278)	102,426,093	4,146,867,905
Classified / measured at FVTPL					
Federal Government securities					
-Market treasury bills		35,690,468	-	72,668	35,763,136
-Pakistan investment bonds		20,906,802	-	63,890	20,970,692
		56,597,270	-	136,558	56,733,828
Instruments mandatorily classified / measured at FVTPL					
Mutual fund units		4,933,558	-	3,192,983	8,126,541
Preference shares					
-Listed		1,043,797	-	(51,086)	992,711
-Unlisted		558,284	(558,284)	-	-
Non Government debt securities					
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds		9,911,967	-	13,901	9,925,868
		16,447,606	(558,284)	3,155,798	19,045,120
- Equity instruments					
Classified / measured at FVTPL					
Shares					
- Listed companies		11,612,714	-	5,738,300	17,351,014
- Unlisted companies		-	-	-	-
		11,612,714	-	5,738,300	17,351,014

	Note	2024 Fair value / amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value
		(Rupees in '000)			
Classified / measured at FVOCI (non-reclassifiable)					
Shares					
- Listed compaies	10.11 & 10.12	44,928,949	-	42,792,188	87,721,137
- Unlisted companies		2,107,198	(573,855)	-	1,533,343
		47,036,147	(573,855)	42,792,188	89,254,480
- **Associates**	10.8				
- Listed					
First Credit and Investment Bank Limited		157,431	-	-	157,431
Land Mark Spinning Mills Limited		39,710	(39,710)	-	-
S.G. Allied Business Limited		218,535	(218,535)	-	-
Nina Industries Limited		49,060	(49,060)	-	-
NBP Stock Fund		600,000	-	-	600,000
	10.7	1,064,736	(307,305)	-	757,431
- Unlisted					
Pakistan Emerging Venture Limited		50,563	(50,563)	-	-
National Fructose Company Limited		6,500	(6,500)	-	-
Dadabhoy Energy Supply Company Limited		32,105	(32,105)	-	-
Pakistan Mercantile Exchange Limited		106,539	(106,539)	-	-
	10.9	195,707	(195,707)	-	-
		1,260,443	(503,012)	-	757,431
Subsdiaries					
CJSC Subsidiary Bank of NBP in Kazakhstan		2,185,644	(1,181,867)	-	1,003,777
NBP Exchange Company Limited		300,000	-	-	300,000
NBP Modaraba Management Company Limited		105,000	(105,000)	-	-
Taurus Securities Limited		24,725	-	-	24,725
Cast-N-Link Products Limited		1,245	(1,245)	-	-
NBP Funds Management Limited		336,353	(50,000)	-	286,353
		2,952,967	(1,338,112)	-	1,614,855
Total investments		4,475,362,295	(17,277,034)	154,248,937	4,612,334,198

Investments by types	2023 Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)			
Held to maturity securities				
Federal Government securities				
-Pakistan investment bonds	213,116,482	-	-	213,116,482
-Ijarah sukuk bonds	14,087,500	-	-	14,087,500
-Foreign Currency Debt securities	4,288,988	-	-	4,288,988
Non Government debt securities				
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds	404,585	(404,585)	-	-
Foreign securities			-	
-Foreign goverment debt securities	41,295,981	-	-	41,295,981
-Non-Government debt securities	1,083	-	-	1,083
	273,194,619	(404,585)	-	272,790,034

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	Note	2023			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
		(Rupees in '000)			
Available for sale securities					
Federal Government securities					
-Pakistan investment bonds		2,926,410,213	-	(25,322,781)	2,901,087,432
-Market treasury bills		954,585,428	-	2,228,157	956,813,585
-Ijarah sukuk bonds		30,424,484	-	(330,520)	30,093,964
-Foreign currency debt securities		40,907,401	-	(10,174,093)	30,733,308
Ordinary Shares					
-Listed Companies		51,691,556	(11,638,688)	22,284,263	62,337,131
-Unlisted Companies		2,107,198	(448,951)	-	1,658,247
Non Government debt securities					
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds		53,137,456	(5,857,566)	355,100	47,634,990
Foreign securities					
-Equity securities-Listed		463,294	-	42,171,551	42,634,845
-Foreign goverment debt securities		3,385,022	-	8,528	3,393,550
Preference shares					
- Listed		1,448,472	(566,446)	161,771	1,043,797
- Unlisted		558,284	(558,284)	-	-
Mutual fund units		2,219,646	(41,167)	1,726,825	3,905,304
		4,067,338,454	(19,111,102)	33,108,801	4,081,336,153
Held for trading securities					
Federal Government securities					
- Market treasury bills		23,341,720	-	7,673	23,349,393
- Pakistan investment bonds		14,665,019	-	(37,878)	14,627,141
- GOP ijarah sukuk bonds		5,038,531	-	(3,521)	5,035,010
Ordinary shares					
- Listed companies		79,317	-	(1,213)	78,104
		43,124,587	-	(34,939)	43,089,648
- **Associates**					
- Listed					
First Credit and Investment Bank Limited		157,431	(30,428)	-	127,003
Land Mark Spinning Mills Limited		39,710	(39,710)	-	-
S.G. Allied Business Limited		218,535	(218,535)	-	-
Nina Industries Limited		49,060	(49,060)	-	-
NBP Stock Fund		600,000	-	-	600,000
Agritech Limited	29.1.2	3,665,605	(2,221,688)	-	1,443,917
		4,730,341	(2,559,421)	-	2,170,920
- Unlisted					
Pakistan Emerging Venture Limited		50,563	(50,563)	-	-
National Fructose Company Limited		6,500	(6,500)	-	-
Dadabhoy Energy Supply Company Limited		32,105	(32,105)	-	-
Pakistan Mercantile Exchange Limited		106,539	(106,539)	-	-
		195,707	(195,707)	-	-
		4,926,048	(2,755,128)		2,170,920
- **Joint venture**					
United National Bank Limited		2,362,433	-	-	2,362,433
- **Subsdiaries**					
CJSC Subsidiary Bank of NBP in Kazakhstan		2,185,644	(1,181,867)	-	1,003,777
NBP Exchange Company Limited		300,000	-	-	300,000
NBP Modaraba Management Company Limited		105,000	(105,000)	-	-
Taurus Securities Limited		24,725	-	-	24,725
Cast-N-Link Products Limited		1,245	(1,245)	-	-
NBP Funds Management Limited		336,353	(50,000)	-	286,353
		2,952,967	(1,338,112)	-	1,614,855
Total investments		4,393,899,108	(23,608,927)	33,073,862	4,403,364,043

10.1.1 Associates

	Number of shares	Percentage of holding	Country of incorporation	Based on the financial statements as at	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
					(Rupees in '000)				
Listed									
First Credit and Investment Bank Limited	20,000,000	30.77%	Pakistan	September 30,2024 (Un-audited)	3,876,986	3,049,849	193,194	11,273	40,553
National Fibres Limited	17,030,231	20.19%	Pakistan	N/A	-	-	-	-	-
Liven Pharma Limited (Formerly Land Mark Spinning Mills Limited)	3,970,859	32.79%	Pakistan	September 30,2024 (Un-audited)	961,561	38,922	88,910	147,588	147,588
SG Allied Businesses Limited	3,754,900	25.03%	Pakistan	September 30,2024 (Un-audited)	1,526,862	326,234	20,784	2,744	2,744
Nina Industries Limited	4,906,000	20.27%	Pakistan	N/A	-	-	-	-	-
NBP Stock Fund	31,347,444	3.02%	Pakistan	September 30,2024 (Un-audited)	20,295,382	368,396	1,047,047	820,717	820,717
Unlisted									
Pakistan Emerging Venture Limited	12,500,000	33.3%	Pakistan	June 30,2022 (Audited)	478	404	56	(385)	(385)
National Fructose Company Limited	1,300,000	39.5%	Pakistan	N/A	-	-	-	-	-
Venture Capital Fund Management	33,333	33.3%	Pakistan	N/A	-	-	-	-	-
Kamal Enterprises Limited	11,000	20.4%	Pakistan	N/A	-	-	-	-	-
Mehran Industries Limited	37,500	32.1%	Pakistan	N/A	-	-	-	-	-
Tharparkar Sugar Mills Limited	2,500,000	21.5%	Pakistan	N/A	-	-	-	-	-
Youth Investment Promotion Society	644,508	25.0%	Pakistan	N/A	-	-	-	-	-
Dadabhoy Energy Supply Company Limited	9,900,000	23.1%	Pakistan	N/A	-	-	-	-	-
K-Agricole Limited	5,000	20.0%	Pakistan	N/A	-	-	-	-	-
New Pak Limited	200,000	20.0%	Pakistan	N/A	-	-	-	-	-
Pakistan Mercantile Exchange Limited	10,653,860	34.0%	Pakistan	June 30,2024 (Audited)	6,596,805	5,999,049	866,373	291,880	291,880
Prudential Fund Management Limited	150,000	20.0%	Pakistan	N/A	-	-	-	-	-

10.1.2 Subsidiaries

CJSC Subsidiary Bank of NBP in Kazakhstan	8,650	100%	Kazakhstan	December 31, 2024	2,749,010	1,960	316,976	174,321	174,321
NBP Exchange Company Limited	99,999,999	100%	Pakistan	December 31, 2024	2,423,305	157,404	539,136	166,050	166,050
NBP Modaraba Management Company Limited	10,500,000	100%	Pakistan	December 31, 2024	143,005	112,125	23,714	13,610	13,610
Taurus Securities Limited	7,875,002	58%	Pakistan	December 31, 2024	1,493,690	1,133,212	275,290	58,371	58,371
Cast-N-Link Products Limited	1,245,000	77%	Pakistan	N/A					
NBP Fund Management Limited	13,499,996	54%	Pakistan	December 31, 2024	4,238,707	2,072,107	3,510,194	1,054,089	1,054,089

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10.2 Investments by segments

	Note	2024				2023			
		Cost/ amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost /amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		(Rupees in '000)							
Federal Government securities:									
Market Treasury Bills		1,188,347,594	-	17,761,267	1,206,108,861	977,927,148	-	2,235,830	980,162,978
Pakistan Investment Bonds		2,982,763,554	-	33,148,113	3,015,911,667	3,154,191,714	-	(25,360,659)	3,128,831,055
Ijarah Sukuks		107,794,768	-	2,666,932	110,461,700	49,550,515	-	(334,041)	49,216,474
Foreign currency debt securities		36,333,331	(6,936,211)	(3,541,998)	25,855,122	45,196,389	-	(10,174,093)	35,022,296
		4,315,239,247	(6,936,211)	50,034,314	4,358,337,350	4,226,865,766	-	(33,632,963)	4,193,232,803
Shares									
- Listed companies	10.11 & 10.12	56,541,663	-	48,530,488	105,072,151	51,770,873	(11,638,688)	22,283,050	62,415,235
- Unlisted companies		2,107,198	(573,855)	-	1,533,343	2,107,198	(448,951)	-	1,658,247
		58,648,861	(573,855)	48,530,488	106,605,494	53,878,071	(12,087,639)	22,283,050	64,073,482
Non Government debt securities									
- Listed		18,117,959	(166,109)	159,327	18,111,177	14,263,085	(127,305)	301,710	14,437,490
- Unlisted		31,335,067	(7,201,451)	133,394	24,267,010	39,278,956	(6,134,846)	53,390	33,197,500
		49,453,026	(7,367,560)	292,721	42,378,187	53,542,041	(6,262,151)	355,100	47,634,990
Foreign securities									
Government securities		40,807,740	-	143,329	40,951,069	44,681,003	-	8,528	44,689,531
Non Government debt securities		1,077	-	-	1,077	1,083	-	-	1,083
Equity securities	10.6	463,295	-	52,106,188	52,569,483	463,294	-	42,171,551	42,634,845
		41,272,112	-	52,249,517	93,521,629	45,145,380	-	42,180,079	87,325,459
Preference shares									
- Listed		1,043,797	-	(51,086)	992,711	1,448,472	(566,446)	161,771	1,043,797
- Unlisted		558,284	(558,284)	-	-	558,284	(558,284)	-	-
		1,602,081	(558,284)	(51,086)	992,711	2,006,756	(1,124,730)	161,771	1,043,797
Mutual funds units		4,933,558	-	3,192,983	8,126,541	2,219,646	(41,167)	1,726,825	3,905,304
Associates	10.8								
- Listed									
First Credit and Investment Bank Limited		157,431	-	-	157,431	157,431	(30,428)	-	127,003
Land Mark Spinning Mills Limited		39,710	(39,710)	-	-	39,710	(39,710)	-	-
S.G. Allied Business Limited		218,535	(218,535)	-	-	218,535	(218,535)	-	-
Nina Industries Limited		49,060	(49,060)	-	-	49,060	(49,060)	-	-
NBP Stock Fund		600,000	-	-	600,000	600,000	-	-	600,000
Agritech Limited		-	-		-	3,665,605	(2,221,688)		1,443,917
	10.7	1,064,736	(307,305)	-	757,431	4,730,341	(2,559,421)	-	2,170,920
- Unlisted									
Pakistan Emerging Venture Limited		50,563	(50,563)	-	-	50,563	(50,563)	-	-
National Fructose Company Limited		6,500	(6,500)	-	-	6,500	(6,500)	-	-
Dadabhoy Energy Supply Company Limited		32,105	(32,105)	-	-	32,105	(32,105)	-	-
Pakistan Mercantile Exchange Limited		106,539	(106,539)	-	-	106,539	(106,539)	-	-
	10.9	195,707	(195,707)	-	-	195,707	(195,707)	-	-
		1,260,443	(503,012)	-	757,431	4,926,048	(2,755,128)	-	2,170,920
Joint venture									
United National Bank Limited		-	-	-	-	2,362,433	-	-	2,362,433
Subsidiaries									
CJSC Subsidiary Bank of NBP in Kazakhstan		2,185,644	(1,181,867)	-	1,003,777	2,185,644	(1,181,867)	-	1,003,777
NBP Exchange Company Limited		300,000		-	300,000	300,000		-	300,000
NBP Modaraba Management Company Limited		105,000	(105,000)	-	-	105,000	(105,000)	-	-
Taurus Securities Limited		24,725		-	24,725	24,725		-	24,725
Cast-N-Link Products Limited		1,245	(1,245)	-	-	1,245	(1,245)	-	-
NBP Funds Management Limited		336,353	(50,000)	-	286,353	336,353	(50,000)	-	286,353
		2,952,967	(1,338,112)	-	1,614,855	2,952,967	(1,338,112)	-	1,614,855
Total Investments		4,475,362,295	(17,277,034)	154,248,937	4,612,334,198	4,393,899,108	(23,608,927)	33,073,862	4,403,364,043

10.2.1 Investments given as collateral

	2024	2023
	(Rupees in '000)	
Pakistan investment bonds	1,253,027,780	2,047,337,847
Market treasury bills	602,314,423	17,134,259
	1,855,342,203	2,064,472,106

10.3 Particulars of credit loss allowance

		2024				2023
		Stage 1	Stage 2	Stage 3	Total	
10.3.1	Investments - exposure	(Rupees in '000)				
	Opening balance	4,416,960,757	3,000,000	7,012,213	4,426,972,970	3,500,504,014
	Impact of Reclassfication on adoption of IFRS 9	(1,082,066)	-	-	(1,082,066)	-
	New Investment	47,042,533	-	-	47,042,533	926,468,956
	Derecognition	-	(135,667)	(247,528)	(383,195)	-
	Other Movements	2,486,399	-	325,654	2,812,053	-
	Closing balance	4,465,407,623	2,864,333	7,090,339	4,475,362,295	4,426,972,970

10.3.2 Investments - Credit loss allowance / Provision for diminution in the value of investments

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	
	(Rupees in '000)				
Opening balance	17,765,669	-	5,843,259	23,608,928	23,150,140
Impact of reclassification on adoption of IFRS 9	(12,665,194)	-	-	(12,665,194)	-
Impact of ECL recognized on adoption of IFRS 9	106,275	6,502,030	429,888	7,038,193	-
	(12,558,919)	6,502,030	429,888	(5,627,000)	-
Charge for the period	138,444	1,073,669	177,179	1,389,291	2,157,756
Reversals for the period	(4,769,441)	(263,551)	(25,642)	(5,058,634)	(1,319,964)
Reversals on disposals	-	-	-	-	(379,005)
	(4,630,997)	810,118	151,537	(3,669,342)	458,787
Other movement	2,486,399	-	325,654	2,812,053	-
Exchange Adjustment	-	(3,040)	-	(3,040)	-
Transfers in	14,597	140,840	-	155,437	-
Closing balance	3,076,750	7,449,947	6,750,338	17,277,034	23,608,927

10.3.3 Particulars of credit loss allowance against debt securities

Domestic

		2024		2023	
		Outstanding amount	**Credit loss allowance held**	Outstanding amount	Credit loss allowance held
		(Rupees in '000)			
Performing	Stage 1	**4,362,670**	**166,530**	-	-
Underperforming	Stage 2	**2,864,333**	**110,692**		
Non-Performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**7,090,336**	**7,090,336**	6,262,151	6,262,151
Total		**14,317,339**	**7,367,558**	6,262,151	6,262,151

Overseas

		2024		2023	
		Outstanding amount	**Credit loss allowance held**	Outstanding amount	Credit loss allowance held
		(Rupees in '000)			
Performing	Stage 1	**-**	**-**	-	-
Underperforming	Stage 2	**36,333,331**	**6,936,211**	-	-
Non-Performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**-**	**-**	-	-
		36,333,331	**6,936,211**	-	-
Total		**50,650,670**	**14,303,769**	6,262,151	6,262,151

10.4 Quality of securities

	2024	2023
	Cost	
	----------(Rupees in '000)----------	
Details regarding quality of securities held under "Held to collect and sell" model		
Federal government securities - Government guaranteed		
Market treasury bills	**1,152,657,126**	954,585,428
Pakistan investment bonds	**2,739,200,656**	2,926,410,213
Ijarah sukuks	**93,737,141**	30,424,484
Foreign currency debt securities	**29,229,000**	40,907,401
	4,014,823,923	3,952,327,526
Shares		
Listed companies		
Automobile assembler	**2,208,960**	2,442,432
Automobile parts and accessories	**1,067,760**	1,067,760
Cable and electrical goods	**143,198**	418,994
Cement	**3,883,014**	3,672,159
Chemical	**721,456**	711,682
Commercial banks	**6,956,013**	9,982,145
Engineering	**2,983,213**	2,149,015
Fertilizer	**64,794**	3,518,165
Financial services	**8,676**	-
Food and personal care	**928,900**	1,606,665
Glass and ceramics	**247,794**	64,314
Insurance	**1,618,305**	1,642,671
Investment banks / investment companies / securities companies	**502,158**	508,688
Leasing companies	**10,448**	12,594
Leather and tanneries	**-**	45,731
Oil and gas exploration companies	**3,893,860**	2,952,721
Oil and gas marketing companies	**5,579,778**	5,707,820
Paper and board	**503,696**	670,751
Pharmaceuticals	**4,443,579**	2,708,507
Power generation and distribution	**1,693,525**	2,893,502
Real estate investment trust	**-**	304,025
Refinery	**518,262**	756,817
Sugar and allied industries	**259,483**	259,483
Synthetic and rayon	**15,499**	15,499
Technology and communication	**920,318**	2,408,109
Textile composite	**2,030,003**	2,736,219
Textile spinning	**669,393**	655,195
Transport	**687,204**	245,937
Tobacco	**1,344,213**	695,241
Miscellaneous	**1,025,447**	838,715
	44,928,949	51,691,556

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Unlisted companies				
Digri Sugar Mills Limited	4,063	135,585	4,063	135,585
Gelcaps Pakistan Limited	4,665	2,961	4,665	2,961
Pakistan Agriculture Storage Service Corporation	5,500	3,551,928	5,500	3,551,928
Al Ameen Textile	328	N/A	328	N/A
Professional Management Modaraba (Formerly Al Zamin Modarba Management (Private) Limited)	1,000	2,134	1,000	2,134
AMZ Venture Limited Class A	123	N/A	123	N/A
Arabian Sea Country Club	6,500	(7,664)	6,500	(7,664)
Atlas Power Limited	375,000	1,286,500	375,000	1,286,500
Attock Textile Mills Limited	200	N/A	200	N/A
Pakistan Mortgage Refinance Company Limited	600,000	1,934,999	600,000	2,156,685
F.T.C. Management Company Private Limited	250	43,779	250	43,779
Fauji Akbar Portia Marines Terminal Limited	321,076	609,635	321,076	609,635
Fauji Oil Terminals and Distribution Limited	10,886	242,555	10,886	183,168
First Women Bank Limited	21,100	59,413	21,100	46,319
Fortune Securities Limited	5,000	6,814	5,000	6,702
Frontier Textile Mills Limited	500	272	500	272
Gulistan Power Generation Limited	2,200	8,096	2,200	8,096
Hazara Woolen Mills Limited	200	N/A	200	N/A
Industrial Development Bank of Pakistan	107	N/A	107	N/A
Inter Asia Leasing Company Limited	500	N/A	500	N/A
ISE Towers REIT Management Company Limited	30,346	63,967	30,346	62,264
Junaid Cotton Mills Limited	327	N/A	327	N/A
Kaisar Arts and Krafts Limited	8,395	N/A	8,395	N/A
Kaytex Mills Limited	3,778	N/A	3,778	N/A
Khushhali Microfinance Bank Limited	225,000	100,075	225,000	178,700
Mian Mohammad Sugar Mills Limited	15	N/A	15	N/A
Muslim Ghee Mills Limited	1,810	N/A	1,810	N/A
Myfip Video Industries Limited	5,373	N/A	5,373	N/A
National Asset Leasing Corporation Limited	14	N/A	14	N/A
National Construction Limited	250	597	250	597
National Institution of Facilitation Technology (Private) Limited	1,526	55,574	1,526	55,574
National Investment Trust Limited	100	700,276	100	700,276
National Woolen Mills Limited	183	N/A	183	N/A
Natover Lease and Refinance	2,602	N/A	2,602	N/A
Nowshehra Engineering Works Limited	41	N/A	41	N/A
Pakistan Export Finance Guarantee Agency Limited	11,529	1,152	11,529	1,152
Pakistan Paper Corporation Limited	373	N/A	373	N/A
Pakistan Telephone Cables	143	N/A	143	N/A
Pakistan Textile City	100,000	12,410	100,000	12,410
Pakistan Tourism Development Corporation	100	138	100	138
People Steel Mills Limited	3,276	N/A	3,276	N/A
Qadri Textile Mills Limited	500	N/A	500	N/A
Rehman Cotton Mills Limited	16,955	107,895	16,955	107,895
Refrigerator Manufacturing Company Limited	4,589	N/A	4,589	N/A
Rousch Power Pakistan Limited	132,888	1,289,634	132,888	1,430,921
Ruby Rice and General Mills Limited	750	N/A	750	N/A
Sahrish Textile Mills	21	N/A	21	N/A
Shoaib Capital	272	544	272	544

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
SME Bank Limited	26,950	(251,145)	26,950	(139,326)
South Asia Regional Fund	287	N/A	287	N/A
Star Salica Industries Limited	267	N/A	267	N/A
Syed Match Industries	2	N/A	2	N/A
Union Insurance Company of Pakistan	4	N/A	4	N/A
Unity Modaraba	28	N/A	28	N/A
Zafar Textiles Mills Limited	257	N/A	257	N/A
Zulsham Engineering Works Limited	330	N/A	330	N/A
Information System Associates Limited	1,719	N/A	1,719	N/A
1 Link (Guarantee) Limited	50,000	733,214	50,000	428,290
Pakistan Corporate Restructuring Company Limited	96,000	60,856	96,000	N/A
Pakvitae (Private) Limited	21,000	907	21,000	N/A
	2,107,198		2,107,198	

	2024	2023
Non government debt securities	Cost	
	(Rupees in '000)	
Listed		
- AAA	-	-
- AA+, AA, AA-	8,200,000	7,510,782
- A+, A, A-	-	625,000
- Unrated	5,992	6,127,303
	8,205,992	14,263,085

	2024	2023
	Cost	
	(Rupees in '000)	
Unlisted		
- AAA	14,382,734	18,395,305
- AA+, AA, AA-	-	4,693,580
- A+, A, A-	1,634,071	1,838,372
- BBB+, BBB, BBB-	-	299,760
- CCC and below	340,000	-
- Unrated	14,594,791	13,647,354
	30,951,596	38,874,371

Foreign securities

Government securities	2024		2023	
	Cost	Rating	Cost	Rating
	(Rupees in '000)		(Rupees in '000)	
USA	3,100,284	AA+	3,385,022	AA+

Equity security	2024		2023	
	Cost	Rating	Cost	Rating
	(Rupees in '000)		(Rupees in '000)	
Bank Al - Jazira	463,294	BB+	463,294	BB+

10.5 Particulars relating to securities classified Under "Held to collect" model

	2024	2023
	Cost	
	(Rupees in '000)	
Federal government securities - Government guaranteed		
Pakistan investment bonds	**222,656,096**	213,116,482
Sukuk	**14,057,627**	14,087,500
Foreign currency debt securities	**7,104,331**	4,288,988
	243,818,054	231,492,970
Non government debt securities		
Unlisted		
- Unrated	**383,471**	404,585
	383,471	404,585

Foreign securities

	2024		2023	
Government securities	**Cost**	**Rating**	Cost	Rating
	(Rupees in '000)			
Azerbaijan	**-**	**-**	1,028,843	BB+
Bangladesh	**33,560,065**	**B+**	35,789,601	BB-
Kyrgyzstan	**-**	**-**	274,586	B3
Kingdom of Saudi Arabia	**4,147,391**	**A**	4,202,951	A+
	37,707,456		41,295,981	

	2024	2023
	Cost	
Non government debt securities	(Rupees in '000)	
Listed		
- Unrated	**1,077**	1,083
	1,077	1,083

10.5.1 The market value of securities classified under HTC as at December 31, 2024 amounted to Rs.272,292 million (December 31, 2023: Rs. 251,842 million).

Investment in shares of a bank incorporated outside Pakistan - Bank Al-Jazira

10.6 The Bank holds 37,916,666 (2023: 30,333,333) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 3.7% (2023: 3.7%) holding in total equity of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006. BAJ's viability rating is BB+ with short term and long term Issuer Default Rating (IDR) at F2 and A- respectively by Fitch Rating Agency.

10.7 Aggregate market value of investment in associates (quoted) on the basis of quoted prices amounts to Rs. 1,920 million (2023: Rs. 2,979 million).

10.8 Associates with zero carrying amount represent the investments acquired from former National Development Finance Corporation (NDFC) which have negative equity or whose operations were closed at the time of amalgamation.

10.9 The details of break-up value based on latest available financial statements of unlisted investments in associates are as follows:

	Year / Period ended	Break-up value Rupees in '000
Pakistan Emerging Venture Limited	June 30, 2022	25
Mehran Industries Limited	June 30, 2001	5,681
Tharparkar Sugar Mills Limited	September 30, 2001	(83,140)
Prudential Fund Management	June 30, 2007	(2,482)
Dadabhoy Energy Supply Company Limited	June 30, 2007	103,952
Pakistan Mercantile Exchange Limited	June 30, 2024	385,901

10.11 The investments also include shares acquired under tri-partite consent agreement dated June 29, 2011. These strategic investments comprise of the shares of Pakistan State Oil (38,055,247 shares), shares of Sui Northern Gas Pipeline Limited (18,805,318 shares) and shares of Pakistan Engineering Company (135,242 shares). The cost of these shares amounts to Rs. 4,603 million and market value as at December 31, 2024 amounts to Rs. 18,965 million. These shares have been frozen by the Government of Pakistan for sale in the equity market due to their proposed privatization and can not be sold without concurrence of privatization commission.

10.12 The investments also include 31,665,000 shares of Pakistan Reinsurance Company Limited. The cost of these shares amounts to Rs. 220 million and market value as at December 31, 2024 amounts to Rs. 497 million. These shares can not be sold without concurrence of privatization commission.

10.13 The investments also include 20,000,000 shares of First Credit and Investment Bank. The cost of these shares amounts to Rs. 157 million and market value as at December 31, 2024 amounts to Rs. 165 million. These shares can not be disinvested without prior consultation with Ministry of Finance.

11 ADVANCES

	Note	Performing		Non Performing		Total	
		2024	2023	2024	2023	2024	2023
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		1,237,262,018	1,325,183,535	254,074,848	205,630,719	1,491,336,866	1,530,814,254
Islamic financing and related assets	11.2	144,913,723	73,125,444	1,985,434	1,550,351	146,899,157	74,675,795
Net investment in finance lease	11.1	1,288	16,207	-	-	1,288	16,207
Bills discounted and purchased		21,296,996	12,534,791	13,228,689	13,644,646	34,525,685	26,179,437
Advances - gross		1,403,474,025	1,410,859,977	269,288,971	220,825,716	1,672,762,996	1,631,685,693
Credit loss allowance / provision against advances							
-Stage 1		19,751,831	-	-	-	19,751,831	-
-Stage 2		10,808,620	-	-	-	10,808,620	-
-Stage 3		-	-	225,833,262	-	225,833,262	-
Specific		-		-	203,570,752	-	203,570,752
General		11,501,411	30,038,121	-	-	11,501,411	30,038,121
		42,061,862	30,038,121	225,833,262	203,570,752	267,895,124	233,608,873
Advances - net of credit loss allowance / provision		1,361,412,163	1,380,821,856	43,455,709	17,254,964	1,404,867,872	1,398,076,820

11.1 Includes net investment in right-of-use assets / finance lease as disclosed below:

	2024				2023			
	Not later than one year	Later than one and upto five years	Over five years	Total	Not later than one year	Later than one and upto five years	Over five years	Total
	(Rupees in '000)							
Lease rentals receivable	-	-	-	-	2,304	-	-	2,304
Residual value	1,288	-	-	1,288	14,064	-	-	14,064
Minimum lease payments	1,288	-	-	1,288	16,368	-	-	16,368
Less: Financial charges for future periods		-	-	-	161	-	-	161
	-	-	-	-	161	-	-	161
Present value of minimum lease payments	1,288	-	-	1,288	16,207	-	-	16,207

The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.15% to 11.42% (December 31, 2023: 10.19% to 14.85%) per annum.

11.2 These represents financing and related assets placed under shariah permissible modes and presented in Annexure II.

11.3 Particulars of advances (gross)

	Note	2024	2023
		(Rupees in '000)	
In local currency		**1,385,703,091**	1,334,480,999
In foreign currencies		**287,059,905**	297,204,694
		1,672,762,996	1,631,685,693

11.3.1 Advances to Women, Women-owned and Managed Enterprises (gross)

Women, Women Owned and Managed Enterprises		**49,015,802**	39,824,786
		49,015,802	39,824,786

11.3.2 Advances to Women, Women-owned and Managed Enterprises (Disbursement)

Women, Women Owned and Managed Enterprises		**60,465,824**	49,876,099
		60,465,824	49,876,099

11.4 Particulars of credit loss allowance

11.4.1 Advances - Exposure

		2024			
	Note	Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
Gross carrying amount - Current year		**1,304,637,619**	**106,222,358**	**220,825,716**	**1,631,685,693**
Exchange Adjustment		**(304,488)**	**(732,289)**	**(3,795,698)**	**(4,832,475)**
New advances		**186,504,452**	**19,888,009**	**-**	**206,392,461**
Advances derecognised or repaid		**(118,166,261)**	**(33,912,829)**	**(6,376,154)**	**(158,455,244)**
Transfer to stage 1					**-**
Transfer to stage 2		**(5,618,292)**	**7,941,420**	**(2,323,128)**	**-**
Transfer to stage 3		**(61,221,026)**	**(1,764,650)**	**62,985,676**	**-**
		1,498,873	**(7,848,050)**	**54,286,394**	**47,937,217**
Amounts written off / charged off	**11.7**			**(300,894)**	**(300,894)**
Transfer to investments - net				**(1,726,547)**	**(1,726,547)**
Closing balance - Current year		**1,305,832,004**	**97,642,019**	**269,288,971**	**1,672,762,996**

11.4.2 Advances - Credit loss allowance / provision

	2024						2023		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
	(Rupees in '000)								
Opening balance	-	-	-	203,570,752	30,038,121	233,608,873	190,710,861	17,348,539	208,059,400
IFRS 9 Implementation	15,875,937	11,637,716	226,150,506	(203,570,752)	(18,378,308)	31,715,099	-	-	-
	15,875,937	11,637,716	226,150,506	-	11,659,813	265,323,972	190,710,861	17,348,539	208,059,400
New Advances	7,431,728	2,809,002	9,781,273	-	21,370	20,043,373	8,127,265	14,854,298	22,981,563
Exchange adjustments	-	-	(3,795,696)	-	155,491	(3,640,205)	12,156,348	153,606	12,309,954
Advances derecongnised or repaid	(3,064,006)	(5,900,820)	(4,785,589)	-	(179,826)	(13,930,241)	(8,063,994)	(1,530,934)	(9,594,928)
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	(453,966)	2,568,844	(2,114,878)	-	-	-	-	-	-
Transfer to stage 3	(37,862)	(306,122)	343,984	-	-	-	-	-	-
Other movement	-	-	554,557	-	(155,437)	399,120	-	-	-
Transfer from general to specific provision	-	-	-	-	-	-	787,388	(787,388)	-
	3,875,894	(829,096)	(16,349)	-	(158,402)	2,872,047	13,007,007	12,689,582	25,696,589
Amount written off	-	-	(161,905)	-	-	(161,905)	(102,509)	-	(102,509)
Amount charged off-agriculture financing	-	-	(138,990)	-	-	(138,990)	(44,607)	-	(44,607)
Changes in risk parameters	-	-	-	-	-	-	-	-	-
Closing balance	19,751,831	10,808,620	225,833,262	-	11,501,411	267,895,124	203,570,752	30,038,121	233,608,873

11.4.3 Advances - Credit loss allowance / provision details Internal / External rating / Stage classification

		2024			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
Outstanding gross exposure					
Domestic					
Performing	Stage 1	1,280,301,979	-	-	1,280,301,979
Under Performing	Stage 2	-	57,581,172	-	57,581,172
Non-performing	Stage 3				
Other assets especially mentioned		-	-	2,441,119	2,441,119
Substandard		-	-	55,792,771	55,792,771
Doubtful		-	-	9,732,418	9,732,418
Loss		-	-	140,024,609	140,024,609
		-	-	207,990,917	207,990,917
Sub Total		1,280,301,979	57,581,172	207,990,917	1,545,874,068
Overseas					
Performing	Stage 1	18,723,265	-	-	18,723,265
Under Performing	Stage 2	-	40,060,847	-	40,060,847
IFRS 9 Not applicable		6,806,762	-	-	6,806,762
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	385,067	385,067
Loss		-	-	60,912,987	60,912,987
		-	-	61,298,054	61,298,054
Sub Total		25,530,027	40,060,847	61,298,054	126,888,928
Total		1,305,832,006	97,642,019	269,288,971	1,672,762,996
Corresponding ECL					
Stage 1 and stage 2		(19,751,831)	(10,808,620)	-	(30,560,451)
Stage 3		-	-	(225,833,262)	(225,833,262)
General		(11,501,411)	-	-	(11,501,411)
		(31,253,242)	(10,808,620)	(225,833,262)	(267,895,124)
Total		1,274,578,764	86,833,399	43,455,709	1,404,867,872

11.5 Advances include Rs. 269,289 million (2023: Rs 220,826 million) which have been placed under non-performing / stage 3 status as detailed below:-

Category of classification in stage 3	2024		2023	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned (OAEM)	**2,441,119**	**1,257,677**	2,156,275	60,035
Substandard	**55,792,771**	**3,596,871**	6,421,005	1,560,252
Doubtful	**9,732,418**	**7,655,002**	11,443,314	5,980,028
Loss	**140,024,609**	**137,730,472**	136,013,278	133,633,669
Total	**207,990,917**	**150,240,022**	156,033,872	141,233,984
Overseas				
Overdue by:				
Upto 90 days	**-**	**-**	-	-
91 to 180 days	**-**	**-**	-	-
181 to 365 days	**385,067**	**192,534**	400,925	200,463
> 365 days	**60,912,987**	**58,684,587**	64,390,919	62,136,305
Total	**61,298,054**	**58,877,121**	64,791,844	62,336,768
Stage 3 as per IFRS-9	**-**	**16,716,120**	-	-
	269,288,971	**225,833,262**	220,825,716	203,570,752

11.6 Particulars of credit loss allowance / provision against advances

	Note	2024						2023		
		Stage 1	Stage 2	Stage 3	Specific	General	Total	Specific	General	Total
		(Rupees in '000)								
Opening balance		**-**	**-**	**-**	**203,570,752**	**30,038,121**	**233,608,873**	190,710,861	17,348,539	208,059,400
Impact of adoption IFRS-9		**15,875,937**	**11,637,716**	**226,150,506**	**(203,570,752)**	**(18,378,308)**	**31,715,099**			
Opening balance restated		**15,875,937**	**11,637,716**	**226,150,506**	**-**	**11,659,813**	**265,323,972**	190,710,861	17,348,539	208,059,400
Exchange adjustments				**(3,795,696)**		**155,491**	**(3,640,205)**	12,156,348	153,606	12,309,954
Charge for the year		**7,431,728**	**2,809,002**	**9,781,273**		**21,370**	**20,043,373**	8,127,265	14,854,298	22,981,563
Reversals		**(3,064,006)**	**(5,900,820)**	**(4,785,589)**		**(179,826)**	**(13,930,241)**	(8,063,994)	(1,530,934)	(9,594,928)
		4,367,722	**(3,091,818)**	**4,995,684**	**-**	**(158,456)**	**6,113,132**	63,271	13,323,364	13,386,635
Amounts written off		**-**	**-**	**(161,905)**			**(161,905)**	(102,509)	-	(102,509)
Amounts charged off - agriculture financing	11.6.4	**-**	**-**	**(138,990)**			**(138,990)**	(44,607)	-	(44,607)
Transfer from general to specific provision		**-**	**-**	**-**			**-**	787,388	(787,388)	-
Transfer to stage 1		**-**	**-**	**-**			**-**			-
Transfer to stage 2		**(453,966)**	**2,568,844**	**(2,114,878)**			**-**			-
Transfer to stage 3		**(37,862)**	**(306,122)**	**343,984**			**-**			-
Other movements				**554,557**		**(155,437)**	**399,120**	-	-	-
Closing balance		**19,751,831**	**10,808,620**	**225,833,262**	**-**	**11,501,411**	**267,895,124**	203,570,752	30,038,121	233,608,873

11.6.1 Particulars of credit loss allowance / provision against advances

	2024						2023		
	Stage 1	Stage 2	Stage 3	Specific	General	Total	Specific	General	Total
	(Rupees in '000)								
In local currency	19,751,831	10,660,785	166,956,141	-	11,410,985	208,779,742	141,233,984	29,767,923	171,001,907
In foreign currencies	-	147,835	58,877,121	-	90,426	59,115,382	62,336,768	270,198	62,606,966
	19,751,831	10,808,620	225,833,262	-	11,501,411	267,895,124	203,570,752	30,038,121	233,608,873

11.6.2 General provision includes provision amounting to Rs.90 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates where IFRS 9 has not been implemented. This general provision can be maintained till December 31, 2026 under BPRD circular No. 1 of 2025 dated January 22, 2025.

11.6.3 The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2024. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations. Further SBP has allowed specific relaxation on the requirement for ECL against overdue foreign currency loans of certain Public Sector Entities, either uptill December 31, 2024 or permanently.

11.6.4 These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

11.7 Particulars of write offs:

	Note	2024	2023
		(Rupees in '000)	
11.7.1 Against credit loss allowance	12.5	**161,905**	102,509
Directly charged to profit and loss account	12.6.2	**-**	-
		161,905	102,509
11.7.2 Write offs of Rs. 500,000 and above			
- Domestic		**105,616**	41,087
- Overseas		**3,951**	8,219
Write offs of Below Rs. 500,000		**52,338**	53,203
		161,905	102,509

11.7.3 Details of loan write off of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-I to the unconsolidated financial statements (except where such disclosure is restricted by overseas regulatory authorities).

11.8 Information related to islamic financing and related assets is given in note 2 of Annexure II and is an integral part of these unconsolidated financial statements.

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

12 PROPERTY AND EQUIPMENT

	Note	2024	2023
		(Rupees in '000)	
Capital work-in-progress	12.1	1,569,889	1,623,424
Property and equipment	12.2	60,098,181	55,350,993
		61,668,070	56,974,417

12.1 Capital work-in-progress

	2024	2023
Civil works	1,500,429	1,553,964
Equipment	10,727	10,727
Advances to suppliers	58,733	58,733
	1,569,889	1,623,424

12.2 Property and equipment

	2024									
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Total
	(Rupees in '000)									
At January 1, 2024										
Cost / revalued amount	21,472,756	21,087,923	7,530,744	5,592,516	7,876,062	5,722,646	8,465,351	2,267,913	165,253	80,181,164
Accumulated depreciation	-	-	(2,079,851)	(1,622,643)	(6,378,609)	(5,458,311)	(7,552,141)	(1,573,364)	(165,253)	(24,830,172)
Net book value	21,472,756	21,087,923	5,450,893	3,969,873	1,497,453	264,335	913,210	694,549	-	55,350,993
Year ended December 2024										
Opening net book value	21,472,756	21,087,923	5,450,893	3,969,873	1,497,453	264,335	913,210	694,549	-	55,350,993
Additions	-	-	476,884	140,068	1,047,475	2,556,460	997,577	186,714	-	5,405,178
Movement in surplus on assets revalued during the year	907,301	615,760	559,908	255,139	-	-	-	-	-	2,338,109
Disposals	-	-	-	-	(9,436)	(21,010)	(5,489)	(134,087)	-	(170,022)
Depreciation charge	-	-	(292,682)	(195,611)	(677,807)	(724,165)	(515,971)	(325,928)	-	(2,732,163)
Depreciation adjustment - disposal	-	-	-	-	7,687	20,826	4,914	94,240	-	127,666
Exchange rate adjustments	-	-	-	(33,649)	(19,851)	98,261	(86,524)	125	-	(41,638)
Other adjustments / transfers	-	(12,102)	-	-	(167,839)	-	-	-	-	(179,941)
Closing net book value	22,380,057	21,691,581	6,195,004	4,135,820	1,677,681	2,194,707	1,307,717	515,613	-	60,098,181
At December 31, 2024										
Cost / revalued amount	22,380,057	21,691,581	8,567,537	5,954,074	8,726,410	8,356,357	9,370,915	2,320,665	165,253	87,532,851
Accumulated depreciation	-	-	(2,372,533)	(1,818,254)	(7,048,730)	(6,161,650)	(8,063,199)	(1,805,052)	(165,253)	(27,434,670)
Net book value	22,380,057	21,691,581	6,195,004	4,135,820	1,677,681	2,194,707	1,307,717	515,613	-	60,098,181
Rate of depreciation (percentage)	-	-	5% on book value	5% on book value	20% on cost	33.33% on cost	20% - 50% on cost	20% on cost	20% on cost	

	2023									
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Total
	(Rupees in '000)									
At January 1, 2023										
Cost / revalued amount	21,472,756	21,087,923	7,465,497	5,600,717	7,440,946	5,230,143	7,962,155	2,028,545	165,253	78,453,935
Accumulated depreciation	-	-	(1,784,985)	(1,424,821)	(5,874,872)	(4,885,776)	(7,014,159)	(1,278,315)	(165,253)	(22,428,181)
Net book value	21,472,756	21,087,923	5,680,512	4,175,896	1,566,074	344,367	947,996	750,230	-	56,025,754
Year ended December 2023										
Opening net book value	21,472,756	21,087,923	5,680,512	4,175,896	1,566,074	344,367	947,996	750,230	-	56,025,754
Additions	-	-	65,247	97,784	727,024	467,203	502,393	287,290	-	2,146,941
Movement in surplus on assets revalued during the year	-	-	-	17,842	-	-	-	-	-	17,842
Disposals	-	-	-	(178,130)	(11,512)	(6,860)	(8,187)	(49,592)	-	(254,281)
Depreciation charge			(294,866)	(201,572)	(512,782)	(579,394)	(545,169)	(322,740)		(2,456,523)
Depreciation adjustment - disposal	-	-	-	3,750	9,045	6,859	7,187	27,691	-	54,532
Exchange rate adjustments	-	-	-	54,303	13,269	32,160	8,990	1,670	-	110,392
Other adjustments / transfers	-	-	-	-	(293,665)	-	-	-	-	(293,665)
Closing net book value	21,472,756	21,087,923	5,450,893	3,969,873	1,497,453	264,335	913,210	694,549	-	55,350,993
At December 31, 2023					-	-				
Cost / revalued amount	21,472,756	21,087,923	7,530,744	5,592,516	7,876,062	5,722,646	8,465,351	2,267,913	165,253	80,181,164
Accumulated depreciation	-	-	(2,079,851)	(1,622,643)	(6,378,609)	(5,458,311)	(7,552,141)	(1,573,364)	(165,253)	(24,830,172)
Net book value	21,472,756	21,087,923	5,450,893	3,969,873	1,497,453	264,335	913,210	694,549	-	55,350,993
Rate of depreciation (percentage)	-	-	5% on book value	5% on book value	20% on cost	33.33% on cost	20% - 50% on cost	20% on cost	20% on cost	

12.2.1 Revaluation of Properties

The properties of the Bank have been revalued by the independent professional valuer as at December 31, 2024. The revaluation was carried out by independent professional valuers, KGT (Pvt) Limited & IMTECH (Pvt). Ltd (PBA registered valuers) on the basis of professional assessment of present market values. The total surplus against revaluation of property and equipment as at December 31, 2024, amounts to Rs. 2,338 million. Had there been no revaluation, the carrying amount of the revalued assets at December 31, 2024, would have been as follows:

	2024	2023
	(Rupees in '000)	
Freehold land	**1,132,637**	1,132,637
Leasehold land	**890,025**	890,025
Building on freehold land	**1,538,271**	1,076,598
Building on leasehold land	**2,142,244**	2,006,052
	5,703,177	5,105,312

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		2024	2023
		(Rupees in '000)	
12.2.2	Carrying amount of temporarily idle property of the Bank	**5,705,101**	5,583,785
12.2.3	The cost of fully depreciated assets still in use		
	Furniture and fixtures	**2,797,954**	2,232,841
	Electrical and office equipment	**5,894,886**	3,640,626
	Computer and peripheral equipment	**4,426,063**	3,390,782
	Vehicles	**1,641,622**	1,417,915
		14,760,525	10,682,164

12.3 Details of disposals of property and equipment to related parties

The particulars of disposal of property and equipment to related parties (employees / ex-employees) are given below:

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	(Rupees in '000)						
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Shaukat Mahmood
Vehicles	2,380	436	476	40	As per Entitlement	Employee	Mr.Muddassir Nabi
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Farooq Hassan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Abdul Majed Arshad
Vehicles	2,875	527	575	48	As per Entitlement	Ex-Employee	Mr.Ahmad Naseem
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr Muhammad Aqib Malik
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mashkoor Ahmad Khan
Vehicles	2,525	505	505	-	As per Entitlement	Ex-Employee	Mr.Danish Bin Inbsat
Vehicles	2,875	527	575	48	As per Entitlement	Employee	Mr.Mirza Asim Baig
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr.Farooq Ahmed Soomro
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr.Sarfaraz Ahmed
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr.Kamran Masud Khan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Shaikh Tariq Abdullah
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Wajahat Malik
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Javed Iqbal Bangash
Vehicles	2,380	476	476	-	As per Entitlement	Employee	Mr.Abid Kitchlew
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Asad Ullah Saleem
Vehicles	2,625	525	525	-	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mirza Babur Baig
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr.Mashooq Ali Khawaja
Vehicles	2,380	754	754	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Vehicles	2,623	1,224	1,224	-	As per Entitlement	Ex-Employee	Mr.Shabbir Ahmed Khan
Vehicles	8,008	3,337	3,337	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Vehicles	4,003	2,868	2,868	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Vehicles	2,875	671	671	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr.Inam Malik
Vehicles	2,855	333	333	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Vehicles	2,824	1,600	1,600	-	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr.Pir Bakhsh
Vehicles	2,875	335	335	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Vehicles	2,723	908	908	-	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr.Syed Azhar Ali
Vehicles	2,803	701	701	-	As per Entitlement	Ex-Employee	Mr-Shahid Iqbal Choudhery
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr.Syed Muhammad Nadeem Kazmi
Vehicles	2,695	719	719	-	As per Entitlement	Ex-Employee	Ms.Hufrish Rayomand Shroff
Vehicles	1,922	1,514	1,514	-	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Ahmer Liquat
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mahmood Akhtar Nadeem
Vehicles	2,775	1,064	1,064	-	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Vehicles	2,695	943	943	-	As per Entitlement	Employee	Mr.Azam Durrani Sahib
Vehicles	2,824	1,506	1,506	-	As per Entitlement	Ex-Employee	Mr.Kashif Latif
Vehicles	8,008	1,602	1,602	-	As per Entitlement	Employee	Mr.Amin Manji
Vehicles	2,695	943	943	-	As per Entitlement	Employee	Mr.Yawar Hasan Zaidi
Vehicles	2,695	943	943	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr. Pir Buksh
	132,758	39,741	40,056	315			

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr. Khadim Hussain
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Computer and peripheral equipment	285	-	29	29	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Ex-Employee	Mr.Danish Bin Inbsat
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Shahidullah
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Shamsuddin Ahmed Siddiqui
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Ms.Farheen Yousuf
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Mukesh Kumar Jeswani
Computer and peripheral equipment	139	-	14	14	As per Entitlement	Ex-Employee	Mr.Arbab Ali Bugti
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	115	-	12	12	As per Entitlement	Employee	Mr.Syed Abbas Raza
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Bhawan Parkash
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Employee	Mr.Abdul Munir
Computer and peripheral equipment	90	-	9	9	As per Entitlement	Employee	Ms.Mizna Shahab
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Ainain Khalid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Mr.Asad Ullah Saleem
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Abdul Haddi Farooqi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Irfan Malik
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdus Salam Mazhar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Nabeel Usman
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Shahryar Khan
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Faraz Sabir
Computer and peripheral equipment	124	-	12	12	As per Entitlement	Employee	Mr.Usman Farooq
Computer and peripheral equipment	121	-	12	12	As per Entitlement	Employee	Mr.Shujat Habib
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Ms. Saeeda Shabbir
Computer and peripheral equipment	109	-	11	11	As per Entitlement	Employee	Mr.Muhammad Shahid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Ms.Teemar Nauman
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.S.M Ayub
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Mashood Shahid
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Employee	Mr.Faizan Razi
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Muhammad Salman Asghar
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Asim Nizam
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.Atta Ur Rehman
Computer and peripheral equipment	125	-	12	12	As per Entitlement	Employee	Mr.Amjad Latif
Computer and peripheral equipment	112	-	11	11	As per Entitlement	Employee	Mr.Usman Nayyar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Waseem Azhar
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	101	-	10	10	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Ex-Employee	Ms.Shahla Ghulam Hussain
Computer and peripheral equipment	244	-	-	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	185	46	46	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	95	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Ex-Employee	Mr. Tariq Zafar Iqbal
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmud Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmud Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Ex-Employee	Ms. Asra Adnan
Computer and peripheral equipment	118	-	12	12	As per Entitlement	Ex-Employee	Mr.Muhammad Yousuf Raza
Computer and peripheral equipment	126	-	13	13	As per Entitlement	Ex-Employee	Mr.Fateh Shahab Kazi
Computer and peripheral equipment	320	80	80	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhry
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Computer and peripheral equipment	190	58	58	-	As per Entitlement	Ex-Employee	Mr.S.M Nadeem Kazmi
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Anwar Ahmed
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Employee	Mr.Osaman Malik
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr. Syed Imran Ghani
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Abdul Rahim
Computer and peripheral equipment	156	-	16	16	As per Entitlement	Employee	Mr.Masood Kurshid Shamsi
Computer and peripheral equipment	117	-	13	13	As per Entitlement	Employee	Mr.Fahd Zaheer
Computer and peripheral equipment	66	-	7	7	As per Entitlement	Employee	Mr.Abid Iqbal
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Employee	Ms.Fauzia Mumtaz
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Shoaib Hassan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Awais Memon

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Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Syed Arsalan Ahmed
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Warda
Computer and peripheral equipment	179	-	18	18	As per Entitlement	Employee	Mr.Wajahit Malik
Computer and peripheral equipment	162	-	16	16	As per Entitlement	Employee	Ms.Nadia Ahmer
Computer and peripheral equipment	325	-	33	33	As per Entitlement	Employee	Mr.Muhammad Ismail Usuf
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Ahmed Waheed
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Rayhan Kamal
Computer and peripheral equipment	193	-	19	19	As per Entitlement	Employee	Mr.Sheikh Zeeshan Ali
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Muhammad Waseem Khan
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr. Farhan Javaid Durrani
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr.Nabeel Aslam
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Rashid Ata
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Omer Farooq Mukaty
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Irfan Jan Muhammad
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Naveed Zaidi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Shahzad Rafique
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr.M.Kashif Khan
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Sohail Ahmed Memon
Computer and peripheral equipment	176	-	18	18	As per Entitlement	Employee	Mr.Amin Manji
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Ms.Mehrosh Zulfiquar Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Employee	Mr.Zahir Khurshid
Computer and peripheral equipment	116	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	200	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	240	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	124	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Yasir Jamali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Shahb Uddin Shaikh
Computer and peripheral equipment	186	-	19	19	As per Entitlement	Employee	Mr.Awais Zafar Khan
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Ms.Nusrat Mumtaz
Computer and peripheral equipment	140	-	14	14	As per Entitlement	Employee	Mr.Rashid Nazir
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Employee	Mr.Muhammad Saqib
Computer and peripheral equipment	114	-	11	11	As per Entitlement	Ex-Employee	Ms.Hira Bari
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Javed Ahmed Siddique
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Hassan Jameel
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Asad Ali Shah
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Fariha
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Employee	Mr.Nasir Mahmood
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Employee	Mr.Muhammad Irfan
Computer and peripheral equipment	363	-	36	36	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	160	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	223	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Sohail Ahmed
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Abid Umar Farooq
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Rehan Meer
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Aijaz Hyder
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Rizwan Masood
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Haffer Sial
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Muhammad Asim Baig
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.S.M.Jawad Ul Hassan Rizvi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Asad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Rehan Ali Khan
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Ali Nouman
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Mr.Muhammad Nasim
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Faisal Rasheed
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Computer and peripheral equipment	59	-	6	6	As per Entitlement	Employee	Mr.Riaz Asim
Computer and peripheral equipment	171	-	17	17	As per Entitlement	Ex-Employee	Mr.M.Nasir Yousuf
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Ex-Employee	Mr.Naveed Aslam
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Ex-Employee	Mr.Khurram Shehzad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Nadeem Hami
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Mr.Kashif Masood
Computer and peripheral equipment	120	-	12	12	As per Entitlement	Employee	Mr.Sunain Qamar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Shaikh Tariq Abdullah
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Khalid Ahmed Ghori
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Muhammad Omair Sabir
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Muhammad Naeem Hanif

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Farzan Nazeer
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Shafiq Ahmed Akhund
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Riaz Hussain
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Naveed Ali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Kamran
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr Zulfiqar Jadavjee
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Syed Anjum Naseer
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Rajesh Kumar
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Aqib Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
	21,010	184	2,077	1,892			
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr Salman Talat
Electrical & Office equipments	194	-	-	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Shabbir Ahmed Khan
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Salim Khowaja
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Electrical & Office equipments	97	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	110	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	225	113	113	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Electrical & Office equipments	225	84	84	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	25	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	50	6	6	-	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Syed M.Nadeem Kazmi
Electrical & Office equipments	244	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	298	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	28	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	32	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Faisal Khan
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Masroor Raza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Muhammad Hasnain Raza
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Mohad Hasnain Raza
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	128	-	-	-	As per Entitlement	Employee	Mr.Fouad Farrukh
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Mr.Muhammad Kashif Khan
Electrical & Office equipments	225	66	66	-	As per Entitlement	Ex-Employee	Mr.Syed Azhar Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Fateh M. Shahab Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Yawar Hassan Zaidi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hussan Zaig
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Electrical & Office equipments	155	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Electrical & Office equipments	15	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Pir Bakhsh
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Khalid Saeed Quershi
Electrical & Office equipments	800	307	307	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
	5,489	575	575	-			
Furniture and fixture	190	41	41	-	As per Entitlement	Ex-Employee	Mr.Muhammad Iqbal Umrani
Furniture and fixture	160	9	9	-	As per Entitlement	Ex-Employee	Mr.Muhammad Khalid Paracha
Furniture and fixture	200	65	65	-	As per Entitlement	Ex-Employee	Mr.Inam Malik Svp
Furniture and fixture	265	41	41	-	As per Entitlement	Ex-Employee	Mr.Arshad Hussain
Furniture and fixture	150	-	-	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed
Furniture and fixture	160	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Arif
Furniture and fixture	281	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Saleem Awan
Furniture and fixture	175	1	1	-	As per Entitlement	Ex-Employee	Mr.Muhammad Anwaer Moten
Furniture and fixture	190	35	35	-	As per Entitlement	Ex-Employee	Mr.Mashooq Ali Khawajah
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Shahidullah
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Tanvir Ahmed Khan
Furniture and fixture	200	33	33	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Furniture and fixture	200	60	60	-	As per Entitlement	Ex-Employee	Mr.Pir Baksh
Furniture and fixture	160	8	8	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hassan Zaighum
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Mr.Adnan Ahmed Waraich
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Syed Asim Raza
Furniture and fixture	160	64	64	-	As per Entitlement	Ex-Employee	Mr.Karim Bukhsh
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Muhammad Nawaz Bhinder
Furniture and fixture	244	42	42	-	As per Entitlement	Ex-Employee	Mr.Junaid Shafqat Sheikh
Furniture and fixture	160	40	40	-	As per Entitlement	Ex-Employee	Mr.Mukhtar Ahmed
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Furniture and fixture	89	13	13	-	As per Entitlement	Ex-Employee	Ms.Afshan Shakeel
Furniture and fixture	190	5	5	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Furniture and fixture	138	39	39	-	As per Entitlement	Ex-Employee	Mr.Atif Iqbal
Furniture and fixture	160	24	24	-	As per Entitlement	Ex-Employee	Mr.Shaukat Raza
Furniture and fixture	160	19	19	-	As per Entitlement	Ex-Employee	Mr.Sohail Raza
Furniture and fixture	200	38	38	-	As per Entitlement	Employee	Mr.Yawar Hassan Zaidi
Furniture and fixture	190	21	21	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq
Furniture and fixture	190	25	25	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed Kazi
Furniture and fixture	160	56	56	-	As per Entitlement	Ex-Employee	Mr.Nasir Zafar
Furniture and fixture	160	61	61	-	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Mohammad Mueen Qureshi
Furniture and fixture	190	24	24	-	As per Entitlement	Ex-Employee	Mr.Abdul Majeed Rajpar
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Tanveer Tassawar
Furniture and fixture	160	31	31	-	As per Entitlement	Ex-Employee	Mr.Muhammad Naeem
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Vijay Kumar Avp
Furniture and fixture	165	40	40	-	As per Entitlement	Ex-Employee	Mr.Zahid Hussain
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Masoom Shah
Furniture and fixture	160	29	29	-	As per Entitlement	Ex-Employee	Mr.Gharib Nawaz
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Israr Ahmed
Furniture and fixture	160	4	4	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	100	-	-	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	160	25	25	-	As per Entitlement	Ex-Employee	Mr.Javed Irfan
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Late Muhammad Din
Furniture and fixture	190	74	74	-	As per Entitlement	Ex-Employee	Mr.Nazir Shah
Furniture and fixture	190	36	36	-	As per Entitlement	Ex-Employee	Mr.Dr Anwar Ali Khowaja
Furniture and fixture	160	11	11	-	As per Entitlement	Ex-Employee	Mr.Abdul Rasheed
Furniture and fixture	160	36	36	-	As per Entitlement	Ex-Employee	Mr.Rab Dino Thebo
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Hussain Ali
Furniture and fixture	160	12	12	-	As per Entitlement	Ex-Employee	Mr.Naseer Ahmed Gabol
Furniture and fixture	200	12	12	-	As per Entitlement	Ex-Employee	Ms.Zahida Hamid
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Ms.Kashif Hussain Shah
	9,436	1,750	1,750	-			
	168,693	42,250	44,458	2,207			

13 RIGHT-OF-USE ASSETS

	2024			2023		
	Buildings	Others	Total	Buildings	Others	Total
	(Rupees in '000)					
At January 1, 2024						
Cost	16,747,954	-	16,747,954	14,530,913	-	14,530,913
Accumulated depreciation	(9,813,483)	-	(9,813,483)	(7,822,509)	-	(7,822,509)
Net carrying amount at January 1, 2024	6,934,471	-	6,934,471	6,708,404	-	6,708,404
Additions during the year	1,248,352	92,500	1,340,852	2,239,854	-	2,239,854
Disposals during the year	-	-	-	22,813	-	22,813
Depreciation charge for the year	1,933,435	24,264	1,957,699	1,990,974	-	1,990,974
Net carrying amount at December 31, 2024	6.249,388	68,236	6,317,624	6,934,471	-	6,934,471

14 INTANGIBLE ASSETS

	Note	2024	2023
		(Rupees in '000)	
Capital work-in-progress		929,882	441,922
Intangible assets	14.1	1,009,754	1,068,139
		1,939,636	1,510,061

	2024		
	Core Banking Application	Computer software	Total
	(Rupees in '000)		
14.1 At January 1, 2024			
Cost	2,913,952	2,844,454	5,758,406
Accumulated amortization	(2,913,952)	(1,776,315)	(4,690,267)
Net book value	-	1,068,139	1,068,139
Year ended December 2024			
Opening net book value	-	1,068,139	1,068,139
Additions:			
- developed internally	-	-	-
- directly purchased	-	476,613	476,613
- through business combinations	-	-	-
	-	476,613	476,613
Amortization charge	-	(507,990)	(507,990)
Exchange rate adjustments	-	(27,008)	(27,008)
Other adjustments	-	-	-
Closing net book value	-	1,009,754	1,009,754
At December 31, 2024			
Cost	2,913,952	3,294,059	6,208,011
Accumulated amortization	(2,913,952)	(2,284,305)	(5,198,257)
Net book value	-	1,009,754	1,009,754
Rate of amortization (percentage)	33.33 % on cost	33.33 % on cost	
Useful life	3 years	3 years	

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

	2023		
	Core Banking Application	Computer software	Total
	(Rupees in '000)		
At January 1, 2023			
Cost	2,913,952	2,046,931	4,960,883
Accumulated amortization	(2,913,952)	(1,499,273)	(4,413,225)
Net book value	-	547,658	547,658
Year ended December 2023			
Opening net book value	-	547,658	547,658
Additions:			
- developed internally	-	-	-
- through acquisitions / purchased	-	679,533	679,533
- through business combinations	-	-	-
	-	679,533	679,533
Amortization charge	-	(277,042)	(277,042)
Exchange rate adjustments	-	88,778	88,778
Other adjustments	-	29,212	29,212
Closing net book value	-	1,068,139	1,068,139
At December 31, 2023			
Cost	2,913,952	2,844,454	5,758,406
Accumulated amortization	(2,913,952)	(1,776,315)	(4,690,267)
Net book value	-	1,068,139	1,068,139
Rate of amortization (percentage)	33.33 % on cost	33.33 % on cost	
Useful life	3 years	3 years	

		Note	2024	2023
			(Rupees in '000)	
14.2	The cost of fully amortised intangible assets that are still in use.			
	Core Banking Application		**2,913,952**	2,913,952
	Computer software		**960,396**	916,177
			3,874,348	3,830,129
15	**OTHER ASSETS**			
	Income / return / mark-up accrued in local currency		**149,041,479**	185,622,776
	Income / return / mark-up accrued in foreign currencies		**11,074,757**	4,442,554
	Advances, deposits, advance rent and other prepayments	15.1	**42,497,343**	2,848,659
	Advance taxation (payments less provisions) & income tax refunds receivable	15.7	**-**	920,050
	Compensation for delayed tax refunds		**22,129,925**	22,129,925
	Non-banking assets acquired in satisfaction of claims	15.4	**1,153,069**	1,169,898
	Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		**208,423**	208,423
	Commission receivable on Government treasury transactions		**5,290,234**	5,182,665
	Stationery and stamps on hand		**452,880**	472,575
	Barter trade balances		**195,399**	195,399
	Receivable on account of Government transactions	15.2	**323,172**	323,172
	Receivable from Government under VHS scheme	15.3	**418,834**	418,834
	Receivable against sale of shares		**64,990**	31,276
	Acceptances		**9,580,543**	8,100,364
	Receivable from SBP		**-**	24,698,013
	Deferred fair value loss	15.8	**12,587,242**	-
	Others		**11,748,252**	9,027,170
			266,766,542	265,791,753
	Less: Provision held against other assets	15.5	**12,655,396**	12,495,413
	Less: Credit loss allowance held against markup receivable	15.6	**1,225,858**	-
	Other assets (Net of credit loss allowance & provision)		**252,885,288**	253,296,340
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.4 & 24.2	**2,995,046**	2,803,228
	Other assets - Total		**255,880,334**	256,099,568

15.1 This includes Rs. 800 million (2023: Rs. 1,400 million) advance against Pre-IPO placement of Term Finance Certificates and prepaid staff benefits amounting to Rs. 37,632 million (2023: Nil).

15.2 This represents amount receivable from GoP on account of encashment of various instruments handled by the Bank for GoP as an agent of the SBP. Due to uncertainty about its recoverability, full amount has been provided for.

15.3 This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from GoP. Due to uncertainty about its recoverability, full amount has been provided for.

		2024	2023
		(Rupees in '000)	
15.4	Market value of Non-banking assets acquired in satisfaction of claims	**4,148,115**	3,973,126

An independent valuation of the Bank's non-banking assets was performed by an independent professional valuer to determine the fair value of the assets as at December 31, 2024. The valuation was carried out by Imtech (Pvt) Limited (Pakistan Banks' Association registered valuer) on the basis of an assessment of present market values.

15.4.1	**Non-banking assets acquired in satisfaction of claims**	**2024**	**2023**
		(Rupees in '000)	
	Opening Balance	**3,973,126**	3,699,943
	Additions	**1,115**	-
	Revaluation	**191,818**	283,228
	Depreciation	**(17,944)**	(10,045)
	Closing Balance	**4,148,115**	3,973,126

15.5	**Provision held against other assets**		
	Income / mark-up accrued in local currency	**152,607**	152,607
	Advances, deposits, advance rent and other prepayments	**800,000**	800,000
	Stationery and stamps on hand	**96,542**	96,542
	Barter trade balances	**195,399**	195,399
	Receivable on account of Government transactions	**323,172**	323,172
	Receivable from Government under VHS scheme	**418,834**	418,834
	Protested bills	**4,566,759**	4,377,337
	Ex-MBL / NDFC - other assets	**760,941**	760,941
	Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC)	**208,423**	208,423
	Others	**5,132,719**	5,162,158
		12,655,396	12,495,413

15.5.1	**Movement in provision held against other assets**		
			-
	Opening balance	**12,495,413**	12,244,043
	(Reversal) / Charge for the year	**(33,596)**	239,045
	Other movement	**211,518**	57,519
	Adjustment against provision	**(17,939)**	(45,194)
	Closing balance	**12,655,396**	12,495,413

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15.6	Credit loss allowance held against mark-up receivable	2024	2023
		(Rupees in '000)	
	Opening balance	-	-
	Impact of ECL recognition on adoption of IFRS-9	1,125,218	-
	Charge for the period	100,640	-
	Closing balance	1,225,858	-

15.7 During the year, the Bank has adjusted an amount of Rs. 8,797 million (2023: Rs. 9,099 million) against its advance tax liability and demand of previous tax year against income tax refunds receivables. Further, refunds amounting to Rs. Nil million (2023: 10,650 million) were also determined.

15.8 This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these unconsolidated financial statements.

16	BILLS PAYABLE	Note	2024	2023
			(Rupees in '000)	
	In Pakistan		25,878,780	67,822,126
	Outside Pakistan		181,343	178,322
			26,060,123	68,000,448

17	BORROWINGS			
	Secured			
	Borrowings from State Bank of Pakistan			
	Under Export Refinance Scheme	17.2	25,676,900	29,815,400
	Under Financing Scheme for Renewable Energy	17.3	1,393,611	1,289,488
	Under Refinance Facility for Modernization of SMEs	17.4	135,466	95,111
	Under Financing Facility for Storage of Agriculture Produce (FFSAP)	17.5	365,850	599,548
	Under Long-Term Financing Facility (LTFF)	17.6	13,716,223	17,197,820
	Under Temporary Economic Refinance Facility	17.7	13,612,139	22,827,889
	Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	17.8	99,514	29,220
	Under Refinance Facility for Combating Covid-19	17.9	21,131	45,352
	Under Export Refinance Scheme for Bill Discounting	17.10	2,207,230	2,606,143
			57,228,064	74,505,971
	Repurchase agreement borrowings	17.11	1,855,342,203	2,064,472,106
	Total secured		1,912,570,267	2,138,978,077
	Unsecured			
	Call borrowings	17.11	21,989,167	19,434,142
	Overdrawn nostro accounts		197,488	19,330,975
	Borrowing from Pakistan Mortgage Refinance Company		3,000,000	-
	Total unsecured		25,186,655	38,765,117
			1,937,756,922	2,177,743,194

17.1 Particulars of borrowings with respect to currencies	2024	2023
	(Rupees in '000)	
In local currency	1,918,267,755	2,140,248,077
In foreign currencies	19,489,167	37,495,117
	1,937,756,922	2,177,743,194

17.2 The Bank has entered into an agreement with the SBP for extending export finance to customers. As per the terms of the agreement, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP. These borrowings are repayable within 180 days. These carry mark-up at rates ranging from 8.00% to 15.50% (2023: 13.00% to 19.00%) per annum.

17.3 These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These borrowings shall be repayable for a maximum period of twelve years. These carry mark-up at rates ranging from 2.00% to 3.00% (2023: 2.00% to 3.00%) per annum.

17.4 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up of new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These borrowings shall be repayable for a maximum period of ten years and carry mark-up at rates up to 2.00 % (2023: 2.00%) per annum.

17.5 These borrowings have been obtained from the SBP for providing financing facilities to develop the agricultural produce marketing and enhance storage capacity, to encourage Private Sector to establish Silos, Warehouses and Cold Storages. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 2.50% (2023: 2.5% to 3.5%) per annum.

17.6 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 16.00 % (2023: 4.00% to 19.00%) per annum.

17.7 These borrowings have been obtained from the SBP with a view to support businesses to continue payment of wages and salaries to their workers and employees in the aftermath of corona virus (COVID-19) outbreak. These borrowings are repayable for a maximum period of 2.5 years. These carry mark-up at rates ranging from 0% (2023: 0%) per annum.

17.8 These borrowings have been obtained from the SBP for improving access to finance for the women entrepreneurs, a refinance cum credit guarantee scheme is being launched for the women borrowers across the country. Under the scheme, refinancing will be provided by State Bank of Pakistan at 0% to participating financial institutions for onward lending to women entrepreneurs across the country at a mark-up rate of upto 5% per annum.

17.9 These borrowings have been obtained from the SBP with a view to provide long term local currency finance for imported and locally manufactured medical equipment to be used for combating COVID – 19. The facility will be available to all the Hospitals and Medical Centres duly registered with respective provincial / federal agencies / commissions and engaged in controlling & eradication of COVID – 19. These borrowings are repayable for a maximum period of 5 years. These carry mark-up at rates at 0.00 % (2023: 0.00%) per annum.

17.10 These borrowings have been obtained from the SBP for providing export bill discounting facilities to customers. These carry mark-up at rates ranging from 1.00. % to 2.00% per annum (2023: 1.00% to 2.00% per annum)

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17.11 Mark-up / interest rates and other terms are as follows:

- Repurchase agreement borrowings carry mark-up ranging from 12% to 14% per annum (2023: 21.75% to 23.00% per annum) having maturity from January 2, 2025 to January 24, 2025.
- Call borrowings carry interest ranging from 4.44 % to 14.10% per annum (2023: 5.50% to 21.80% per annum).

17.12 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.

17.13 Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 1,855,342 million (2023: Rs. 2,064,472 million).

18 DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits - remunerative	**925,418,336**	**-**	**925,418,336**	692,443,686	-	692,443,686
Current deposits - non-remunerative	**697,490,426**	**150,386,822**	**847,877,248**	656,289,463	161,079,615	817,369,078
Savings deposits	**920,944,729**	**166,983,905**	**1,087,928,634**	766,301,047	134,394,831	900,695,878
Term deposits	**508,608,226**	**259,883,774**	**768,492,000**	509,997,709	232,985,846	742,983,555
Others	**11,713,858**	**6,711**	**11,720,569**	13,082,003	7,182	13,089,185
	3,064,175,575	**577,261,212**	**3,641,436,787**	2,638,113,908	528,467,474	3,166,581,382
Financial institutions						
Current deposits - Remunerative	**4,215,100**	**-**	**4,215,100**	6,310,317	-	6,310,317
Current deposits - non-remunerative	**169,952,266**	**836,653**	**170,788,919**	459,284,217	1,386,759	460,670,976
Savings deposits	**32,225,617**	**4,214,835**	**36,440,452**	18,946,277	4,644,674	23,590,951
Term deposits	**8,683,690**	**3,999,936**	**12,683,626**	13,569,258	3,636,495	17,205,753
	215,076,673	**9,051,424**	**224,128,097**	498,110,069	9,667,928	507,777,997
	3,279,252,248	**586,312,636**	**3,865,564,883**	3,136,223,977	538,135,402	3,674,359,379

	2024	2023
	(Rupees in '000)	
18.1 Composition of deposits		
- Individuals	**1,453,740,882**	1,220,898,183
- Government (Federal and Provincial)	**1,511,800,469**	1,255,786,576
- Public sector entities	**324,537,753**	385,531,338
- Banking companies	**179,401,406**	472,952,639
- Non-banking financial institutions	**44,726,691**	34,825,358
- Private sector	**351,357,683**	304,365,285
	3,865,564,883	3,674,359,379

18.2 Foreign currencies deposits include deposit of foreign branches amounting to Rs. 104,461 million (2023: Rs. 99,316 million).

18.3 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,201,539 million (2023: Rs. 1,013,777 million) including Islamic branches.

19 LEASE LIABILITIES

	2024	2023
	(Rupees in '000)	
Outstanding amount at the start of the year	**8,264,782**	8,267,949
Additions during the year	**1,604,213**	1,826,267
Lease payments including interest	**(2,746,757)**	(2,626,949)
Interest expense	**994,407**	810,696
Exchange difference	**(86,528)**	7,721
Closure of branch	**-**	(20,902)
Outstanding amount at the end of the year	**8,030,117**	8,264,782

19.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	**1,608,757**	1,686,569
Long-term lease liabilities		
- 1 to 5 years	**4,262,238**	4,664,319
- 5 to 10 years	**1,479,550**	1,913,894
- More than 10 years	**679,572**	-
	6,421,360	6,578,213
Total lease liabilities	**8,030,117**	8,264,782

20 DEFERRED TAX LIABILITIES

	2024					
	At January 01, 2024	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At December 31, 2024
	(Rupees in '000)					
Deductible temporary differences on						
- Tax losses carried forward	10,705	-	10,705	-	-	10,705
- Post retirement employee benefits	6,862,010	-	6,862,010	-	530,021	7,392,031
- Net credit loss allowance against investments	236,751	3,448,715	3,685,466	462,747	-	4,148,213
- Net credit loss allowance against loans and advances	10,143,512	15,540,398	25,683,910	(2,819,683)	-	22,864,227
- Net credit loss allowance against off-balance sheet obligations	115,222	1,984,149	2,099,371	(348,145)	-	1,751,226
- Excess of accounting book values over tax written down values of property and equipment	1,661,181	-	1,661,181	(57,563)	-	1,603,618
- Other credit loss allowance	105,416	551,357	656,773	52,333	-	709,106
- Provision against contingencies	-	-	-	221,741	-	221,741
- Net credit loss allowance against Balance with other banks	-	18	18	(10)	-	8
- Net credit loss allowance against Balance with other Central bank	-	9,169	9,169	189	-	9,358
- Net credit loss allowance against lending to financial institution	-	4,764	4,764	(5,056)	-	(292)
- Right of use assets	651,852	-	651,852	238,644	-	890,496
	19,786,649	21,538,570	41,325,219	(2,254,803)	530,021	39,600,437
Taxable temporary differences on						
- Surplus on revaluation of property and equipment	(3,322,829)	-	(3,322,829)	176,312	(627,264)	(3,773,781)
- Surplus on revaluation of investments	(16,223,312)	(5,657,733)	(21,881,045)	-	(53,632,462)	(75,513,507)
- Surplus on revaluation of non-banking assets	(106,848)	-	(106,848)	-	(11,367)	(118,215)
- Opening impact IFRS-9	-	(232,907)	(232,907)	-	-	(232,907)
- Exchange translation reserve	(853,843)	-	(853,843)	-	(52,276)	(906,119)
- Reclassification / Re-measurement of Investments on adoption of IFRS-9	-	(3,057,980)	(3,057,980)	3,057,980	-	-
	(20,506,832)	(8,948,620)	(29,455,452)	3,234,292	(54,323,369)	(80,544,529)
	(720,183)	12,589,950	11,869,767	979,489	(53,793,348)	(40,944,092)

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	2023					
	At January 01, 2023	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At December 31, 2023
	(Rupees in '000)					
Deductible temporary differences on						
- Tax losses carried forward	10,705	-	10,705	-	-	10,705
- Post retirement employee benefits	7,352,695	-	7,352,695	-	(490,685)	6,862,010
- Provision for diminution in the value of investments	236,751	-	236,751	-	-	236,751
- Provision against loans and advances	12,925,197	-	12,925,197	(2,781,685)	-	10,143,512
- Provision against off-balance sheet obligations	115,222	-	115,222	-	-	115,222
- Excess of accounting book values over tax written down values of property and equipment	1,506,288	-	1,506,288	154,893	-	1,661,181
- Other provisions	105,416	-	105,416	-	-	105,416
- Right of use assets	670,604	-	670,604	(18,752)	-	651,852
	22,922,878	-	22,922,878	(2,645,544)	(490,685)	19,786,649
Taxable temporary differences on						
- Surplus on revaluation of fixed assets	(3,061,347)	-	(3,061,347)	174,426	(435,908)	(3,322,829)
- Surplus on revaluation of investments	3,208,913	-	3,208,913	-	(19,432,225)	(16,223,312)
- Surplus on revaluation of non-banking assets	(21,752)	-	(21,752)	-	(85,096)	(106,848)
- Exchange translation reserve	(749,289)	-	(749,289)	-	(104,554)	(853,843)
	(623,475)	-	(623,475)	174,426	(20,057,783)	(20,506,832)
	22,299,403	-	22,299,403	(2,471,118)	(20,548,468)	(720,183)

21 OTHER LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Mark-up / return / interest payable in local currency		**198,302,520**	194,548,283
Mark-up / return / interest payable in foreign currencies		**2,126,296**	2,611,281
Unearned commission and income on bills discounted		**316,175**	101,350
Accrued expenses		**15,235,759**	13,684,726
Advance payments		**335,630**	346,109
Current taxation (provisions less payments)		**14,337,001**	-
Unclaimed dividends		**173,632**	174,284
Mark to market loss on forward foreign exchange contracts		**379,658**	6,676,880
Branch adjustment account		**3,772,016**	1,659,214
Payable to defined benefit plan:			
Pension fund	40.4	**75,638,568**	22,944,893
Post retirement medical benefits	40.4	**39,745,198**	34,833,112
Benevolent fund	40.4	**1,882,384**	1,613,699
Gratuity scheme	40.4	**4,852,558**	4,575,660
Compensated absences	40.4	**10,227,411**	9,632,176
Staff welfare fund		**371,257**	371,257
Liabilities relating to barter trade agreements		**4,280,203**	4,321,484
Provision against contingencies	21.1	**5,343,606**	4,698,118
Credit loss allowance against off-balance sheet obligations	21.2	**1,726,164**	627,494
Payable to brokers		**30,288**	735,663
PIBs short selling		**-**	10,241,337
Acceptances		**9,580,543**	8,100,364
Others		**20,113,803**	18,366,475
		408,770,670	340,863,859

21.1 Provision against contingencies	2024	2023
	(Rupees in '000)	
Opening balance	**4,698,118**	4,170,799
Charge for the year	**426,424**	384,838
Other movement	**219,064**	142,481
Closing balance	**5,343,606**	4,698,118

21.2 Credit loss allowance against off-balance sheet obligations		
Opening balance	**627,494**	627,494
Impact of adoption of IFRS-9	**4,049,283**	-
Reversals for the year	**(669,509)**	-
	(669,509)	-
Transfer out	**(2,281,104)**	-
Closing balance	**1,726,164**	627,494

22 SHARE CAPITAL

22.1 Authorized capital

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
2,500,000,000	2,500,000,000	Ordinary shares of Rs.10/- each	**25,000,000**	25,000,000

22.2 Issued, subscribed and paid up capital

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
		Ordinary shares		
140,388,000	140,388,000	Fully paid in cash	**1,403,880**	1,403,880
1,987,125,026	1,987,125,026	Issued as bonus shares	**19,871,251**	19,871,251
-	-	Issued for consideration other than cash	**-**	-
2,127,513,026	2,127,513,026		**21,275,131**	21,275,131
-	-	Less: Discount on issue of shares	**-**	-
2,127,513,026	2,127,513,026		**21,275,131**	21,275,131

The Federal Government and SBP holds 75.60% (2023: Federal Government and SBP 75.60%) shares of the Bank.

22.3 Shares of the Bank held by subsidiary and associate	2024	2023
	Number of Shares	
Following shares were held by the associate of the Bank as of year end:		
First Credit & Investment Bank Limited	**70,000**	70,000
	70,000	70,000

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23 RESERVES

Exchange translation reserve

This comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Statutory reserve

Every bank incorporated in Pakistan is required to transfer 20% of their profits to a statutory reserve until the reserve equals share capital, thereafter 10% of the profits of the Bank are to be transferred to this reserve.

Merger reserve

As per the Scheme of Amalgamation, all the assets, liabilities and obligations of NBP Leasing Limited were merged with, transferred to, vested in and assumed by the Bank as at the effective date July 31, 2017. The reserve represents the excess of net assets transferred to the Bank over its investment in NBP Leasing Limited.

24 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	2024	2023
		(Rupees in '000)	
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI - Debt	10.1 & 24.3	**50,319,905**	-
- Securities measured at FVOCI - Equity	10.1 & 24.3	**94,898,376**	-
- Available for sale securities		**-**	33,108,801
- Property and Equipment	24.1	**49,394,599**	47,395,553
- Non-banking assets acquired in satisfaction of claims	24.2	**2,995,046**	2,803,228
		197,607,926	83,307,582
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		**(26,166,351)**	-
- Securities measured at FVOCI - Equity		**(49,347,156)**	-
- Available for sale securities		**-**	(16,223,312)
- Property and equipment	24.1	**(3,773,779)**	(3,322,829)
- Non-banking assets acquired in satisfaction of claims	24.2	**(118,215)**	(106,848)
		(79,405,501)	(19,652,989)
		118,202,425	63,654,593

24.1 Surplus on revaluation of property and equipment

Surplus on revaluation of property and equipment as at January 1		**47,395,553**	47,733,682
Recognised during the year	12.2	**2,338,109**	17,842
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**(162,750)**	(181,545)
Related deferred tax liability on incremental deprecation charged during the year		**(176,313)**	(174,426)
Surplus on revaluation of property and equipment as at December 31		**49,394,599**	47,395,553
Less: related deferred tax liability on:			
- revaluation as at January 1		**(3,322,829)**	(3,061,347)
- revaluation recognised during the year		**(423,824)**	(8,743)
- rate adjustment		**(203,439)**	(427,165)
- incremental depreciation charged during the year		**176,313**	174,426
		(3,773,779)	(3,322,829)
		45,620,820	44,072,724

		Note	2024	2023
			(Rupees in '000)	
24.2	**Surplus on revaluation of non-banking assets acquired in satisfaction of claims**			
	Surplus on revaluation as at January 1		**2,803,228**	2,520,000
	Recognised during the year		**191,818**	283,228
	Surplus on revaluation as at December 31		**2,995,046**	2,803,228
	Less: related deferred tax liability on:			
	- revaluation as at January 1		**(106,848)**	(21,752)
	- revaluation recognised during the year		**(4,826)**	(82,060)
	- rate adjustment		**(6,541)**	(3,036)
			(118,215)	(106,848)
			2,876,831	2,696,380
24.3	**Securities which will be recycled to the unconsolidated statement of profit and loss account**			
	- Securities measured at FVOCI - Debt		**50,319,905**	-
	Securities which will not be recycled to the unconsolidated statement of profit and loss account			
	- Securities measured at FVOCI - Equity		**94,898,376**	-
25	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	25.1	**513,080,260**	346,487,980
	Commitments	25.2	**2,319,154,517**	2,362,684,359
	Other contingent liabilities	25.3	**26,536,608**	26,628,229
			2,858,771,385	2,735,800,568
25.1	**Guarantees:**			
	Financial guarantees		**461,985,681**	227,063,459
	Performance guarantees		**51,094,580**	119,424,521
			513,080,260	346,487,980
25.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		**1,585,818,397**	1,633,847,479
	Commitments in respect of:			
	- forward foreign exchange contracts	25.2.1	**637,181,340**	655,935,358
	- forward government securities transactions	25.2.2	**79,587,535**	27,318,929
	- forward lending	25.2.3	**15,467,596**	44,432,555
	Commitments for acquisition of:			
	- operating property and equipment		**1,082,641**	1,129,442
	Other commitments	25.2.5	**17,008**	20,596
			2,319,154,517	2,362,684,359

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
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25.2.1 Commitments in respect of forward foreign exchange contracts

	2024	2023
	(Rupees in '000)	
Purchase	419,040,101	412,870,783
Sale	218,141,239	243,064,575
	637,181,340	655,935,358

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

25.2.2 Commitments in respect of forward government securities transactions

	2024	2023
	(Rupees in '000)	
Purchase	74,167,535	11,493,136
Sale	5,420,000	15,825,793
	79,587,535	27,318,929

Commitments for outstanding forward government securities transactions are disclosed in these unconsolidated financial statements at contracted rates.

25.2.3 Commitments in respect of forward lending

	2024	2023
	(Rupees in '000)	
Undrawn formal standby facilities, credit lines and other commitments to lend	15,467,596	44,432,555
	15,467,596	44,432,555

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

25.2.5 Other commitments

	Note	2024	2023
		(Rupees in '000)	
Professional services to be received		17,008	20,596

25.3 Other contingent liabilities 25.3.1 **26,536,608** 26,628,229

25.3.1 Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (2023: Rs. 1,597 million).

25.3.2 Taxation

- The return of income for tax year 2024 has been filed which is treated to be deemed assessment order.
- Honourable ATIR has passed appellate order for tax year 2005 against monitoring order and held that the proceedings are time barred. However, the order of the DCIR remanded back to the assessing officer with the instruction to proceed further if any information is already available with the tax department.

- Honourable ATIR has passed appellate order for tax year 2009 against monitoring order and the order passed by the DCIR has been annulled.

- An assessment order was issued by the ACIR for the tax year 2023. In this assessment, the tax authorities have made certain additions. The Bank has contested these additions before the Appellate Tribunal.

- The aggregate effect of contingencies as on Dec 31, 2024 including amount of Rs. 716 million (December 31, 2023: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 35,160 million (December 31, 2023: Rs. 34,730 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expect favorable outcome upon decisions of pending appeals.

25.3.3 Contingencies in respect of employees benefits and related matters

The following are the details of the contingencies arising out of the various legal cases pending adjudication in respect of employees' benefits and related matters. The Bank considers that except for Pensionary benefits note 25.3.3.1, the financial impact of other matters is impracticable to determine with sufficient reliability.

25.3.3.1 Pensionary benefits to retired employees

The Honorable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, dismissed all the civil review petitions filed by NBP (CRPs No 368 to 409 etc.), as a result of which the Supreme Court decision dated 25th September 2017, in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement bank has made payments to majority of petitioners as well as non-petitioners.

The Honorable Supreme Court has also directed NBP to pay the arrears of any government increases in pension but to only pensioners who are directly involved and are parties in the aforesaid litigation. However, as things stand at the moment, an off- shoot of the said litigation is presently pending final adjudication in the Supreme Court wherein a different class of pensioners are claiming payment of government increases in pension from NBP. In this case, the Supreme Court has granted NBP interim relief and has suspended the operation of the judgment of the Lahore High Court which had directed NBP to pay such pension increases. As a result, there are now two different views of the Honorable Supreme Court vis a vis the payment of government increases in pension to the pensioners of NBP and the legal position is far from being clear or certain. However, as a matter of abundant caution the Bank has incorporated financial impact in these unconsolidated financial statements for the year ended December 31, 2024.

25.3.3.2 Regularizing the temporary hires / workers deployed by service provider companies under outsourcing arrangements

The Bank outsourced certain non-core jobs to various service provider companies after entering into contracts with them. The resources deployed by the service provider companies were their employees and the said companies have had sole administrative control over these resources. Some of these resources filed writ petitions before the High Courts and National Industrial Relations Commission (NIRC) seeking to be absorbed by the Bank in its regular service based on grounds that they were in fact employees of the Bank. Presently, there are 6 cases on appeal pending at the Supreme Court where these have been clubbed to be heard as one. The Chief Justice of Pakistan has constituted a larger bench comprising of five Judges being headed by himself for adjudication. The case is ongoing and is presently adjourned for a date to be fixed. A favorable outcome of this case is expected.

25.3.3.3 Litigation related to management trainee program

Following the litigation arising out of the order dated September 21, 2016 passed by the Supreme Court in our CA No.1644/2013 out of our CPLA No. 805/2013 filed against order dated March 13, 2013 of the Division Bench of Sindh High Court, Sukkur in CP No. D-417/2010 (the "Decision"), the Bank has substantially paid all the petitioners and non petitioners in accordance with court orders or on the basis of out of court settlements. The matter is now closed.

25.4 Foreign exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporter namely: M/S Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has also adjudicated penalty of Rs. 1,020 million, arbitrarily on the Bank. The Bank has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgments. The Honorable High Court has granted relief to the Bank by way of interim orders.

As advised by our counsel, NBP has also filed a Constitutional Petition challenging the constitution of the Appellate Board by the Commission and has obtained restraining order on the ground that the Appellate Board constituted by the Commission lacks legal merit in the light of Supreme Court ruling. Our counsel has concluded his arguments in respect of the Foreign Exchange Regulation Appellate Board constitution. However, another petition filed by another company whereby challenging the constitutionality of the Competition Act was also tagged with the petitions filed by the banks.

Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore, no provision has been made against the impugned penalty.

25.5 Compliance and risk matters relating to anti-money laundering at the New York Branch

The bank fully complied with the public enforcement actions issued in February 2022 by the New York State Department of Financial Services (NYSDFS) and the Federal Reserve Board. It thereafter decided to close the New York branch. With approval from the NYDFS, the bank's New York branch voluntarily surrendered its banking license to the NYSDFS in October 2024. In December 2024, the Federal Reserve Board terminated the enforcement actions issued to NBP/New York Branch in March 2016 & February 2022. The NYSDFS does not have a practice of terminating enforcement actions.

26 MARK-UP / RETURN / INTEREST EARNED	2024	2023
	(Rupees in '000)	
Loans and advances	**233,285,305**	221,787,037
Investments	**842,031,448**	773,985,390
Lendings to financial institutions	**10,809,789**	27,619,480
Balances with banks	**3,288,310**	1,265,741
	1,089,414,852	1,024,657,648

27 MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	**460,511,904**	365,117,330
Borrowings	**8,956,569**	6,988,812
Cost of foreign currency swaps against foreign currency deposits / borrowings	**15,257,391**	14,293,880
Financial charges lease liability against right of use assets	**994,407**	810,696
Securities sold under repurchase agreements	**432,806,427**	468,699,346
	918,526,698	855,910,064

28 FEE AND COMMISSION INCOME

	Note	2024	2023
		(Rupees in '000)	
Branch banking customer fees		**1,872,522**	1,836,285
Consumer finance related fees		**829,131**	537,528
Card related fees (debit and credit cards)		**4,895,488**	3,018,522
Credit related fees		**311,778**	355,727
Investment banking fees		**382,569**	479,928
Commission on trade		**2,447,629**	2,431,771
Commission on guarantees		**1,767,688**	815,499
Commission on cash management		**56,703**	98,999
Commission on remittances including home remittances		**1,731,603**	1,813,156
Commission on bancassurance		**273,804**	227,995
Commission on government transactions		**10,862,413**	10,319,641
Others		**47,205**	97,131
		25,478,533	22,032,182

29 GAIN ON SECURITIES

Realized	29.1	**18,861,864**	4,417,126
Unrealized - measured as FVTPL / held for trading - net	29.2 & 10.1	**9,030,655**	(34,939)
Unrealized - Short selling		**-**	1,873
		27,892,519	4,384,060

29.1 Realized gain on:

Federal Government securities		**9,222,915**	1,289,150
Shares	29.1.1	**9,730,047**	3,171,618
Foreign securities		**(91,098)**	(43,642)
		18,861,864	4,417,126

29.1.1 The transaction for the sale of the Bank's shareholding in United National Bank Limited (UNBL UK) was concluded after obtaining all the regulatory approvals on July 01,2024.

29.1.2 During the year, the Bank has divested its interest in its associate, Agritech Limited, through a negotiated transaction. The transaction was completed on October 15, 2024.

29.2 Net gain on financial assets / liabilities measured at FVTPL:

	2024	2023
	(Rupees in '000)	
Designated upon initial recognition	**5,874,858**	-
Mandatorily measured at FVTPL	**3,155,798**	-
	9,030,655	-
Net gain on financial assets measured at FVOCI - Debt	**6,421,595**	-
	15,452,250	2,756,317

30 NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

Loss on derecognition of financial assets measured at amortised cost	30.1	**(662,486)**	-

30.1 This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these unconsolidated financial statements.

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31 OTHER INCOME

	Note	2024	2023
		(Rupees in '000)	
Rent on property		90,766	74,695
Gain on sale of property and equipment - net		3,142	250,247
Postal, SWIFT and other charges recovered / reversed		214,222	131,783
Compensation for delayed delivery of vehicles		-	1,009
Compensation for delayed tax refunds	31.1	-	1,320,345
Tender money		-	2,307
Early settlement of staff loan		319,333	-
Reversal of expenses		44,348	-
Others		36,054	13,079
		707,865	1,793,465

31.1 This represents compensation for delayed refunds determined under Section 171 of Income Tax Ordinance 2001.

32 OPERATING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Total compensation expense	32.2	136,338,769	56,391,759
Property expense			
Rent and taxes		1,613,522	1,241,018
Insurance	32.3	38,603	59,269
Utilities cost		3,343,168	2,871,400
Security (including guards)		4,552,832	4,043,661
Repair and maintenance (including janitorial charges)		1,687,577	1,463,325
Depreciation		488,292	496,438
Depreciation on non - banking assets		17,944	10,045
Depreciation on Ijarah assets		1,371	1,065
Depreciation on right-of-use assets		1,957,699	1,990,974
Others		12,268	-
		13,713,276	12,177,195
Information technology expenses			
Software maintenance		3,303,574	2,803,333
Hardware maintenance		159,744	137,903
Depreciation		724,165	579,394
Amortisation		507,990	277,042
Network charges		1,000,925	892,901
IT Manage services		1,916,306	2,611,550
Others		4,193	-
		7,616,897	7,302,123
Other operating expenses			
Directors' fees and allowances		95,191	88,232
Fees and allowances to Shariah Board		19,203	17,123
Legal and professional charges		1,325,623	2,154,647
Outsourced services costs	32.1	1,470,838	931,924
Travelling and conveyance		1,729,596	1,896,767
NIFT clearing charges		279,744	255,128
Depreciation		1,519,706	1,380,691
Training and development		184,211	108,655
Postage and courier charges		354,468	409,561
Communication		1,657,138	1,211,017
Stationery and printing		2,502,964	2,083,204
Marketing, advertisement & publicity		1,760,370	1,153,625
Donations	32.5	148,764	45,104
Auditors remuneration	32.6	362,910	360,590
Property and equipment / Non-banking asset deficit		12,102	-
Financial charges on leased assets		205,683	66,293
Entertainment		477,034	335,999
Clearing charges, verification and licence fee		499,229	565,390
Brokerage		250,050	158,589
Insurance general		1,043,258	742,120
Vehicle expenses		268,449	257,265
Deposit premium expense		1,636,619	1,392,861
Repairs and maintenance general		1,147,359	1,374,253
Others		718,495	485,599
		19,669,004	17,474,637
		177,337,946	93,345,714

32.1 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 1,471 million (2023: Rs. 931.9 million). Out of this cost, Rs. 1,455 million (2023: Rs. 919.4 million) pertains to the payment to companies incorporated in Pakistan and Rs. 16.3 million (2023: Rs. 12.5 million) pertains to payment to companies incorporated outside Pakistan. Total Cost of outsourced activities for the year given to related parties is Rs. Nil (2023: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017. The material outsourcing arrangements along with their nature of services are as follows:

		2024	2023
		(Rupees in '000)	
Name of Company	**Nature of Services**		
HTECH Solutions (Private) Limited	Call centre management	**168,497**	122,541

During the year, outsourcing services were hired in respect of sales, call centre services, IT Support & Services, Cash sorting, protocol services, collection services, and engineering services.

32.2 Total compensation expense

	Note	2024	2023
		(Rupees in '000)	
Fees and allowances etc		**-**	-
Managerial remuneration			
i) Fixed		**18,827,523**	16,303,729
ii) Variable			
a) Cash bonus / awards etc.		**6,211,113**	5,479,182
b) Bonus and awards in shares etc.		**-**	-
Charge for defined benefit plan	25.3.3.1	**81,402,315**	11,918,752
Rent and house maintenance		**6,864,132**	6,283,545
Utilities		**3,185,126**	2,667,271
Medical		**5,626,612**	4,602,916
Conveyance		**5,465,882**	4,250,732
Club Membership and Subscription		**153,640**	93,718
Education Allowance		**1,820,867**	1,818,799
Insurance		**374,809**	462,205
Honorarium to Staff and Staff Welfare		**231,091**	445,175
Overtime		**49,460**	45,892
Special Duty Allowance		**1,369**	3,621
Islamic Banking Allowance		**1,070**	-
Washing Allowance		**13,232**	14,208
Key Allowance		**70,804**	70,501
Unattractive Area Allowance		**83,185**	68,690
Leave Encashment		**12,766**	12,021
Teaching Allowance		**13,004**	10,864
Incentive on CASA deposits mobilization		**76,656**	35,378
Meal Allowance		**444,646**	246,262
Staff Incentive		**15,632**	8,421
Liveries		**13**	19
Inchamber Allowance		**617**	-
Inflationary Allowance		**-**	648,818
Saturday Allowances		**158,454**	162,405
Severe Winter Allowance		**57,338**	54,480
Hill Allowance		**46,379**	34,530
ATM Cash Replenish Allowance		**21,325**	20,593
PhD Allowance		**12,844**	10,098
Hardship Allowance		**3,110**	-
Other retirement benefits of international branches		**-**	132,036
Staff Loan - notional cost	32.4	**4,605,524**	-
Others		**488,232**	486,898
		136,338,769	56,391,759
		136,338,769	56,391,759

32.3 This includes Rs. 3.935 million (2023: Rs.3.422 million) insurance premium against directors' liability insurance.

32.4 This refers to unwinding of notional deferred cost on subsidised staff loans fair valuation under IFRS-9.

32.5 Donations include following amounts:

	2024	2023
	(Rupees in '000)	
Special Olympics Pakistan	5,500	-
Afzaal Memorial Thalassemia Foundation	5,000	-
Family Educational Services Foundation	15,000	-
Child Aid Association	2,000	-
Marie Adelaide Leprosy Centre	2,500	-
Child Life Foundation	10,000	-
Akhuwat	14,000	-
Karwan-e-Hayat	12,600	-
Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	38,511	26,549
Pakistan Alliance For Girls Education Trust	5,300	-
The Hunar Foundation	15,000	-
Strengthening Participatory Organization	11,314	-
Tehzibul Akhlaq Trust	7,000	-
Sindh Community Foundation	5,037	-
The Citizen Foundation (TCF)	-	7,255
Network of Organizations Working for People with Disabilities Pakistan (NOWPDP)	-	5,000
Women Empowerment Group (WEG)	-	6,300
	148,764	45,104

32.5.1 None of the Directors, Sponsor Shareholders and Key Management Personnel or their Spouse have an interest in the Donee.

32.6 Auditors' remuneration

	A.F.Ferguson & Co.	BDO Ebrahim & Co.	Total 2024	Total 2023
	(Rupees in '000)			
Audit fee	33,000	28,132	61,132	35,949
Special certifications	2,825	2,307	5,132	2,527
	35,825	30,439	66,264	38,476
Other special certification and sundry advisory	31,340	6,790	38,130	81,871
Out-of-pocket expenses	10,175	10,175	20,350	9,000
Sales Tax	3,680	3,249	6,929	12,922
Fee for audit of foreign branches including advisory service and out-of-pocket expenses	-	-	231,238	218,321
	81,020	50,653	362,910	360,590

33 OTHER CHARGES

	2024	2023
	(Rupees in '000)	
Penalties imposed by State Bank of Pakistan	33,471	270,073
Penalties imposed by other regulatory bodies (Central bank of International branches)	7,496	15,867
Penalties imposed by other regulatory bodies (Regulators of subsidiaries)	-	-
	40,967	285,940

		Note	2024	2023
			(Rupees in '000)	
34	**CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET**			
	Net reversal of credit loss allowance against lending to financial institutions	9.7	**(9,723)**	-
	Reversal / Net credit loss allowance / provision against investments	10.3.2	**(3,669,343)**	458,787
	Reversal / Net credit loss allowance / provision against loans and advances	11.6	**6,113,132**	13,386,635
	Provision against other assets	15.5.1	**(33,596)**	239,045
	Other credit loss allowance against contingencies	21.1	**426,424**	384,838
	Net credit loss allowance against markup receivable	15.6	**100,640**	-
	Net reversal of credit loss allowance against off balance Sheet	21.2	**(669,509)**	-
	Net reversal of credit loss allowance against cash and balance with other banks		**(18)**	-
	Net credit loss allowance against cash and balance with treasury banks		**362**	-
			2,258,369	14,469,305
35	**TAXATION**			
	Current			
	For the year	35.1	**30,790,803**	53,264,509
	Prior years		**-**	(6,322,999)
			30,790,803	46,941,510
	Deferred			
	For the year		**(979,489)**	(5,602,109)
	Prior years		**-**	8,073,227
			(979,489)	2,471,118
			29,811,314	49,412,628
35.1	Current taxation includes Rs. Nil (2023: Rs. Nil) of overseas branches.			
35.2	**Relationship between tax expense and accounting profit**			
	Accounting Profit Before Tax		**56,677,058**	101,253,090
	Income tax at statutory rate @ 44% (2023: 39%)		**24,937,906**	39,488,705
	Super tax at statutory rate @ 10% (2023: 10%)		**5,667,706**	10,125,309
	Increase / (decrease) in taxes resulting from:			
	Inadmissible items		**22,122**	140,111
	Prior year taxation		**-**	1,750,228
	Impact of change in tax rate		**(700,835)**	(1,716,671)
	Reduced rate on SME / Housing		**-**	-
	Others		**(115,585)**	(375,054)
	Tax charge for current and prior years		**29,811,314**	49,412,628
36	**BASIC EARNING PER SHARE**			
	Profit for the year (Rupees in 000's)		**26,865,744**	51,840,462
	Weighted average number of ordinary shares (Number in 000's)		**2,127,513**	2,127,513
	Basic earnings per share (Rupees)		**12.63**	24.37
37	**DILUTED EARNING PER SHARE**			
	Profit for the year (Rupees in 000's)		**26,865,744**	51,840,462
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares) (Number in 000's)		**2,127,513**	2,127,513
	Diluted earnings per share (Rupees)		**12.63**	24.37

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38 CASH AND CASH EQUIVALENTS

	2024	2023
	(Rupees in '000)	
Cash and balance with treasury banks	**314,234,036**	294,992,570
Balance with other banks	**56,836,483**	42,325,051
Musharka / clean money lending	**30,000,000**	9,723
Call borrowings	**(21,989,167)**	(19,434,142)
Overdrawn nostro accounts	**(197,488)**	(19,330,975)
	378,883,864	298,562,227

38.1 Reconciliation of movements of liabilities to cash flow used in financing activities:

	2024	
	Lease Obligation	Unclaimed Dividend
	(Rupees in '000)	
Balance as at January 1, 2024	**8,264,782**	**174,284**
Changes from financing cashflows		
Payment of lease obligation / dividend	**(2,746,757)**	**(652)**
Total charges from financing activities	**(2,746,757)**	**(652)**
Other charges:		
Renewed lease during the year	**1,604,213**	**-**
Interest unwinding	**994,407**	**-**
Foreign exchange gain	**(86,528)**	**-**
Total other charges	**2,512,092**	**-**
Balance as at December 31, 2024	**8,030,117**	**173,632**

	2023	
	Lease Obligation	Unclaimed Dividend
	(Rupees in '000)	
Balance as at January 1, 2023	8,267,949	181,851
Changes from financing cashflows		
Payment of lease obligation / dividend	(2,626,949)	(7,567)
Total charges from financing activities	(2,626,949)	(7,567)
Other charges:		
Renewed lease during the year	1,826,267	-
Interest unwinding	810,696	-
Closure of branches	(20,902)	-
Foreign exchange loss	7,721	-
Total other charges	2,623,781	-
Balance as at December 31, 2023	8,264,782	174,284

39 STAFF STRENGTH

	2024	2023
	Numbers	
Permanent	**9,051**	9,542
On the Bank's contract	**5,747**	5,420
Bank's own staff strength at the end of the year	**14,798**	14,962

39.1 In addition to the above, 1,957 (2023: 1,722) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services. Out of these, 1,951 employees are working domestically (2023: 1,708) and 6 (2023: 14) abroad respectively.

40 DEFINED BENEFIT PLAN

40.1 General description

General description of the type of defined benefit plan and accounting policy for remeasurements of the net defined liability / asset is disclosed in note 4.11 to the unconsolidated financial statements.

40.2 Number of employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2024	2023
	Numbers	
Pension fund	**9,051**	9,542
Post retirement medical expense	**9,051**	9,542
Benevolent scheme	**9,051**	9,542
Gratuity scheme	**5,551**	5,185
Compensated absences	**9,051**	9,542

40.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2024 using the following significant assumptions:

	2024	2023
	per annum	
Discount rate	**12.25%**	15.50%
Expected rate of return on plan assets	**12.25%**	15.50%
Expected rate of salary increase	**10.75%**	15.50%
Expected rate of increase in pension	**107% for next one year**	80% for next one year,11% onwards
Expected rate of increase in medical benefit	**12.25%**	15.50%

	Note	2024						2023					
		Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
		(Rupees in '000)											
40.4 Reconciliation of (receivable from) / payable to defined benefit plans													
Present value of obligations		177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
Fair value of plan assets		(101,540,358)	-	-	-	-	(101,540,358)	(80,646,300)	-	-	-	-	(80,646,300)
Payable		75,638,568	39,745,198	1,882,384	4,852,558	10,227,411	132,346,119	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540
40.5 Movement in defined benefit obligations													
Obligations at the beginning of the year		103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840	89,128,297	29,176,898	1,697,838	3,767,858	8,734,235	132,505,126
Current service cost		2,577,250	890,143	42,294	628,666	17,341	4,155,694	1,082,972	771,209	42,912	543,697	12,352	2,453,142
Past Service due to early retirement gratuity		57,549,870	-	149	80,555	356,535	57,987,109	28,590	14,663	503	136,889	613,761	794,406
Other payments		-	-	-	-	-	-	137,070	-	-	-	-	137,070
Adjustment against contingency reserve		78,513	12,814	118	-	11,273	102,718	158,428	34,152	332	-	19,326	212,238
Interest cost		24,875,597	5,288,935	235,391	694,031	1,463,426	32,557,380	12,665,122	4,137,561	232,065	536,448	1,247,384	18,818,580
Benefits paid by the bank		(22,508,104)	(1,421,895)	(190,094)	(196,086)	(381,432)	(24,697,611)	(3,565,262)	(1,283,994)	(194,781)	(136,429)	(263,173)	(5,443,639)
Re-measurement gain - Profit and Loss		-	-	-	-	(871,908)	(871,908)	-	-	-	-	(731,709)	(731,709)
Re-measurement loss / (gain) - OCI		11,014,607	142,089	180,827	(930,268)	-	10,407,255	3,955,976	1,982,623	(165,170)	(272,803)	-	5,500,626
Obligations at the end of the year		177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
40.6 Movement in fair value of plan assets													
Fair value at the beginning of the year		80,646,300	-	-	-	-	80,646,300	66,064,403	-	-	-	-	66,064,403
Interest income on plan assets		12,425,960	-	-	-	-	12,425,960	9,552,737	-	-	-	-	9,552,737
Contribution by the bank - net		1,501,147	-	-	-	-	1,501,147	1,403,168	-	-	-	-	1,403,168
Benefits paid		(22,508,104)	-	-	-	-	(22,508,104)	(3,565,262)	-	-	-	-	(3,565,262)
Benefits paid on behalf of fund		20,049,320	-	-	-	-	20,049,320	1,795,181	-	-	-	-	1,795,181
Actuarial loss on Assets		-	-	-	-	-	-	5,396,073	-	-	-	-	5,396,073
Re-measurements: Net return on plan assets over interest income gain / (loss)	40.8.2	9,425,735	-	-	-	-	9,425,735	-	-	-	-	-	-
Fair value at the end of the year		101,540,358	-	-	-	-	101,540,358	80,646,300	-	-	-	-	80,646,300

	Note	2024						2023					
		Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
		(Rupees in '000)											
40.7 Movement in (receivable) / payable under defined benefit schemes													
Opening balance		22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540	23,063,894	29,176,898	1,697,838	3,767,858	8,734,235	66,440,723
Charge / (reversal) for the year		72,576,757	6,179,078	277,834	1,403,252	965,394	81,402,315	4,361,017	4,908,770	274,977	1,080,145	528,027	11,152,936
Past Service due to early retirement gratuity		-	-	-	-	-	-	-	14,663	503	136,889	613,761	765,816
Adjustment against contingency reserve		78,513	12,814	118	-	11,273	102,718	158,428	34,152	332	-	19,326	212,238
Contribution by the bank - net		(1,501,147)	-	-	-	-	(1,501,147)	(1,403,168)	-	-	-	-	(1,403,168)
Re-measurement loss / (gain) recognised in OCI during the year	40.8.2	1,588,872	142,089	180,827	(930,268)	-	981,520	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553
Benefits paid by the bank		(20,049,320)	(1,421,895)	(190,094)	(196,086)	(381,432)	(22,238,827)	(1,795,181)	(1,283,994)	(194,781)	(136,429)	(263,173)	(3,673,558)
Closing balance		75,638,568	39,745,198	1,882,384	4,852,558	10,227,411	132,346,119	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540
40.8 Charge for defined benefit plans													
40.8.1 Cost recognised in profit and loss													
Current service cost		2,577,250	890,143	42,294	628,666	17,341	4,155,694	1,082,972	771,209	42,912	543,697	12,352	2,453,142
Past Service due to early retirement gratuity		57,549,870	-	149	80,555	356,535	57,987,109	28,590	14,663	503	136,889	613,761	794,406
Other payments		-	-	-	-	-	-	137,070	-	-	-	-	137,070
Actuarial gain recognized - Profit and Loss		-	-	-	-	(871,908)	(871,908)	-	-	-	-	(731,709)	(731,709)
Net interest on defined benefit asset / liability		12,449,637	5,288,935	235,391	694,031	1,463,426	20,131,420	3,112,385	4,137,561	232,065	536,448	1,247,384	9,265,843
		72,576,757	6,179,078	277,834	1,403,252	965,394	81,402,315	4,361,017	4,923,433	275,480	1,217,034	1,141,788	11,918,752
40.8.2 Re-measurements recognised in OCI during the year													
Loss / (gain) on obligation													
Financial assumptions		(14,151,479)	(1,265,384)	283,033	(952,228)	-	(16,086,059)	6,789,410	1,411,977	(82,933)	(19,843)	-	8,098,611
Experience adjustment		25,166,086	1,407,473	(102,206)	21,960	-	26,493,314	(2,833,434)	570,646	(82,237)	(252,960)	-	(2,597,985)
Return on plan assets over interest income		(9,425,735)	-	-	-	-	(9,425,735)	(5,396,073)	-	-	-	-	(5,396,073)
Total re-measurements recognised in OCI		1,588,872	142,089	180,827	(930,268)	-	981,520	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

40.9 Components of plan assets - Pension Fund

	2024	2023
	(Rupees in '000)	
Cash and cash equivalents - net	**355,898**	430,000
Government securities	**65,336,734**	63,789,305
Shares	**750,702**	7,509,967
Non-Government debt securities	**100,000**	100,000
Mutual Funds	**2,150,000**	8,817,027
	68,693,334	**80,646,299**

40.9.1 The Funds primarily invests in government securities which do not carry any significant credit risk. These are subject to interest rate risk based on market movements. Investment in term finance certificates are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Administrator of the Pension fund.

40.10 Sensitivity analysis

The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarised as below:

	2024					
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
	(Rupees in '000)					
1% increase in discount rate	(12,447,836)	(4,042,779)	(101,895)	(472,319)	(609,055)	(17,673,885)
1% decrease in discount rate	14,688,020	4,928,173	113,896	518,951	685,551	20,934,591
1% increase in expected rate of salary increase	4,164,175	1,073,996	4,307	545,732	736,656	6,524,865
1% decrease in expected rate of salary increase	(3,807,334)	(976,377)	(4,651)	(501,769)	(664,258)	(5,954,389)
1% increase in expected rate of pension increase	10,878,833	1,714,662	-	-	-	12,593,496
1% decrease in expected rate of pension increase	(9,527,743)	(1,487,129)	-	-	-	(11,014,872)
1% increase in expected rate of medical benefit increase	-	1,835,515	-	-	-	1,835,515
1% decrease in expected rate of medical benefit increase	-	(1,554,021)	-	-	-	(1,554,021)

40.11 Expected contributions to be paid to the fund in the next financial year **1,750,151**

40.12 Expected charge for the next financial year **20,042,835**

40.13 Maturity profile

	Years
The weighted average duration of the obligation	**8.27**
Pension fund	7.66
Post retirement medical scheme	11.29
Benevolent scheme	5.73
Gratuity scheme	10.21
Compensated absences	6.33

40.14 Funding policy

The bank should disclose the policy followed for funding the staff retirement benefit schemes.

Current Assets	**Amount**	**Percentage**
	Rupees in '000	
Cash and cash equivalents - net	355,898	0.52%
Government securities	65,336,734	95.11%
Shares	750,702	1.09%
Non-Government debt securities	100,000	0.15%
Mutual funds	2,150,000	3.13%
	68,693,334	100.00%

Bank will continue to invest with the same percentage in the asset categories mentioned but increase the assets gradually so that there is no deficit in the pension fund.

40.15 Significant risks associated with the staff retirement benefit schemes are as follows:

Asset volatility	The risk arises when the future earnings are lower than expectation. This risk is measured at a plan level over the obligation period of the current population. The company assets are either invested in fixed securities or cash.
Changes in bond yields	The risk arises when the actual return on plan assets is lower than expectation.
Inflation risk	The most common type of retirement benefit is one where the benefit is linked with last drawn salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
Life expectancy / withdrawal rate	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. The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.
Investment Risk	The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

41 DEFINED CONTRIBUTION PLAN

Provident Fund

The NBP employees Provident Fund was created under National Bank of Pakistan Employees Provident Fund Rules on April 01, 1950, under the Provident Fund Act, 1925. The Rules have been superseded by revised NBP Employees' Provident Fund Rules which came into force on January 01, 1958.

As per rules, the Officers, Executives and Clerical and Non Clerical staff in regular cadre make monthly contribution of 10% and 12.5% of their basic salary respectively towards the fund and the bank has to pay interest on balances of member's provident fund half yearly.

This scheme covers 8,808 employees (2023: 9,313 employees).

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

42 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

42.1 Total Compensation Expense

Items	2024						
	Directors (Note 42.3)			Members Shariah Board (Note 42.4)	President / CEO (Note 42.1.1)	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Executive (other than CEO)	Non-Executives				
	(Rupees in '000)						
Fees and allowances etc.	13,440	-	81,751	12,257	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	2,287	108,000	207,006	1,084,323
ii) Variable							
a) Cash bonus / awards	-	-	-	958	-	161,945	535,662
Charge for defined benefit plan				753	19,799	80,166	746,489
Rent and house maintenance	-	-	-	1,258	12,000	113,853	537,955
Utilities	-	-	-	526	2,168	47,525	220,076
Medical	-	-	-	469	-	43,943	242,790
Conveyance	-	-	-	574	-	42,984	245,243
Others *	-	-	-	121	5,499	9,167	196,944
Total	13,440	-	81,751	19,203	147,466	706,589	3,809,482
Number of persons	1	-	5	5	1	22	272

42.1.1 This represents compensation from January 1, 2024 to December 31, 2024 paid to President / CEO upon approval of compensation package by shareholders in Extra Ordinary General Meeting held on November 22, 2024. Last year, upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 26.129 million was paid from August 07, 2023 till December 31, 2023 to the President which has been adjusted in 2024, while the actual amount for the period August 7, 2023 to December 31, 2023 as per compensation package approved by shareholders amounted to Rs 52.891 million.

* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

42.1.2 The total amount of deferred bonus as at December 31, 2024 for the Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 266.2 million (2023: Rs. 233.6 million). The deferred bonus is held in a trust fund.

Items	2023						
	Directors			Members Shariah Board	President / CEO (Note 42.2)	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Executive (other than CEO)	Non-Executives				
	(Rupees in '000)						
Fees and allowances etc.	11,786	-	76,446	11,370	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	1,972	9,405	193,791	1,062,350
ii) Variable							
a) Cash bonus / awards	-	-	-	809	-	156,328	549,076
Charge for defined benefit plan	-	-	-	594	6,915	68,901	503,701
Rent and house maintenance	-	-	-	1,085	6,001	106,585	533,924
Utilities	-	-	-	394	2,182	38,697	189,209
Medical	-	-	-	325	1,800	32,471	210,759
Conveyance	-	-	-	444	1,501	37,840	283,510
Others *	-	-	-	130	35,136	14,090	221,535
Total	11,786	-	76,446	17,123	62,940	648,703	3,554,064
Number of persons	1	-	**6	5	1	29	287

42.2 This represents amount of compensation paid to President in the capacity of Acting President uptill August 6, 2023 as per entitlement of SEVP / Group Chief and also included payment of Gratuity as end service benefit (Rs. 33.416 million included in Others). Upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 26.129 million has been paid from August 07, 2023 till December 31, 2023 to the President which will be adjusted from his salary on approval.

* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

** Mr. Asif Jooma retired on March 08, 2023.

42.3 Remuneration paid to Directors for participation in board and committee meetings

Sr. No.	Name of director	2024								
		Meeting Fees and Allowances Paid								
		For Board Committees								
		For Board Meetings	Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Board Strategy Committee	Allowances *	Total amount paid
		(Rupees in '000)								
1	Mr. Ashraf Mahmood Wathra	6,240	-	-	4,800	480	1,920	-	-	13,440
2	Mr. Farid Malik	5,200	5,200	-	4,000	1,600	-	400	2,279	18,679
3	Mr. Amjad Mahmood	5,200	5,200	-	-	1,600	1,600	400	147	14,147
4	Mr. Ali Syed	5,200	5,200	3,600	4,000	1,600	-	400	41	20,041
5	Mr. Nasim Ahmad	5,200	5,200	4,800	-	-	1,600	-	5,305	22,105
6	Mr. Ahsan Ali Chughtai ***	2,400	1,600	2,400	-	-	-	-	379	6,779
	Total amount paid	**29,440**	**22,400**	**10,800**	**12,800**	**5,280**	**5,120**	**1,200**	**8,151**	**95,191**

* Allowances include accommodation and travel expenses as per Board Remuneration Policy.
** Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).
*** Retired on June 20, 2024.

Sr. No.	Name of director	2023							
		Meeting Fees and Allowances Paid							
		For Board Committees							
		For Board Meetings	Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Allowances *	Total Amount Paid
		(Rupees in '000)							
1	Mr. Ashraf Mahmood Wathra	6,720	-	-	3,840	-	960	266	11,786
2	Mr. Farid Malik	3,950	2,950	150	3,000	1,350	-	2,171	13,571
3	Mr. Ahsan Ali Chughtai	4,750	3,900	7,000	300	-	-	579	16,529
4	Mr. Amjad Mahmood	4,200	3,750	1,200	-	1,750	550	105	11,555
5	Mr. Ali Syed	4,600	3,750	3,750	2,700	1,600	-	-	16,400
6	Mr. Nasim Ahmad	4,450	3,600	4,000	-	150	550	4,291	17,041
7	Mr. Asif Jooma***	600	300	150	300	-	-	-	1,350
	Total amount paid	29,270	18,250	16,250	10,140	4,850	2,060	7,412	88,232

* Allowances include accommodation and travel expenses.
** Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).
*** Retired on March 08, 2023.

42.4 Remuneration paid to Shariah Board Members

Items	2024				2023			
	Chairman	Resident Member	Non-Resident Members	Total	Chairman	Resident Member	Non-Resident Members	Total
	(Rupees in '000)							
Retainer fee and fixed remuneration	**4,438**	**6,946**	**7,818**	**19,203**	4,050	5,753	7,320	17,123
Total amount	**4,438**	**6,946**	**7,818**	**19,203**	4,050	5,753	7,320	17,123
Total number of persons	**1**	**1**	**3**	**5**	1	1	3	5

43 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted Instruments classified under "held to collect" are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed-term loans, other assets, other liabilities, fixed-term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

43.1 Fair value of financial assets

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

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

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

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

The table below analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,206,108,861	-	1,206,108,861	-	1,206,108,861
- Pakistan Investment Bonds	2,793,255,571	-	2,793,255,571	-	2,793,255,571
- GOP Ijarah Sukuks	96,404,073	64,725,870	31,678,203	-	96,404,073
- Foreign Currency Debt securities	19,567,813	-	19,567,813	-	19,567,813
Ordinary Shares					
- Listed Companies	105,072,151	105,072,151	-	-	105,072,151
Preference shares					
- Listed	992,711	992,711	-	-	992,711
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	42,378,187	18,111,177	24,267,010	-	42,378,187
Mutual Fund units	8,126,541	2,994,767	5,131,774	-	8,126,541
Foreign Securities					
- Government debt securities	3,243,613	-	3,243,613	-	3,243,613
- Equity Securities - Listed	52,569,483	52,569,483	-	-	52,569,483
	4,327,719,004	244,466,159	4,083,252,845	-	4,327,719,004

	2024				
Financial assets - disclosed but not measured at fair value	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)				
Investments					
Federal Government Securities					
- Pakistan Investment Bonds	**222,656,096**	**-**	**213,847,692**	**-**	**213,847,692**
- Ijarah Sukuks	**14,057,627**	**-**	**14,190,800**	**-**	**14,190,800**
- Foreign Currency Debt securities	**6,287,309**	**-**	**7,104,331**	**-**	**7,104,331**
Foreign Securities					
- Government debt securities	**37,707,456**	**-**	**37,147,761**	**-**	**37,147,761**
- Non-Government debt securities	**1,077**	**-**	**1,076**	**-**	**1,076**
	280,709,565	**-**	**272,291,660**	**-**	**272,291,660**
	4,608,428,569	**244,466,159**	**4,355,544,506**	**-**	**4,600,010,664**
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	**637,181,340**	**-**	**(379,658)**	**-**	**(379,658)**
Forward government securities transactions	**79,587,535**	**-**	**(774,179)**	**-**	**(774,179)**

	2023				
On balance sheet financial instruments	Carrying Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- Ijarah Sukuks	35,128,974	-	35,128,974	-	35,128,974
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
Ordinary Shares					
- Listed Companies	62,415,235	62,415,235	-	-	62,415,235
Preference shares					
- Listed	1,043,797	1,043,797	-	-	1,043,797
Mutual Fund units	3,905,304	-	3,905,304	-	3,905,304
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	47,634,990	14,437,490	33,197,500	-	47,634,990
Foreign Securities					
- Government debt securities	3,393,550	-	3,393,550	-	3,393,550
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	4,122,767,554	120,531,367	4,002,236,187	-	4,122,767,554
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	-	-	-	-	-
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,611	-	4,243,611
Foreign Securities					
- Government debt securities	41,295,981	-	41,295,994	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,790,034	-	251,841,781	-	251,841,781
	4,395,557,588	120,531,367	4,254,077,968	-	4,374,609,335
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts purchase and sale	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

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Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

43.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

	2024				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)				
Land & building (fixed assets)	**54,402,463**			**54,402,463**	**54,402,463**
Non-banking assets acquired in satisfaction of claims	**4,148,115**			**4,148,115**	**4,148,115**
	58,550,578	**-**	**-**	**58,550,578**	**58,550,578**

	2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land & building (fixed assets)	51,981,445			51,981,445	51,981,445
Non-banking assets acquired in satisfaction of claims	3,973,126			3,973,126	3,973,126
	55,954,571	-	-	55,954,571	55,954,571

43.3 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

44. SEGMENT INFORMATION

44.1 Segment Details with respect to Business Activities

	2024									
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance Group	Aitemaad and Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
	(Rupees in '000)									
Profit and loss accounts										
Net mark-up / return / profit	(362,654,307)	35,736,621	10,187,073	456,133,827	9,621,304	16,938,715	4,924,921	170,888,154	-	170,888,154
Inter segment revenue - net	464,832,128	(37,960,949)	14,808,636	(459,753,500)	-	(6,695,912)	24,769,597	-	-	-
Non mark-up / return / interest income	19,678,664	627,068	6,392,275	33,223,860	1,070,296	485,813	3,948,210	65,426,186	-	65,426,186
Total income	121,856,485	(1,597,260)	31,387,984	29,604,187	10,691,600	10,728,616	33,642,728	236,314,340	-	236,314,340
Segment direct expenses	47,265,374	703,657	1,499,610	703,145	12,020,880	4,009,762	485,931	66,688,359	-	66,688,359
Inter segment expense allocation	-	-	-	-	-	-	110,690,554	110,690,554	-	110,690,554
Total expenses	47,265,374	703,657	1,499,610	703,145	12,020,880	4,009,762	111,176,485	177,378,913	-	177,378,913
Credit loss allowance / provisions and write offs - net	(1,191,982)	5,043,441	3,007,751	115,163	695,102	386,001	(5,797,107)	2,258,369	-	2,258,369
Profit / (loss) before tax	75,783,093	(7,344,358)	26,880,623	28,785,879	(2,024,382)	6,332,853	(71,736,650)	56,677,058	-	56,677,058
Statement of financial position										
Cash and Bank balances	104,896,522	12,700,078	323,160	180,215,699	44,644,915	28,290,145	-	371,070,519	-	371,070,519
Investments	-	-	17,474,258	4,401,774,189	66,807,281	123,905,109	2,373,361	4,612,334,198	-	4,612,334,198
Net inter segment lending	2,654,121,574	-	15,212,340	-	-	-	385,852,374	3,055,186,288	(3,055,186,288)	-
Lendings to financial institutions	-	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000
Advances - performing	255,462,856	302,527,511	635,160,249	-	68,891,051	144,913,723	(3,481,365)	1,403,474,025	-	1,403,474,025
- non-performing	4,049,155	77,623,629	25,911,005	-	61,298,054	1,985,434	98,421,694	269,288,971	-	269,288,971
Credit loss against advances	(5,322,616)	(30,305,806)	(71,341,462)	-	(59,115,382)	(2,677,968)	(99,131,890)	(267,895,124)	-	(267,895,124)
Advances - net	254,189,395	349,845,335	589,729,791	-	71,073,723	144,221,189	(4,191,561)	1,404,867,872	-	1,404,867,872
Others	35,950,181	4,380,238	32,592,996	95,122,683	9,494,765	6,998,746	141,266,055	325,805,664	-	325,805,664
Total assets	3,049,157,671	366,925,651	655,332,546	4,677,112,571	192,020,684	333,415,189	525,300,229	9,799,264,541	(3,055,186,288)	6,744,078,253
Borrowings	-	6,146,011	54,082,053	1,858,039,691	19,489,167	-	-	1,937,756,922	-	1,937,756,922
Deposits and other accounts	2,880,350,380	-	567,480,954	-	104,461,295	309,438,082	3,834,172	3,865,564,883	-	3,865,564,883
Net inter segment borrowing	-	340,348,843	-	2,631,278,091	67,253,026	16,306,328	-	3,055,186,288	(3,055,186,288)	-
Others	168,807,292	20,430,796	33,766,775	21,551,859	4,215,864	5,057,921	229,974,495	483,805,003	-	483,805,002
Total liabilities	3,049,157,672	366,925,650	655,329,782	4,510,869,641	195,419,352	330,802,331	233,808,667	9,342,313,096	(3,055,186,288)	6,287,126,807
Equity	-	-	2,764	166,242,930	(3,398,669)	2,612,858	291,491,562	456,951,445	-	456,951,446
Total equity and liabilities	3,049,157,672	366,925,650	655,332,546	4,677,112,571	192,020,683	333,415,189	525,300,230	9,799,264,541	(3,055,186,288)	6,744,078,253
Contingencies and commitments	-	69,715,086	2,006,678,247	732,236,471	22,505,325	-	27,636,257	2,858,771,385	-	2,858,771,385

	2023									
	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking Group	Treasury	International, Financial Institution and Remittance	Aitemaad & Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
	(Rupees in '000)									
Profit and loss account										
Net mark-up / return / profit	(288,653,905)	44,446,578	30,024,021	372,043,914	676,660	11,604,875	(1,394,559)	168,747,584	-	168,747,584
Inter segment revenue - net	426,952,717	(44,570,637)	(14,722,482)	(394,040,795)	-	(3,783,783)	30,164,980	-	-	-
Non mark-up / return / interest income	16,879,805	469,040	5,475,249	15,013,398	948,566	379,522	1,440,885	40,606,465	-	40,606,465
Total income	155,178,617	344,981	20,776,788	(6,983,483)	1,625,226	8,200,614	30,211,306	209,354,049	-	209,354,049
Segment direct expenses	36,682,759	3,763,540	1,353,645	489,431	10,080,124	3,497,535	454,803	56,321,837	-	56,321,837
Inter segment expense allocation	-	-	-	-	-	-	37,309,817	37,309,817	-	37,309,817
Total expenses	36,682,759	3,763,540	1,353,645	489,431	10,080,124	3,497,535	37,764,620	93,631,654	-	93,631,654
Provision and write off-net	(392,545)	1,421,129	13,619,854	1,778,752	(682,121)	1,173,602	(2,449,366)	14,469,305	-	14,469,305
Profit / (loss) before tax	118,888,403	(4,839,688)	5,803,289	(9,251,666)	(7,772,777)	3,529,477	(5,103,948)	101,253,090	-	101,253,090
Statement of financial position										
Cash and Bank balances	25,780,334	2,327,011	309,620	253,026,662	45,582,613	10,291,381	-	337,317,621	-	337,317,621
Investments	-	-	29,881,757	4,238,437,789	79,712,923	51,544,718	3,786,856	4,403,364,043	-	4,403,364,043
Net inter segment lending	2,848,709,058	-	-	-	-	-	305,771,087	3,154,480,145	(3,154,480,145)	-
Lendings to financial institutions	-	-	-	192,430,437	-	-	-	192,430,437	-	192,430,437
Advances - performing	236,148,640	263,088,116	719,724,952	-	69,139,462	73,125,444	49,633,363	1,410,859,977	-	1,410,859,977
- non-performing	4,151,922	24,855,686	25,215,003	-	64,791,844	1,550,350	100,260,911	220,825,716	-	220,825,716
Provision against Advances	(8,543,697)	(21,077,228)	(34,670,159)	-	(62,606,767)	(1,550,875)	(105,160,147)	(233,608,873)	-	(233,608,873)
Advances - net	231,756,865	266,866,574	710,269,796	-	71,324,539	73,124,919	44,734,127	1,398,076,820	-	1,398,076,820
Others	45,196,987	4,100,249	37,794,142	117,135,121	8,304,683	5,155,676	103,831,659	321,518,517	-	321,518,517
Total assets	3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	140,116,694	458,123,729	9,807,187,583	(3,154,480,145)	6,652,707,438
Borrowings	-	5,171,334	69,334,637	2,085,073,081	18,164,142	-	-	2,177,743,194	-	2,177,743,194
Deposits and other accounts	2,949,740,794	-	510,139,226	-	99,315,779	113,801,806	1,361,774	3,674,359,379	-	3,674,359,379
Net inter segment borrowing	-	249,921,195	169,394,086	2,620,973,252	90,971,376	23,220,236	-	3,154,480,145	(3,154,480,145)	-
Others	201,702,450	18,201,305	29,358,657	51,337,805	6,639,026	3,494,868	107,115,161	417,849,272	-	417,849,272
Total liabilities	3,151,443,244	273,293,834	778,226,606	4,757,384,138	215,090,323	140,516,910	108,476,935	9,424,431,990	(3,154,480,145)	6,269,951,845
Equity	-	-	28,709	43,645,871	(10,165,565)	(400,216)	349,646,794	382,755,593	-	382,755,593
Total equity and liabilities	3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	140,116,694	458,123,729	9,807,187,583	(3,154,480,145)	6,652,707,438
Contingencies and commitments	-	90,350,773	1,864,882,509	727,686,842	25,102,178	-	27,778,266	2,735,800,568	-	2,735,800,568

44.2 Segment Details with respect to geographical locations

	2024					
	Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total
	(Rupees in '000)					
Profit and loss account						
Net mark-up / return / profit	161,266,850	2,973,269	145,520	748,228	5,754,285	170,888,154
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	64,355,890	361,691	273,941	198,787	235,876	65,426,186
Total income	225,622,741	3,334,960	419,462	947,015	5,990,161	236,314,340
Segment direct expenses	54,667,477	2,279,161	1,358,227	6,908,222	1,475,273	66,688,359
Inter segment expense allocation	110,690,554	-	-	-	-	110,690,554
Total expenses	165,358,031	2,279,161	1,358,227	6,908,222	1,475,273	177,378,913
Credit loss allowance	1,559,318	225,446	3	(385,503)	859,105	2,258,369
Profit / (loss) before tax	58,705,392	830,354	(938,768)	(5,575,704)	3,655,783	56,677,058
Statement of financial position						
Cash and Bank balances	326,425,604	25,458,301	10,804,570	5,257,264	3,124,781	371,070,519
Investments	4,545,526,917	40,273,421	-	3,958,760	22,575,101	4,612,334,198
Net inter segment lending	67,253,026	-	-	-	-	67,253,026
Lendings to financial institutions	30,000,000	-	-	-	-	30,000,000
Advances - performing	1,334,582,974	46,867,609	-	-	22,023,442	1,403,474,025
- non-performing	207,990,917	49,785,668	1,905,119	-	9,607,267	269,288,971
Credit loss against advances	(208,779,742)	(49,798,232)	(1,905,119)	-	(7,412,030)	(267,895,124)
Advances - net	1,333,794,149	46,855,045	-	-	24,218,679	1,404,867,872
Others	316,310,898	3,381,504	22,122	262,572	5,828,566	325,805,664
Total assets	6,619,310,594	115,968,270	10,826,692	9,478,595	55,747,126	6,811,331,279
Borrowings	1,918,267,755	6,977,772	-	-	12,511,395	1,937,756,922
Deposits and other accounts	3,761,103,587	48,907,231	6,450,502	4,519,881	44,583,681	3,865,564,883
Net inter segment borrowing	-	61,452,445	4,279,997	3,589,328	(2,068,744)	67,253,026
Others	479,589,138	293,849	96,193	1,442,455	2,383,367	483,805,002
Total liabilities	6,158,960,480	117,631,297	10,826,692	9,551,664	57,409,699	6,354,379,833
Equity	460,350,114	(1,663,027)	-	(73,069)	(1,662,573)	456,951,446
Total equity and liabilities	6,619,310,594	115,968,270	10,826,692	9,478,595	55,747,125	6,811,331,279
Contingencies and commitments	2,836,266,060	13,008,078	627,153	-	8,870,094	2,858,771,385

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	2023					
	Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total
	(Rupees in '000)					
Profit and loss account						
Net mark-up / return / profit	168,070,924	(2,358,459)	130,022	1,055,688	1,849,409	168,747,584
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	39,657,899	230,877	353,114	200,284	164,291	40,606,465
Total income	207,728,823	(2,127,582)	483,136	1,255,972	2,013,700	209,354,049
Segment direct expenses	46,241,714	2,526,822	1,409,334	4,394,781	1,749,186	56,321,837
Inter segment expense allocation	37,309,817	-	-	-	-	37,309,817
Total expenses	83,551,531	2,526,822	1,409,334	4,394,781	1,749,186	93,631,654
Provision and write off-net	15,151,429	(148,451)	539	-	(534,212)	14,469,305
Profit / (loss) before tax	109,025,863	(4,505,953)	(926,737)	(3,138,809)	798,726	101,253,090
Statement of financial position						
Cash and Bank balances	291,735,008	24,736,961	10,517,717	8,252,155	2,075,780	337,317,621
Investments	4,323,651,120	43,999,021	-	5,301,911	30,411,991	4,403,364,043
Net inter segment lending	90,971,180	-	-	-	-	90,971,180
Lendings to financial institutions	192,430,437	-	-	-	-	192,430,437
Advances - performing	1,341,720,515	43,244,999	3	32	25,894,428	1,410,859,977
- non-performing	156,033,871	53,001,981	2,045,768	-	9,744,096	220,825,716
Provision against Advances	(171,001,908)	(52,862,087)	(2,045,768)	(15,437)	(7,683,673)	(233,608,873)
Advances - net	1,326,752,478	43,384,893	3	(15,405)	27,954,851	1,398,076,820
Others	313,258,791	4,669,880	130,707	1,726,464	1,732,675	321,518,517
Total assets	6,538,799,014	116,790,755	10,648,427	15,265,125	62,175,297	6,743,678,618
Borrowings	2,159,579,052	8,299,024	-	-	9,865,118	2,177,743,194
Deposits and other accounts	3,575,043,600	46,442,386	4,705,117	7,801,287	40,366,989	3,674,359,379
Net inter segment borrowing	-	64,906,376	5,733,903	6,298,940	14,031,961	90,971,180
Others	411,255,209	1,442,636	209,407	1,821,640	3,120,380	417,849,272
Total liabilities	6,145,877,861	121,090,422	10,648,427	15,921,867	67,384,448	6,360,923,025
Equity	392,921,153	(4,299,667)	-	(656,742)	(5,209,151)	382,755,593
Total equity and liabilities	6,538,799,014	116,790,755	10,648,427	15,265,125	62,175,297	6,743,678,618
Contingencies and commitments	2,710,698,390	12,116,117	808,936	430,156	11,746,969	2,735,800,568

45. TRUST ACTIVITIES

45.1. Endowment Fund

Students Loan Scheme was launched by Government of Pakistan in collaboration with major commercial banks with a view to extend financial help by way of mark-up free loan to the meritorious students without sufficient resources for pursuing scientific technical and professional education within Pakistan.

The Scheme is being administered by a high powered committee headed by the Deputy Governor, State Bank of Pakistan and the Presidents of NBP, HBL, UBL, MCB, ABL and the Deputy Secretary, Ministry of Finance as member and Senior Director of IH&SME Finance Department (Infrastructure, Housing & SME Finance Department) as a secretary of the Committee. The State Bank of Pakistan has assigned National Bank of Pakistan to operate the scheme.

The Committee in its meeting held on August 7, 2001 approved creation of Endowment Fund initially at an amount of Rs. 500 million, Rs. 396 million were transferred from the old Qarz-e-Hasna (Defunct) Fund, Rs. 50 million contributed by the Government of Pakistan and Rs. 54 million were contributed by participating banks (HBL, NBP and UBL 25% each, MCB 17.5% and ABL 7.5%).

The amount of the Endowment Funds in investments stands at Rs. 1,045.2 million as at December 31, 2024 (2023: Rs. 936.8 million).

45.2. The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these unconsolidated financial statements. Assets held under trust are shown in the table below:

Category	No. of IPS Accounts	As at December 31, 2024 Securities Held (Face Value) Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Total
		(Rupees in '000)			
Assets Management Companies	48	-	-	-	-
Charitable institutions	6	-	-	-	-
Companies	49	197,964,850	145,097,700	-	343,062,550
Employee Funds	49	131,428,285	515,439,700	-	646,867,985
Individuals	2,820	3,449,070	52,200	-	3,501,270
Insurance Companies	8	65,180,000	176,685,400	-	241,865,400
Non-Government Organizations	-	-	-	-	-
Others	104	301,544,070	777,591,430	-	1,079,135,500
Total	3,084	699,566,275	1,614,866,430	-	2,314,432,705

Category	No. of IPS Accounts	As at December 31, 2023 Securities Held (Face Value) Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Total
		(Rupees in '000)			
Assets Management Companies	48	-	-	-	-
Charitable institutions	6	-	-	-	-
Companies	42	203,783,170	59,782,300	24,417,400	287,982,870
Employee Funds	47	55,528,855	429,482,600	-	485,011,455
Individuals	2,317	3,008,590	63,200	-	3,071,790
Insurance Companies	8	49,300,000	172,939,300	-	222,239,300
Non-Government Organizations	-	-	-	-	-
Others	97	164,055,135	544,853,930	-	708,909,065
Total	2,565	475,675,750	1,207,121,330	24,417,400	1,707,214,480

46 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, associates, employee benefit plans and its directors and Key Management Personnel. The details of investment in subsidiaries and associated undertaking and their provisions are stated in note 10 of the unconsolidated financial statements of the Bank.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements are as follows:

	2024								2023								
	Directors	Key management personnel	Subsidiaries	Associates	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties
	(Rupees in '000)																
Balances with other banks																	
In current accounts	-	-	-	-	-	-	-	279,616	-	-	-	-	425,938	-	-	-	-
	-	-	-	-	-	-	-	279,616	-	-	-	-	425,938	-	-	-	-
Investments																	
Opening balance	-	-	-	-	-	-	-	4,921,177	-	-	-	-	-	-	-	-	6,512,634
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,021)
Transfer in / (out) - net	-	-	-	-	-	-	-	(4,921,077)	-	-	-	-	-	-	-	-	(1,150,536)
Closing balance	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	4,921,177
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	164,975
Advances																	
Opening balance	-	265,788	317,063	2,540,453	-	-	-	-	-	339,734	227,063	2,665,220	-	-	-	-	2,085,795
Addition during the year	-	75,194	135,000	-	-	-	-	-	-	24,777	764,000	-	-	-	-	-	-
Repaid during the year	-	(99,509)	-	(2,357,281)	-	-	-	-	-	(58,217)	(674,000)	(124,767)	-	-	-	-	(520,649)
Transfer in / (out) - net	-	17,139	-		-	-	-	-	-	(40,506)	-	-	-	-	-	-	(1,565,146)
Closing balance	-	258,612	452,063	183,172	-	-	-	-	-	265,788	317,063	2,540,453	-	-	-	-	-
Credit loss allowance held against advances	-	-	217,063	183,172	-	-	-	-	-	-	217,063	2,540,453	-	-	-	-	-

	2024								2023								
	Directors	Key management personnel	Subsidiaries	Associates	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties
	(Rupees in '000)																
Other assets																	
Interest / mark-up accrued	-	-	7,336	-	-	-	-	-	-	-	1,661	-	-	-	-	-	-
Other receivable	-	-	3,155	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid in advance	-	-	-	-	-	-	-	4,582	-	-	-	-	35,846	-	-	-	-
Rent and utility receivable	-	-	103,862	8,370	-	-	-	-	-	-	73,280	2,880	-	-	-	-	-
	-	-	114,353	8,370	-	-	-	4,582	-	-	74,941	2,880	35,846	-	-	-	-
Credit loss allowance against other assets	-	-	103,862	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-
Borrowings																	
Opening balance	-	-	-	-	-	-	-	546,209	-	-	-	-	52,245	-	-	-	-
Borrowings during the year	-	-	-	-	-	-	-	29,232	-	-	-	-	493,964	-	-	-	-
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	575,442	-	-	-	-	546,209	-	-	-	-
Subordinated debt																	
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issued / Purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption / Sold during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts																	
Opening balance	3,630	72,801	1,249,465	145,790	100	378,978	13,563,087	9,245,132	-	98,488	911,103	3,000	-	27,222	257,252	13,263,170	515,559
Received during the year	37,179	1,270,799	26,937	-	36,502,461	6,363,285	3,417,472	120,594,671	11,733	991,165	455,593	145,790	-	62,751,350	3,883,069	5,369,545	123,529,442
Withdrawn during the year	(19,721)	(1,244,645)	(923,817)	(67,822)	(36,415,278)	(6,473,650)	(2,781,356)	(124,055,441)	(8,103)	(996,174)	(117,231)	(3,000)	(1,450)	(62,778,472)	(3,761,343)	(5,069,628)	(118,318,327)
Transfer in / (out) - net	-	(2,542)	-	-	-	-	-	(1,256,020)	-	(20,678)	-	-	1,821	-	-	-	3,518,458
Closing balance	21,088	96,414	352,585	77,968	87,283	268,615	14,199,203	4,528,343	3,630	72,801	1,249,465	145,790	371	100	378,978	13,563,087	9,245,132
Other liabilities																	
Interest / mark-up payable	418	2,491	42,643	8,759	-	73,809	-	-	151	2,217	86,088	5,892	-	-	45,271	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brokerage	-	-	9,738	-	-	-	-	-	-	-	5,067	-	-	-	-	-	-
	418	2,491	52,381	8,759	-	73,809	-	-	151	2,217	91,155	5,892	-	-	45,271	-	-
Contingencies and commitments																	
Other contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

RELATED PARTY TRANSACTIONS

	2024							2023							
	Directors	Key manage-ment personnel	Subsidiaries	Associates	Pension Fund	Provident Fund	Other related parties	Directors	Key manage-ment personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Other related parties
	(Rupees in '000)														
Income															
Mark-up / return / interest earned	-	13,918	52,268	-	-	-	-	-	3,054	1,928	-	-	-	-	422,679
Dividend income	-	-	297,000	111,506	-	-	81,180	-	-	186,300	-	-	-	-	144,720
Rent income / Lighting & Power and Bank charges	-	-	21,585	6,451	-	-	21,027	-	-	21,399	6,077	-	-	-	21,027
Expense															
Mark-up / return / interest paid	3,065	8,898	130,337	31,800	95,946	1,816,643	952,971	292	7,496	162,076	108,007	31,505	150,743	1,844,455	297,705
Expenses paid to company in which Director of the bank is interested as CEO and director	-	-	-	-	-	-	926,655	-	-	-	-	-	-	-	598,462
Remuneration to key management executives including charge for defined benefit plan	-	854,055	-	-	-	-	-	-	711,643	-	-	-	-	-	-
Commission paid to subsidiaries	-	-	24,327	-	-	-	-	-	-	11,182	-	-	-	-	-
Directors fee & other allowances	95,191	-	-	-	-	-	-	88,232	-	-	-	-	-	-	-

46.1 Transactions with Government-related entities

The entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government–related entities. Such transactions include lending to, deposits from and provision of other banking service to Government–related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 10,862 million (2023: 10,320 million) for the year ended December 31, 2024. As at the statement of financial position date the loans and advances, deposits and contingencies relating to Government–related entities amounted to Rs. 620,914 million (2023: 602,707 million), Rs. 1,864,349 million (2023: 1,622,331 million) and Rs.1,798,996 million (2023: 1,780,517 million), respectively and income earned on advances and investment and profit paid on deposits amounted to Rs. 74,854 million (2023: 77,719 million) and Rs. 277,132 million (2023: 184,042 million) respectively.

47 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- to comply with the capital requirements set by the regulators of the banking markets where the Bank operates;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

The SBP has issued instructions for Basel-III Implementation vide BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions were effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Basel-III instructions comprise the following three capital standards:

i. Minimum Capital Requirement (MCR):

The MCR standard sets the nominal amount of capital banks/ DFIs are required to hold. Currently the MCR for banks and DFIs is Rs. 10 billion as prescribed by SBP.

ii. Capital Adequacy Ratio (CAR):

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the banks/ DFIs. The banks/ DFIs are required to comply with the minimum requirements as specified by the SBP on standalone as well as consolidated basis. Currently the required CAR for banks is 11.50% (plus 1.50% for NBP as D-SIB requirement).

iii. Leverage Ratio:

Tier-1 Leverage Ratio of 3% is introduced in response to Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from December 31, 2015. However, SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023 has reduced the minimum requirement to 2.5% up till March 2024 which was 3% as per BPRD circular No.6 dated August 15, 2013. The bank has a leverage ratio of 3.88% in the year ended December 31, 2024, (2023: 3.12%) and Tier-1 capital of Rs.353,930 Millions (2023: 283,307).

The SBP's regulatory capital as managed by the Bank is analysed into following tiers:

1. Tier 1 Capital (going-concern capital)

   • Common Equity Tier 1

   • Additional Tier 1

- Tier I capital, which comprises highest quality capital element and include fully paid up capital, balance in share premium account, reserve for issue of bonus shares, general reserves and un-appropriate profits (net of accumulated losses, if any).

2. Tier 2 Capital (gone-concern capital)

- Tier II capital, which includes general reserve for loan losses, revaluation reserve, exchange translation reserve and subordinated debt.

Basel III capital rules requires bank to make certain deductions from the capital before arriving at the Capital Adequacy Ratio (CAR).

Risk weighted assets are measured according to the nature and reflect an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect more contingent nature of potential losses.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future development of the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratios compare the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratio under the SBP rules, which ultimately determines the regulatory capital, required to be maintained by Banks and DFIs.

The paid-up capital of the Bank for the year ended December 31, 2024 stood at Rs. 21,275 million (2023 : Rs. 21,275 million) and is in compliance with the SBP requirement for the said period. In addition the Bank has maintained minimum Capital Adequacy Ratio (CAR) of 27.80% (2023: 25.47%)

There have been no material changes in the Bank's management of capital during the year.

	2024	2023
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**21,275,131**	21,275,131
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**353,929,600**	283,307,166
Eligible Additional Tier 1 (ADT 1) Capital	**-**	-
Total Eligible Tier 1 Capital	**353,929,600**	283,307,166
Eligible Tier 2 Capital	**125,894,908**	93,397,166
Total Eligible Capital (Tier 1 + Tier 2)	**479,824,508**	376,704,332
Risk Weighted Assets (RWAs):		
Credit Risk	**1,218,349,551**	1,053,109,530
Market Risk	**147,806,086**	121,288,939
Operational Risk	**359,905,031**	304,450,738
Total	**1,726,060,668**	1,478,849,207
Common Equity Tier 1 Capital Adequacy ratio	**20.51%**	19.16%
Tier 1 Capital Adequacy Ratio	**20.51%**	19.16%
Total Capital Adequacy Ratio	**27.80%**	25.47%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**353,929,600**	283,307,166
Total Exposures	**9,126,550,345**	9,074,435,344
Leverage Ratio	**3.88%**	3.12%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**2,474,264,138**	1,618,093,446
Total Net Cash Outflow	**1,200,642,088**	918,191,522
Liquidity Coverage Ratio	**206%**	176%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**3,776,992,766**	3,360,328,373
Total Required Stable Funding	**2,176,376,949**	2,113,268,425
Net Stable Funding Ratio	**174%**	159%

47.1 During the year, the SBP, through its letter No. BSD-1/BANK/NBP/751797/2024 dated August 29, 2024 has reduced the D-SIB buffer requirement for the Bank from 2.50% to 1.50%.

47.2 The full disclosure on the Capital Adequacy, Leverage Ratio and Liquidity Requirements as per SBP instructions issued from time to time, is available on NBP's website. The link to the full disclosure is available at https://www.nbp.com.pk/blsd/.

48 RISK MANAGEMENT

Risk Management is a logical and/or systematic method to identify, measure, monitor and control the risks involved in any activity or process. Risk is inherent in all our business activities. If not managed well, risks can result in financial loss, regulatory sanctions/ penalties, and damage to our reputation; each of which may adversely impact on our ability to execute our business strategies. The Bank has taken a comprehensive approach towards risk management with a well- defined Risk Management Strategy/ Policy with clear objectives and deliverables through multi-pronged risk management processes. In the Bank, it is ensured that the risk management framework along with internal controls are adequate and effective in accurately identifying, assessing or addressing risks faced by the Bank.

The Bank applies the Basel framework as a cornerstone of its risk management framework, capital and liquidity strategy. The Bank maintains a strong capital, funding and liquidity position in line with its on-going commitment to maintain balance sheet strength. The strength of risk profile management of the Bank stands at the following pillars:

- Identification and assessment of significant material risks
- Overseeing and managing the risk profile of the Bank within the context of the risk appetite
- Optimize risk/ return decisions by aligning them to business objective of achieving sustainable optimum growth.

To support Risk Management Group (RMG's) activities, a strong data management mechanism is also in place to collect and consolidate exposure wise information for various risk related analysis and reviews. The mechanism also helps in identification of e-CIB related information, periodic reviews, generation of reports and highlighting inconsistencies and errors, and issuing instructions to the relevant data entry points for rectification.

The Bank is cognizant of importance of Environmental & Social Risk Management (E&SRM). The Green Banking Office (GBO) within Corporate Social Responsibility & Sustainable Development Division, Inclusive Development Group (IDG), is responsible for the development of Green Banking and Environmental & Social Risk Management (GB & ESRM) Policy and coordinates across functional areas of the Bank to oversee the implementation of GB & ESRM Policy.

48.1 Risk Governance Structure

The Board is responsible for ensuring active oversight of the implementation of policies and frameworks to prevent any significant financial loss or reduction in shareholder value. The Board manages its responsibility through Board Risk & Compliance Committee (BRCC) which is essentially a Board-level oversight committee that remains updated with regard to changes in the risk management activities of the Bank on behalf of the Board and is the highest risk-related policy making and supervising body for all types of risks faced by the Bank, notably credit, market, liquidity, operational, Information Security and other risks that may have material impact over the Bank's performance. BRCC functions under its Terms of Reference (TORs) duly approved by the Board of Directors.

Risk Management Group (RMG) operates as an independent group under the supervision of Chief Risk Officer (CRO). RMG's scope and coverage has been enhanced to cater enterprise-wide risk management, credit risk management, credit administration and information security. CRO reports directly to the President with a dotted line reporting to the Board Risk & Compliance Committee (BRCC). The group is responsible for performing the functions pertaining to development and oversight of the risk framework, methodologies and other functions assigned from time to time in line with local/ international best practices and under the ambit of SBP's regulations/ guidelines.

Risk governance of the Bank is being carried out by various management committees where material risks are addressed in more focused terms. These committees' function under duly approved Terms of Reference (TORs) to oversee various Risk Management activities within their scope. Enterprise Risk Committee (ERC) for Operational, Strategic, Reputational, and other risks; Management Credit Committee (MCC) for Credit Risk, Asset Liability Committee (ALCO) for Market & Liquidity Risk, and Compliance Committee for Management (CCM) for Compliance Risk.

48.2 Risk Management Framework

The Bank implements a risk management framework through a 'Three Lines of Defence' model & defines clear responsibilities and accountabilities for various offices and ensures effective & independent oversight and assurance that the activities take place as intended.

The First Line of Defence: Business groups have primary responsibility for identifying, measuring, monitoring and controlling the risks within their areas of accountability. They are required to implement effective procedures and controls to ensure compliance with the related policy requirements, to maintain appropriate risk management skills, and to act within defined parameters as a set and approved by the Board.

The Second Line of Defence: Primarily Risk Management and the Compliance functions in the Bank act as second line of defence however other support functions also perform control activities where applicable. These functions oversee and independently challenge the effectiveness of risk management actions taken by business groups which are further evaluated at Management-level Committees.

The Third Line of Defence: Audit & Inspection Group (A&IG) provides independent, objective assurance and consulting activity designed to add value and improve risk management functions of the Bank. A&IG helps the Bank accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

The following paragraphs introduce Bank's exposures to material risks associated with its business activities and explain overall strategies and processes to manage those risks:

48.2.1 Credit Risk

Credit risk arises when a counterparty fails to repay a loan, leading to financial losses, cash flow disruptions, and increased debt recovery costs. For NBP, lending activities represent the primary source of credit risk. These activities include providing loans and advances, contingent liabilities such as letters of credit and guarantees, and engaging in other on- and off-balance sheet transactions

The goal of credit risk management is to maintain credit risk exposure within acceptable levels, ensuring asset quality and achieving returns that align with the level of risk. By taking a proactive approach to managing credit risk, NBP not only safeguard its profitability and sustainability but also support the stability of the financial system and efficient capital allocation. Under the supervision of the Board Risk and Compliance Committee (BRCC), the Bank has a dedicated risk management setup, headed by the Chief Risk Officer, which ensures the efficiency of credit risk assessment, measurement, review, and reporting frameworks.

Prudent lending decisions can empower people and businesses to boost the bank's profitability and strategically guard against the risks of extending credit. The effective implementation of structured risk assessment standards, comprehensive pre-disbursement evaluation tools, and post-disbursement review systems has allowed NBP to effectively manage credit risk and mitigate losses within acceptable tolerance levels. Our risk management approach is driven by a strategic goal to maintain a robust framework, proactively identify and address risks, and facilitate sustainable business growth. The bank has in place a Risk Appetite Framework and a Credit Risk Concentration Management Framework to set limits on credit risk exposure in relation to obligors, economic groups, and industry segments.

The Risk Management function continuously evaluates the credit portfolio using detailed reports and dashboards to identify borrowers and sectors vulnerable to changes in local and global economic conditions. The Bank actively monitors account delinquencies, counterparties' financial health, prevailing economic landscape, and other relevant factors. A robust credit review mechanism and approval process, closely supervised by senior management, ensures effective oversight.

The Bank has actively undertaken the implementation of the IFRS 9 standard. This standard introduces a model for financial assets, mandating the recognition of impairment charges through the 'Expected Credit Loss' approach, departing from the existing 'Incurred Credit Loss' approach.

The Retail & Program Lending Division performs risk management of program-based products, encompassing Retail Banking Group (RBG), Inclusive Development Group (IDG), and Aitemaad Islamic Banking Group (AIBG). Adopting a credit cycle approach, the Division provides end-to-end credit management through various functions that includes policy and portfolio management, MIS and analytics, credit approvals, collection and recovery and quality assurance. The division also works closely with Operational Risk, Information Technology, Credit Administration, and Human Resource functions to ensure comprehensive risk management. The Divisional Head reports directly to the Chief Risk Officer (CRO).

Effective Credit Administration is very crucial for the Bank as it enables the Bank to effectively manage credit risk, maintain regulatory compliance, and ensure financial stability. CAD, in view of its critical role in post-approval credit management, is actively contributing to portfolio expansion and granting individuals and businesses access to essential funds. As a part of continuous improvement, CAD has implemented additional controls and enhanced its monitoring with the aim to have more efficient end-to-end processes whilst maintaining appropriate controls. Moreover, CAD is actively working on automation, focusing on advanced collateral management functions, control over limit functions, and effective vendor management. Once the Core Banking Application (CBA) is upgraded, it is expected to significantly bolster the Bank's position within its peer group, reinforcing its overall strength and building customer confidence.

"The Bank employs the Standardized Approach within the SBP’s Basel Accord to estimate credit risk-weighted assets. This approach allows banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

48.2.1.1 Credit risk - general disclosures Basel specific

The Bank employs the Standardized Approach within the SBP’s Basel Accord to estimate credit risk-weighted assets. This approach allows Banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

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

48.2.1.2 External ratings

The SBP Basel III guidelines require banks to use ratings assigned by specified External Credit Assessment Institutions (ECAIs) namely Pakistan Credit Rating Agency Limited (PACRA), VIS and Moody's, Fitch and Standard & Poor's.

The SBP through its letter number BSD/BAI-2/201/1200/2009 dated December 21, 2009 accorded approval to the Bank for use of ratings assigned by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL). The Bank uses these ECAIs to rate its exposures denominated in Bangladeshi currency on certain corporate exposures and banks incorporated in Bangladesh.

The Bank uses external ratings for the purpose of mapping risk weights as per the Basel III framework. Instances whereby an exposure is rated by two or more ratings agencies, mapping into different risk weights, instructions outlined in Regulatory guidelines on BASEL framework shall be adhered to for selection of applicable rating.

48.2.1.3 Credit risk mitigation policy

The Bank defines collateral as the assets or rights provided to the Bank by the borrower or a third party in order to secure a credit facility. The Bank would have the rights of secured creditor in respect of the assets / contracts offered as security for the obligations of the borrower / obligor.

48.2.1.4 Collateral valuation and management

As stipulated in the SBP Basel guidelines, the Bank uses simple approach for credit risk mitigation. Under this approach the risk weighting of the collateral instrument collateralizing or partially collateralizing the exposure is substituted for the risk weighting of the counterparty.

48.2.1.5 Types of collaterals

The Bank determines the appropriate collateral for each facility based on the type of product and counterparty. In case of corporate and SME financing, fixed assets are generally taken as security for long tenure loans and current assets for working capital finance usually backed by mortgage or hypothecation. For project finance, security of the assets of the borrowers and assignment of the underlying project contracts are generally obtained. Additional security such as pledge of shares, cash collateral, TDRs, SSC/DSCs, charge on receivables may also be obtained. Moreover, in order to cover the entire exposure personal guarantees of directors / borrowers are also obtained generally by the Bank. For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the property and automobile being financed respectively.

The Bank also offers products which are primarily based on collateral such as shares, specified securities and pledged commodities. These products are offered in line with the SBP prudential regulations and approved product policies which also deal with types of collateral, valuation and margining.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorisation approved by the MCC under its delegation powers. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

48.2.1.6 Types of eligible financial collateral

For credit risk mitigation purposes (capital adequacy purposes), the Bank considers all types of financial collaterals that are eligible under the SBP Basel III accord. This includes cash / TDRs, gold, securities issued by Government of Pakistan such as T-Bills and PIBs, National Savings Certificates, certain debt securities rated by recognised credit rating agencies, and guarantees from certain specified entities (Government of Pakistan, Banks etc.) under substitution effect of Basel.

48.2.1.7 Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz. industry, geography, and single/group borrower exposures. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single borrower, group borrowers and related parties. Moreover, in order to restrict the industry concentration risk, Bank's Credit Risk Concetration Management Framework spells out the maximum allowable exposure that it can take on specific industry. Additionally, the Internal Rating System allows the Bank to monitor risk rating concentration of borrowers against different grades / scores ranging from 1 - 12 (1 being the best and 12 being loss category).

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

48.2.1.8 Methodologies and models used for the measurement of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal / external rating grade for subject customer. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account being restructured. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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

Stage 1 (Performing assets):	When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the forward looking LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.
Stage 2 (Underperforming assets):	When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.
Stage 3 (Non performing assets):	For financial instruments considered credit-impaired, the Bank recognises LTECLs for these instruments. A description of how the Bank defines credit-impaired and default is given in relevent section. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.
Undrawn financing commitments:	When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. Expected draw-down is added to the EAD and the ECL is then based on the present value of the expected cash flows of EAD if the financings are drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both financings and an undrawn commitment, ECLs are calculated on un-drawn portion (after application of CCF) of the facility and presented within other liabilities.
Guarantee and letters of credit contracts:	The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for financial guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee and letter of credit contracts are recognised within other liabilities.

Forward looking information

The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for Wholesale & Retail portfolio.

These economic variables and their associated impact on the PD vary by the portfolio.

The rating band / DPD bucket wise PDs are computed through migration analysis using alteast 5 years historical transition matrices of respective portfolio. Furthermore, a detailed regression analysis is carried out using Marco Economic variables (i.e. Average Inflation rate ,GDP Growth rate and Exports were regressed against Bank's Internal Default Rates) in order to attain forward-looking PDs for each following year.

In addition to the base economic scenario, the Bank also uses other possible scenarios along with scenario weightings. The number of scenarios and their attributes are reassessed at each reporting date.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In its ECL models, the Bank relies on range of the following forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index
- Exports

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), discounted at an approximation to the EIR, defined as follows:

Probability of Default (PD):

The Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- For corporate, commercial, and SME loan portfolios , the Bank has used a obligor risk rating (ORR) transition based approach to determine the segment wise PDs for each ORR.
- For housing, agriculture, cash and gold and advance salary , a days-past-due ("DPD") based migration approach has been used; and these PD's for wholesale & retail portfolio are then adjusted with forward looking information to arrive at point in time (PIT) PDs;
- For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), historical PDs were estimated on the basis of global default Rates taken from S&P rating-wise transition matrices.These annual default Rates were converted into forward-looking PDs using the vasicek model. the forecast global macro-economic variables were derived using historical regression between global macro-economic variables and Pakistan macro-economic variables.

Exposure at Default (EAD)

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. The Bank's product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behaviour, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

Loss Given Default (LGD):

LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive. It is expressed as a percentage of the EAD. Bank has estimated segment wise LGDs for Corporate / Commercial, SE, ME & Agri Portfolio as well as product wise LGDs for Auto Finance, Personal Loan, Home Finance and Credit Card portfolio. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money.

The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs, through use of term structure of Point in time Pds.

48.2.1.9 ECL Principles, Grouping and Calculations

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each

future repayment date, which is then discounted back to the reporting date and summed.

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

When estimating the ECLs, the Bank considers three scenarios (a base, best and a worst case). Each of these scenario's is based on different macro-economic forecasts and is associated with different set of PDs & LGD.

Furthermore, to mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty & enforceability
- History of recovery

The Bank's management has only considered cash, gold & gold ornaments, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs. Furthermore, The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Impact on Regulatory Capital:

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has permitted Banks to opt for transitional arrangement for the ECL impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

Accordingly, Bank has opted for transition arrangement to phase in ECL impact and below tabulated is the impact on key ratios, had the transitional arrangement not applied.

Key Ratios	With Transitional arrangement	Without Transitional arrangement
Total Capital to total RWA (CAR)	27.80%	26.13%
Leverage Ratio	3.88%	3.65%

48.2.1.10 ECL Modeling and staging criteria/ Significant increase in ECLs

Significant increase in credit risk (SICR): A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument compared to the risk of default expected at the time of initial recognition.

The Bank uses a number of qualitative and quantitative measures in assessing SICR including, inter alia, the deterioration of Obligor Risk Ratings (ORR), in line with Bank's internally approved grid outlining specific notches downgrade for each ORR / external rating, payments being past due by 60 days, and other qualitative factors (such as watchlisting or restructuring of account).

48.2.1.11 Loans and advances definitions and methodologies of categorisation, credit loss allowance stages and movements between stages

Backward Transition:

In line with Bank's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Bank of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a significant increase in credit risk (SICR) no longer exist. However, a minimum period of three months from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2.

For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

48.2.1.12 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Public / Government	-	85,000,000	-	-	-	-	-	-
Private	30,172,150	107,604,587	172,150	174,150	-	-	172,150	174,150
	30,172,150	192,604,587	172,150	174,150	-	-	172,150	174,150

48.2.1.13 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Cement	245,508	245,168	132,838	20,168	24	-	20,168	20,168
Chemical	1,076,217	326,742	1,076,217	326,742	-	-	1,076,217	326,742
Construction	2,962,405	2,630,239	2,298,072	1,633,739	-	116,952	1,633,739	1,633,739
Engineering	4,842	4,842	4,842	4,842	-	-	4,842	4,842
Fertilizer	1,152,560	1,152,560	1,152,560	1,152,563	-	-	1,152,560	1,152,559
Sugar	214,549	640,719	214,549	640,719	-	-	214,549	640,719
Textile	582,953	725,810	582,954	582,953	-	-	582,954	582,953
Financial	17,961,954	15,119,874	4,049,988	501,012	86	-	49,988	501,012
Electronics and electrical appliances	1,308,738	1,308,738	1,308,738	1,308,738	-	-	1,308,738	1,308,738
Glass and Ceramics	11,361	11,361	11,361	11,361	-	-	11,361	11,361
Leather and Tenneries	5,288	5,288	5,288	5,288	-	-	5,288	5,288
Food and Personal Care Products	11,184	11,184	11,184	11,184	-	-	11,184	11,184
Pharmaceuticals	2,413	2,413	2,413	2,413	-	-	2,413	2,413
Technology and Communication	6,170	8,348	6,170	8,348	-	-	6,170	8,348
Vanaspati and Allied Industries	4,238	4,238	4,238	4,238	-	-	4,238	4,238
Oil and Gas Marketing	687	687	687	687	-	-	687	687
Cable and Electrical Goods	4,284	4,509	4,284	4,509	-	-	4,284	4,509
Automobile Parts and Accessories	1,185	1,185	1,185	1,185	-	-	1,185	1,185
Power (electricity), Gas, Water, Sanitary	29,623,717	29,925,996	2,200,000	-	-	406,750	-	-
Tobacco	144	144	144	144	-	-	144	144
Paper and Board	10,794	10,794	10,794	10,794	-	-	10,794	10,794
Jute	7,081	7,081	7,081	7,081	-	-	7,081	7,081
Metal Products	840,000	590,000	590,000	-	45	-	340,000	-
Services	607,068	780,515	607,068	-	-	-	607,068	-
Telecom	-	-	-	-	-	-	-	-
Miscellaneous	34,685	23,606	34,685	23,443	-	-	34,685	23,447
	56,680,024	53,542,041	14,317,339	6,262,151	154	523,702	7,090,336	6,262,151

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
Credit risk by public / private sector	(Rupees in '000)							
Public/ Government	25,242,579	26,694,858	18,862	18,862	-	-	18,862	18,862
Private	31,437,445	26,847,183	14,298,477	6,243,289	154	523,702	7,071,474	6,243,289
	56,680,024	53,542,041	14,317,339	6,262,151	154	523,702	7,090,336	6,262,151

48.2.1.14 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Agriculture, Forestry, Hunting & Fishing	115,101,438	98,624,179	59,623,751	7,981,816	2,344,417	231,812	7,144,814	5,858,554
Mining & Quarrying	2,997,004	4,953,424	192,334	205,554	58,414	-	192,334	205,554
Textile	158,393,261	172,772,809	38,446,498	38,746,011	3,206,068	2,332,019	38,286,703	38,590,888
Chemical & Pharmaceuticals	9,528,745	8,726,797	5,253,406	5,608,202	179,349	9,561	5,206,889	4,858,290
Cement	23,766,311	29,429,909	6,291,552	6,286,205	459,020	18,690	5,527,365	4,306,468
Sugar	32,494,636	35,723,868	15,473,023	15,237,588	146,598	465,096	15,473,023	15,237,588
Footwear and Leather garments	1,637,081	2,548,291	1,091,113	1,305,280	7,910	136	1,088,303	1,271,149
Automobile & Transportation Equipment	9,017,546	8,926,304	1,380,656	962,288	241,780	76,607	1,374,031	954,395
Electronics & Electrical Appliances	9,664,286	10,503,866	4,753,298	4,778,714	44,853	2,493	4,720,555	3,688,323
Construction	22,048,431	23,638,052	9,751,095	10,057,457	61,953	627,904	9,729,560	9,936,191
Oil & Gas	270,712,396	311,928,714	19,783,847	19,618,900	4,867,063	3,052,715	36,351,983	19,323,280
Power (electricity), Gas, Water, Sanitary	160,207,995	191,933,546	12,362,352	14,882,572	2,510,062	2,641,340	10,742,733	12,709,678
Wholesale and Retail Trade	59,878,358	53,130,430	11,847,289	11,827,052	14,778	-	11,597,525	11,630,991
Transport, Storage and Communication	75,316,094	73,230,722	17,232,785	17,134,803	184,019	15,464	14,917,504	15,080,210
Financial	136,267,709	2,874,807	344,460	340,098	18,499	701	339,191	324,146
Services	44,262,655	48,455,066	1,301,450	2,260,499	95,749	162,907	1,214,412	1,571,278
Individuals	183,202,191	210,381,015	7,400,924	6,900,504	2,051,721	439,534	5,828,559	4,318,671
Fertilizer	2,895,562	5,496,940	1,391,094	2,730,894	37,817	650	1,363,159	2,690,260
Metal Products	72,997,045	75,901,770	32,511,687	30,959,009	146,968	81,642	32,323,086	30,871,562
Telecommunication	29,777,778	32,954,455	877,816	1,312,494	693,476	334,796	877,816	1,104,242
Public Sector Commodity Operations	154,240,557	127,236,872	74,198	718,876	-	-	74,198	235,368
Rice Trading & Processing	47,439,549	44,913,336	5,605,102	4,541,062	1,428,741	55,486	5,453,474	4,361,754
Food and Tobacco	22,199,266	22,581,792	8,767,732	9,386,521	567,251	150,878	8,604,421	7,954,097
Glass and Ceramics	6,570,308	7,089,518	296,493	271,493	7,605	-	296,493	271,493
Paper & Board	4,273,736	3,939,798	610,718	576,412	32,796	81,770	589,787	565,726
Engineering	3,660,605	8,845,740	1,305,957	1,508,928	44,213	-	1,203,457	1,370,855
Plastic Products	3,767,532	3,865,916	1,731,563	1,735,045	1,087	-	1,641,158	1,396,225
Media	398,683	664,016	151,334	151,334	16,328	2	151,334	151,334
Flour Mills	4,641,652	4,409,585	840,495	555,705	152,239	18,737	773,594	525,782
Sports Goods	1,535,815	1,457,410	33,294	34,794	282	-	33,294	34,794
Surgical equipment	902,571	981,604	13,159	13,159	953	-	13,159	13,159
Others	2,966,199	3,565,142	2,548,496	2,196,447	129,820	7,681	2,699,084	2,158,447
	1,672,762,996	1,631,685,693	269,288,971	220,825,716	19,751,831	10,808,620	225,833,262	203,570,752

Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Public/ Government	604,290,709	644,878,073	51,337,669	982,500	-	-	337,619	498,992
Private	1,068,472,287	986,807,620	217,951,302	219,843,216	19,751,831	10,808,620	225,495,643	203,071,760
	1,672,762,996	1,631,685,693	269,288,971	220,825,716	19,751,831	10,808,620	225,833,262	203,570,752

48.2.1.15 Contingencies and commitments

	2024	2023
	(Rupees in '000)	
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	**229,085**	218,136
Mining and Quarrying	**3,559,445**	73,466
Textile	**21,024,719**	15,709,777
Chemical and Pharmaceuticals	**8,756,360**	8,405,999
Cement	**2,567,426**	5,949,829
Sugar	**221,542**	5,303
Footwear and Leather garments	**32,793**	51,827
Automobile and Transportation Equipment	**4,382,093**	2,423,164
Electronics and Electrical Appliances	**3,470,564**	3,509,467
Construction	**9,909,840**	10,408,498
Oil & Gas	**108,118,521**	59,322,425
Power (electricity), Water, Sanitary	**50,826,895**	50,934,421
Wholesale and Retail Trade	**2,332,478**	3,105,839
Transport, Storage and Communication	**54,873,340**	55,560,127
Financial	**847,846,794**	856,711,238
Services	**1,567,386,041**	1,512,041,370
Individuals	**212,308**	228,227
Fertilizer	**3,613,420**	4,832,942
Metal Products	**13,540,609**	23,669,700
Telecommunication	**31,452,915**	32,082,348
Public Sector Commodity Operations	**27,399,543**	3,437,431
Rice processing and Trading	**483,325**	358,732
Food and Tobacco	**2,866,583**	2,082,149
Glass and Ceramics	**594,346**	502,829
Paper and Board	**2,134,032**	2,100,963
Engineering	**90,458,587**	81,202,951
Plastic Products	**108,908**	246,351
Sports Goods	**33,709**	6,229
Surgical equipment	**76,299**	86,235
Others	**258,866**	532,595
	2,858,771,385	2,735,800,568
Credit risk by public / private sector		
Public / Government	**1,798,995,582**	1,708,517,452
Private	**1,059,775,803**	1,027,283,116
	2,858,771,385	2,735,800,568

* Contingent liabilities for the purpose of this note are presented at cost and includes direct credit substitutes, transaction related contingent liabilities and trade related contingent liabilities.

48.2.1.16 Concentration of advances

The bank's top ten (10) exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 2,074,573 million (2023: Rs. 1,959,515 million) are as following:

	2024	2023
	(Rupees in '000)	
Funded	**554,555,082**	441,093,207
Non Funded	**1,520,018,147**	1,518,421,637
Total Exposure	**2,074,573,229**	1,959,514,844

The sanctioned limits against these top 10 exposures aggregated to Rs. 2,158,452 million (2023: Rs. 2,045,103 million).

Total funded classified therein	2024		2023	
	Amount	Credit loss allowance	Amount	Credit loss allowance
OAEM	(Rupees in '000)			
	-	-	-	-
Substandard	51,000,000	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	51,000,000	-	-	-

48.2.1.17 Advances - Province/Region-wise disbursement & utilization

Province/Region	2024						
		Utilization					
	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	659,220,612	657,735,567	-	1,485,044	-	-	-
Sindh	587,484,427	1,000,000	584,837,367	1,647,060	-	-	-
KPK including FATA	16,881,142	-	-	16,881,142	-	-	-
Balochistan	5,078,348	-	-	-	5,078,348	-	-
Islamabad	120,272,040	-	-	-	-	120,272,040	-
AJK including Gilgit-Baltistan	5,123,306	-	-	-	-	-	5,123,306
Total	1,394,059,874	658,735,567	584,837,367	20,013,246	5,078,348	120,272,040	5,123,306

Province/Region	2023						
		Utilization					
	Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	488,630,825	487,273,108	111,328	1,246,389	-	-	-
Sindh	623,940,498	-	622,376,734	1,176,470	-	387,294	-
KPK including FATA	10,821,813	-	-	10,821,813	-	-	-
Balochistan	3,714,956	-	-	-	3,714,956	-	-
Islamabad	118,306,922	-	-	-	-	118,306,922	-
AJK including Gilgit-Baltistan	3,763,094	-	-	-	-	-	3,763,094
Total	1,249,178,108	487,273,108	622,488,062	13,244,672	3,714,956	118,694,216	3,763,094

48.2.2 Market risk

Market Risk is the value of on and off-balance sheet positions of a financial institution that are adversely affected by movements in market factors such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Bank's market risk is managed through Market & Liquidity Risk Management Policy duly approved by the Board. The Bank has in-place market risk limits to manage risks within the Bank's approved risk appetite.

The Standardized Approach is used to calculate capital charge for market risk as per Basel framework. Stress testing for interest sensitive, equity, and FX exposures is carried out regularly to estimate the impact on the capital of the Bank.

In addition to the regulatory requirements, Bank has devised proprietary stress testing scenarios which are periodically performed to assess the impact on capital of the Bank for Internal Capital Adequacy and Assessment Process (ICAAP). Limits/ zones and management action triggers/ plans corresponding to various ratios/ limits/ thresholds are defined in the Market & Liquidity Risk Policy. Appropriate segregation of duties exists between the front, middle, and back office functions.

48.2.2.1 Statement of Financial Position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	314,234,036	-	314,234,036	294,992,570	-	294,992,570
Balances with other banks	56,836,483	-	56,836,483	42,325,051	-	42,325,051
Lendings to financial institutions	30,000,000	-	30,000,000	192,430,437	-	192,430,437
Investments	4,519,204,236	93,129,962	4,612,334,198	4,360,274,395	43,089,648	4,403,364,043
Advances	1,404,867,872	-	1,404,867,872	1,398,076,820	-	1,398,076,820
Property and equipment	61,668,070	-	61,668,070	56,974,417	-	56,974,417
Right-of-use assets	6,317,624	-	6,317,624	6,934,471	-	6,934,471
Intangible assets	1,939,636	-	1,939,636	1,510,061	-	1,510,061
Deferred tax assets	-	-	-	-	-	-
Other assets	255,880,334	-	255,880,334	256,099,568	-	256,099,568
	6,650,948,291	93,129,962	6,744,078,253	6,609,617,790	43,089,648	6,652,707,438

48.2.2.2 Foreign exchange risk

Foreign exchange risk arises from the impact of currency movements on the value of the Bank's foreign exchange exposures, a result of participation in financial markets and international operations.

In order to manage currency risk exposure, the Bank enters into ready, spot, forward and swaps transactions with the SBP, financial institutions and corporates. The Bank's foreign exchange exposure comprises of forward contracts, purchase of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign placements and foreign currency assets and liabilities. Foreign Exchange exposure is managed within the regulatory and internal limits.

	2024				2023			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)							
United States Dollar	407,614,555	566,598,696	183,543,747	24,559,606	407,071,417	526,851,269	149,166,105	29,386,253
Great Britain Pound Sterling	1,327,328	7,393,733	5,479,782	(586,623)	4,560,991	8,045,545	8,217,517	4,732,962
Euro	10,343,955	13,886,149	7,455,351	3,913,157	11,881,678	14,678,082	5,639,911	2,843,507
Japanese Yen	5,521,105	1,673,326	(162,608)	3,685,171	5,270,516	1,265,119	2,990	4,008,387
Other currencies	128,626,622	48,668,830	4,582,589	84,540,381	122,811,374	63,651,435	6,779,686	65,939,626
	553,433,565	638,220,735	200,898,861	116,111,691	551,595,977	614,491,450	169,806,209	106,910,735

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	28,304	-	39,378
- Other comprehensive income	1,161,117	-	1,069,107	-

48.2.2.3 Equity position risk

Stock trading activities also raise risk which occur due to adverse movements stock prices. The Bank's equity exposure is managed through limits imposed by the regulator for both overall investment and exposure in single scrip. Moreover, internal limits are set to manage equity risk by placing stop loss and VaR limits and/or through diversification within overall equity portfolio

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
	(Rupees in '000)			
Impact of 5% change in equity prices on				
- Profit and loss account	**-**	**1,329,805**	-	3,966
- Other comprehensive income	**4,387,208**	**-**	3,912,948	-

48.2.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate risk arises due to adverse movements in yield curve that is being monitored by ALCO with an objective to manage the potential adverse impact on the profitability of the Bank. This may arise due to volatility in market interest rates and any mismatch/ gaps in the amount of financial assets/ liabilities in different maturity time bands. The sources of IRR are based on following sub-risks.

- Re-pricing risk; arising from changes to the overall level of interest rates and inherent mismatches in the re-pricing term of banking book items.
- Yield curve risk; arising from a change in the relative level of interest rates for different tenors and changes in the slope or shape of the yield curve.
- Basis risk; arising from differences between the actual and expected interest margins on Banking book items over the implied cost of funds of those items.

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in interest rates on				
- Profit and loss account	**-**	**321,262**	-	402,100
- Other comprehensive income	**21,487,481**	**-**	20,443,787	-

48.2.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

	2024											
			Exposed to Yield / interest risk									
	Effective Yield / interest rate	Total	Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	5 to 10 years	Above 10 Years	Non-interest bearing financial instruments
		(Rupees in '000)										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	4.5%	314,234,036	48,692,058	-	-	-	-	-	-	-	-	265,541,978
Balances with other banks	11.4%	56,836,483	5,971,331	727,671	586,520	694,364	-	-	-	-	-	48,856,597
Lending to financial institutions	12.6%	30,000,000	30,000,000	-	-	-	-	-	-	-	-	-
Investments	19.3%	4,612,334,198	699,580,724	1,202,338,355	989,096,816	865,531,338	284,743,998	171,160,429	124,571,173	102,309,695	2,335,155	170,666,515
Advances	15.4%	1,404,867,872	434,342,062	379,526,657	219,254,523	84,350,003	22,374,556	26,738,825	43,239,578	62,840,058	40,446,467	91,755,143
Other assets	0.0%	187,030,212	-	-	-	-	-	-	-	-	-	187,030,212
		6,605,302,801	1,218,586,175	1,582,592,683	1,208,937,859	950,575,705	307,118,554	197,899,254	167,810,751	165,149,753	42,781,622	763,850,445
Liabilities												
Bills payable	0.0%	26,060,123	-	-	-	-	-	-	-	-	-	26,060,123
Borrowings	19.6%	1,937,756,922	1,866,830,523	16,077,088	19,720,345	967,481	3,573,437	2,605,938	4,995,166	22,850,206	136,740	-
Deposits and other accounts	13.0%	3,865,564,883	2,255,038,952	165,641,391	247,967,464	142,541,001	8,883,776	31,118,876	41,932,654	4,737,008	-	967,703,760
Lease Liabilities against right-of-use assets	12.2%	8,030,117	943.54	4,405.19	30,137.65	156,407.51	579,251.68	1,064,352.54	1,709,554.54	4,010,507.80	474,555.55	-
Subordinated debt	0.0%	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	0.0%	392,093,268	-	-	-	-	-	-	-	-	-	392,093,268
		6,229,505,313	4,121,870,419	181,722,884	267,717,947	143,664,890	13,036,464	34,789,166	48,637,375	31,597,721	611,295	1,385,857,152
On-balance sheet gap		375,797,487	(2,903,284,244)	1,400,869,799	941,219,912	806,910,815	294,082,090	163,110,088	119,173,377	133,552,032	42,170,326	(622,006,707)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,585,818,397	-	-	-	-	-	-	-	-	-	1,585,818,397
Commitments in respect of:												
- forward foreign exchange contracts		200,898,861	84,001,311	102,780,386	13,838,614	278,550	-	-	-	-	-	-
- forward government securities transactions		68,747,535	-	-	211,235	50,500,000	(220,000)	-	18,256,300	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		15,467,596	-	-	-	-	-	-	-	-	-	15,467,596
Commitments for acquisition of:			-	-	-	-	-	-	-	-	-	-
- fixed assets		1,082,641	-	-	-	-	-	-	-	-	-	1,082,641
- other commitments		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		1,872,015,031	84,001,311	102,780,386	14,049,849	50,778,550	(220,000)	-	18,256,300	-	-	1,602,368,635
Total yield / interest risk sensitivity gap		2,247,812,518	(2,819,282,933)	1,503,650,185	955,269,761	857,689,365	293,862,090	163,110,088	137,429,677	133,552,032	42,170,326	980,361,928
Cumulative yield / interest risk sensitivity gap			(2,819,282,933)	(1,315,632,747)	(360,362,986)	497,326,378	791,188,468	954,298,556	1,091,728,233	1,225,280,265	1,267,450,591	2,247,812,519

		2023										
			Exposed to Yield/ Interest risk									
	Effective Yield/ Interest rate	Total	Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	5 to 10 years	Above 10 Years	Non-interest bearing financial instruments
		(Rupees in '000)										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	4.0%	294,992,570	47,429,232	-	-	-	-	-	-	-	-	247,563,338
Balances with other banks	10.7%	42,325,051	4,009,398	3,376,854	671,770	758,450	-	-	-	-	-	33,508,579
Lending to financial institutions	19.8%	192,430,437	192,420,714	-	-	-	-	-	-	-	-	9,723
Investments	19.8%	4,403,364,043	1,213,850,827	1,016,852,727	405,941,151	1,046,346,810	125,302,736	213,257,677	161,244,939	97,933,065	4,827,262	117,806,849
Advances	14.9%	1,398,076,820	398,672,392	400,820,608	197,797,103	64,383,783	23,471,767	41,855,723	44,435,433	58,092,119	60,544,803	108,003,089
Other assets	0.0%	226,424,116	-	-	-	-	-	-	-	-	-	226,424,116
		6,557,613,037	1,856,382,563	1,421,050,189	604,410,024	1,111,489,043	148,774,503	255,113,400	205,680,372	156,025,184	65,372,065	733,315,694
Liabilities												
Bills payable	0.0%	68,000,448	-	-	-	-	-	-	-	-	-	68,000,448
Borrowings	20.7%	2,177,743,194	2,087,823,897	39,830,834	7,640,293	710,905	1,073,314	1,066,201	6,558,534	33,017,995	21,221	-
Deposits and other accounts	12.3%	3,674,359,379	1,755,991,811	164,972,176	205,025,317	211,301,760	20,390,959	8,319,597	16,710,676	2,777,796	-	1,288,869,287
Lease Liabilities against right-of-use assets	9.8%	8,264,782	972	4,534	31,018	160,978	596,179	1,095,456	1,759,513	4,127,708	488,424	-
Subordinated debt	0.0%	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	0.0%	338,025,095	-	-	-	-	-	-	-	-	-	338,025,095
		6,266,392,898	3,843,816,680	204,807,544	212,696,628	212,173,643	22,060,452	10,481,254	25,028,723	39,923,499	509,645	1,694,894,830
On-balance sheet gap		291,220,139	(1,987,434,117)	1,216,242,645	391,713,396	899,315,400	126,714,051	244,632,146	180,651,649	116,101,685	64,862,420	(961,579,136)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,633,847,479										1,633,847,479
Commitments in respect of:												
- forward foreign exchange contracts		169,806,209	60,702,960	87,931,586	21,171,663	-	-	-	-	-	-	-
- forward government securities transactions		(4,332,657)	-	-	-	(658)	-	-	(2,908,182)	(1,423,817)	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		44,432,555	-	-	-	-	-	-	-	-	-	44,432,555
Commitments for acquisition of:		-	-	-	-	-	-	-	-	-	-	-
- fixed assets		1,129,442	-	-	-	-	-	-	-	-	-	1,129,442
- other commitments		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		1,844,883,028	60,702,960	87,931,586	21,171,663	(658)	-	-	(2,908,182)	(1,423,817)	-	1,679,409,476
Total Yield / Interest Risk Sensitivity Gap			(1,926,731,157)	1,304,174,231	412,885,059	899,314,742	126,714,051	244,632,146	177,743,467	114,677,868	64,862,420	717,830,340
Cumulative Yield / Interest Risk Sensitivity Gap			(1,926,731,157)	(622,556,926)	(209,671,867)	689,642,875	816,356,926	1,060,989,072	1,238,732,539	1,353,410,407	1,418,272,827	2,136,103,167

48.2.2.6 Reconciliation of Financial Assets & Liabilities with Total Assets & Liabilities	2024	2023
	(Rupees in '000)	
Total Financial Assets as per note 48.2.2.5	**6,605,302,801**	6,557,613,037
Add: Non-Financial Assets		
Property and equipment	**61,668,070**	56,974,417
Intangible assets	**1,939,636**	1,510,061
Right-of-use assets	**6,317,624**	6,934,471
Other assets	**68,850,120**	29,675,452
	138,775,450	95,094,401
Total assets as per statement of financial position	**6,744,078,251**	6,652,707,438
Total Financial Liabilities as per note 48.2.2.5	**6,229,505,313**	6,266,392,898
Add: Non-Financial Liabilities		
Deferred tax liabilities	**40,944,092**	720,183
Other liabilities	**16,677,401**	2,838,764
Total liabilities as per statement of financial position	**6,287,126,806**	6,269,951,845

48.2.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks. For effective implementation, the Bank has a comprehensive Operational Risk Management Policy Framework (ORMPF) and procedures. These provide guidance for setting up operational risk strategy of the Bank, selection and adoption of risk and loss measurement tools, reporting, and establishment of operational risk management process.

Operational risks are core components of doing business arising from the day-to-day operational activities of the Bank including launching of new products and services. The Bank realizes that operational risks cannot be fully mitigated, it therefore determines an appropriate balance between accepting potential losses and related costs of mitigation.

Further, the Bank has adopted an Operational Risk Management Policy Framework and Operational Risk Appetite duly approved by the Board. Furthermore, the Bank has rolled-out operational risk events (OREs) collection mechanism whereby field functionaries and Groups/Divisions at head office are responsible to report operational losses under their jurisdictions on immediate basis. OREs are reviewed and appropriate corrective measures are taken on an ongoing basis. Risk Evaluation exercise is carried out for new products, processes and systems as per the ORM procedures.

The Bank also conducts root cause analysis of major OREs covering key control lapses and accordingly suggests mitigating actions. As per regulatory framework, the Bank calculates capital charge for its operational risk using Basic Indicator Approach (BIA).

Moreover, the Bank closely monitored overall operational environment and undertakes required actions to ensure the safety and security of the Bank's staff and its assets. The Bank takes measures to ensure continuously improve customer service levels and resolve related complaints to meet the expectations of its stakeholders.

The Bank's operations stays highly resilient and the Bank deploys all necessary measures for the health and safety of its employees to prevent them from any unwarranted situation.

48.2.4 Information Security Risk

Management of Information Security risk is given due importance, considering extensive customer base and increasing digital footprint of the Bank. A mechanism has been devised for upscaling technology infrastructure and related channels from information security standpoint. Further, due to evolving cyber threat landscape, the Bank has taken appropriate actions to monitor and respond to cybersecurity risks and adopted a heightened state of cybersecurity. We are living in a highly technologically dependent environment, where most of the business functions are performed with information technology for storing, processing and sharing of information. The information “assets” that are being used to store, process and transmit the information face various types of threats. If threats materialize and are able to exploit the vulnerabilities (weaknesses) present in these information assets, the confidentiality, integrity and availability of information get compromised and/or may result in a breakdown of IT assets. In order to mitigate the risks, certain controls and countermeasures need to be assessed and implemented. The Bank has devised a governance mechanism to manage related risks through development of policies & frameworks, and deployed security tools to ensure adequate implementation of internal controls and monitoring of security threats within technology infrastructure.

As a first line of defense, the Business groups have primary responsibility for identifying, measuring, and controlling the risks within their areas of accountability. Information Security Division (ISD) is the second line of defense against cyber risks. Therefore, the Bank regularly assesses the information security controls and undertakes employees’ awareness and training. The Bank works with its key technology partners to ensure that potentially vulnerable systems are identified and appropriate fixes & controls are implemented to secure the systems. The Bank is actively communicating with its customers on interacting with the Bank in a secure manner through its full suite of channels including online and digital banking.

Over the last two years, the Bank has taken various initiatives to uplift its cyber security controls. Management is cognizant of the fact that cyber security is a top priority, and the Bank is taking appropriate steps to monitor and respond to it. The Information Security Division (ISD) works under the supervision of Chief Information Security Officer (CISO). Numerous steps have been taken by the Bank to identify cyber security weaknesses of systems & infrastructure.

48.2.5 Enterprise-wide Risk

The Bank has a Board approved Enterprise Risk Management (ERM) Framework in place. The ERM framework is a holistic approach starting from strategy setting, capital and financial planning to managing, monitoring, and reporting of risks inherent in the day-to-day business of the Bank. It documents the risk management structure and processes driven by the Bank’s board of directors, management, and other personnel. All this provides reasonable assurance regarding the achievement of the Bank’s strategic objectives.

In addition to the Pillar I risks, the Bank has a structure to identify other Pillar II material risks on a periodic basis. The Bank has in place an Internal Capital Adequacy & Assessment Process (ICAAP) to identify and quantify material risks, including Pillar II risks, and continually re-assess the adequacy of the capital buffer and risk appetite, which is set periodically in order to build a solid platform for business growth."

In accordance with the regulatory requirements for Domestic Systematically Important Banks (D-SIBs), the Bank has put in place a Recovery Plan to prepare the Bank to act promptly and efficiently in the event of stress situations that may threaten the financial and operational strength and viability of a Bank and pose a risk on Bank’s ability to remain a going concern. Moreover, risks that are material and arise within the Bank or due to behaviour of the country’s market and economic conditions, whether in isolation or in combination are addressed in the Bank-wide Recovery Plan.

Bank’s Stress-testing framework comprises of tools to deliver a timely assessment of the resilience of the Bank’s capital under stressed conditions to the senior management. It ranges from simple sensitivity analysis to sophisticated stress testing methods to capture the abnormal movement of market and economic indicators and to translate such scenarios into projections of Bank’s profitability, liquidity and capital planning.

This framework paves the way to a quantitative, forward-looking assessment of capital adequacy (movement/ level of Capital Adequacy Ratio (CAR) of the Bank) to provide an indication of how much capital might be needed to absorb any expected and any unforeseen losses. It helps in identifying potential vulnerabilities within the Bank and assessing solvency by applying plausible/ past adverse scenarios under extreme conditions.

48.2.6 Liquidity Risk

Liquidity risk is the risk of loss to a Bank arising from its inability to meet obligations as they fall due or to fund assets, without incurring unacceptable costs or losses. More simply, liquidity risk is the possibility that a bank will be unable to meet its financial commitment to a customer, creditor, or investor when due, in a timely and cost-effective manner.

To mitigate this risk, the Bank has arranged diversified funding sources, manages specific assets with liquidity in mind and monitors liquidity position on daily basis. In addition, the Bank maintains statutory deposits with central Banks inside and outside Pakistan. The purpose of liquidity management is to ensure that there are sufficient cash flows to meet all of the Bank's liabilities when due, under both normal and stress conditions without incurring unacceptable losses, as well as to capitalize on opportunities for business expansion and profitability. This includes the Bank's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature and to make new loans and investments, as opportunities arise.

The Asset and Liability Committee (ALCO) is responsible for ensuring that the Bank has adequate liquidity and monitors liquidity gaps, to execute this responsibility. Mandatory as well as optional stress testing and ratio based liquidity assessments are performed to proactively identify and manage liquidity position, needs/ requirements. The Bank has put in place various limits/ ratios, triggers and related management actions in place to monitor and mitigate liquidity risk. The Bank calculates and monitors, on regular basis, Basel-III Liquidity standards (includes LCR, NSFR and LMTs), liquidity ratios as per SBP parameters besides other internal liquidity measures.

48.2.6.1 Maturities of Assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

	2024													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	314,234,036	314,234,036	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	56,836,483	48,878,561	2,534,706	3,414,660	-	727,671	-	586,520	694,364	-	-	-	-	-
Lending to financial institutions	30,000,000	-	30,000,000	-	-	-	-	-	-	-	-	-	-	-
Investments	4,612,334,198	31,604,534	-	4,460,852	12,100,088	520,981,179	149,422,427	506,830,935	685,345,730	653,453,005	385,499,857	274,257,792	1,221,983,175	166,394,625
Advances	1,404,867,872	198,633,190	19,971,112	23,107,324	200,690,512	34,115,535	50,598,903	140,458,925	93,305,508	152,990,651	44,977,527	53,090,550	205,589,090	187,339,046
Property and equipment	61,668,070	-	-	-	-	-	-	-	-	1,431,771	3,001,660	1,431,772	1,400,405	54,402,461
Intangible assets	1,939,636	-	-	-	-	-	-	-	-	646,545	646,545	646,544	-	-
Right-of-use assets	6,317,624	-	-	-	250	1,425	1,425	24,390	64,852	64,852	417,750	931,153	1,248,833	3,562,695
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	255,880,334	79,369,812	-	-	-	52,993,912	53,390,728	35,877,133	4,655,236	4,655,236	21,401,234	786,009	1,179,013	1,572,021
	6,744,078,253	672,720,133	52,505,818	30,982,836	212,790,850	608,819,722	253,413,482	683,777,903	784,065,690	813,242,061	455,944,574	331,143,820	1,431,400,516	413,270,848
Liabilities														
Bills payable	26,060,123	26,060,123	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,937,756,922	1,407,653	301,949,718	6,238,210	1,557,234,942	12,422,932	3,654,156	19,720,345	530,023	437,458	3,573,437	2,605,938	4,995,166	22,986,945
Deposits and other accounts	3,865,564,883	3,086,435,518	55,662,289	15,147,939	65,756,481	113,859,952	51,521,926	247,967,464	125,851,881	16,689,121	8,883,776	31,118,876	41,932,654	4,737,006
Lease Liabilities against assets subject right-of-use assets	8,030,117	-	-	-	944	2,203	2,203	30,138	78,204	78,204	579,252	1,064,353	1,709,555	4,485,064
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	40,944,092	-	-	-	-	-	-	-	-	-	-	-	40,944,092	-
Other liabilities	408,770,670	207,278,950	76,626	64,933	60,662	6,687,721	6,664,147	34,097,578	3,847,171	3,847,171	49,372,942	19,737,459	38,787,241	38,248,068
	6,287,126,807	3,321,182,244	357,688,633	21,451,082	1,623,053,028	132,972,807	61,842,432	301,815,525	130,307,278	21,051,953	62,409,406	54,526,625	128,368,708	70,457,084
Net assets	456,951,446	(2,648,462,111)	(305,182,815)	9,531,754	(1,410,262,178)	475,846,915	191,571,050	381,962,378	653,758,412	792,190,108	393,535,168	276,617,195	1,303,031,808	342,813,763
Share capital	21,275,131													
Reserves	82,411,898													
Unappropriated profit	235,061,992													
Surplus on revaluation of assets - net of tax	118,202,425													
	456,951,446													

	2023													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	294,992,570	291,655,620	931,810	-	2,405,140	-	-	-	-	-	-	-	-	-
Balances with other banks	42,325,051	33,523,864	-	65,010	3,929,103	3,376,854	-	671,770	758,450	-	-	-	-	-
Lending to financial institutions	192,430,437	9,723	192,420,714	-	-	-	-	-	-	-	-	-	-	-
Investments	4,403,364,043	3,948,387	63,237	4,454,974	491,810	642,639	36,458,908	46,232,793	575,275,570	1,009,545,853	1,304,643,492	489,322,140	649,752,188	282,532,052
Advances	1,398,076,820	308,653,867	12,914,449	29,826,563	81,084,497	104,759,660	56,183,865	127,744,876	57,342,172	41,316,814	74,813,740	65,861,729	153,261,454	284,313,134
Property and equipment	56,974,417	-	-	-	-	-	-	-	-	709,153	2,332,578	709,154	1,242,084	51,981,448
Intangible assets	1,510,061	-	-	-	-	-	-	-	-	503,354	503,354	503,353	-	-
Right-of-use assets	6,934,471	-	-	-	274	1,017	2,112	26,771	67,685	74,683	458,539	1,022,070	1,370,768	3,910,552
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	256,099,568	76,936,551	-	-	-	53,035,357	53,434,573	33,961,677	6,476,723	6,476,723	22,369,643	757,405	1,136,107	1,514,809
	6,652,707,438	714,728,012	206,330,210	34,346,547	87,910,824	161,815,527	146,079,458	208,637,887	639,920,600	1,058,626,580	1,405,121,346	558,175,851	806,762,601	624,251,995
Liabilities														
Bills payable	68,000,448	68,000,448	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,177,743,194	19,330,975	515,918,633	688,152,390	864,421,899	9,640,838	30,189,996	7,640,293	620,036	90,869	1,073,314	1,066,201	6,558,534	33,039,216
Deposits and other accounts	3,674,359,379	2,921,419,139	34,960,358	16,717,829	74,090,370	93,681,799	70,148,129	207,889,752	153,452,035	53,798,779	20,389,267	8,323,449	16,710,676	2,777,797
Lease Liabilities against assets subject right-of-use assets	8,264,782	609	-	-	363	1,697	2,837	31,018	76,618	84,360	596,179	1,095,456	1,759,513	4,616,132
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	720,183	-	-	-	-	-	-		-	-	-	-	720,183	-
Other liabilities	340,863,859	204,718,140	1,347,596	1,141,953	1,066,834	6,560,557	6,145,977	36,083,856	2,354,662	2,354,662	26,230,647	10,936,240	21,215,571	20,707,164
	6,269,951,845	3,213,469,311	552,226,587	706,012,172	939,579,466	109,884,891	106,486,939	251,644,919	156,503,351	56,328,670	48,289,407	21,421,346	46,964,477	61,140,309
Net assets	382,755,593	(2,498,741,299)	(345,896,377)	(671,665,625)	(851,668,642)	51,930,636	39,592,519	(43,007,032)	483,417,249	1,002,297,910	1,356,831,939	536,754,505	759,798,124	563,111,686

Share capital / head office capital account	21,275,131
Reserves	79,071,471
Unappropriated profit	218,754,398
Surplus / (Deficit) on revaluation of assets	63,654,593
	382,755,593

48.2.6.2 Maturities of Assets and liabilities - based on expected maturity of the assets and liabilities of the Bank

	2024									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	314,234,036	200,445,656	37,929,460	37,929,460	37,929,460	-	-	-	-	-
Balances with other banks	56,836,483	54,827,928	727,671	586,520	694,364	-	-	-	-	-
Lending to financial institutions	30,000,000	30,000,000	-	-	-	-	-	-	-	-
Investments	4,612,334,198	29,166,829	672,745,227	557,382,002	1,312,218,262	378,186,286	274,257,792	1,221,983,175	162,444,616	3,950,009
Advances	1,404,867,872	400,387,241	144,920,025	130,757,611	238,428,108	46,099,304	54,151,155	205,792,411	140,332,730	43,999,287
Property and equipment	61,668,070	-	-	-	1,431,771	3,001,660	1,431,771	1,400,405	-	54,402,462
Intangible assets	1,939,636	-	-	-	646,545	646,545	646,545	-	-	-
Right-of-use assets	6,317,624	250	2,850	24,390	129,704	417,750	931,153	1,248,833	3,166,709	395,987
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	255,880,334	156,603,106	39,614,057	25,414,421	9,310,472	21,401,234	786,009	1,179,013	1,572,021	-
	6,744,078,253	871,431,011	895,939,291	752,094,403	1,600,788,686	449,752,780	332,204,426	1,431,603,837	307,516,075	102,747,744
Liabilities										
Bills payable	26,060,123	16,645,423	2,098,769	2,438,644	2,438,644	2,438,644	-	-	-	-
Borrowings	1,937,756,922	1,866,830,523	16,077,088	19,720,345	967,481	3,573,437	2,605,938	4,995,166	22,850,206	136,740
Deposits and other accounts	3,865,564,883	620,997,987	331,345,504	735,157,611	625,144,903	497,632,631	519,867,731	530,681,509	4,737,007	-
Lease Liabilities against assets subject right-of-use assets	8,030,117	944	4,405	30,138	156,408	579,252	1,064,353	1,709,555	4,010,509	474,556
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	40,944,092	-	-	-	-	-	-	40,944,092	-	-
Other liabilities	408,770,670	172,619,588	40,697,786	41,613,244	7,694,341	49,372,942	19,737,459	38,787,241	19,124,034	19,124,034
	6,287,126,807	2,677,094,465	390,223,551	798,959,981	636,401,777	553,596,905	543,275,480	617,117,563	50,721,756	19,735,329
Net assets	456,951,446	(1,805,663,454)	505,715,740	(46,865,577)	964,386,909	(103,844,125)	(211,071,054)	814,486,275	256,794,319	83,012,415
Share capital / head office capital account	21,275,131									
Reserves	82,411,898									
Unappropriated profit	235,061,992									
Surplus / (Deficit) on revaluation of assets	118,202,425									
	456,951,446									

	2023									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	294,992,570	186,697,470	4,459,436	51,917,832	51,917,832	-	-	-	-	-
Balances with other banks	42,325,051	37,517,977	3,376,854	671,770	758,450	-	-	-	-	-
Lending to financial institutions	192,430,437	192,430,437	-	-	-	-	-	-	-	-
Investments	4,403,364,043	8,958,408	37,101,548	46,232,793	1,584,821,422	1,304,643,492	489,322,140	649,752,188	273,727,499	8,804,553
Advances	1,398,076,820	353,457,485	257,947,258	117,692,500	90,730,630	74,812,630	65,861,729	153,261,454	208,090,803	76,222,331
Property and equipment	56,974,417	-	-	-	709,154	2,332,578	709,154	1,242,084	-	51,981,447
Intangible assets	1,510,061	-	-	-	503,354	503,354	503,353	-	-	-
Right-of-use assets	6,934,471	275	3,128	26,771	142,368	458,539	1,022,070	1,370,768	3,475,902	434,650
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	256,099,568	173,126,273	23,310,926	20,930,958	12,953,447	22,369,643	757,405	1,136,107	1,514,809	-
	6,652,707,438	952,188,325	326,199,150	237,472,624	1,742,536,657	1,405,120,236	558,175,851	806,762,601	486,809,013	137,442,981
Liabilities										
Bills payable	68,000,448	43,326,759	644,310	8,009,793	8,009,793	8,009,793	-	-	-	-
Borrowings	2,177,743,194	2,087,823,897	39,830,834	7,640,293	710,905	1,073,314	1,066,201	6,558,534	33,017,995	21,221
Deposits and other accounts	3,674,359,379	756,498,447	212,075,045	641,470,099	655,458,958	473,941,147	461,875,330	470,262,556	2,777,797	-
Lease Liabilities against assets subject right-of-use assets	8,264,782	972	4,534	31,018	160,978	596,179	1,095,456	1,759,513	4,127,708	488,424
Subordinated debt	-	-	-	-	-	-	-		-	-
Deferred tax liabilities	720,183	-	-	-	-	-	-	720,183	-	-
Other liabilities	340,863,859	174,072,935	39,534,742	43,457,236	4,709,324	26,230,647	10,936,240	21,215,571	10,353,582	10,353,582
	6,269,951,845	3,061,723,010	292,089,465	700,608,439	669,049,958	509,851,080	474,973,227	500,516,357	50,277,082	10,863,227
Net assets	382,755,593	(2,109,534,685)	34,109,685	(463,135,815)	1,073,486,699	895,269,156	83,202,624	306,246,244	436,531,931	126,579,754

Share capital / head office capital account	21,275,131
Reserves	79,071,471
Unappropriated profit	218,754,398
Surplus / (Deficit) on revaluation of assets	63,654,593
	382,755,593

48.2.7 Derivative risk

A derivative is a contract that derives its value from the performance of an underlying asset which can be an index, interest rate, commodity price, security price, FX rate etc. Derivatives include forwards, futures, swaps, options etc. In Pakistan, futures and forwards are most commonly traded derivatives.

Currently, the Bank is not an active participant in the Pakistan derivatives market as it does not hold an Authorized Derivative Dealer (ADD) license to perform derivative transactions. Once acquired, the Bank will carry out transactions that are permitted under the Financial Derivatives Business Regulations issued by SBP, which may include Interest rate swaps, forward rate agreements, foreign currency options, etc.

Moreover, the Bank may also offer other over the counter derivative products to satisfy customer requirements, specific approval of which will be sought from the SBP on a transaction by transaction basis.

49 EVENTS AFTER THE REPORTING DATE

49.1 Subsequent to year end, pursuant to the order of the Hon'ble Islamabad High Court dated November 15, 2024 (as amended by a further Court Order dated December 11, 2024), the Scheme of Arrangement filed with the Hon'ble Islamabad High Court, Islamabad, prepared under Sections 279 to 283 and 285(8) of the Companies Act, 2017 in respect of the demerger of a specified portion of the lending portfolio of SME Bank Limited ("SME Bank"), along with all associated rights, obligations, titles, contracts, benefits, claims, interests, and liabilities (the "Demerger Lending Portfolio"), was approved by the shareholders in the Extraordinary General Meeting ("EOGM") of the Members of NBP which was held on January 06, 2025. This demerger involves the separation of the Demerged Lending Portfolio from SME Bank, its transfer to and vesting in NBP, and the retention of all other assets and liabilities of SME Bank that do not form part of the Demerged Lending Portfolio (the "Retained Undertaking") by the SME Bank.

49.2 The Board of Directors in their meeting held on February 28,2025 has announced final cash dividend of Rs. 8 per share (2023: Rs. Nil per share). The unconsolidated financial statements for the year ended December 31, 2024, do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2025.

50 GENERAL

50.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated financial statements, wherever necessary, to facilitate comparison and better presentation. No significant reclassifications have been made during the current year.

50.2 Figures have been rounded off to the nearest thousand rupees.

51 DATE OF AUTHORISATION FOR ISSUE

The unconsolidated financial statements were authorised for issue on February 28,2025 by the Board of Directors of the Bank.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

Statement showing written-off loans or any other financial relief of rupees five hundred thousand or above provided during the year ended December 31,2024

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				----------(Rupees in '000)----------							
1	Warehousing Systems Limited Plot No.8, West Warf Industrial Area, Karachi	Samina Saigal 42301-9208295-6 Sadeed Anver Malik 42301-1033177-3	Tariq Ahmed Saigal (Husband) Saeed Ahmed Malik	-	-	652	652	47,095	-	44,692	91,787
2	Irfan Textile Pvt Ltd. 31 Km Ferozepur Road, Lahore.	Yawar Irfan Khan 35202-6657307-7 Syed Muhammad Jawad Ahsan 35202-6356700-9 Muhammad Ahmad Irfan Khan 35202-0268314-1	Muhammad Irfan ullah Khan Syed Muhammad Ahsan uddin Muhammad Irfan ullah Khan	564,548	83,466	2,502	650,516	-	-	85,968	85,968
3	Paramount Spinning Mills Ltd , SITE Kotri,Raiwind Punjab	Tanveer Ahmed Shakoor 42201-0350138-5	Mr.Abdul Shakoor	79,585	14,327	-	93,912	29,585	-	14,327	43,912
4	Lalazar Flour Mills Chak # 182/6-R, Kacha Paca Noor Shah Road, Sahiwal.	Sh. Ashfaq Ahmed 36502-1378032-3 Saima Sadaf 36502-1305750-0	Sh. Bashir Ahmed Sh. Ashfaq Ahmed	25,706	5,225	26,100	57,031	-	-	24,031	24,031
5	Decent Rice Mills (Pvt) Ltd 28-KM, Sargodha Road, District Jhang	Ch. Tanveer Iqbal 33100-1616674-1 Syed Ali ul Asad 33100-6580397-5	Ch. Muhammad Iqbal Syed Ashfaq Ahmed	22,649	13,762	95	36,506	-	-	2,372	2,372
6	Decent Trading Company 28-KM, Sargodha Road, District Jhang	Abdul Nasir 33100-8452254-3 Ch.Naveed Niaz 33100-0956589-5	Niaz Ahmed Niaz Ahmed	19,000	12,708	104	31,812	-	-	1,887	1,887
7	Adnan Rice Mills (Pvt) Ltd 15-KM, Bhakkar Road, District Jhang	Rehana Anjum 33202-2514085-2 Adnan Jamshed 33202-4533543-9	Chaudhary Jamshaid Iqbal (Husband) Chaudhary Jamshaid Iqbal (Father)	13,650	5,872	81	19,603	-	-	1,159	1,159
8	M/s. Zamindara Rice International Kotli Bawa Faqir Chand , Pasrur	Jalal Ashraf Warraich 34101-3254657-3 Muhmamad Ashraf Warriach 34101-5024953-1	Muhammad Ashraf Muhammad Sadiq	-	1,773	9,013	10,786	-	-	1,802	1,802

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
9	M/s Zamindara Rice Mills Kotli Bawa Faqir Chand , Pasrur	Jalal Ashraf Warraich 34101-3254657-3 Muhmamad Ashraf Warriach 34101-5024953-1 Nazia Mobeen 42301-0781431-2	Muhammad Ashraf Muhammad Sadiq Mobeen Ashraf	2,774	1,399	5,498	9,671	-	-	1,100	1,100
10	M/S Hashim Khudadaad Hamid Behind Shah Enterprises, near Shalimar Town,Pindi Bye Pass Gujranwala	Jalal Ashraf Warraich 34101-3254657-3	Muhammad Ashraf	-	180	3,850	4,030	-	-	770	770
11	Ms. Tabasum Shah Flat No. 603, 6Th Floor, Komal Apartment, Johar More, Karachi	Ms. Tabasum Shah 45203-5418702-6	Ali Murad Shah	1,557	-	-	1,557	1,557	-	-	1,557
12	Muhammed Nauman Thq Hospital Fort Abbas, Muhalla Medical Colony, Fort Abbas	Muhammed Nauman 31304-3423127-7	Muhammed Hanif	1,401	-	-	1,401	1,401	-	-	1,401
13	Liaquat Ali Chak No. 266 Rb Madina Town Khurrianwala,Tehsil Jaranwala	Liaquat Ali 33104-2068752-5	Asghar Khan	1,370	-	-	1,370	1,370	-	-	1,370
14	Ashraf Javed Street No. 06 Bilal Park Kahar Pura Muridke	Ashraf Javed 35401-1757241-9	Muhammed Din	845	-	-	845	845	-	-	845
15	Muhammed Amin Basti Nazar Kot, Po Islampura	Muhammed Amin 31101-1657670-3	Wali Muhammed	845	-	-	845	845	-	-	845
16	Abdul Qadeer , Qadirpur Lar Po Same Tehsil Multan Saddar	Abdul Qadeer 36303-2165759-5	Mehar Din	837	-	-	837	837	-	-	837
17	Lal Bux Village Sadullah Naper, Garhi Haleem, Shikarpur	Lal Bux 43303-5903084-5	Rahib	791	-	-	791	791	-	-	791
18	Riaz Hussain H. No. 17/19-18, Muhalla Mumtaz, Badah, Talka Dokri	Riaz Hussain 43203-6682755-9	Gulzar Ali Khoso	778	-	-	778	778	-	-	778
19	Zafar Iqbaltarar, Village Post Office Saida Sharif Tehsil Phalia	Zafar Iqbaltarar, 34403-2542040-3	Muhammad Hayat	771	-	-	771	771	-	-	771
20	Iftikhar Hussain S/o Haitam Khan Street # 5, Usmanabad Colony, Distt: Multan	Iftikhar Hussain 36102-8072932-9	Haitam Khan	766	-	-	766	766	-	-	766
21	Naseer Ahmed Chak No. 16 Gnb Po Same Nankana Sahib	Naseer Ahmed 35402-6942493-7	Ghulam Muhammed	751	-	-	751	751	-	-	751
22	Wali Muhammed H. No.466/1 Muhalla Family Line Arirport Jcd	Wali Muhammed 43102-4769603-7	Ali Murad	689	-	-	689	689	-	-	689

ANNEXURE 'I' AS REFERRED TO IN NOTE 11.7.3 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
23	Parveen Akhtar Railway Road, Phulwaran, Tehsil Bhalwal	Parveen Akhtar 38401-0192054-4	Muhammed Younas	687	-	-	687	687	-	-	687
24	Muhammed Ajmal Chah Hayat Muqadam Wala, Muhalla Ameer Abad, Multan	Muhammed Ajmal 36302-9727086-9	Wahid Bux	679	-	-	679	679	-	-	679
25	Muhammed Ilyas Village Sardarpur, Talka Khanpur	Muhammed Ilyas 43302-6719374-5	Muhammed Moosa	671	-	-	671	671	-	-	671
26	Mehmood S/O Sawan Chandio Village Muhammed Chandio, PO Qazi Ahmed, Talka Qazi Ahmed	Mehmood 45401-7846417-3	Sawan Chandio	669	-	-	669	669	-	-	669
27	Sajid Hussain Street, Lane No. 07, Sadique Town, Adiyala Road, Rwp	Sajid Hussain 37405-0618427-1	Khadim Hussain	663	-	-	663	663	-	-	663
28	Moula Bux Bhand, Mohalla Rasool Abad, Larkana	Moula Bux 43204-4611217-9	Yar Muhammed	656	-	-	656	656	-	-	656
29	Tahir Shabbir Khan Jalal Pur Road, H. No. 33/ E, Balouch Colony, Shujaabad	Tahir Shabbir Khan 36304-1353400-5	Muhammed Shabbir Khan Hamzai	637	-	-	637	637	-	-	637
30	Abdul Salam H. No 496, Street 05, Sector 01, Mohalla Talli, Tehsil & Dist Haripur	Abdul Salam 13302-0505401-9	Abdul Rasheed	632	-	-	632	632	-	-	632
31	Shah Jahan Chak No. 121/9 L Po Same Sahiwal	Shah Jahan 36502-0229508-1	Sohna	628	-	-	628	628	-	-	628
32	Asghar Khan Janak Shakandara Lachi, Kohat	Asghar Khan 14301-2027760-1	Raees Khan	600	-	-	600	600	-	-	600
33	Mumtaz Mugheri, Near Maal Piri, Bhens Colony, Larkana	Mumtaz 43203-3734271-7	Muhammed Hassan	596	-	-	596	596	-	-	596
34	Fakhar Zaman Basti Bhattian Wala, Po Same Murad Abad Distt Muzaffar Garh	Fakhar Zaman 32304-3644381-7	Haji Muhammed Khan	594	-	-	594	594	-	-	594
35	Sarfraz Masih Mansoor Wali Kachi Abadi, Police Line Hq, H11, Islamabad	Sarfraz Masih 61101-8806613-5	Payara Masih	592	-	-	592	592	-	-	592
36	Gohar Ali Toutkay, Matta Swat	Gohar Ali 15601-1042337-5	Abdul Mateen Khan	589	-	-	589	589	-	-	589
37	Faizan Ali H. No 49, Gulshan E Mehran Colony, Nasrpur Road, Tando Allah Yar	Faizan Ali 41307-8502332-1	Sagheer Ahmd	579	-	-	579	579	-	-	579
38	Saifullah Kalhoro Kalhoro, Village & Po Balishah, Talka Mehar	Saifullah Kalhoro 41205-8507598-3	Abdul Wahab Kalhoro	572	-	-	572	572	-	-	572
39	Manzoor Masih New Christian Colony Chak No. 14, Gajani Tehsil Chistian	Manzoor Masih 31102-4471478-3	Mohin	551	-	10	561	551	-	10	561
40	Muhammed Akber Lokri Mardan Shah, Qadir Abad	Muhammed Akber 34403-3716102-9	Bashir Ahmed	556	-	-	556	556	-	-	556

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
41	Fareed Ahmed H. No. 47, Muhalla Police Headquarter, Saddar, Hyderabad	Fareed Ahmed 41303-2321304-7	Ghulam Sarwar	555	-	-	555	555	-	-	555
42	Khalid Mehmood H. No. 320-B, Sector 4, Alnoor Colony, Rawalpindi	Khalid Mehmood 34101-1320935-7	Makhmool Ahmed	548	-	-	548	548	-	-	548
43	Muhammed Nawaz Near Old Cia Staff Office, Muhalla Bagh Wala, Jhang Saddar	Muhammed Nawaz 33202-7447108-1	Mian Allah Ditta	546	-	-	546	546	-	-	546
44	Syed Shah Sultan Mohalla Hospital Havelian	Syed Shah Sultan 13101-0865235-5	Syed Fida Hussain	545	-	-	545	545	-	-	545
45	Lal Bux Village Naseer Khan Korai, Po Hayat Pitafi Talka Mirpur Mathelo	Lal Bux 45104-6716130-0	Habibullah	537	-	-	537	537	-	-	537
46	Muhammed Yousif Village Nau Tharo Wadho District Qamber Shahdadkot	Muhammed Yousif 43204-1154528-3	Arbab Soomro	534	-	-	534	534	-	-	534
47	Javed Mohalla Shaikh Zaid Colony, Larkana	Javed 43203-0696468-3	Khadim Shaikh	531	-	-	531	531	-	-	531
48	Ghulam Nabi Village Juman Shah, Po Mirpur Buriro, Thull	Ghulam Nabi 43105-2733356-9	Ghulam Rasool	528	-	-	528	528	-	-	528
49	Ghulam Sarwar Piyaro Goth, Badah Talka Dokri	Ghulam Sarwar 43201-1243585-9	Qaimudin Khokhar	523	-	-	523	523	-	-	523
50	Ghulam Ali Panhwer Mohalla Bagho Dero Po Talka Kamber Ali Khan	Ghulam Ali Panhwer 43202-3077918-1	Momin Panhwer	521	-	-	521	521	-	-	521
51	Iqbal Hussain Pehlwan, Sultan Pur Hamar, Multan	Iqbal Hussain 36303-0887761-3	Muhammed Pehlwan	508	-	-	508	508	-	-	508
52	Raja Muhammed Muzammil S/O Abdul Rasheed Fateh Garh, Mohalla Rohail Pura, Sialkot	Raja Muhammed Muzammil 34603-2327298-5	Abdul Rasheed	508	-	-	508	508	-	-	508
53	Good Family Construction Llc/ Baku, Narimanov Rayonu, Çəmənzəminli Küç si, Ev 53	Zulfugarova Sevinj Aliyusif Aze 07437682	Zulfugarova Sevinj Aliyusif	8,575	7,017	6,494	22,085	-	-	6,629	6,629
54	Sema Llc/ Bakı Şəhəri, Ak.M.Qasımov Küçəsi, Ev 29, Mənzil 151	Ahmadov Sahin Aze 08251958	Ahmadova Gunel	-	2,835	40	2,875	-	2,835	40	2,875
55	Ibrahimov Ali Arif/ K lb c r h, N.G nc vi Pr, Ev 235, M nzil 05	Ibrahimov Ali Arif Aze № 02294307	Ahmadova Gunel	595	939	-	1,533	595	939	-	1,533
56	Zulfugarov Vidadi Aliyusif/ Neftçala Ray, Bankə Qəsəbəsi, L Rzayev Küçəsi, Ev 10	Zulfugarov Vidadi Aliyusif Aze 06130440	Zulfuqarov Ali Yusif	12,767	7,492	-	20,259	-	5,828	-	5,828

ANNEXURE 'I' AS REFERRED TO IN NOTE 11.7.3 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
57	Mammadov Khaladdin Gani /Bakı Şəh, Nərimanov Rayonu, Mustafa Kamal Atatürk Prospektiev 39 Nömrəli, 68 Nömrəli Mənzil	Mammadov Khaladdin Gani Aze № 03876595	Mammadov Gani	-	15,964	484	16,448	-	15,964	1,305	17,269
58	Zulfugarova Sevinj Aliyusif/ Baku, Narimanov Rayonu, Çəmənzəminli Küçəsi, Ev 53	Zulfugarova Sevinj Aliyusif Aze № 07437682	Zulfuqarov Aliyusif	9,948	7,548	-	17,496	-	6,068	-	6,068
59	Allahverdiyeva Gulafar Shahmurad/ Abşeron Rayonu Masazır Kəndi, S.Ə.Şirvani Küçəsi, Döngə 1, Dalan 1, Ev 3.	Allahverdiyeva Gulafar Shahmurad Aze № 08143334	Allahverdiyev Şahmurad	5,141	2,812	500	8,452	-	1,367	500	1,867
60	Rustamov Zulfugar Rustam O. Baku City, Nasimi District, M M. Qashgay Street, House 63 A, Apartment 23	Rüstəmov Zülfüqar Rüstəm O. Aze № 05031863	Rustamov Rustam O.	-	2,068	1,558	3,625	-	2,068	1,558	3,625
61	Fayzullayev Munasib Abdulkhan O Absheron Ray, Khirdalan City, District 28, House 15, Apartment 50	Feyzullayev Münasib Abdulxan O Aze № 06170280	Fayzullayev Abdulkhan O	6,713	4,549	2,149	13,411	-	-	2,149	2,149
62	Bagirov Ramzi Boyukagha Oglu, Masalli District, Erkivan Settlement	Bağirov Rəmzi Böyükağa Oğlu Aze № 06956471	Bagirov Boyukagha	13,060	8,997	1,014	23,071	-	8,997	1,014	10,011
63	Ashrafov Qardash Khan Humbat; Address Baku City, Nasimi District, 3Rd Alatava House 108	Ashrafov Qardash Khan Humbat Aze 00424999	Ashrafov Humbat	10,314	7,169	2,352	19,836	-	3,779	2,352	6,132
64	Husynov Iabal Cabbar Oglu	Husynov Iabal Cabbar Oglu Aze 02369854	Hussainov Jabbar	4,994	4,237	530	9,760	3,356	4,237	530	8,123
			TOTAL:	**828,954**	**210,338**	**63,025**	**1,102,317**	**109,567**	**52,082**	**194,194**	**355,843**

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

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

ISLAMIC BANKING BUSINESS

The bank is operating with 207 (2023: 188) Islamic banking branches and 251 (2023: 150) Islamic banking windows as at December 31, 2024.

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		28,240,319	10,248,305
Balances with other banks		49,826	43,076
Due from financial institutions	1	30,000,000	-
Investments	2	123,905,109	51,544,718
Islamic financing and related assets - net	3	144,221,215	73,125,189
Property and equipment		125,580	70,902
Right-of-use assets		582,812	640,166
Intangible assets		-	-
Due from head office	4	-	-
Other assets		6,290,354	4,488,184
Total assets		333,415,215	140,160,540
LIABILITIES			
Bills payable		1,397,301	477,959
Due to financial institutions		-	-
Deposits and other accounts	5	309,438,083	113,801,806
Due to head office		2,883,224	12,960,028
Lease liabilities		814,024	811,291
Subordinated debt		-	-
Other liabilities		2,846,597	2,249,195
		317,379,229	130,300,279
NET ASSETS		16,035,986	9,860,261
REPRESENTED BY			
Islamic Banking Fund		8,531,000	6,731,000
Reserves		-	-
Surplus/ (Deficit) on revaluation of assets		2,612,858	(400,216)
Unappropriated / Unremitted profit	7	4,892,128	3,529,477
		16,035,986	9,860,261
CONTINGENCIES AND COMMITMENTS	8		

The profit and loss account of the Bank's Islamic banking branches for the year ended December 31,2024 is as follows:

	Note	2024	2023
		(Rupees in '000)	
Profit / return earned	9	29,980,783	21,584,554
Profit / return expensed	10	19,739,351	13,764,527
Net Profit / return		10,241,432	7,820,027
Other income			
Fee and Commission Income		385,781	317,707
Dividend Income		-	-
Foreign exchange income		98,289	61,765
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		1,194	-
Other Income		549	50
Total other income		485,813	379,522
Total Income		10,727,245	8,199,549
Other expenses			
Operating expenses		4,007,585	3,496,250
Workers welfare fund		-	-
Other charges		806	220
Total other expenses		4,008,391	3,496,470
Profit before credit loss allowance		6,718,854	4,703,079
Credit loss allowance and write offs - net		(386,000)	(1,173,602)
Profit before taxation		6,332,854	3,529,477
Taxation		-	-
Profit after taxation		6,332,854	3,529,477

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

	2024			2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
1 Due from financial institutions						
Call Money Placement	30,000,000	-	30,000,000	-	-	-

	2024				2023			
	Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	(Rupees in '000)							
2 Investments by segments:								
Debt Instruments								
Classified / Measured at amortised cost								
Federal Government securities								
-Ijarah Sukuks	14,057,627	-	-	14,057,627	14,087,500	-	-	14,087,500
Non Government debt securities								
- Sukuk	130,807	(130,807)	-	-	130,807	(130,807)	-	-
	14,188,434	(130,807)	-	14,057,627	14,218,307	(130,807)	-	14,087,500
Classified / Measured at FVOCI								
Federal Government securities								
-Ijarah Sukuks	83,155,034	-	2,334,037	85,489,071	20,513,568	-	(726,606)	19,786,962
Non Government debt securities								
- Sukuk	22,784,066	(550,572)	278,821	22,512,315	17,343,866	-	326,390	17,670,256
	105,939,100	(550,572)	2,612,858	108,001,386	37,857,434	-	(400,216)	37,457,218
Classified / Measured at FVTPL								
Non Government debt securities								
- Sukuk	1,832,366	-	868	1,833,234	-	-	-	-
	1,832,366	-	868	1,833,234	-	-	-	-
Mutual Funds Units	12,536	-	326	12,862	-	-	-	-
Total investments	121,972,436	(681,379)	2,614,052	123,905,109	52,075,741	(130,807)	(400,216)	51,544,718

	2024				2023	
	Stage 1	Stage 2	Stage 3	Total	Provision for diminution	Total
	(Rupees in '000)					
2.1 Particulars of credit loss allowance						
Non Government debt securities	99,880	110,692	470,807	681,379	130,807	130,807

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

3	Islamic financing and related assets	Note	2024	2023
			(Rupees in '000)	
	Ijarah	3.1	**8,436**	13,749
	Murabaha	3.2	**1,050,778**	3,291,932
	Running Musharaka		**104,490,555**	30,500,000
	Diminishing Musharaka		**14,530,164**	19,357,928
	Musawama		**7,443**	-
	Istisna		**-**	705,500
	Wakala tul Istismar		**8,500,000**	8,500,000
	Advance for Murabaha		**378,000**	-
	Advance for Diminishing Musharaka		**1,320,707**	113,086
	Advance for Istisna		**12,797,450**	8,850,972
	Inventories against Istisna		**3,815,624**	3,342,628
	Gross Islamic financing and related assets		**146,899,157**	74,675,795
	Less: Credit loss allowance against Islamic financings			
	Stage 1		**(664,490)**	-
	Stage 2		**(28,044)**	-
	Stage 3		**(1,985,408)**	-
	- Specific		**-**	(913,875)
	- General		**-**	(636,731)
			(2,677,942)	(1,550,606)
	Islamic financing and related assets - net of credit loss allowance		**144,221,215**	73,125,189

3.1 Ijarah

	2024						
	Cost			Depreciation			
	As at Jan 01, 2024	Additions / (deletions)	As at Dec 31, 2024	As at Jan 01, 2024	Charge for the year	As at Dec 31, 2024	Book Value as at December 31, 2024
	(Rupees in '000)						
Plant & machinery	**59,828**	**(4,344)**	**55,484**	**47,449**	**(401)**	**47,048**	**8,436**
Vehicles	**6,000**	**(3,355)**	**2,645**	**4,630**	**1,371** **(3,356)**	**2,645**	**-**
Total	**65,828**	**-** (7,699)	**58,129**	**52,079**	**1,371** **(3,356)**	**49,693**	**8,436**

	2023						
	Cost			Depreciation			
	As at Jan 01, 2023	Additions / (deletions)	As at Dec 31, 2023	As at Jan 01, 2023	Charge for the year	As at Dec 31, 2023	Book Value as at December 31, 2023
	(Rupees in '000)						
Plant & machinery	63,474	- (3,646)	59,828	50,820	- (3,371)	47,449	12,379
Vehicles	168,680	- (162,680)	6,000	143,126	1,065 (139,561)	4,630	1,370
Total	232,154	- (166,326)	65,828	193,946	1,065 (142,932)	52,079	13,749

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

3.1.1 Future Ijarah payments receivable

	2024				2023			
	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
	(Rupees in '000)							
Ijarah rental receivables	475	-	-	475	1,460	-	-	1,460

		Note	2024	2023
			(Rupees in '000)	
3.2	**Murabaha**			
	Murabaha financing	3.2.1	**1,050,778**	3,291,932
	Advances for Murabaha		**378,000**	-
			1,428,778	3,291,932
3.2.1	Murabaha receivable - gross	3.2.2	**1,152,762**	3,409,195
	Less: Deferred murabaha income	3.2.4	**13,366**	31,040
	Less: Profit receivable shown in other assets		**88,618**	86,223
	Murabaha financings		**1,050,778**	3,291,932
3.2.2	The movement in Murabaha financing during the year is as follows:			
	Opening balance		**3,409,195**	1,868,953
	Sales during the year		**4,367,769**	11,165,657
	Adjusted during the year		**6,624,202**	9,625,415
	Closing balance		**1,152,762**	3,409,195
3.2.3	Murabaha sale price		**4,367,769**	11,165,657
	Murabaha purchase price		**4,249,509**	10,750,858
			118,260	414,799
3.2.4	Deferred murabaha income			
	Opening balance		**31,040**	73,359
	Arising during the year		**118,260**	402,591
	Less: Recognised during the year		**135,934**	444,910
	Closing balance		**13,366**	31,040

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

4 **Due from Head Office Rs. Nil (2023: Rs. Nil).**

5 **Deposits**

	2024			2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	**40,619,109**	**215,067**	**40,834,176**	22,342,688	185,921	22,528,609
Savings deposits	**80,198,997**	**-**	**80,198,997**	56,721,533	-	56,721,533
Term deposits	**17,145,145**	**-**	**17,145,145**	16,261,024	-	16,261,024
Others	**4,800,439**	**-**	**4,800,439**	810,992	-	810,992
	142,763,690	**215,067**	**142,978,757**	96,136,237	185,921	96,322,158
Financial institutions						
Current deposits	**136,864,262**	**-**	**136,864,262**	1,879,123	-	1,879,123
Savings deposits	**28,979,564**	**-**	**28,979,564**	15,071,912	-	15,071,912
Term deposits	**615,500**	**-**	**615,500**	528,613	-	528,613
	166,459,326	**-**	**166,459,326**	17,479,648	-	17,479,648
	309,223,016	**215,067**	**309,438,083**	113,615,885	185,921	113,801,806

		2024	2023
		(Rupees in '000)	
5.1	**Composition of deposits**		
	- Individuals	**78,737,881**	54,111,171
	- Government / Public Sector Entities	**41,395,878**	23,779,916
	- Banking Companies	**137,454,684**	2,338,737
	- Non-Banking Financial Institutions	**29,004,641**	15,140,911
	- Private Sector	**22,844,999**	18,431,071
		309,438,083	113,801,806

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 87,194 million (2023: Rs. 55,033 million).

		2024	2023
		(Rupees in '000)	
6	**Charity Fund**		
	Opening Balance	**6,369**	203
	Additions during the period		
	Received from customers on account of delayed payment	**1,302**	9,067
	Profit on charity saving account	**284**	99
		7,955	9,369
	Payments / Utilization during the period		
	Education	**3,500**	1,500
	Health	**3,500**	1,500
		7,000	3,000
	Closing Balance	**955**	6,369

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

		2024	2023
		(Rupees in '000)	
6.1	**Charity paid during the year are as follows**		
	Indus Hospital & Health Network	**2,500**	1,500
	The Citizen Foundation	**1,500**	1,500
	Network of Organizations Working with People with Disabilities, Pakistan (NOWPDP)	**2,000**	-
	Abaseen Institute of Medical Science (AIMS)	**1,000**	-
	Total	**7,000**	3,000
7	**Islamic Banking Business Unappropriated Profit**		
	Opening Balance	**3,529,477**	2,297,141
	Add: Islamic Banking profit for the period	**6,332,854**	3,529,477
	Less: Impact of adoption of IFRS 9	**(1,440,726)**	-
	Less: Transferred / Remitted to Head Office	**(3,529,477)**	(2,297,141)
	Closing Balance	**4,892,128**	3,529,477
8	**Contingencies and commitments**		
	Guarantees	-	-
	Commitments	-	-
	Other contingent liabilities	-	-
		-	-
9	**Profit/Return Earned of Financing, Investments and Placement**		
	Profit earned on:		
	Financing	**16,191,448**	12,351,676
	Investments	**13,780,656**	9,231,359
	Placements	**8,679**	1,519
		29,980,783	21,584,554
10	**Profit on Deposits and Other Dues Expensed**		
	Deposits and other accounts	**12,898,692**	9,901,324
	Due to Financial Institutions	**292**	-
	Amortisation of lease liability against - ROUA	**144,456**	79,419
	Others (General Account)	**6,695,911**	3,783,784
		19,739,351	13,764,527

11 Pool Management

NBP-AIBG has managed following pools for profit and loss distribution.

a) General depositor pool

The General pool consists of all other remunerative deposits. NBP Aitemaad (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

b) Special depositor pools (Total 253 during the period and 33 as at Dec 31, 2024)

Special pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, and after allocation of share of profit to commingled equity, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

c) Equity pool

Equity pools include AIBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

Key features and risk & reward characteristics

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

Avenues / sectors of economy / business where Modaraba based deposits have been deployed.

	2024	2023
	(Percentage)	
Sector		
Textile	**1.56%**	3.34%
Fuel & energy	**11.14%**	24.72%
Leasing/Modarbas	**0.01%**	0.02%
Sugar	**2.48%**	6.12%
Cement	**1.64%**	3.81%
Gas	**0.19%**	0.15%
Financial	**10.67%**	1.57%
Federal Government	**32.52%**	27.29%
Real Estate	**1.08%**	2.45%
Agriculture	**0.46%**	0.24%
Commodity Operations	**34.54%**	23.66%
Others	**3.71%**	6.62%
Total	**100.00%**	100.00%

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS

Parameters for profit allocation and charging expenses

Profit of the pools has been distributed between Mudarib and Rab-ul-Mall by using preagreed profit sharing ratios. The share of Rab-ul-Mall's profit has been distributed among different customers using the various weightages assigned to the different categories of the pool.

No provision against any non performing asset of the pool is passed on to the pool except on the actual loss / write off of such non performing asset. Administrative expense are borne by mudarib and not charged to Mudaraba pool.

Mudarib Share	**31-Dec-24** **Rupees in '000**
Gross Distributable Income	**22,255,543**
Mudarib (Bank) share of profit before Hiba	**4,160,949**
Mudarib Share in percentage	**18.70%**
Hiba from Mudarib Share	
Mudarib (Bank) share of profit before Hiba	**4,160,949**
Hiba from bank's share to depositors	**1,170,675**
Hiba from bank's share to depositors in percentage	**28.13%**

Profit rates

During the year ended Dec 31, 2024 the average profit rate earned by NBP Islamic Banking Group is 17.99 % and the profit distributed to the depositors is 14.30 %.

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Sparking Momentum

Like the glowing center of a dynamic system, every action we take drives progress outward.

At NBP, we channel energy and purpose into creating lasting value, building momentum that fuels growth and transformation.

Consolidated Financial Statements

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Directors' Report to the Shareholders Consolidated Financial Statements

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review together with consolidated financial statement of National Bank of Pakistan "the Bank" and its group companies for the year ended December 31, 2024.

Consolidated after-tax profit for the year ended December 31, 2024, amounted to PKR 26.503 Bn, being 50.3% lower than PKR 53.321 Bn for the same period last year. During the year, the subsidiary companies contributed PKR 0.984 Bn (December 31, 2023: PKR 1.174 Bn) in Group profitability, whereas the associates contributed share of profit of PKR 0.479 Bn (December 31, 2023: PKR 0.245 Bn). A share of profit of PKR 0.605 Bn (December 31, 2023: PKR 1.226 Bn) was however recorded on account of UNBL, a UK based Joint Venture in which NBP had 45% shareholding. During the period, the bank has divested NBP's share of 45% in UNBL to Bestway group. Accordingly, consolidated EPS per share recorded at PKR 12.21 for the year ended December 31, 2024, as compared to EPS of PKR 24.96 for the same period last year.

As of December 31, 2024, consolidated assets of the Group amounted to PKR 6,753.9 Bn being PKR 85.1 Bn or 1.28% higher than PKR 6,668.8 Bn of December 31, 2023.

Profit for the year ended December 31, 2024, after carrying forward of accumulated profit of 2023 is proposed to be appropriated as follows:

	(PKR 'Mn)
After-tax consolidated profit for the year ended December 31, 2024	26,502.7
Unappropriated profit brought forward	225,693.4
Impact due to adoption of IFRS – 9, net of tax	(10,288.5)
Other comprehensive income - net of tax	2,254.2
Non-controlling interest	(517.6)
Transfer from surplus on revaluation of fixed assets – net of tax	162.8
	213,039.4
Profit available for appropriations	239,542.1
Appropriation:	
Transfer to statutory reserve	(2,686.6)
Unappropriated profit carried forward	**241,120.4**

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO

Ali Syed
Director

Karachi
Date: February 28, 2025

ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ
مجموعی مالیاتی گوشوارے

محترم حصص داران

ہم بورڈ آف ڈائریکٹرز کی طرف سے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے نیشنل بینک آف پاکستان اور اس کے ذیلی اداروں کے لیے ڈائریکٹرز کا جائزہ اور آڈٹ شدہ مجموعی مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے ٹیکس کے بعد ہونے والا مجموعی منافع 26.503 بلین روپے رہا جو کہ 31 دسمبر 2023 کو ختم ہونے والے سال کے 53.321 بلین روپے کے منافع سے 50.3% کم ہے۔ اس سال بینک کے ذیلی اداروں نے گروپ کے منافع میں 0.984 بلین روپے (31 دسمبر 2023: 1.174 بلین روپے) کے منافع کا حصہ ڈالا جبکہ شریک اداروں کی جانب سے منافع میں حصہ 0.479 بلین روپے (31 دسمبر 2023: 0.245 بلین روپے) تھا۔ برطانیہ میں واقع مشترکہ ادارے UNBL، جس میں بینک کا 45% حصص تھا، سے 0.605 بلین روپے (31 دسمبر 2023: 1.226 بلین روپے) کے منافع کا حصہ ریکارڈ کیا گیا۔ دورانِ سال، بینک نے NBP کا UNBL میں 45% شیئر "بیسٹ وے گروپ" کو فروخت کر دیا۔ اس طرح 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے مجموعی فی حصص آمدنی (EPS) سال 2023 کے 24.96 روپے کے مقابلے میں 12.21 روپے رہی۔

31 دسمبر 2024 کو بینک کے مجموعی اثاثوں کی مالیت 6,753.9 بلین روپے تھی جو کہ 31 دسمبر 2023 کے بینک کے مجموعی اثاثوں کی مالیت 6,668.8 بلین روپے سے 1.28% یا 85.1 بلین روپے زیادہ ہے۔

31 دسمبر 2024ء کو ختم ہونے والے سال کے لیے گروپ کے بعد از ٹیکس منافع کو 2023 کے جمع شدہ منافع کے ساتھ آگے بڑھانے کے بعد تخصیص کے لیے تجویز مندرجہ ذیل ہے:

	(بلین روپے)
31 دسمبر 2024 کو ختم ہونے والے سال کا بعد از ٹیکس منافع	26,502.7
غیر تصرف شدہ آگے لایا جانے والا منافع	225,693.4
IFRS-9 کے اطلاق کا اثر بعد از ٹیکس	(10,288.5)
دیگر جامع آمدنی۔ بعد از ٹیکس	2,254.2
نان کنٹرولنگ انٹرسٹ	(517.6)
جامد اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر میں منتقلی بعد از ٹیکس	162.8
	213,039.4
تصرف کے لیے دستیاب منافع	239,542.1
تصرف:	
قانونی ذخائر میں منتقلی	(2,686.6)
غیر تصرف شدہ منافع۔ آگے بڑھانے کے لیے:	241,120.4

بورڈ آف ڈائریکٹرز کے لیے اور انکی جانب سے

رحمت علی حسنی
صدر اور سی ای او
کراچی
تاریخ: 28 فروری 2025

علی سید
ڈائریکٹر

A.F. Ferguson & Co.
Chartered Accountants
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Road, Karachi – 74200

INDEPENDENT AUDITORS' REPORT

To the members of National Bank of Pakistan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of National Bank of Pakistan (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key Audit Matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Credit loss allowance against advances** (Refer notes 4.8, 6.3, 12 and 35 to the consolidated financial statements)	
	The Group records credit loss allowance against advances in Pakistan operations in accordance with the requirements of IFRS 9 as applicable in Pakistan and as per the instructions of the State Bank of Pakistan (SBP). Under IFRS 9, the Group assesses on a forward-looking basis the Expected Credit Losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments. A lifetime ECL is recorded on advances in which there have been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on advances which are credit impaired as on the reporting date. A 12 months ECL is recorded for advances which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Group compares the risk of a default occurring on the advances as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12 months ECL are calculated at facility level. The allowance is increased by provisions charged to the consolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries. The Group records charge for Stage 3 exposures based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the State Bank of Pakistan (SBP). This assessment is conducted at the facility level for corporate, commercial, and SME loan portfolios, and at a segment level for the retail portfolio. If one facility of a counterparty becomes 90+ days past due (DPD) or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3. The measurement of ECL involves evaluating a range of possible outcomes, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions.	Our audit procedures to verify credit loss allowance against domestic advances included, amongst others, the following: We obtained and updated our understanding of management's assessment of credit loss allowance in respect of advances including the Group's internal rating model, accounting policy, model methodology including any key changes made during the year. We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Group to identify loss events and for determining the extent of provisioning required against advances. The testing of controls included testing of: • controls over correct classification of advances; • controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria; • controls over accurate computation and recording of provisions; and • controls over the governance and approval process related to provisions, including continuous reassessment by the management. We selected a sample of loan accounts and performed the following substantive procedures: • assessed the reasonableness and accuracy of the data used for ECL computation based on accounting records and information system of the Group as well as the related external sources used for this purpose; • checked repayments of loans / mark-up instalments and tested classification of advances based on the number of days overdue; • tested the staging of loans and advances as per the criteria of SICR and in accordance with IFRS 9; • evaluated the management's assessment for classification of a borrower's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and discussions with the management; • assessed the ECL model used by the management to calculate expected credit loss against advances balances of the Group for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model; • assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and • assessed the relevant disclosures made in the consolidated financial statements to determine whether they comply with the accounting and reporting standards as applicable in Pakistan.

S.No.	Key Audit Matter	How the matter was addressed in our audit
	Credit loss allowance / Provisions pertaining to overseas advances are made in accordance with the requirements of regulatory authorities of the respective countries. The net credit loss allowance made during the year is charged to the consolidated statement of profit and loss account and accumulated credit loss allowance is netted-off against advances. The Group has recognised a net credit loss allowance against advances amounting to Rs. 6,136.298 million in the consolidated statement of profit and loss account in the current year. As at December 31, 2024, the Group holds a credit loss allowance of Rs. 268,075.412 million against advances. The determination of credit loss allowance against advances based on the above criteria remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations and the materiality of advances relative to the overall consolidated financial statements of the Group, we considered this area as a key audit matter.	We issued instructions to auditors of those overseas branches which were selected for audit, highlighting 'Credit loss allowance against financial assets and off-balance items' as a significant risk. The auditors of those branches performed audit procedures to check compliance with regulatory requirements and reported the results thereof to us. We, as auditor's of the Group, evaluated the work performed by the component auditors and the results thereof.
2	**Pension benefits liability** (Refer notes 22, 26.3.3.1, 33.2 and 41.4 to the consolidated financial statements)	
	The Group operates an approved funded pension scheme for its eligible employees. The valuation for pension benefits is carried out annually by the actuary appointed by the management of the Group using the projected unit credit method. A number of the Group's employees had filed writ petitions before the Lahore High Court and Peshawar High Court with respect to their pensionary benefits in prior years. The Supreme Court of Pakistan (SCP) in September 2017 after hearing the arguments of both parties decided the case against the Group. The Group had subsequently filed review petitions against the judgement of the SCP. During the year, the SCP has by its order dated March 27, 2024 dismissed all the civil review petitions filed by the Group, as a result of which the Supreme Court's decision dated September 25, 2017 in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement, the Group has made payments to majority of petitioners as well as non-petitioners. In addition, the SCP has also directed the Group to pay arrears of any government increases in pension to the petitioners.	Our audit procedures to verify pension benefits liability included, amongst others, the following: • Reviewed the Supreme Court's order and checked the Group's compliance with the judgment, including payments made to pensioners on a test basis; • Reviewed minutes of the meeting of the Board of Directors for discussions held with respect to the pension litigation and liability; • Obtained and reviewed the management expert's actuarial report supporting the calculation of pension obligations and evaluated key actuarial assumptions; • Engaged an independent actuarial expert to assess the reasonableness of the pension liability determined by the management's actuary along with the related assumptions; and • Evaluated the adequacy of the disclosures made in the consolidated financial statements to ensure compliance with the accounting and reporting standards as applicable in Pakistan.

S.No.	Key Audit Matter	How the matter was addressed in our audit
	As a result of the above decision, the management has recognised a past service cost of Rs. 57,550 million based on the valuation carried out by the management's actuary in the consolidated financial statements of the Group for the year ended December 31, 2024. The net present value of the Group's obligation against pension scheme as at December 31, 2024, amounted to Rs. 75,639 million. The determination of pension benefits liability as per the order of the SCP required certain estimates and judgments to be made including actuarial assumptions. The calculation of pension benefits remains an area of significant estimate and judgment. Because of the significance of the impact of these judgments / estimations and the materiality of the amount in the overall context of the consolidated financial statements, we considered this as a key audit matter.	

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

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

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

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

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

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

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

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

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

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

A.F. Ferguson & Co.
Chartered Accountants

BDO Ebrahim & Co.
Chartered Accountants

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditor's report are **Shahbaz Akbar** and **Zulfikar Ali Causer** on behalf of A. F. Ferguson & Co., Chartered Accountants and BDO Ebrahim & Co., Chartered Accountants, respectively.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: March 4, 2025
UDIN: AR202410068F8TLzteau

BDO Ebrahim & Co.
Chartered Accountants
Karachi
Dated: March 4, 2025
UDIN: AR202410067OnSX5qGc4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

2024	2023		Note	2024	2023
----------(USD in '000)----------				----------(Rupees in '000)----------	
		ASSETS			
1,130,093	1,060,691	Cash and balances with treasury banks	**8**	**314,787,387**	295,455,482
210,536	154,387	Balances with other banks	**9**	**58,644,846**	43,004,567
107,701	690,829	Lendings to financial institutions	**10**	**30,000,000**	192,430,437
16,567,400	15,846,973	Investments	**11**	**4,614,849,276**	4,414,174,305
5,042,639	5,019,108	Advances	**12**	**1,404,627,126**	1,398,072,669
223,411	206,344	Property and equipment	**13**	**62,231,233**	57,477,067
23,681	26,336	Right-of-use assets	**14**	**6,596,343**	7,335,901
9,251	7,849	Intangible assets	**15**	**2,577,003**	2,186,294
-	-	Deferred tax assets	**21**	**-**	-
932,269	928,872	Other assets	**16**	**259,683,639**	258,737,303
24,246,981	23,941,389	**Total Assets**		**6,753,996,853**	6,668,874,025
		LIABILITIES			
93,556	244,123	Bills payable	**17**	**26,060,123**	68,000,448
6,956,586	7,818,141	Borrowings	**18**	**1,937,756,922**	2,177,743,194
13,876,188	13,186,537	Deposits and other accounts	**19**	**3,865,212,297**	3,673,109,914
30,823	31,919	Lease liabilities	**20**	**8,585,682**	8,891,000
-	-	Subordinated debt		**-**	-
147,174	3,025	Deferred tax liabilities	**21**	**40,995,264**	842,568
1,476,710	1,230,920	Other liabilities	**22**	**411,337,824**	342,872,862
22,581,037	22,514,665	**Total Liabilities**		**6,289,948,112**	6,271,459,986
1,665,944	1,426,724	**NET ASSETS**		**464,048,741**	397,414,039
		REPRESENTED BY			
76,378	76,378	Share capital	**23**	**21,275,131**	21,275,131
294,903	305,435	Reserves	**24**	**82,145,337**	85,078,819
424,014	230,596	Surplus on revaluation of assets - net of tax	**25**	**118,109,044**	64,232,415
865,627	810,244	Unappropriated profit		**241,120,418**	225,693,440
1,660,922	1,422,653	Total equity attributable to the equity holders of the Bank		**462,649,930**	396,279,805
5,022	4,071	Non-controlling interest		**1,398,811**	1,134,234
1,665,944	1,426,724			**464,048,741**	397,414,039
		CONTINGENCIES AND COMMITMENTS	**26**		

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(USD in '000)				(Rupees in '000)	
3,912,730	3,680,254	Mark-up / return / interest earned	27	1,089,890,938	1,025,134,662
3,297,262	3,072,268	Mark-up / return / interest expensed	28	918,452,244	855,780,390
615,468	607,986	Net mark-up / interest income		171,438,694	169,354,272
		NON MARK-UP / INTEREST INCOME			
104,725	86,650	Fee and commission income	29	29,171,163	24,136,296
21,175	18,684	Dividend income		5,898,270	5,204,557
21,228	27,795	Foreign exchange income		5,913,142	7,742,186
-	-	Income / (loss) from derivatives		-	-
101,221	15,872	Gain on securities	30	28,195,070	4,421,246
	-	Net loss on derecognition of financial assets			
(2,378)	-	measured at amortised cost	31	(662,486)	-
2,171	4,402	Share of profit from joint venture - net of tax		604,843	1,226,065
1,718	880	Share of profit from associates - net of tax		478,612	245,202
2,602	6,449	Other income	32	724,806	1,796,449
252,462	160,732	Total non-markup / interest income		70,323,420	44,772,001
867,930	768,718	**Total income**		241,762,114	214,126,273
		NON MARK-UP / INTEREST EXPENSES			
646,536	341,623	Operating expenses	33	180,092,705	95,159,211
-	-	Workers' welfare fund		-	-
165	1,027	Other charges	34	46,026	285,960
646,701	342,650	Total non-markup / interest expenses		180,138,731	95,445,171
221,229	426,068	Profit before credit loss allowance / provisions		61,623,383	118,681,102
16,167	55,222	Credit loss allowance / provisions and write offs - net	35	4,503,223	15,382,139
205,062	370,846	**PROFIT BEFORE TAXATION**		57,120,160	103,298,963
109,917	179,420	Taxation	36	30,617,455	49,977,566
95,145	191,426	**PROFIT AFTER TAXATION**		26,502,705	53,321,397
		Attributable to:			
93,287	190,636	Equity holders of the Bank		25,985,128	53,101,601
1,858	790	Non-controlling interest		517,577	219,796
95,145	191,426			26,502,705	53,321,397
(USD)				(Rupees)	
0.04	0.09	**Basic earnings per share**	37	12.21	24.96
0.04	0.09	**Diluted earnings per share**	38	12.21	24.96

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(USD in '000)				(Rupees in '000)	
95,145	191,426	Profit after taxation for the year		**26,502,705**	53,321,397
		Other comprehensive income			
		Items that may be reclassified to the consolidated statement of profit and loss account in subsequent periods:			
(3,592)	44,538	Effect of translation of net investment in foreign branches		**(1,000,476)**	12,405,926
5,939	-	Transfer of exchange loss translation reserves on closure of foreign branches from OCI to consolidated statement of profit and loss account		**1,654,329**	-
(22,523)	-	Transfer of exchange gain translation reserves on disposal of Joint Venture from OCI to consolidated statement of profit and loss account		**(6,273,909)**	-
154,710	-	Movement in surplus on revaluation of debt investments through FVOCI - net of tax		**43,094,464**	-
(10,605)	-	Gain on sale of debt securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax		**(2,953,934)**	-
-	80,103	Movement in surplus on revaluation of debt & equity investments through AFS - net of tax		**-**	22,312,569
123,929	124,641			**34,520,474**	34,718,495
		Items that will not be reclassified to the consolidated statement of profit and loss account in subsequent periods:			
(1,621)	(2,137)	Remeasurement loss on defined benefit obligations - net of tax	41.7 & 41.8.2	**(451,499)**	(595,239)
62,223	-	Movement in surplus on revaluation of equity investments through FVOCI - net of tax		**17,332,241**	-
2,895	(1,329)	Movement in surplus on revaluation of property and equipment - net of tax	25.1	**806,267**	(370,278)
648	710	Movement in surplus on revaluation of non-banking assets - net of tax	25.2	**180,451**	198,132
64,145	(2,756)			**17,867,460**	(767,385)
283,219	313,311	**Total comprehensive income**		**78,890,639**	87,272,507
281,361	312,521	Equity holders of the Bank		**78,373,062**	87,052,711
1,858	790	Non-controlling interest		**517,577**	219,796
283,219	313,311			**78,890,639**	87,272,507

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	Capital reserves		Revenue reserves	Total	Surplus / (deficit) on revaluation of			Unappro-priated profit	Sub Total	Non-Controll-ing Interest	Total
		Exchange translation reserve	Statutory reserve	General reserve		Invest-ments	Property and equipment / Non banking assets	Total				
	(Rupees in '000)											
Balance as at January 01, 2023	21,275,131	24,900,933	42,066,576	521,338	67,488,847	(5,753,835)	48,027,372	42,273,537	178,189,579	309,227,094	1,073,138	310,300,232
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	-	-	53,101,601	53,101,601	219,796	53,321,397
Other comprehensive income for the year												
Effect of translation of net investment in foreign branches	-	12,405,926	-	-	12,405,926	-	-	-	-	12,405,926	-	12,405,926
Movement in surplus on revaluation of investments - net of tax	-	-	-	-	-	22,312,569	-	22,312,569	-	22,312,569	-	22,312,569
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(595,239)	(595,239)	-	(595,239)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(370,278)	(370,278)	-	(370,278)	-	(370,278)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	198,132	198,132	-	198,132	-	198,132
Total other comprehensive income - net of tax	-	12,405,926	-	-	12,405,926	22,312,569	(172,146)	22,140,423	52,506,362	87,052,711	219,796	87,272,507
Transfer to statutory reserve	-	-	5,184,046	-	5,184,046	-	-	-	(5,184,046)	-	-	-
Transfer from surplus in respect of incremental depreciation on revaluation of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(181,545)	(181,545)	181,545	-	-	-
Transactions with owners, recorded directly in equity												
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	(158,700)	(158,700)
Balance as at December 31, 2023	21,275,131	37,306,859	47,250,622	521,338	85,078,819	16,558,734	47,673,681	64,232,415	225,693,440	396,279,805	1,134,234	397,414,039
Impact of adoption of IFRS 9 - (note 6.1)	-	-	-	-	-	(1,714,431)	-	(1,714,431)	(10,288,506)	(12,002,937)	-	(12,002,937)
Balance as at January 01, 2024 restated	21,275,131	37,306,859	47,250,622	521,338	85,078,819	14,844,303	47,673,681	62,517,984	215,404,934	384,276,868	1,134,234	385,411,102
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	-	25,985,128	25,985,128	517,577	26,502,705
Other comprehensive income for the year												
Effect of translation of net investment in foreign branches	-	(1,000,476)	-	-	(1,000,476)	-	-	-	-	(1,000,476)	-	(1,000,476)
Transfer of exchange loss translation reserves on closure of foreign branches from OCI to consolidated statement of profit and loss account	-	1,654,329	-	-	1,654,329	-	-	-	-	1,654,329	-	1,654,329
Transfer of exchange gain translation reserves on disposal of joint venture from OCI to consolidated statement of profit and loss account	-	(6,273,909)	-	-	(6,273,909)	-	-	-	-	(6,273,909)	-	(6,273,909)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	43,094,464	-	43,094,464	-	43,094,464	-	43,094,464
Gain on sale of securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax	-	-	-	-	-	(2,953,934)	-	(2,953,934)	-	(2,953,934)	-	(2,953,934)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	17,332,241	-	17,332,241	-	17,332,241	-	17,332,241
Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax	-	-	-	-	-	(2,705,679)	-	(2,705,679)	2,705,679	-	-	-
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(451,499)	(451,499)	-	(451,499)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	806,267	806,267	-	806,267	-	806,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	180,451	180,451	-	180,451	-	180,451
Total other comprehensive income - net of tax	-	(5,620,056)	-	-	(5,620,056)	54,767,092	986,718	55,753,810	28,239,308	78,373,062	517,577	78,890,639
Transfer to statutory reserve	-	-	2,686,574	-	2,686,574	-	-	-	(2,686,574)	-	-	-
Transfer from surplus in respect of incremental depreciation on revaluation of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(162,750)	(162,750)	162,750	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	(253,000)	(253,000)
Balance as at December 31, 2024	21,275,131	31,686,803	49,937,196	521,338	82,145,337	69,611,395	48,497,649	118,109,044	241,120,418	462,649,930	1,398,811	464,048,741

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
----------(USD in '000)----------				---------(Rupees in '000)----------	
		CASH FLOW FROM OPERATING ACTIVITIES			
205,062	370,846	Profit before taxation		57,120,160	103,298,963
(21,175)	(18,684)	Less: Dividend income		(5,898,270)	(5,204,557)
183,887	352,162			51,221,890	98,094,406
		Adjustments:			
(615,468)	(607,985)	Net mark-up / interest income		(171,438,694)	(169,354,272)
10,372	9,354	Depreciation	33	2,889,141	2,605,593
7,602	7,773	Depreciation on right-of-use assets	33	2,117,452	2,165,226
1,970	1,166	Amortisation	33	548,798	324,753
16,167	55,222	Credit loss allowance / provisions and write offs - net	35	4,503,223	15,382,139
(18)	(805)	Gain on sale of property and equipment - net	32	(5,022)	(224,324)
5,939	-	Exchange loss on closure of branches		1,654,329	-
(22,523)	-	Exchange gain on closure of Joint Venture		(6,273,909)	-
(5,015)	-	Gain on disposal of joint venture		(1,396,807)	-
4,660	3,283	Amortisation of lease liability against right-of-use assets		1,298,041	914,611
(32,607)	94	Unrealised - measured as FVTPL / held for trading - net	30	(9,082,580)	26,152
(2,171)	(4,402)	Share of profit from joint venture		(604,843)	(1,226,065)
(1,718)	(880)	Share of profit from associates		(478,612)	(245,202)
(1,887)	-	Fair valuation gain		(525,619)	-
294,500	43,077	Charge for defined benefit plans		82,033,112	11,999,040
(340,197)	(494,103)			(94,761,990)	(137,632,349)
(156,310)	(141,941)			(43,540,100)	(39,537,943)
		(Decrease) / increase in operating assets			
690,794	(578,560)	Lendings to financial institutions		192,420,714	(161,157,970)
(40,820)	144,455	Securities classified as FVTPL / held-for-trading securities		(11,370,437)	40,238,071
(341,317)	(693,047)	Advances		(95,073,890)	(193,048,283)
64,885	16,695	Other assets (excluding markup receivable and advance taxation)		18,073,596	4,650,273
373,542	(1,110,457)			104,049,983	(309,317,909)
		Decrease / (increase) in operating liabilities			
(150,567)	45,710	Bills payable		(41,940,325)	12,732,429
(785,200)	805,250	Borrowings from financial institutions		(218,717,378)	224,302,435
689,651	3,618,153	Deposits and other accounts		192,102,383	1,007,836,657
(65,375)	(739)	Other liabilities (excluding markup payable and advance taxation)		(18,210,171)	(205,799)
(311,491)	4,468,374			(86,765,491)	1,244,665,722
4,019,593	3,369,010	Interest received		1,119,657,608	938,437,627
(3,280,126)	(2,819,506)	Interest paid / adjusted		(913,679,106)	(785,373,276)
(99,144)	(198,702)	Income tax paid		(27,616,643)	(55,348,344)
(77,367)	(13,188)	Contribution to staff retirement benefits / benefits paid		(21,550,467)	(3,673,572)
468,697	3,553,590	**Net cash flow generated from operating activities**		130,555,784	989,852,305
		CASH FLOW FROM INVESTING ACTIVITIES			
(580,378)	(3,986,073)	Net investments in securities classified as FVOCI / available-for-sale securities		(161,664,322)	(1,110,320,687)
357,301	660,829	Net divestments in amortised cost securities / held-to-maturity securities		99,526,202	184,073,787
21,175	18,684	Dividends received		5,898,270	5,204,557
29,202	-	Net divestments in joint ventures		8,134,293	-
27,602	-	Net divestments in associates		7,688,441	-
(31,064)	(11,415)	Additions in property and equipment		(8,653,001)	(3,179,760)
11,539	47,173	Effect of translation of net investment in foreign branches		3,214,301	13,140,176
1,453	1,647	Proceeds from sale of property and equipment		404,735	458,886
(163,170)	(3,269,155)	**Net cash flow used in investing activities**		(45,451,081)	(910,623,041)
		CASH FLOW FROM FINANCING ACTIVITIES			
(11,886)	(12,804)	Payment of lease liability against right-of-use assets	20	(3,310,780)	(3,566,480)
(908)	(26)	Dividend paid		(253,000)	(7,142)
(12,794)	(12,830)	**Net cash used in financing activities**		(3,563,780)	(3,573,622)
292,733	271,605	**Increase in cash and cash equivalents**		81,540,923	75,655,642
1,025,658	799,812	Cash and cash equivalents at beginning of the year		285,697,091	222,787,444
50,288	4,529	Effects of exchange rate changes on cash and cash equivalents		14,007,564	1,261,569
1,075,946	804,341			299,704,655	224,049,013
1,368,679	1,075,946	**Cash and cash equivalents at end of the year**	39	381,245,578	299,704,655

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of:

Holding Company

- National Bank of Pakistan (the Bank)

Subsidiary Companies	Percentage Holding 2024 %	2023 %
- CJSC Subsidiary Bank of NBP in Kazakhstan	100.00	100.00
- NBP Exchange Company Limited, Pakistan	100.00	100.00
- National Bank Modaraba Management Company Limited, Pakistan	100.00	100.00
- First National Bank Modaraba, Pakistan	30.00	30.00
- Taurus Securities Limited, Pakistan	58.32	58.32
- NBP Fund Management Limited, Pakistan	54.00	54.00
- Cast-N-Link Products Limited	76.51	76.51

The subsidiary company of the Group, National Bank Modaraba Management Company Limited, Pakistan exercises control over First National Bank Modaraba, Pakistan as its management company and also has a direct economic interest in it. The Group has consolidated the financial statements of the modaraba as the ultimate holding company.

The Group is principally engaged in commercial banking, modaraba management, brokerage, leasing, foreign currency remittances, asset management, exchange transactions and investment advisory asset. Brief profile of the Holding Company and subsidiaries is as follows:

National Bank of Pakistan

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 (the Companies Act, 2017) and is listed on the Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,503 (December 31, 2023: 1,508) branches in Pakistan including 207 (December 31, 2023: 188) Islamic Banking branches and 16 (December 31 2023: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

The Pakistan Sovereign Wealth Fund Act, 2023 was enacted and became effective during 2023. The shareholding of the Federal Government as per the Bank's Register of Shareholders is 7,895,707 shares only. However, under the said Act, the shares of Federal Government has been shown as 1,608,420,866. The Bank has sought clarification from Federal Government in this respect. Moreover, the process for transfer of shares as defined in NBP Bye-laws, 2015 has not yet been initiated. In view of the foregoing, the Bank's Register of Shareholders continues to show the shareholding position before the enactment of the Act pending completion of transfer formalities and clarification of the Federal Government.

CJSC Subsidiary Bank of NBP in Kazakhstan

CJSC Subsidiary Bank of NBP in Kazakhstan (JSCK) is a joint-stock bank, which was incorporated in the Republic of Kazakhstan in 2001. CJSC conducts its business under license number 252 dated December 27, 2007 (initial license was dated December 14, 2001) and is engaged in providing commercial banking services. The registered office of JSCK is located at 105, Dostyk Ave, 050051, Almaty.

NBP Exchange Company Limited, Pakistan

NBP Exchange Company Limited (NBPECL) is a public unlisted company, incorporated in Pakistan on September 24, 2002 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). NBPECL obtained license for commencement of operations from State Bank of Pakistan (SBP) on November 25, 2002 and commencement of business certificate on December 26, 2003 from the Securities and Exchange Commission of Pakistan (SECP). The registered office of NBPECL is situated at Shaheen Complex, M.R. Kiryani Road, Karachi. NBPECL is engaged in foreign currency remittances and exchange transactions. NBPECL has 22 branches (2023: 22 branches) and 1 booth (2023: 1).

National Bank Modaraba Management Company Limited, Pakistan

National Bank Modaraba Management Company Limited (NBMMCL) is an unlisted public limited company, incorporated in Pakistan on August 6, 1992 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The purpose of the NBMMCL is to float modarabas and manage modaraba funds. NBMMCL has floated First National Bank Modaraba and at present is managing it. Its registered office is situated at Ground Floor, National Bank of Pakistan, Regional Headquarters Building, 26-Mc Lagon Road, Lahore.

First National Bank Modarba, Pakistan

First National Bank Modaraba (the Modaraba) is a multi-purpose, perpetual and multi-dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Rules framed thereunder. The Modaraba is managed by National Bank Modaraba Management Company Limited (a wholly owned subsidiary of National Bank of Pakistan), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at Ground Floor, National Bank of Pakistan, Regional Headquarters Building, 26-Mc Lagon Road, Lahore. The Modaraba is listed at Pakistan Stock Exchange Limited. It commenced its operations on December 04, 2003 and is currently engaged in various Islamic modes of financing and operations including ijarah, musharaka and murabaha arrangements.

Taurus Securities Limited, Pakistan

Taurus Securities Limited (TSL) is a public unquoted company, incorporated in Pakistan on June 27, 1993 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of TSL is situated at 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. It is engaged in the business of stock brokerage, investment counselling, and fund placements. TSL holds a Trading Right Entitlement (TRE) Certificate from Pakistan Stock Exchange Limited.

NBP Fund Management Limited, Pakistan

NBP Fund Management Limited, Pakistan - NBP Funds, was incorporated in Pakistan as public limited company on August 24, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and obtained certificate for commencement of business on December 19, 2005. The main sponsors of NBP Funds are National Bank of Pakistan and Baltoro Growth Fund. Baltoro Growth Fund has acquired shareholding of NBP Funds which was previously held by Alexandra Fund Management Private Limited on October 08, 2018. NBP Funds is mainly involved in the business of asset management and investment advisory services. NBP Funds has been issued license by the Securities and Exchange Commission of Pakistan (SECP) to carry out business of asset management services and investment advisory services as a Non-Banking Finance Company (NBFC) under section 282C of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and under the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The principal / registered office of the company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

As at December 31, 2024 NBP Funds is managing the following funds and discretionary portfolio:

	Type of Fund
- NBP Government Securities Liquid Fund	Open end Fund
- NBP Mahana Amdani Fund	Open end Fund
- NBP Financial Sector Income Fund	Open end Fund
- NBP Money Market Fund	Open end Fund
- NBP Government Securities Savings Fund	Open end Fund
- NBP Income Opportunity Fund	Open end Fund
- NBP Islamic Money Market Fund	Open end Fund
- NBP Islamic Daily Dividend Fund	Open end Fund
- NBP Riba Free Savings Fund	Open end Fund
- NBP Islamic Mahana Amdani Fund	Open end Fund
- NBP Savings Fund	Open end Fund
- NBP Islamic Savings Fund	Open end Fund
- NBP Balanced Fund	Open end Fund
- NBP Islamic Sarmaya Izafa Fund	Open end Fund
- NBP Pension Fund	Open end Fund
- NBP Islamic Pension Fund	Open end Fund
- NBP Stock Fund	Open end Fund
- NBP Islamic Stock Fund	Open end Fund
- NBP Sarmaya Izafa Fund	Open end Fund
- NBP Islamic Energy Fund	Open end Fund
- NBP Financial Sector Fund	Open end Fund
- NBP Islamic Income Fund	Open end Fund
- NBP Pakistan Growth Exchange Traded Fund	Open end Fund
- NBP Government Securities Fund - I	Open end Fund
- NBP Income Fund Of Fund	Open end Fund
- NBP Mustahkam Fund	Open end Fund
- NBP Islamic Mustahkam Fund	Open end Fund
- NBP Gokp Pension Fund	Open end Fund
- NBP Gokp Islamic Pension Fund	Open end Fund
- NBP Islamic Government Securities Fund	Open end Fund

1.2 Basis of consolidation

- The consolidated financial statements include the financial statements of the Bank (Holding Company) and its subsidiary companies together - "the Group".

- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.

- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.

- Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of the comprehensive income from the effective date of acquisition.

- Non-Controlling interest / (minority interest) in equity of the subsidiary companies are measured at fair value for all the subsidiaries acquired from period beginning on or after January 1, 2010 whereas minority interest of previously acquired subsidiaries are measured at the proportionate net assets of subsidiary companies attributable to interest which is not owned by holding company.

- Material intra-group balances and transactions have been eliminated.

2 BASIS OF PRESENTATION

2.1 In accordance with the directives of the Federal Government of Pakistan regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade related mode 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 consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

2.2 Key financial figures of the Islamic banking branches of the Bank have been disclosed in annexure II to these consolidated financial statements.

2.3 The US Dollar amounts shown on the statement of financial position, statement of profit and loss account, statement of comprehensive income and cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2024 and 2023 as it was the prevalent rate as on December 31, 2024.

2.4 These consolidated financial statements have been prepared in accordance with the format for preparation of the annual financial statements of banks issued by the State Bank of Pakistan (SBP), vide its BPRD Circular letter No. 13 dated July 01, 2024.

2.5 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directive issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP);

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

2.5.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2022 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008 . The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard- for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.5.3 The SBP has issued BPRD Circular Letter No. 01 of 2025 dated January 22, 2025 in which certain relaxations / clarifications have been provided upon adoption of IFRS 9 which are disclosed in note 6.1 of these unconsolidated financial statements. As allowed by the SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022, IFRS 9 has not been adopted for overseas branches where it is not applicable as per their local regulations for the year ended December 31, 2024.

2.5.4 The SBP, vide its BPRD Circular No. 13 dated July 01, 2024, issued the revised forms for the preparation of the annual financial statements of the Banks / DFIs which are applicable for periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these consolidated financial statements. There is no impact of this change on these consolidated financial statements in terms of recognition and measurement of assets and liabilities except mentioned in note 6.

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

2.6 Standards, interpretations of and amendments to the published accounting and reporting 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, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these consolidated financial statements except for IFRS 9 (Financial Instruments), the impact of which is disclosed under note 6.1.

2.7 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective:

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, 2025 but are considered not to be relevant or will not have any material effect on the Bank's financial statements except for:

- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the financial statements.

- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities and financial assets.

- amendment to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’ which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The management is in the process of assessing the impact of these amendments on the consolidated financial statements of the Bank.

2.8 Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other

factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

a) Credit Allowance against non-performing loans and advances

The Bank regularly reviews its loan portfolio to assess amount of non-performing loans and determine the provisions required there against at each reporting date. In assessing this requirement, various factors including the days past dues, delinquency in the account, financial position and future business / financial plan of the borrower, value of collateral held and requirements of SBP Prudential Regulations are considered. Credit loss allowances are maintained at the higher of ECL under IFRS 9 or the prudential regulation R-8. The Bank also considers the impact of Forced Sale Value (FSV) of collaterals when determining the amount of provisions. However, no benefit of FSV of non-liquid collateral has been taken into account during the year in calculating the provisioning amount.

General provisions for loan losses for overseas branches are made as per the requirements of the respective central banks.

b) Fair value of derivatives

The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest and exchange rates over the term of the contract.

c) Impairment of FVOCI investments

Impairment in respect of unquoted shares is calculated with reference to break-up value. Break-up value is calculated with reference to the net assets of the Investee Company as per the latest available audited financial statements. Provision and ECL for unquoted debt securities is calculated as per SBP's Prudential Regulations and IFRS-9 respectively.

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' and impairment ECL of stage 3 impairment of FVOCI quoted TFCs, PTC, Ijarah Sukuks & Government Bonds is recognized in accordance with the requirements of Prudential Regulations and other directives issued by SBP as per subjective and objective criteria of Prudential Regulations after taking into account of FSV benefit under Prudential Regulations and IFRS-9.

d) Amortised Cost investments

The Group follows the guidance provided in the SBP circulars and IFRS 9 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as Amortised Cost. In making this judgment, the Group evaluates its intention and ability to hold such investments till maturity.

e) Income taxes

In making the estimates for current and deferred taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Group’s view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

f) Property and Equipment, Non-Banking asset and intangible assets, revaluation, depreciation and amortisation

In making estimates of the depreciation / amortization method, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Group. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern.

The Group also revalues its properties on a periodic basis. Such revaluations are carried out by independent valuer and involves estimates / assumptions and various market factors and conditions.

g) Defined benefit plans including pension expense

The liabilities for employees' benefits plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases, future inflation rates and future pension increases as disclosed in note 41. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

h) Provision against contingencies

Provision against contingencies is determined based on the management judgement regarding the probability of future outflows of resources embodying economic benefits to settle an obligation arising from past events.

i) Lease liability against right of use assets

The group applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Moreover, management exercises judgement in establishing the discount rate for new leases, utilizing the incremental borrowing rate as a benchmark.

j) Classification of financial assets and liabilities

The classification of financial asset is determined through solely payment and principal (SPPI) criteria and business model of the group. The group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

'The financial liabilities are being carried at amortised cost except for derivatives which are being measured at FVTPL.

k) Contingent assets and contingent liabilities

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed unless the probability of an outflow of resources embodying economic benefits are remote. The group uses estimates in determining the probability of inflow or outflow of economic benefits.

l) Impairment of non-financial assets

The carrying amount of the assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

m) Determination of control over investees

The Group's management applies its judgement to determine whether the control exists over the investee entities.

3. BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except that:

i) certain property and equipment and non banking assets acquired in satisfaction of claims are stated at revalued amounts;

ii) investments classified at fair value through profit and loss and fair value through other comprehensive income are carried at fair value;

iii) foreign exchange contracts are measured at fair value; and

iv) staff retirement benefits are carried at present value;

4. MATERIAL ACCOUNTING POLICIY INFORMATION

The accounting policy adopted in preparation of these consolidated financial statements are consistent with those of the previous financial year for changes mentioned in note 6.1.3.

4.1 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit and loss account as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit and loss account as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at fair value at the date of the acquisition.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit and loss account.

4.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the subsidiary company.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or entities of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit and loss account. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks, balances with other banks and call money lendings, less call borrowings and overdrawn nostro accounts having original maturity of three months or less.

4.4 Investments

Investments include Federal Government securities, shares, mutual funds, non-Government debt securities, foreign securities, associates and subsidiaries. Classification and measurement of Federal Government securities, shares, mutual funds, non-Government debt securities and foreign securities has been detailed in note 11.

4.5 Repurchase and resale agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of financial position and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective yield method.

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the statement of financial position, as the Bank does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective yield method.

4.6 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the dates on which the derivative contracts are entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative instruments during the year is taken to the profit and loss account.

4.7 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Bank becomes a party to the contractual provisions of the instrument. A financial asset is derecognised where (a) the rights to receive cash flows from the asset have expired; or (b) the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Bank has transferred substantially all the risks and rewards of the asset, or (ii) the Bank has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account.

4.8 Advances

Loans and advances including net investment in finance lease are stated net of credit loss allowance / provision against non-performing loan and advances. Credit loss allowance / provision against loans and advances in Pakistan operations have been made in accordance with the requirements of the Prudential Regulations and IFRS 9 application instructions issued by the SBP. General provisions against loans and advances in Pakistan operations have been maintained against potential high risk advances based on the management's estimates as disclosed in note 12.5. Credit loss allowance / provisions pertaining to overseas loans and advances are made in accordance with the requirements of the regulatory authorities of the respective countries. Advances are written off / charged off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Subsidised loans disbursed under Temporary Economic Refinance Facility (TERF) have been recorded at fair value resulting in recognition of fair value adjustment on initial recognition. Unwinding of income on fair value adjustment is recognised in the consolidated statement of profit and loss account.

4.8.1 Islamic financing and related assets

Under Murabaha financing, funds disbursed for the purchase of goods are recorded as advance against Murabaha finance and the financing is recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

Assets given on Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Ijarah assets are depreciated on a reducing balance basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount.

In Running Musharakah, the Bank and the customer enter into a Musharakah agreement where the Bank agrees to finance the operating activities of the customer's business and share in the profit or loss in proportion to an agreed ratio at an agreed frequency.

Under Diminishing Musharakah financing, the Bank creates joint ownership with the customer over the tangible assets to fulfill capital expenditure / project requirements. The Bank receives periodic payments from the customer against the gradual transfer of its share of ownership to the customer.

In Istisna transactions, the Bank finances the cost of goods manufactured by the customer. Once the goods are manufactured, these are sold by the customer as an agent of the Bank to recover the cost plus the agreed profit.

Under Tijarah, the Bank purchases the finished goods from the customer against payment, takes possession and appoint customer as an agent to sell these goods to ultimate buyer on deferred payment basis. Profit is recognized on accrual basis over the period of transaction.

Wakalah is an agency contract in which Bank provides funds to the customer who invests it in a Shariah compliant manner.

In Musawamah financing, the Bank purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

4.9 Fixed assets and depreciation

4.9.1 Property and equipment

4.9.1.1 Owned assets

Property and equipment, except land and buildings, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amount. Buildings are stated at revalued

amount less accumulated depreciation and impairment, if any. The cost and the accumulated depreciation of property and equipment of foreign branches include exchange differences arising on currency translation at the year-end rates. Depreciation is charged to profit and loss account applying the straight line method except buildings, which are depreciated on diminishing balance method at the rates stated in note 13.2. Depreciation on addition is charged from the month in which the assets are available for use and no depreciation is charged in the month the assets are disposed off.

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

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in profit and loss account.

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at statement of financial position date.

Land and buildings' valuations are carried out by professionally qualified valuers with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair value.

- Any revaluation increase arising on the revaluation of such assets is recognised in the statement of comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss account, in which case the increase is credited to profit and loss account to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such assets is recognised in profit and loss account to the extent that it exceeds the balance, if any, held in "Surplus on Revaluation of Fixed Assets" relating to a previous revaluation of that asset.

- Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account.

- An amount equal to incremental depreciation for the year net of associated deferred tax is transferred from "Surplus on Revaluation of Fixed Assets" to unappropriated profit through statement of changes in equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

- On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to unappropriated profit.

4.9.1.2 Leased assets (as lessee)

Assets subject to finance lease are accounted for by recording the asset and the related liability. These are recorded at lower of fair value and the present value of minimum lease payments at the inception of lease and subsequently stated net of accumulated depreciation. Depreciation is charged on the basis similar to the owned assets. Financial charges are allocated over the period of lease term so as to provide a constant periodic rate of financial charge on the outstanding liability.

4.9.1.3 Ijarah (as lessor)

Assets leased out under 'Ijarah' are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Assets under Ijarah are depreciated over the period of lease term. However, in the event the asset is expected to be available for re-Ijarah, depreciation is charged over the economic life of the asset using straight line basis.

Ijarah income is recognised on a straight line basis over the period of Ijarah contract.

4.9.2 Capital work-in-progress

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

4.9.3 Impairment

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, fixed assets are written down to their recoverable amounts.

The resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount which would have been determined had there been no impairment. Reversal of impairment loss is recognised as income in profit and loss account.

4.10 Lease liability and right-of-use assets

The lease liabilities are initially measured at the present value of lease payments that includes:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees, if any;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are to be discounted using the incremental borrowing rate being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

On initial recognition Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of restoration costs.

The Bank leases various offices / branches for the purpose of its operational activities. Rental contracts are typically made for fixed periods of 3 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

4.11 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The cost and the accumulated amortisation of intangible assets of foreign branches include exchange differences arising on currency translation at the year-end rates. Amortisation is charged to profit and loss account applying the straight-line method at the rates stated in note 13. Amortisation on addition is charged from the month in which the assets are available for use and no amortisation is charged in the month the intangible assets are disposed off. The estimated useful life and amortisation method are reviewed at the end

of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful life are carried at cost less impairment losses, if any.

4.12 Non-banking assets acquired in satisfaction of claims

In accordance with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by SBP vide its BPRD Circular No. 1 of 2016, dated January 1, 2016, the non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to the profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and not capitalized. Depreciation on non-banking assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Bank's owned fixed assets.

4.13 Deposits and their cost

Deposits are recorded at the fair value of proceeds received.

Deposit costs are recognised as an expense in the period in which these are incurred using effective yield method.

4.14 Taxation

4.14.1 Current

Provision of current taxation is based on taxable income for the year determined in accordance with the prevailing laws of taxation on income earned for local as well as foreign operations, as applicable to the respective jurisdictions. The charge for the current tax also includes adjustments wherever considered necessary relating to prior years, arising from assessments framed during the year.

4.14.2 Deferred

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax is not recognised on differences relating to investment in subsidiaries and branches to the extent the deductible temporary difference probably will not reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit or deductible temporary differences will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to gain / loss recognized on surplus on revaluation of assets is charged / credited to such account.

4.15 Employee benefits

4.15.1 Defined benefit plans

The Bank operates an approved funded pension scheme, an un-funded post retirement medical benefits scheme and an un-funded benevolent scheme for its eligible employees. The Bank also operates an un-funded gratuity scheme for its eligible contractual employees. An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Remeasurements of the net defined benefit liability / assets which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income. Past-service costs are recognised immediately in profit and loss account when the plan amendment occurs.

4.15.2 Other employee benefits

Employees' compensated absences

The Group also makes provision in these consolidated financial statements for its liability towards compensated absences. This liability is estimated on the basis of actuarial advice under the Projected Unit Credit Method.

4.15.3 Retirement and other benefit obligations

In respect of CJSC Subsidiary Bank of NBP in Kazakhstan (CJSC)

The CJSC withholds amounts of pension contributions from employee salaries and pays them to state pension fund. The requirements of the Kazakhstan's legislation state pension system provides for the calculation of current payments by the employer as a percentage of current total payments to staff. This expense is charged in the period the related salaries are earned. Upon retirement all retirement benefit payments are made by pension funds selected by employees.

4.16 Revenue recognition and Mark up / Non Mark Up income

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

4.16.1 Advances and investments

Income on loans and advances and debt security investments are recognised on a time proportion basis that takes into account effective yield on the asset. In case of advances and investments, profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis.

Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations issued by SBP.

Where debt securities (excluding held for trading securities / FVTPL) are purchased at a premium or discount, those premiums / discounts are amortised through the statement of profit and loss account over the remaining maturity.

4.16.2 Non mark-up / interest income

The Bank earns fee and commission income from certain non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The recognition of fee and commission income depends on the purpose for which the fees are received. Fee and commission income is recognised when or as an entity satisfies the performance obligation, either over time or at a specific point of time. Unearned fees and commissions are included under Other liabilities.

Commission on letters of credit and guarantees is recognized on time proportion basis.

Dividend income on equity investments and mutual funds is recognised when right to receive is established.

Gains and losses on disposal of investments and fixed assets are dealt with through the profit and loss account in the year in which they arise.

Gain or loss on sale / modification of financial assets is included in the consolidated statement of profit and loss account in the period in which they arise.

4.16.3 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the statement of profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.17 Net investment in finance lease

Leases where the bank transfers substantially all the risk and rewards incidental to ownership of the assets to the lessee are classified as finance leases. Net investment in finance lease is recognised at an amount equal to the aggregate of present value of minimum lease payment including any guaranteed residual value and excluding unearned finance income, write-offs and provision for doubtful lease finances, if any.

4.18 Foreign currencies translation and foreign operation

4.18.1 Foreign currencies translation

The Group's financial statements are presented in Pak Rupees (Rs.) which is the Group's functional and presentation currency.

Foreign currency transactions are converted into Rupees applying the exchange rate at the date of the respective transactions. Monetary assets and liabilities in foreign currencies and assets / liabilities of foreign branches are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at the rates applicable to their respective maturities. All gains or losses on dealing in foreign currencies are taken to the profit and loss account.

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 Rupee terms at the rates of exchange prevailing at the statement of financial position date.

4.18.2 Foreign operation

Statement of Profit and loss account balances of foreign branches are translated at average exchange rate prevailing during the year. Gains and losses on translation are included in the profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

Statement of financial position balances of foreign branches are translated at exchange rate prevailing at statement of financial position date. Gains and losses on translation are included in the profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

4.19 Credit Allowance for off balance sheet obligations

ECL for guarantees, claims and other off balance sheet obligations are made when the bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to

settle the obligation and a reliable estimate of amount can be made. ECL against off balance sheet items created based on ORR or Days past dues of borrows and based on CCF factor on undrawn commitments. Charge to profit and loss account is stated net of expected recoveries.

4.20 Off setting

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

4.21 Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Group in the statement of financial position.

4.22 Dividend and other appropriations

Dividend and other appropriation to reserves, except appropriations which are required by the law, are recognised in the Group's financial statements in the year in which these are approved.

4.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the 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. There were no dilutive potential ordinary shares in issue at December 31, 2024.

4.24 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments.

The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.25 Acceptances

Acceptances comprise undertakings by the Bank to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as on balance sheet financial assets and financial liabilities.

4.26 Segment reporting

A segment is a distinguishable component of the Bank that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, where as a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Bank’s functional and management reporting structure.

Business segments

The Group's primary segment reporting is based on the following business segments:

I. **Retail Banking Group** includes retail lending and deposits, banking services, cards and branchless banking.

II. **Inclusive Development Group** consists of loans to individuals, agriculture, SME, commodity and commercial customers.

III. **Corporate and Investment Banking Group** offers a wide range of financial services to medium and large sized public and private sector entities. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services.

IV. **Treasury** includes fixed income, equity, foreign exchange, credit, funding, own position securities, lendings and borrowings and derivatives for hedging and market making.

V. **International Financial Institution and Remittance Group** includes the results of all international branches, correspondent banking business and global remittances. This represents Group's operations in 12 countries including Pakistan and 18 branches including one branch in export processing zone in Pakistan.

VI. **Aitemaad and Islamic Banking Group** provides shariah compliant services to customers including loans, deposits and other transactions.

VII. **Head Office / Others** includes the head office related activities and other functions which cannot be classified in any of the above segments.

Geographical segments

The Group is managed along the following geographic lines for monitoring and reporting purposes:

I. Pakistan (including branch in Export Processing Zone)

II. Asia Pacific (including South Asia)

III. Europe

IV. United States of America

V. Middle East

5. CLOSURE OF FOREIGN SUBSIDIARIES AND OPERATIONS

In line with SBP Governance Framework 2018, the Board of Directors (BoD) in its 302nd meeting held on January 20 & 21, 2020 had accorded the approval of International Strategy. As per approved Strategy, the BoD allowed closure of all locations in Central Asian Republics. Closure of three (3) locations i.e. Azerbaijan (Baku), Kyrgyzstan (Bishkek) and Kazakhstan (Almaty) got delayed due to challenges faced in the settlement of non-performing loans while others have already been closed.

The tentative timeline for closure of operations at these (3) locations is as under:

S.No	Name of International Locations	Tentative Date of Closure
1)	CJSC Subsidiary Bank of NBP in Almaty, Kazakhstan	31.03.2025
2)	Bishkek Branch, Kyrgyzstan	31.03.2025
3)	Baku Branch, Azerbaijan	31.03.2025

The Board of Directors in its 316th meeting held on January 06 & 11, 2021 had accorded the approval to scale down Bangladesh Operations. Later-on, the Board of Directors in its 349th meeting held on June 19, 2023 approved exit from Bangladesh preferably by exploring the options of merger with an existing group or sale of license / entire business to a new buyer. In this regard, relevant activities have been initiated.

The BoD in its 327th meeting held on January 17, 2022 accorded the approval of exiting from France. After complying to all regulatory requirements, the group has closed down its operations in Paris with effect from December 31, 2024.

Further, in line with NBP BoD directives, the group voluntarily surrendered its New York Branch's banking license with NYSDFS' approval and closed the branch in October 2024.

6. Application of new and revised International Financial Reporting Standards (IFRSs)

6.1 IFRS 9 - 'Financial Instruments'

As per SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on groups with effect from January 01,2024. IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (Letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions to address the matters raised by the groups to ensure compliance by the timelines. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL, accounting methodology for Islamic grouping Institutions and treatment of charity. Accordingly, the group has adopted the treatment as instructed in the aforementioned Letters in these consolidated financial statements. In addition, the SBP in a separate instruction SBPHOK-BPRD-RPD-NBP-821909 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

On application of IFRS 9, certain accounting policies have been revised to comply with the requirements of IFRS 9. The revised accounting policies have been disclosed in their respective policy notes in these consolidated financial statements.

The SBP has directed the groups through its BPRD Circular Letter No.1 dated January 22, 2025 to disclose the impact of IFRS 9 on revenue recognition from Islamic Operations which is as follows:

Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations profit / return earned on Islamic financing and related assets in consolidated statement of profit and loss account for the year ended December 31, 2024 would have been higher by Rs. 135 million and taxation would have been higher by Rs 73 million. Further, an unappropriated profit in consolidated statement of changes in equity would have been higher by Rs 62 million.

Application to the group's financial assets

Debt based financial assets

Debt based financial assets held by the group include: Advances, lending to financial institutions, investment in Federal Government securities, corporate bonds and other private sukuks, cash and balances with treasury groups, balances with other groups, and other financial assets.

a) These are measured at amortised cost if these assets meet both of the following conditions and are not designated as fair value through profit and loss (FVTPL):

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

The group's business model for these financial assets can still be held to collect (HTC) even when sales of these financial assets occur. However, if more than an infrequent number of sales of significant value are made, the group assesses whether and how the sales are consistent with the HTC objective.

b) Debt based financial assets are measured at fair value through other comprehensive income (FVOCI) only if these meet both of the following conditions and are not designated as FVTPL:

- the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

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

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

The group performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics.

	2024			
	Provision as per current regulatory framework	Remeasurement (ECL)	Reclassification	ECLs under IFRS 9
	(Rupees in '000)			
Impairment allowance against:				
Cash and Balances with Treasury banks	-	18,713	-	18,713
Balance with Other banks	117,033	36	-	117,069
Lendings to financial institutions	174,150	9,723	-	183,873
Advances	233,832,651	31,715,097	-	265,547,748
Investments	20,050,374	7,038,193	(12,665,194)	14,423,373
Markup Receivable	-	1,125,218	-	1,125,218
Off-balance sheet obligations	627,494	4,049,283	-	4,676,777
Total	254,801,702	43,956,263	(12,665,194)	286,092,771

Adoption impacts

The group has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 12,003 million has been recorded as an adjustment to equity at the beginning of the current accounting period.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with previous local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024 :

	Balances as at December 31, 2023 (Audited)	Impact due to: Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS 9	Classifications due to business model and SPPI assessments	Remeasure-ments	Reversal of provisions held	Total impact - gross of tax	Taxation (current and deferred)	Total Impact - net of tax	Balances as at January 01, 2024	IFRS 9 Category
	(Rupees in '000)										
ASSETS											
Cash and balances with treasury banks	295,455,482	(18,713)	-	-	-	-	(18,713)	-	(18,713)	295,436,769	Amortised cost
Balances with other banks	43,004,568	(36)	-	-	-	-	(36)	-	(36)	43,004,532	Amortised cost
Lendings to financial institutions	192,430,437	(9,723)	-	-	-	-	(9,723)	-	(9,723)	192,420,714	Amortised cost
Investments											
- Classified as available for sale	4,081,366,637	-	(4,081,366,637)	-	-	-	(4,081,366,637)	-	(4,081,366,637)	-	
- Classified as fair value through other comprehensive income	-	(7,038,193)	4,081,366,637	(135,639,804)	(1,082,064)	12,665,190	3,950,271,766	-	3,950,271,766	3,950,271,766	FVOCI
- Classified as held to maturity	272,951,142	-	(272,951,142)	-	-	-	(272,951,142)	-	(272,951,142)	-	
- Classified as amortised cost		-	272,951,142	105,989,524	-	-	378,940,666	-	378,940,666	378,940,666	Amortised cost
- Classified as held for trading	46,766,365	-	(46,766,365)	-	-	-	(46,766,365)	-	(46,766,365)	-	
- Classified as fair value through profit or loss		-	46,766,365	29,650,280	-	-	76,416,645	-	76,416,645	76,416,645	FVPL
- Associates	830,620	-	-	-	-	-	-	-	-	830,620	Outside the scope of IFRS 9
Joint venture	12,259,541	-	-	-	-	-	-	-	-	12,259,541	Outside the scope of IFRS 9
- Subsidiary	-	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
	4,414,174,305	(7,038,193)	-	-	(1,082,064)	12,665,190	4,544,933	-	4,544,933	4,418,719,238	
Advances											
- Classified as amortised cost	1,631,905,320	-	-	-	(40,426,410)	-	(40,426,410)	-	(40,426,410)	1,591,478,910	Amortised cost
- Classified as fair value through profit or loss		-	-	-	-	-	-	-	-	-	
- Provisions	(233,832,651)	(31,715,097)	-	-	-	-	(31,715,097)	-	(31,715,097)	(265,547,748)	
	1,398,072,669	(31,715,097)	-	-	(40,426,410)	-	(72,141,507)	-	(72,141,507)	1,325,931,162	
		-		-	-	-	-	-	-	-	
Property and equipment	57,477,067	-	-	-	-	-	-	-	-	57,477,067	Amortised cost
Right-of-use assets	7,335,901	-	-	-	-	-	-	-	-	7,335,901	Outside the scope of IFRS 9
Intangible assets	2,186,294	-	-	-	-	-	-	-	-	2,186,294	Outside the scope of IFRS 9
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
Other assets - financial assets	229,061,851	(1,125,218)	-	-	34,752,344	-	33,627,126	-	33,627,126	262,688,977	Amortised cost & Other than FA & FL
Other assets - non financial assets	29,675,452	-		-	-	-	-	-	-	29,675,452	Amortised cost & Other than FA & FL
	325,736,564	(1,125,218)	-	-	34,752,344	-	33,627,126	-	33,627,126	359,363,690	
	6,668,874,025	(39,906,980)	-	-	(6,756,130)	12,665,190	(33,997,920)	-	(33,997,920)	6,634,876,105	
LIABILITIES											
Bills payable	68,000,448	-	-	-	-	-	-	-	-	68,000,448	Amortised cost
Borrowings	2,177,743,194	-	-	-	(6,149,386)	-	(6,149,386)	-	(6,149,386)	2,171,593,808	Amortised cost
Deposits and other accounts	3,673,109,914	-	-	-	-	-	-	-	-	3,673,109,914	Amortised cost
Lease liability against right-of-use assets	208,268	-	-	-	-	-	-	-	-	208,268	
Sub-ordinated sukuks	-	-	-	-	-	-	-	-	-	-	Amortised cost
Lease liabilities against right of use assets	8,682,732	-	-	-	-	-	-	-	-	8,682,732	Amortised cost
Deferred tax liabilities	842,568	(21,538,570)	1,410,784	232,904	-	-	(19,894,882)	-	(19,894,882)	(19,052,314)	Outside the scope of IFRS 9
Other liabilities - non financial liabilities	340,034,098	-	-	-	-	-	-	-	-	340,034,098	FVPL, Amortised cost & Other than FA & FL
Other liabilities - financial liabilities	2,838,764	4,049,283	-	-	-	-	4,049,283	-	4,049,283	6,888,047	FVPL, Amortised cost & Other than FA & FL
	6,271,459,986	(17,489,286)	1,410,784	232,904	(6,149,386)	-	(21,994,984)	-	(21,994,984)	6,249,465,002	
NET ASSETS	397,414,039	(22,417,694)	(1,410,784)	(232,904)	(606,744)	12,665,190	(12,002,936)	-	(12,002,936)	385,411,103	
REPRESENTED BY											
Share capital	21,275,131	-	-	-	-	-	-	-	-	21,275,131	Outside the scope of IFRS 9
Reserves	85,078,819	-	-	-	-	-	-	-	-	85,078,819	Outside the scope of IFRS 9
Surplus on revaluation of assets - net of tax	64,232,415	-	(1,714,431)	-	-	-	(1,714,431)	-	(1,714,431)	62,517,984	Outside the scope of IFRS 9
Unappropriated profit	225,693,441	(22,417,695)	11,886,775	242,414	-	-	(10,288,506)	-	(10,288,506)	215,404,935	Outside the scope of IFRS 9
	396,279,805	(22,417,695)	10,172,344	242,414	-	-	(12,002,937)	-	(12,002,937)	384,276,869	
Non-controlling interest	1,134,234									1,134,234	
	397,414,039									385,411,103	

6.2 Classification

Financial assets

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

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

Financial liabilities

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

6.2.1 Business model:

The group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the group’s assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash

ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets

iii) Other business models: Resulting in classification of financial assets as FVTPL

6.2.2 Assessments whether contractual cash flows are solely payments of principal and interest / profit (SPPI)

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

6.2.3 Application to the group's financial assets

Debt based financial assets

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

a) These are measured at amortised cost if they meet both of the following conditions and are not designated as FVTPL:

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

The group's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sales of significant value are made, the group assesses whether and how the sales are consistent with the HTC objective.

b) Debt based financial assets are measured at FVOCI only if these meet both of the following conditions and are not designated as FVTPL:

- the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

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

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

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual share in the issuer's net assets.

The group measures all equity investments at fair value through profit or loss, except where the group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than for trading. When this election is used, fair value gains and

losses are recognised in OCI and are not subsequently reclassified to the profit and loss account, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the profit and loss account as income when the group's right to receive payments is established.

IFRS 9 has removed the requirement for impairment assessments on equity investments. However, under BPRD Circular Letter No. 16 of 2024, dated July 29, 2024, groups may continue to measure unquoted equity securities at the lower of cost or break-up value until December 31, 2024. Starting January 1, 2025, groups will be required to measure unquoted equity securities at fair value, as mandated by the IFRS 9 application guidelines. For unquoted securities where the break-up value is lower than the cost, the difference has been classified as a loss and charged to the profit and loss account.

Gains and losses on equity instruments at FVTPL are included in the 'Gain on sales of securities' line in the profit and loss account.

6.2.4 Initial recognition and subsequent measurement

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

a) Amortised cost (AC)

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

b) Fair value through other comprehensive income (FVOCI)

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

c) Fair value through profit or loss (FVTPL)

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

6.2.5 Derecognition

Financial assets

The group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:

  substantially all of the risks and rewards of ownership of the financial asset are transferred; or

  the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Financial liabilities

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

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

6.2.6 Modification

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

6.3 Expected Credit Loss (ECL)

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

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the group considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the group applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the group groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When financial instruments are first recognised, the group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the group records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.

Stage 3: For financial instruments considered credit-impaired, the group recognises the LTECLs for these instruments. The group uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.

Undrawn financing commitments When estimating LTECLs for undrawn financings commitments, the group estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financings is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financings and an undrawn commitment, ECLs are calculated on un-drawn portion of the facility and presented within other liabilities.

Guarantee and letters of credit contracts

The group estimates ECLs based on the BASEL driven and internally developed credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the group's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the group has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

EAD

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest / profit from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the group has a legal right to call it earlier. The group's product offering includes a variety of corporate and retail facilities, in which the group has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the group expectations of the customer behaviour, its likelihood of default and the group future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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

To mitigate its credit risks on financial assets, the group seeks to use collateral, where possible. The group considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery

When estimating the ECLs, the group considers three scenarios (a base case, a best case, a worst case). Each of these is associated with different PDs.

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

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

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

Forward looking information

In its ECL models, the group relies on range of the following forward looking information as economic inputs, such as:

- GDP Growth
- Consumer Price Index
- Unemployment rate

Definition of default

The concept of " impairment " or "default" is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD.

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

This implies that if one facility of a counterparty becomes 90+ DPD in repaying its contractual dues or as defined in PRs; all other facilities would deem to be classified as stage 3.

Write-offs

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

6.4 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable.They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

7. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the group are consistent with those as disclosed in the consolidated financial statements for the year ended December 31, 2024.

8 CASH AND BALANCES WITH TREASURY BANKS	Note	2024	2023
		(Rupees in '000)	
In hand			
Local currency		**65,096,769**	62,622,218
Foreign currencies		**5,885,440**	9,747,256
		70,982,209	72,369,474
With State Bank of Pakistan in			
Local currency current accounts	8.1	**147,471,517**	125,905,643
Foreign currency current accounts	8.2	**22,097,814**	21,661,443
Foreign currency deposit accounts	8.2	**44,108,393**	43,265,618
Foreign currency collection accounts		**212,443**	1,498,122
		213,890,167	192,330,826
With other central banks in			
Foreign currency current accounts	8.3	**24,445,656**	25,964,016
Foreign currency deposit accounts	8.3	**4,583,665**	4,163,614
		29,029,321	30,127,630
Prize bonds		**904,765**	627,552
		314,806,462	295,455,482
Less: Credit loss allowance held against cash and balances with treasury banks		**(19,075)**	-
Cash and balances with treasury banks - net of credit loss allowance		**314,787,387**	295,455,482

8.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

8.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

8.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries and carry interest at the rate of 0 % to 4.50 % per annum (December 31, 2023: 0% to 5.5% per annum).

9 BALANCES WITH OTHER BANKS	Note	2024	2023
		(Rupees in '000)	
In Pakistan			
In current account		**726,739**	298,108
In deposit accounts	9.1	**1,097,736**	388,221
		1,824,475	686,329
Outside Pakistan			
In current accounts		**48,862,467**	33,517,051
In deposit accounts	9.2	**7,957,922**	8,801,187
		56,820,389	42,318,238
		58,644,864	43,004,567
Less: Credit loss allowance held against balances with other banks		**(18)**	-
Balances with other banks - net of credit loss allowance		**58,644,846**	43,004,567

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9.1 These include various deposits maintained with banks and carry interest at the rates ranging from 9.00 % to 19.6 % per annum (December 31, 2023: 6.00% to 12.70% per annum).

9.2 These include various deposits with correspondent banks outside Pakistan and carry interest at the rates ranging from 1.00 % to 5.44% per annum (December 31, 2023 :1.50% to 7.10% per annum).

	Note	2024	2023
		(Rupees in '000)	
10 LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	10.1	-	9,723
Reverse repurchase agreements	10.2 & 10.5	-	192,420,714
Musharka lending	10.3	**30,000,000**	-
- with State Bank of Pakistan		-	-
- with other financial institutions		-	-
Letter of placement	10.4	**172,150**	174,150
		30,172,150	192,604,587
Less: Credit loss allowance held against lending to financial institutions	10.7	**(172,150)**	(174,150)
Lending to financial institutions - net of credit loss allowance		**30,000,000**	192,430,437

10.1 These also include zero rate lending to a financial institution amounting to Rs Nil (December 31, 2023: Rs. 9.7 million) which is guaranteed by the SBP.

10.2 These carry mark-up at Nil rates per annum (December 31, 2023: 21.00% to 22.95% per annum) with Nil maturities (December 31, 2023: upto February 7, 2024).

10.3 These carry mark-up at the rates ranging from 12.0% to 12.75% per annum with maturities on January 2, 2025.

10.4 These are overdue placements and full provision has been made against these placements as at December 31, 2024.

	2024	2023
	(Rupees in '000)	
10.5 Particulars of lending		
In local currency	**30,172,150**	192,604,587
	30,172,150	192,604,587

10.6 Securities held as collateral against lending to financial institutions

	2024			2023		
	Held by bank	**Further given as collateral**	**Total**	Held by bank	Further given as collateral	Total
	(Rupees in '000)					
Market Treasury Bills	-	-	-	9,485,867	-	9,485,867
Pakistan Investment Bonds	-	-	-	182,934,847	-	182,934,847
Total	-	-	-	192,420,714	-	192,420,714

10.6.1 Market value of the securities under repurchase agreement lendings amounts to Rs. Nil (2023: Rs. 192,518 million).

10.7 Lending to financial institutions - Particulars of credit loss allowance

		2024		2023	
		Lending	**Credit loss allowance held**	Lending	Credit loss allowance held
		(Rupees in '000)			
Domestic					
Performing	Stage 1	**-**	**-**	-	-
Under performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**172,150**	**172,150**	174,150	174,150
		172,150	**172,150**	174,150	174,150
Total		**172,150**	**172,150**	174,150	174,150
Overseas					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		**172,150**	**172,150**	174,150	174,150

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	(Rupees in '000)			
Balance at the start of the year	**-**	**-**	**174,150**	**174,150**
Impact of adoption of IFRS - 9	**-**	**-**	**9,723**	**9,723**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Net remeasurement of credit loss allowance	**-**	**-**	**183,873**	**183,873**
Financial assets that have been derecognised	**-**	**-**	**(11,723)**	**(11,723)**
Balance at the end of the year	**-**	**-**	**172,150**	**172,150**

	2023			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Balance at the start of the year	-	-	174,150	174,150
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of loss allowance	-	-	174,150	174,150
Financial assets that have been derecognised	-	-	-	-
Balance at the end of the year	-	-	174,150	174,150

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11 INVESTMENTS

11.1 Investments by types

	Note	2024			
		Fair value / amortised cost	Credit loss allowance/ Provision for diminution	Surplus / (deficit)	Carrying value
		(Rupees in '000)			
Debt Instruments					
Classified / measured at amortised cost					
Federal Government securities					
-Market treasury bills		59,594	-	-	59,594
-Pakistan investment bonds	11.5.1	222,656,096	-	-	222,656,096
-Ijarah sukuk	11.5.1	14,373,995	-	-	14,373,995
-Foreign currency debt securities	11.5.1	7,104,331	(817,022)	-	6,287,309
Non Government debt securities					
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds		383,471	(383,471)	-	-
Foreign securities					
-Government debt securities		37,707,456	-	-	37,707,456
-Non-Government debt securities		1,077	-	-	1,077
		282,286,020	(1,200,493)	-	281,085,527
Classified / measured at FVOCI					
Federal Government securities					
-Market treasury bills		1,152,657,391	-	17,688,599	1,170,345,990
-Pakistan investment bonds		2,739,200,656	-	33,084,223	2,772,284,879
-GOP ijarah sukuks		31,090,981	-	587,221	31,678,202
-GOP ijarah sukuks-Traded		29,772,129	-	1,127,871	30,900,000
-GOP ijarah sukuks-Discounted		32,874,030	-	951,840	33,825,870
-Foreign currency debt securities		29,229,000	(6,119,189)	(3,541,998)	19,567,813
Non Government debt securities					
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds		39,157,588	(6,984,089)	278,820	32,452,319
Foreign securities					
-Government debt securities		3,100,284	-	143,329	3,243,613
-Equity securities-Listed	11.6	463,294	-	52,106,188	52,569,482
		4,057,545,353	(13,103,278)	102,426,093	4,146,868,168
Classified / measured at FVTPL					
Federal Government securities					
-Market treasury bills		35,690,468	-	72,668	35,763,136
-Pakistan investment bonds		20,906,802	-	63,890	20,970,692
		56,597,270	-	136,558	56,733,828
Instruments mandatorily classified / measured at FVTPL					
Mutual fund units		5,503,950	-	3,244,908	8,748,858
Preference shares					
-Listed		1,043,797	-	(51,086)	992,711
-Unlisted		558,284	(558,284)	-	-
Foreign Securities					
-Foreign Government debt securities		2,559,098	-	-	2,559,098
Non Government debt securities					
-Term finance certificates, participation term certificates, bond, debentures and sukuk bonds		9,911,968	-	13,900	9,925,868
		19,577,097	(558,284)	3,207,722	22,226,535

		2024			
		Fair value / amortised cost	Credit loss allowance/ Provision for diminution	Surplus / (deficit)	Carrying value
Equity instruments	**Note**	(Rupees in '000)			
Classified / measured at FVTPL					
Shares					
- Listed companies		**11,612,714**	**-**	**5,738,300**	**17,351,014**
- Unlisted companies		**-**	**-**	**-**	**-**
		11,612,714	**-**	**5,738,300**	**17,351,014**
Classified / measured at FVOCI (non-reclassifiable)					
Shares					
- Listed compaies	**11.11 & 11.12**	**44,928,949**	**-**	**42,792,188**	**87,721,137**
- Unlisted companies		**2,107,198**	**(573,855)**	**-**	**1,533,343**
		47,036,147	**(573,855)**	**42,792,188**	**89,254,480**
Associates	**11.8**	**1,832,737**	**(503,013)**	**-**	**1,329,724**
Subsidiaries		**1,245**	**(1,245)**	**-**	**-**
Total investments		**4,476,488,583**	**(15,940,168)**	**154,300,861**	**4,614,849,276**

	2023			
Investments by types	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Held to maturity securities				
Federal Government securities				
-Market Treasury Bills	161,108	-	-	161,108
-Pakistan investment bonds	213,116,482	-	-	213,116,482
-Ijarah sukuk bonds	14,087,500	-	-	14,087,500
-Foreign Currency Debt securities	4,288,988	-	-	4,288,988
Non Government debt securities				
-Term finance certificates, 'participation	404,585	(404,585)	-	-
Foreign securities				
-Foreign goverment debt securities	41,295,981	-	-	41,295,981
-Non-Government debt securities	1,083	-	-	1,083
	273,355,727	(404,585)	-	272,951,142

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Investments by types	2023			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)			
Available for sale securities				
Federal Government securities				
-Market treasury bills	954,585,693	-	2,228,157	956,813,850
-Pakistan investment bonds	2,926,410,213	-	(25,322,781)	2,901,087,432
-GOP Ijarah sukuks	30,424,484	-	(330,520)	30,093,964
-Foreign currency debt securities	40,907,401	-	(10,174,093)	30,733,308
Ordinary Shares				
-Listed Companies	51,696,434	(11,638,688)	22,294,743	62,352,489
-Unlisted Companies	2,107,198	(448,951)	-	1,658,247
Non Government debt securities				
-Term finance certificates, 'participation	53,152,317	(5,857,566)	355,100	47,649,851
Foreign securities				
-Equity securities-Listed	463,294	-	42,171,551	42,634,845
-Foreign goverment debt securities	3,385,022	-	8,528	3,393,550
Preference shares				
-Listed Companies	1,448,472	(566,446)	161,771	1,043,797
-Unlisted Companies	558,284	(558,284)	-	-
Mutual fund units	2,219,646	(41,167)	1,726,825	3,905,304
	4,067,358,458	(19,111,102)	33,119,281	4,081,366,637
Held for trading securities				
Federal Government securities				
- Market treasury bills	23,341,720	-	7,673	23,349,393
- Pakistan investment bonds	14,665,019	-	(37,878)	14,627,141
- GOP ijarah sukuk bonds	5,038,531	-	(3,521)	5,035,010
Mutual fund units	972,916	-	6,914	979,830
Foreign securities				
-Foreign goverment debt securities	2,696,887	-	-	2,696,887
Ordinary shares				
- Listed companies	79,317	-	(1,213)	78,104
	46,794,390	-	(28,025)	46,766,365
- **Associates**	1,364,062	(533,442)	-	830,620
- **Joint Venture**	12,259,541	-	-	12,259,541
- **Subsidiaries**	1,245	(1,245)		-
Total investments	4,401,133,423	(20,050,374)	33,091,256	4,414,174,305

11.1.1 Associates

	Number of shares	Percentage of holding	Country of incorporation	Based on the financial statements as at	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
					(Rupees in '000)				
Listed									
First Credit and Investment Bank Limited	20,000,000	30.77%	Pakistan	September 30,2024 (Un-audited)	3,876,986	3,049,849	193,194	11,273	40,553
National Fibres Limited	17,030,231	20.19%	Pakistan	N/A	-	-	-	-	-
Liven Pharma Limited (Formerly Land Mark Spinning Mills Limited)	3,970,859	32.79%	Pakistan	September 30,2024 (Un-audited)	961,561	38,922	88,910	147,588	147,588
SG Allied Businesses Limited	3,754,900	25.03%	Pakistan	September 30,2024 (Un-audited)	1,526,862	326,234	20,784	2,744	2,744
Nina Industries Limited	4,906,000	20.27%	Pakistan	N/A	-	-	-	-	-
NBP Stock Fund	31,347,444	3.02%	Pakistan	September 30,2024 (Un-audited)	20,295,382	368,396	1,047,047	820,717	820,717
Unlisted									
Pakistan Emerging Venture Limited	12,500,000	33.3%	Pakistan	June 30,2022 (Audited)	478	404	56	(385)	(385)
National Fructose Company Limited	1,300,000	39.5%	Pakistan	N/A	-	-	-	-	-
Venture Capital Fund Management	33,333	33.3%	Pakistan	N/A	-	-	-	-	-
Kamal Enterprises Limited	11,000	20.4%	Pakistan	N/A	-	-	-	-	-
Mehran Industries Limited	37,500	32.1%	Pakistan	N/A	-	-	-	-	-
Tharparkar Sugar Mills Limited	2,500,000	21.5%	Pakistan	N/A	-	-	-	-	-
Youth Investment Promotion Society	644,508	25.0%	Pakistan	N/A	-	-	-	-	-
Dadabhoy Energy Supply Company Limited	9,900,000	23.1%	Pakistan	N/A	-	-	-	-	-
K-Agricole Limited	5,000	20.0%	Pakistan	N/A	-	-	-	-	-
New Pak Limited	200,000	20.0%	Pakistan	N/A	-	-	-	-	-
Pakistan Mercantile Exchange Limited	10,653,860	34.0%	Pakistan	June 30,2024 (Audited)	6,596,805	5,999,049	866,373	291,880	291,880
Prudential Fund Management Limited	150,000	20.0%	Pakistan	N/A	-	-	-	-	-

11.1.2 Subsidiaries

Cast-N-Link Products Limited	1,245,000	77%	Pakistan	N/A

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11.2 Investments by segments

	Note	2024				2023			
		Cost/ amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost /amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		(Rupees in '000)							
Federal Government securities:									
Market Treasury Bills		1,188,407,188	-	17,761,267	1,206,168,455	978,088,521	-	2,235,830	980,324,351
Pakistan Investment Bonds		2,982,763,554	-	33,148,113	3,015,911,667	3,154,191,714	-	(25,360,659)	3,128,831,055
Ijarah Sukuks		108,111,135	-	2,666,932	110,778,067	49,550,515	-	(334,041)	49,216,474
Foreign currency debt securities		36,333,331	(6,936,211)	(3,541,998)	25,855,122	45,196,389	-	(10,174,093)	35,022,296
		4,315,615,208	(6,936,211)	50,034,314	4,358,713,311	4,227,027,139	-	(33,632,963)	4,193,394,176
Shares									
- Listed companies	11.11 & 11.12	56,541,663	-	48,530,488	105,072,151	51,775,751	(11,638,687)	22,293,530	62,430,594
- Unlisted companies		2,107,463	(573,855)	-	1,533,608	2,107,198	(448,951)	-	1,658,247
		58,649,126	(573,855)	48,530,488	106,605,759	53,882,949	(12,087,638)	22,293,530	64,088,841
Non Government debt securities									
- Listed		18,117,959	(166,109)	159,327	18,111,177	14,277,946	(130,027)	(357,143)	13,790,776
- Unlisted		31,335,069	(7,201,452)	133,393	24,267,010	39,278,956	(6,132,124)	712,243	33,859,075
		49,453,028	(7,367,561)	292,720	42,378,187	53,556,902	(6,262,151)	355,100	47,649,851
Foreign securities									
Government securities		43,366,838	-	143,329	43,510,167	47,377,890	-	8,528	47,386,418
Non Government debt securities		1,077	-	-	1,077	1,083	-	-	1,083
Equity securities	11.6	463,294	-	52,106,188	52,569,482	463,294	-	42,171,551	42,634,845
		43,831,209	-	52,249,517	96,080,726	47,842,267	-	42,180,079	90,022,346
Preference shares									
- Listed		1,043,797	-	(51,086)	992,711	1,448,472	(566,446)	161,771	1,043,797
- Unlisted		558,284	(558,284)	-	-	558,284	(558,284)	-	-
		1,602,081	(558,284)	(51,086)	992,711	2,006,756	(1,124,731)	161,771	1,043,797
Mutual funds units		5,503,950	-	3,244,908	8,748,858	3,192,562	(41,167)	1,733,739	4,885,134
Associates	11.8								
- Listed									
First Credit and Investment Bank Limited		215,724	-	-	215,724	208,916	(30,428)	-	178,487
Land Mark Spinning Mills Limited		39,710	(39,710)	-	-	39,710	(39,710)	-	-
S.G. Allied Business Limited		218,535	(218,535)	-	-	218,535	(218,535)	-	-
Nina Industries Limited		49,060	(49,060)	-	-	49,060	(49,060)	-	-
NBP Stock Fund		1,114,000	-	-	1,114,000	652,132	-	-	652,132
	11.7	1,637,029	(307,305)	-	1,329,724	1,168,353	(337,733)	-	830,619
- Unlisted									
Pakistan Emerging Venture Limited		50,563	(50,563)	-	-	50,565	(50,565)	-	-
National Fructose Company Limited		6,500	(6,500)	-	-	6,500	(6,500)	-	-
Dadabhoy Energy Supply Company Limited		32,105	(32,105)	-	-	32,105	(32,105)	-	-
Pakistan Mercantile Exchange Limited		106,539	(106,539)	-	-	106,539	(106,539)	-	-
	11.9	195,707	(195,707)	-	-	195,709	(195,709)	-	-
		1,832,736	(503,012)	-	1,329,724	1,364,062	(533,442)	-	830,619
Joint venture									
United National Bank Limited		-	-	-	-	12,259,541	-	-	12,259,541
Subsidiaries		1,245	(1,245)	-	-	1,245	(1,245)	-	-
Total Investments		4,476,488,583	(15,940,168)	154,300,861	4,614,849,276	4,401,133,423	(20,050,374)	33,091,256	4,414,174,305

		2024	2023
		(Rupees in '000)	
11.2.1	**Investments given as collateral**		
	Pakistan investment bonds	**1,253,027,780**	2,047,337,847
	Market treasury bills	**602,314,423**	17,134,259
		1,855,342,203	2,064,472,106

11.3 Particulars of credit loss allowance

11.3.1 Investments - exposure

	2024				2023
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Total
	(Rupees in '000)				
Opening balance	**4,424,212,466**	**3,000,000**	**7,012,213**	**4,434,224,679**	3,501,548,919
Impact of reclassification on adoption of IFRS 9	**(1,082,066)**	**-**	**-**	**(1,082,066)**	-
New investment	**195,588,426**	**-**	**-**	**195,588,426**	932,675,760
Derecognition	**-**	**(135,667)**	**(617,981)**	**(753,648)**	-
Other movement	**2,486,399**	**-**	**325,654**	**2,812,053**	-
Closing balance	**4,621,205,225**	**2,864,333**	**6,719,886**	**4,630,789,444**	4,434,224,679

11.3.2 Investments - Credit loss allowance

	2024				2023
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Total
	(Rupees in '000)				
Opening balance	**14,207,115**	**-**	**5,843,259**	**20,050,374**	18,613,073
Impact of reclassification on adoption of IFRS 9	**(12,665,194)**	**-**	**-**	**(12,665,194)**	-
Impact of ECL recognized on adoption of IFRS 9	**106,275**	**6,502,030**	**429,888**	**7,038,193**	-
	(12,558,919)	**6,502,030**	**429,888**	**(5,627,001)**	-
Charge for the period	**138,446**	**1,073,669**	**177,181**	**1,389,296**	3,136,270
Reversals for the year	**(4,769,441)**	**(263,555)**	**(25,642)**	**(5,058,638)**	(1,319,964)
Reversals on disposals	**2,221,688**	**-**	**-**	**2,221,688**	(379,005)
	(2,409,307)	**810,114**	**151,539**	**(1,447,655)**	1,437,301
Other movement	**2,486,399**	**-**	**325,652**	**2,812,051**	-
Exchange adjustment	**-**	**(3,036)**	**-**	**(3,036)**	-
Transfers in	**14,595**	**140,840**	**-**	**155,435**	-
Closing balance	**1,739,883**	**7,449,948**	**6,750,338**	**15,940,168**	20,050,374

11.3.3 Particulars of credit loss allowance against debt securities

Domestic

		2024		2023	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		(Rupees in '000)			
Performing	Stage 1	**4,362,670**	**166,530**	-	-
Underperforming	Stage 2	**2,864,333**	**110,692**	-	-
Non-Performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**7,090,338**	**7,090,338**	6,262,151	6,262,151
Total		**14,317,341**	**7,367,560**	6,262,151	6,262,151

Overseas

		2024		2023	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		(Rupees in '000)			
Performing	Stage 1	**2,559,098**	**-**	-	-
Underperforming	Stage 2	**36,333,331**	**6,936,211**	-	-
Non-Performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**-**	**-**	-	-
		38,892,429	**6,936,211**	-	-
Total		**53,209,770**	**14,303,771**	6,262,151	6,262,151

		2024	2023
		Cost	
11.4	**Quality of securities**	(Rupees in '000)	

Details regarding quality of securities held under "Held to collect and sell" model

Federal government securities - Government guaranteed		
Market treasury bills	**1,152,657,391**	954,585,428
Pakistan investment bonds	**2,739,200,656**	2,926,410,213
Ijarah sukuks	**93,737,140**	30,424,484
Foreign currency debt securities	**29,229,000**	40,907,401
	4,014,824,187	3,952,327,526
Shares		
Listed companies		
Automobile assembler	**2,208,960**	2,442,432
Automobile parts and accessories	**1,067,760**	1,067,760
Cable and electrical goods	**143,198**	418,994
Cement	**3,883,014**	3,672,159
Chemical	**721,456**	711,682
Commercial banks	**6,956,013**	9,982,145
Engineering	**2,983,213**	2,149,015
Fertilizer	**64,794**	3,518,165
Financial services	**8,676**	-
Food and personal care	**928,900**	1,606,665
Glass and ceramics	**247,794**	64,314
Insurance	**1,618,305**	1,642,671
Investment banks / investment companies / securities companies	**502,158**	513,566
Leasing companies	**10,448**	12,594
Leather and tanneries	**-**	45,731
Oil and gas exploration companies	**3,893,860**	2,952,721
Oil and gas marketing companies	**5,579,778**	5,707,820
Paper and board	**503,696**	670,751
Pharmaceuticals	**4,443,579**	2,708,507
Power generation and distribution	**1,693,525**	2,893,502
Real estate investment trust	**-**	304,025
Refinery	**518,262**	756,817
Sugar and allied industries	**259,483**	259,483
Synthetic and rayon	**15,499**	15,499
Technology and communication	**920,318**	2,408,109
Textile composite	**2,030,003**	2,736,219
Textile spinning	**669,393**	655,195
Transport	**687,204**	245,937
Tobacco	**1,344,213**	695,241
Miscellaneous	**1,025,449**	838,715
	44,928,949	51,696,434

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Unlisted companies	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Digri Sugar Mills Limited	4,063	135,585	4,063	135,585
Gelcaps Pakistan Limited	4,665	2,961	4,665	2,961
Pakistan Agriculture Storage Service Corporation	5,500	3,551,928	5,500	3,551,928
Al Ameen Textile	328	N/A	328	N/A
Professional Management Modaraba (Formerly Al Zamin Modarba Management (Private) Limited)	1,000	2,134	1,000	2,134
AMZ Venture Limited Class A	123	N/A	121	N/A
Arabian Sea Country Club	6,500	(7,664)	6,500	(7,664)
Atlas Power Limited	375,000	1,286,500	375,000	1,286,500
Attock Textile Mills Limited	200	N/A	200	N/A
Pakistan Mortgage Refinance Company Limited	600,000	1,934,999	600,000	2,156,685
F.T.C. Management Company Private Limited	250	43,779	250	43,779
Fauji Akbar Portia Marines Terminal Limited	321,076	609,635	321,076	609,635
Fauji Oil Terminals and Distribution Limited	10,886	242,555	10,886	183,168
First Women Bank Limited	21,100	59,413	21,100	46,319
Fortune Securities Limited	5,000	6,814	5,000	6,702
Frontier Textile Mills Limited	500	272	500	272
Gulistan Power Generation Limited	2,200	8,096	2,200	8,096
Hazara Woolen Mills Limited	200	N/A	200	N/A
Industrial Development Bank of Pakistan	107	N/A	107	N/A
Inter Asia Leasing Company Limited	500	N/A	500	N/A
ISE Towers REIT Management Company Limited	30,346	63,967	30,346	62,264
Junaid Cotton Mills Limited	327	N/A	327	N/A
Kaisar Arts and Krafts Limited	8,395	N/A	8,395	N/A
Kaytex Mills Limited	3,778	N/A	3,778	N/A
Khushhali Microfinance Bank Limited	225,000	100,075	225,000	178,700
Mian Mohammad Sugar Mills Limited	15	N/A	15	N/A
Muslim Ghee Mills Limited	1,810	N/A	1,810	N/A
Myfip Video Industries Limited	5,373	N/A	5,373	N/A
National Asset Leasing Corporation Limited	14	N/A	14	N/A
National Construction Limited	250	597	250	597
National Institution of Facilitation Technology (Private) Limited	1,526	55,574	1,526	55,574
National Investment Trust Limited	100	700,276	100	700,276
National Woolen Mills Limited	183	N/A	183	N/A
Natover Lease and Refinance	2,602	N/A	2,602	N/A
Nowshehra Engineering Works Limited	41	N/A	41	N/A
Pakistan Export Finance Guarantee Agency Limited	11,529	1,152	11,529	1,152
Pakistan Paper Corporation Limited	373	N/A	373	N/A
Pakistan Telephone Cables	143	N/A	143	N/A
Pakistan Textile City	100,000	12,410	100,000	12,410
Pakistan Tourism Development Corporation	100	138	100	138
People Steel Mills Limited	3,276	N/A	3,276	N/A
Qadri Textile Mills Limited	500	N/A	500	N/A
Rehman Cotton Mills Limited	16,955	107,895	16,955	107,895
Refrigerator Manufacturing Company Limited	4,589	N/A	4,589	N/A
Rousch Power Pakistan Limited	132,888	1,289,634	132,888	1,430,921
Ruby Rice and General Mills Limited	750	N/A	750	N/A
Sahrish Textile Mills	21	N/A	21	N/A
Shoaib Capital	272	544	272	544
SME Bank Limited	26,950	(251,145)	26,950	(139,326)
South Asia Regional Fund	287	N/A	287	N/A
Star Salica Industries Limited	267	N/A	267	N/A
Syed Match Industries	2	N/A	2	N/A
Union Insurance Company of Pakistan	4	N/A	4	N/A
Unity Modaraba	28	N/A	28	N/A
Zafar Textiles Mills Limited	257	N/A	257	N/A
Zulsham Engineering Works Limited	330	N/A	330	N/A
Information System Associates Limited	1,719	N/A	1,719	N/A
1 Link (Guarantee) Limited	50,000	733,214	50,000	428,290
Pakistan Corporate Restructuring Company Limited	96,000	60,856	96,000	N/A
Pakvitae (Private) Limited	21,000	907	21,000	N/A
	2,107,198		2,107,198	

	2024	2023
Non government debt securities	Cost	
Listed	(Rupees in '000)	
- AAA	-	14,861
- AA+, AA, AA-	8,200,000	7,510,782
- A+, A, A-	-	625,000
- Unrated	5,992	6,127,303
	8,205,992	14,277,946
Unlisted		
- AAA	14,382,734	18,395,305
- AA+, AA, AA-	-	4,693,580
- A+, A, A-	1,634,071	1,838,372
- BBB+, BBB, BBB-	-	299,760
- CCC and below	340,000	-
- Unrated	14,594,791	13,647,354
	30,951,596	38,874,371

Foreign securities

	2024		2023	
Government securities	**Cost**	**Rating**	Cost	Rating
	(Rupees in '000)			
USA	**3,100,284**	**AA+**	3,385,022	AA+

	2024		2023	
Equity security	**Cost**	**Rating**	Cost	Rating
	(Rupees in '000)			
Bank Al - Jazira	**463,294**	**BB+**	463,294	BB+

11.5 Particulars relating to securities classified Under "Held to collect" model	2024	2023
	Cost	
	(Rupees in '000)	
Federal government securities - Government guaranteed		
Market treasury bills	59,594	161,108
Pakistan investment bonds	222,656,096	213,116,482
Sukuk	14,373,995	14,087,500
Foreign currency debt securities	7,104,331	4,288,988
	244,194,016	231,654,078
Non government debt securities		
Unlisted		
- Unrated	383,471	404,585
	383,471	404,585

Foreign securities

	2024		2023	
Government securities	**Cost**	**Rating**	Cost	Rating
	(Rupees in '000)			
Azerbaijan	-	-	1,028,843	BB+
Bangladesh	33,560,065	B+	35,789,601	BB-
Kyrgyzstan	-	-	274,586	B3
Kingdom of Saudi Arabia	4,147,391	A	4,202,951	A+
	37,707,456		41,295,981	

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	2024	2023
	Cost	
Non government debt securities	(Rupees in '000)	
Listed		
- Unrated	1,077	1,083
	1,077	1,083

11.5.1 The market value of securities classified under HTC as at December 31, 2024 amounted to Rs.272,292 million (December 31, 2023: Rs. 251,842 million).

Investment in shares of a bank incorporated outside Pakistan - Bank Al-Jazira

11.6 The Group holds 37,916,666 (2023: 30,333,333) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 3.7% (2023: 3.7%) holding in total equity of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006. BAJ's viability rating is BB+ with short term and long term Issuer Default Rating (IDR) at F2 and A- respectively by Fitch Rating Agency.

11.7 Aggregate market value of investment in associates (quoted) on the basis of quoted prices amounts to Rs. 1,920 million (2023: Rs. 2,979 million).

11.8 Associates with zero carrying amount represent the investments acquired from former National Development Finance Corporation (NDFC) which have negative equity or whose operations were closed at the time of amalgamation.

11.9 The details of break-up value based on latest available financial statements of unlisted investments in associates are as follows:

	Year / Period ended	Break-up value Rupees in '000
Pakistan Emerging Venture Limited	June 30, 2022	25
Mehran Industries Limited	June 30, 2001	5,681
Tharparkar Sugar Mills Limited	September 30, 2001	(83,140)
Prudential Fund Management	June 30, 2007	(2,482)
Dadabhoy Energy Supply Company Limited	June 30, 2007	103,952
Pakistan Mercantile Exchange Limited	June 30, 2024	385,901

	2024	2023
Investments in joint venture	(Rupees in '000)	
11.10 United National Bank Limited (UNBL) (Incorporated in United Kingdom)	-	12,259,541

11.11 The investments also include shares acquired under tri-partite consent agreement dated June 29, 2011. These strategic investments comprise of the shares of Pakistan State Oil (38,055,247 shares), shares of Sui Northern Gas Pipeline Limited (18,805,318 shares) and shares of Pakistan Engineering Company (135,242 shares). The cost of these shares amounts to Rs. 4,603 million and market value as at December 31, 2024 amounts to Rs. 18,965 million. These shares have been frozen by the Government of Pakistan for sale in the equity market due to their proposed privatization and can not be sold without concurrence of privatization commission.

11.12 The investments also include 31,665,000 shares of Pakistan Reinsurance Company Limited. The cost of these shares amounts to Rs. 220 million and market value as at December 31, 2024 amounts to Rs. 497 million. These shares can not be sold without concurrence of privatization commission.

11.13 The investments also include 20,000,000 shares of First Credit and Investment Bank. The cost of these shares amounts to Rs. 157 million and market value as at December 31, 2024 amounts to Rs. 165 million. These shares can not be disinvested without prior consultation with Ministry of Finance.

12 ADVANCES

	Note	Performing		Non Performing		Total	
		2024	2023	2024	2023	2024	2023
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		1,237,052,063	1,325,108,441	254,201,092	205,901,344	1,491,253,155	1,531,009,785
Islamic financing and related assets	12.2	144,913,723	73,125,444	1,985,434	1,550,351	146,899,157	74,675,795
Net investment in finance lease	12.1	1,288	16,207	23,253	24,096	24,541	40,303
Bills discounted and purchased		21,296,996	12,534,791	13,228,689	13,644,646	34,525,685	26,179,437
Advances - gross		1,403,264,070	1,410,784,883	269,438,468	221,120,437	1,672,702,538	1,631,905,320
Credit loss allowance / provision against advances							
-Stage 1		19,751,831	-	-	-	19,751,831	-
-Stage 2		10,808,620	-	-	-	10,808,620	-
-Stage 3		-	-	226,013,550	-	226,013,550	-
Specific		-	-	-	203,794,530	-	203,794,530
General		11,501,411	30,038,121	-	-	11,501,411	30,038,121
		42,061,862	30,038,121	226,013,550	203,794,530	268,075,412	233,832,651
Advances - net of credit loss allowance / provision		1,361,202,208	1,380,746,762	43,424,918	17,325,907	1,404,627,126	1,398,072,669

12.1 Includes net investment in right-of-use assets / finance lease as disclosed below:

Net Investment in Finance Lease

	2024				2023			
	Not later than one year	Later than one and upto five	Over five years	Total	Not later than one year	Later than one and upto five	Over five years	Total
	(Rupees in '000)							
Lease rentals receivable	47,315	-	-	47,315	48,296	-	-	48,296
Residual value	1,335	-	-	1,335	16,332	-	-	16,332
Minimum lease payments	48,650	-	-	48,650	64,628	-	-	64,628
Less: Financial charges for future periods	24,109	-	-	24,109	24,325	-	-	24,325
Present value of minimum lease payments	24,541	-	-	24,541	40,303	-	-	40,303

The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.15% to 11.42% (December 31, 2023: 10.19% to 14.85%) per annum.

12.2 These represents financing and related assets placed under shariah permissible modes and presented in Annexure II.

	2024	2023
	(Rupees in '000)	
12.3 Particulars of advances (gross)		
In local currency	1,385,518,032	1,334,446,843
In foreign currencies	287,184,506	297,458,477
	1,672,702,538	1,631,905,320
12.3.1 Advances to Women, Women-owned and Managed Enterprises (gross)		
Women, Women Owned and Managed Enterprises	49,015,802	39,824,786
	49,015,802	39,824,786
12.3.2 Advances to Women, Women-owned and Managed Enterprises (Disbursement)		
Women, Women Owned and Managed Enterprises	60,465,824	49,876,099
	60,465,824	49,876,099

12.4 Particulars of credit loss allowance

12.4.1 Advances - Exposure

	Note	2024			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
Gross carrying amount - Current year		1,304,562,525	106,222,358	221,120,437	1,631,905,320
Exchange Adjustment		(304,488)	(732,287)	(3,795,698)	(4,832,473)
New advances		186,504,452	19,888,303	-	206,392,755
Advances derecognised or repaid		(118,166,261)	(34,047,984)	(6,454,632)	(158,668,877)
Transfer to stage 1		-	-	-	-
Transfer to stage 2		(5,618,292)	7,941,420	(2,323,128)	-
Transfer to stage 3		(61,221,026)	(1,764,650)	62,985,676	-
		1,498,873	(7,982,911)	54,207,916	47,723,878
Amounts written off / charged off	12.7	-	-	(367,646)	(367,646)
Transfer to investments - net		-	-	(1,726,547)	(1,726,547)
Closing balance - Current year		1,305,756,910	97,507,160	269,438,468	1,672,702,538

12.4.2 Advances - Credit loss allowance / provision

	2024						2023		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
	(Rupees in '000)								
Opening balance	-	-	-	203,794,530	30,038,121	233,832,651	191,014,747	17,348,539	208,363,286
Impact of adoption of IFRS-9	15,875,937	11,637,716	226,374,284	(203,794,530)	(18,378,308)	31,715,099	-	-	-
Opening balance - restated	15,875,937	11,637,716	226,374,284	-	11,659,813	265,547,750	191,014,747	17,348,539	208,363,286
New Advances	7,431,728	2,809,002	9,781,273	-	21,370	20,043,373	8,127,428	14,854,298	22,981,726
Exchange adjustments	-	-	(3,795,606)	-	155,491	(3,640,115)	12,170,170	153,606	12,323,776
Advances derecongnised or repaid	(3,064,006)	(5,900,820)	(4,762,423)	-	(179,826)	(13,907,075)	(8,129,837)	(1,530,934)	(9,660,771)
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	(453,966)	2,568,844	(2,114,878)	-	-	-	-	-	-
Transfer to stage 3	(37,862)	(306,122)	343,984	-	-	-	-	-	-
Other movement	-	-	554,557	-	(155,437)	399,120	16,894	-	16,894
Transfer from general to specific provision	-	-	-	-	-	-	787,388	(787,388)	-
	3,875,894	(829,096)	6,907	-	(158,402)	2,895,303	12,972,043	12,689,582	25,661,625
Amounts written off	-	-	(228,651)	-	-	(228,651)	(147,653)	-	(147,653)
Amounts charged off - agriculture financing	-	-	(138,990)	-	-	(138,990)	(44,607)	-	(44,607)
Closing balance	19,751,831	10,808,620	226,013,550	-	11,501,411	268,075,412	203,794,530	30,038,121	233,832,651

12.4.3 Advances - Credit loss allowance / provision details
Internal / Extrernal rating / stage clasification

		2024			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
Outstanding gross exposure					
Domestic					
Performing	Stage 1	1,280,226,883	-	-	1,280,226,883
Under Performing	Stage 2	-	57,446,313	-	57,446,313
Non-perfroming	Stage 3				-
Other assets especially mentioned		-	-	2,441,119	2,441,119
Substandard		-	-	55,792,771	55,792,771
Doubtful		-	-	9,732,418	9,732,418
Loss		-	-	140,291,464	140,291,464
		-	-	208,257,772	208,257,772
Sub Total		1,280,226,883	57,446,313	208,257,772	1,545,930,968
Overseas					
Performing	Stage 1	18,723,265	-	-	18,723,265
Under Performing	Stage 2	-	40,060,847	-	40,060,847
IFRS 9 Not applicable		6,806,762	-	-	6,806,762
Non-perfroming	Stage 3				
Substandard		-	-		-
Doubtful		-	-	385,067	385,067
Loss		-	-	60,795,629	60,795,629
		-	-	61,180,696	61,180,696
Sub Total		25,530,027	40,060,847	61,180,696	126,771,570
Total		1,305,756,910	97,507,160	269,438,468	1,672,702,538
Corresponding ECL					
Stage 1 and stage 2		(19,751,831)	(10,808,620)	-	(30,560,451)
Stage 3		-	-	(226,013,550)	(226,013,550)
General		(11,501,411)	-	-	(11,501,411)
		(31,253,242)	(10,808,620)	(226,013,550)	(268,075,412)
Total		1,274,503,668	86,698,540	43,424,918	1,404,627,126

12.5 Advances include Rs. 269,438 million (2023: Rs 221,120 million) which have been placed under non-performing / stage 3 status as detailed below:-

	2024		2023	
Category of classification in stage 3	**Non performing loans**	**Credit loss allowance**	**Non performing loans**	**Credit loss allowance**
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned (OAEM)	**2,441,119**	**1,257,677**	2,156,275	60,035
Substandard	**55,792,771**	**3,596,871**	6,421,005	1,560,252
Doubtful	**9,732,418**	**7,655,003**	11,443,314	5,980,028
Loss	**140,291,464**	**137,910,759**	136,054,217	133,629,152
Total	**208,257,772**	**150,420,310**	156,074,811	141,229,467
Overseas				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	**385,067**	**192,534**	400,925	200,463
365 days	**60,795,629**	**58,684,587**	64,644,701	62,364,600
Total	**61,180,696**	**58,877,121**	65,045,626	62,565,063
Stage 3 as per IFRS-9	-	**16,716,120**	-	-
	269,438,468	**226,013,550**	221,120,437	203,794,530

12.6 Particulars of credit loss allowance / provision against advances

	2024						2023		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
	(Rupees in '000)								
Opening balance	-	-	-	203,794,530	30,038,121	233,832,651	191,014,747	17,348,539	208,363,286
Impact of adoption IFRs- 9	15,875,937	11,637,716	226,374,284	(203,794,530)	(18,378,308)	31,715,099	-	-	-
Opening balance restated	15,875,937	11,637,716	226,374,284	-	11,659,813	265,547,750	191,014,747	17,348,539	208,363,286
Exchange adjustments	-	-	(3,795,606)	-	155,491	(3,640,115)	12,178,389	153,606	12,331,995
Charge for the year	7,431,728	2,809,002	9,781,273	-	21,370	20,043,373	8,127,428	14,854,298	22,981,726
Reversals	(3,064,006)	(5,900,820)	(4,762,423)	-	(179,826)	(13,907,075)	(8,129,837)	(1,530,934)	(9,660,771)
	4,367,722	(3,091,818)	5,018,850	-	(158,456)	6,136,298	(2,409)	13,323,364	13,320,955
Amounts written off	-	-	(228,651)	-	-	(228,651)	(155,872)	-	(155,872)
Amounts charged off - agriculture financing	-	-	(138,990)	-	-	(138,990)	(44,607)	-	(44,607)
Transfer from general to specific provision	-	-	-	-	-	-	787,388	(787,388)	-
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	(453,966)	2,568,844	(2,114,878)	-	-	-	-	-	-
Transfer to stage 3	(37,862)	(306,122)	343,984	-	-	-	-	-	-
Other movements (to be specified)	-	-	554,557	-	(155,437)	399,120	16,894	-	16,894
Closing balance	19,751,831	10,808,620	226,013,550	-	11,501,411	268,075,412	203,794,530	30,038,121	233,832,651

12.6.1 Particulars of credit loss allowance / provision against advances

	2024						2023		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
	(Rupees in '000)								
In local currency	19,751,831	10,660,785	167,136,429	-	11,410,985	208,960,030	141,229,466	29,767,923	170,997,389
In foreign currencies	-	147,835	58,877,121	-	90,426	59,115,382	62,565,064	270,198	62,835,262
	19,751,831	10,808,620	226,013,550	-	11,501,411	268,075,412	203,794,530	30,038,121	233,832,651

12.6.2 General provision includes provision amounting to Rs.90 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the group operates where IFRS 9 has not been implemented. This general provision can be maintained till December 31, 2026 under BPRD circular No. 1 of 2025 dated January 22, 2025.

12.6.3 The SBP has allowed specific relaxation to the group for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2024. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations. Further SBP has allowed specific relaxation on the requirement for ECL against overdue foreign currency loans of certain Public Sector Entities, either uptill December 31, 2024 or permanently.

12.6.4 These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the group's right of recovery from these customers.

		Note	2024	2023
			(Rupees in '000)	
12.7	**Particulars of write offs:**			
12.7.1	Against credit loss allowance	12.5	**228,651**	155,872
	Directly charged to profit and loss account	12.6.2	**-**	-
			228,651	155,872
12.7.2	Write offs of Rs. 500,000 and above			
	- Domestic		**105,616**	41,087
	- Overseas		**70,697**	61,582
	Write offs of Below Rs. 500,000		**52,338**	53,203
			228,651	155,872

12.7.3 Details of loan write off of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the grouping Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-I to the consolidated financial statements (except where such disclosure is restricted by overseas regulatory authorities).

		Note	2024	2023
			(Rupees in '000)	
13	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	13.1	**1,587,358**	1,639,234
	Property and equipment	13.2	**60,643,875**	55,837,833
			62,231,233	57,477,067
13.1	**Capital work-in-progress**			
	Civil works		**1,500,429**	1,569,774
	Equipment		**10,727**	10,727
	Advances to suppliers		**76,202**	58,733
			1,587,358	1,639,234

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13.2 Property and equipment

	2024												
	Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Assets held under finance lease - Office Equipment	Assets held under Ijarah - Machinery	Assets held under Ijarah - Vehicle	Total
	(Rupees in '000)												
At January 1, 2024													
Cost / revalued amount	21,472,757	21,087,923	7,532,335	5,613,319	8,175,412	5,973,940	8,566,862	2,298,589	480,200	9,627	273,248	14,367	81,498,579
Accumulated depreciation	-	-	(2,080,964)	(1,633,301)	(6,551,968)	(5,669,612)	(7,606,291)	(1,597,606)	(261,018)	(5,300)	(253,524)	(1,163)	(25,660,747)
Net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,833
Year ended December 2024													
Opening net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,833
Additions	-	-	476,884	143,559	1,049,012	2,617,150	1,004,568	187,486	125,932	-	-	-	5,604,591
Movement in surplus on assets revalued during the year	907,301	615,760	559,908	255,139	-	-	-	-	-	-	-	-	2,338,109
Disposals	-	-	-	-	(12,449)	(24,080)	(6,862)	(142,295)	(47,990)	-	-	-	(233,676)
Depreciation charge	-	-	(292,762)	(196,687)	(702,875)	(752,569)	(524,181)	(334,260)	(65,527)	(965)	-	-	(2,869,826)
Depreciation adjustment - disposal	-	-	-	-	10,700	24,195	6,287	106,760	38,090	-	-	-	186,030
Exchange rate adjustments	-	-	-	(33,653)	(19,851)	98,261	(86,524)	124	-	-	-	-	(41,643)
Other adjustments / transfers	(1)	(12,102)	1	798	(167,582)	(30)	2	1,308	65	(2)	-	-	(177,543)
Closing net book value	22,380,057	21,691,581	6,195,404	4,149,174	1,780,398	2,267,254	1,353,861	520,106	269,752	3,360	19,724	13,204	60,643,875
At December 31, 2024													
Cost / revalued amount	22,380,058	21,691,581	8,569,128	5,978,364	9,024,284	8,665,271	9,478,044	2,349,443	492,680	8,660	273,248	14,367	88,925,128
Accumulated depreciation	(1)	-	(2,373,724)	(1,829,189)	(7,243,886)	(6,398,017)	(8,124,184)	(1,829,336)	(222,928)	(5,300)	(253,524)	(1,163)	(28,281,252)
Net book value	22,380,057	21,691,581	6,195,404	4,149,174	1,780,398	2,267,254	1,353,861	520,106	269,752	3,360	19,724	13,204	60,643,875
Rate of depreciation (percentage)	–	–	5% on book value	5% on book value	20% on cost	33.33% on cost	20%-50% on cost	20% on cost	20% on cost	10% on cost	25% to 33% on cost	20% on book value	

	2023												
	Free hold land	Lease hold land	Building on free hold land	Building on lease hold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Assets held under finance lease - Office Equipment	Assets held under Ijarah - Machinery	Assets held under Ijarah - Vehicle	Total
	(Rupees in '000)												
At January 1, 2023													
Cost / revalued amount	21,472,757	21,087,923	7,467,088	5,618,029	7,754,929	5,465,672	8,060,552	2,064,610	467,099	9,627	273,248	14,367	79,755,901
Accumulated depreciation	-	-	(1,786,019)	(1,434,403)	(6,030,316)	(5,066,624)	(7,061,438)	(1,304,951)	(294,782)	(4,339)	(253,524)	(1,163)	(23,237,559)
Net book value	21,472,757	21,087,923	5,681,069	4,183,626	1,724,613	399,048	999,114	759,659	172,317	5,288	19,724	13,204	56,518,342
Year ended December 2023													
Opening net book value	21,472,757	21,087,923	5,681,069	4,183,626	1,724,613	399,048	999,114	759,659	172,317	5,288	19,724	13,204	56,518,342
Additions	-	-	65,247	101,275	730,955	484,586	507,162	287,412	158,766	-	-	-	2,335,404
Movement in surplus on assets revalued during the year	-	-	-	17,842	-	-	202	77	-	-	-	-	18,121
Disposals	-	-	-	(178,130)	(30,190)	(9,101)	(10,737)	(55,180)	(116,375)	-	-	-	(399,713)
Depreciation charge	-	-	(294,946)	(202,648)	(539,884)	(611,348)	(553,356)	(325,670)	(65,670)	(961)	-	-	(2,594,483)
Depreciation adjustment - disposal	-	-	-	3,750	18,347	8,849	9,185	33,015	92,004	-	-	-	165,150
Exchange rate adjustments	-	-	-	54,303	13,383	32,783	9,683	1,670	-	-	-	-	111,822
Other adjustments / transfers	-	-	1	-	(293,780)	(489)	(682)	-	(21,860)	-	-	-	(316,810)
Closing net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,833
At December 31, 2023													
Cost / revalued amount	21,472,757	21,087,923	7,532,335	5,613,319	8,175,412	5,973,940	8,566,862	2,298,589	480,200	9,627	273,248	14,367	81,498,578
Accumulated depreciation	-	-	(2,080,964)	(1,633,301)	(6,551,968)	(5,669,612)	(7,606,291)	(1,597,606)	(261,018)	(5,300)	(253,524)	(1,163)	(25,660,747)
Net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,833
Rate of depreciation (percentage)	–	–	5% on book value	5% on book value	20% on cost	33.33% on cost	20%-50% on cost	20% on cost	20% on cost	10% on cost	25% to 33% on cost	20% on book value	

13.2.1 Revaluation of Properties

The properties of the group have been revalued by the independent professional valuer as at December 31, 2024. The revaluation was carried out by independent professional valuers, KGT (Pvt) Limited & IMTECH (Pvt). Ltd (PBA registered valuers) on the basis of professional assessment of present market values. The total surplus against revaluation of property and equipment as at December 31, 2024, amounts to Rs. 2,290 million. Had there been no revaluation, the carrying amount of the revalued assets at December 31, 2024, would have been as follows:

	2024	2023
	(Rupees in '000)	
Freehold land	**1,132,637**	1,132,637
Leasehold land	**890,025**	890,025
Building on freehold land	**1,538,271**	1,076,598
Building on leasehold land	**2,142,244**	2,006,052
	5,703,177	5,105,312

13.2.2 Carrying amount of temporarily idle property of the group — **5,705,101** | 5,583,785

13.2.3 The cost of fully depreciated assets still in use

Furniture and fixtures	**2,843,892**	2,261,860
Electrical and office equipment	**5,907,839**	3,658,267
Computer and peripheral equipment	**4,610,629**	3,515,860
Vehicles	**1,659,586**	1,435,407
Assets held under finance lease - Office Equipment	**192,094**	-
Assets held under Ijarah - Machinery	**14,367**	-
	15,228,407	10,871,394

13.3 Details of disposals of property and equipment to related parties

The particulars of disposal of property and equipment to related parties (employees / ex-employees) are given below:

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	(Rupees in '000)						
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Shaukat Mahmood
Vehicles	2,380	436	476	40	As per Entitlement	Employee	Mr.Muddassir Nabi
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Farooq Hassan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Abdul Majed Arshad
Vehicles	2,875	527	575	48	As per Entitlement	Ex-Employee	Mr.Ahmad Naseem
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr Muhammad Aqib Malik
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mashkoor Ahmad Khan
Vehicles	2,525	505	505	-	As per Entitlement	Ex-Employee	Mr.Danish Bin Inbsat
Vehicles	2,875	527	575	48	As per Entitlement	Employee	Mr.Mirza Asim Baig
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr.Farooq Ahmed Soomro
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr.Sarfaraz Ahmed
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr.Kamran Masud Khan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Shaikh Tariq Abdullah
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Wajahat Malik
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Javed Iqbal Bangash
Vehicles	2,380	476	476	-	As per Entitlement	Employee	Mr.Abid Kitchlew
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Asad Ullah Saleem
Vehicles	2,625	525	525	-	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mirza Babur Baig
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr.Mashooq Ali Khawaja
Vehicles	2,380	754	754	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Vehicles	2,623	1,224	1,224	-	As per Entitlement	Ex-Employee	Mr.Shabbir Ahmed Khan
Vehicles	8,008	3,337	3,337	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Vehicles	4,003	2,868	2,868	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Vehicles	2,875	671	671	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr.Inam Malik
Vehicles	2,855	333	333	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Vehicles	2,824	1,600	1,600	-	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr.Pir Bakhsh
Vehicles	2,875	335	335	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Vehicles	2,723	908	908	-	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr.Syed Azhar Ali
Vehicles	2,803	701	701	-	As per Entitlement	Ex-Employee	Mr-Shahid Iqbal Choudhery
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr.Syed Muhammad Nadeem Kazmi
Vehicles	2,695	719	719	-	As per Entitlement	Ex-Employee	Ms.Hufrish Rayomand Shroff

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Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Vehicles	1,922	1,514	1,514	-	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Ahmer Liquat
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mahmood Akhtar Nadeem
Vehicles	2,775	1,064	1,064	-	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Vehicles	2,695	943	943	-	As per Entitlement	Employee	Mr.Azam Durrani Sahib
Vehicles	2,824	1,506	1,506	-	As per Entitlement	Ex-Employee	Mr.Kashif Latif
Vehicles	8,008	1,602	1,602	-	As per Entitlement	Employee	Mr.Amin Manji
Vehicles	2,695	943	943	-	As per Entitlement	Ex-Employee	Mr.Yawar Hasan Zaidi
Vehicles	2,695	943	943	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr. Pir Buksh
	132,759	39,741	40,056	315			
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr. Khadim Hussain
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Computer and peripheral equipment	285	-	29	29	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Ex-Employee	Mr.Danish Bin Inbsat
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Shahidullah
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Shamsuddin Ahmed Siddiqui
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Ms.Farheen Yousuf
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Mukesh Kumar Jeswani
Computer and peripheral equipment	139	-	14	14	As per Entitlement	Ex-Employee	Mr.Arbab Ali Bugti
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	115	-	12	12	As per Entitlement	Employee	Mr.Syed Abbas Raza
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Bhawan Parkash
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Employee	Mr.Abdul Munir
Computer and peripheral equipment	90	-	9	9	As per Entitlement	Employee	Ms.Mizna Shahab
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Ainain Khalid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Mr.Asad Ullah Saleem
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Abdul Haddi Farooqi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Irfan Malik
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdus Salam Mazhar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Nabeel Usman
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Shahryar Khan
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Faraz Sabir
Computer and peripheral equipment	124	-	12	12	As per Entitlement	Employee	Mr.Usman Farooq
Computer and peripheral equipment	121	-	12	12	As per Entitlement	Employee	Mr.Shujat Habib
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Ms. Saeeda Shabbir
Computer and peripheral equipment	109	-	11	11	As per Entitlement	Employee	Mr.Muhammad Shahid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Ms.Teemar Nauman
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.S.M Ayub
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Mashood Shahid
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Employee	Mr.Faizan Razi
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Muhammad Salman Asghar
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Asim Nizam
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.Atta Ur Rehman
Computer and peripheral equipment	125	-	12	12	As per Entitlement	Employee	Mr.Amjad Latif
Computer and peripheral equipment	112	-	11	11	As per Entitlement	Employee	Mr.Usman Nayyar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Waseem Azhar
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	101	-	10	10	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Ex-Employee	Ms.Shahla Ghulam Hussain
Computer and peripheral equipment	244	-	-	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	185	46	46	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	95	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Ex-Employee	Mr. Tariq Zafar Iqbal
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmud Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmud Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Ex-Employee	Ms. Asra Adnan
Computer and peripheral equipment	118	-	12	12	As per Entitlement	Ex-Employee	Mr.Muhammad Yousuf Raza
Computer and peripheral equipment	126	-	13	13	As per Entitlement	Ex-Employee	Mr.Fateh Shahab Kazi
Computer and peripheral equipment	320	80	80	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhry
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Computer and peripheral equipment	190	58 -	58	-	As per Entitlement	Ex-Employee	Mr.S.M Nadeem Kazmi

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Computer and peripheral equipment	166		17	17	As per Entitlement	Ex-Employee	Mr.Anwar Ahmed
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Employee	Mr.Osaman Malik
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr. Syed Imran Ghani
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Abdul Rahim
Computer and peripheral equipment	156	-	16	16	As per Entitlement	Employee	Mr.Masood Kurshid Shamsi
Computer and peripheral equipment	117	-	13	13	As per Entitlement	Employee	Mr.Fahd Zaheer
Computer and peripheral equipment	66	-	7	7	As per Entitlement	Employee	Mr.Abid Iqbal
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Employee	Ms.Fauzia Mumtaz
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Shoaib Hassan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Awais Memon
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Syed Arsalan Ahmed
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Warda
Computer and peripheral equipment	179	-	18	18	As per Entitlement	Employee	Mr.Wajahit Malik
Computer and peripheral equipment	162	-	16	16	As per Entitlement	Employee	Ms.Nadia Ahmer
Computer and peripheral equipment	325	-	33	33	As per Entitlement	Employee	Mr.Muhammad Ismail Usuf
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Ahmed Waheed
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Rayhan Kamal
Computer and peripheral equipment	193	-	19	19	As per Entitlement	Employee	Mr.Sheikh Zeeshan Ali
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Muhammad Waseem Khan
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr. Farhan Javaid Durrani
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr.Nabeel Aslam
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Rashid Ata
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Omer Farooq Mukaty
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Irfan Jan Muhammad
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Naveed Zaidi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Shahzad Rafique
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr.M.Kashif Khan
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Sohail Ahmed Memon
Computer and peripheral equipment	176	-	18	18	As per Entitlement	Employee	Mr.Amin Manji
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Ms.Mehrosh Zulfiquar Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Employee	Mr.Zahir Khurshid
Computer and peripheral equipment	116	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	200	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	240	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	124	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Yasir Jamali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Shahb Uddin Shaikh
Computer and peripheral equipment	186	-	19	19	As per Entitlement	Employee	Mr.Awais Zafar Khan
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Ms.Nusrat Mumtaz
Computer and peripheral equipment	140	-	14	14	As per Entitlement	Employee	Mr.Rashid Nazir
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Employee	Mr.Muhammad Saqib
Computer and peripheral equipment	114	-	11	11	As per Entitlement	Ex-Employee	Ms.Hira Bari
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Javed Ahmed Siddique
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Hassan Jameel
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Asad Ali Shah
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Fariha
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Employee	Mr.Nasir Mahmood
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Employee	Mr.Muhammad Irfan
Computer and peripheral equipment	363	-	36	36	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	160	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	223	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Sohail Ahmed
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Abid Umar Farooq
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Rehan Meer
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Aijaz Hyder
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Rizwan Masood
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Haffer Sial
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Muhammad Asim Baig
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.S.M.Jawad Ul Hassan Rizvi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Asad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Rehan Ali Khan
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Ali Nouman
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Mr.Muhammad Nasim
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Faisal Rasheed
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Computer and peripheral equipment	59	-	6	6	As per Entitlement	Employee	Mr.Riaz Asim

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Computer and peripheral equipment	171	-	17	17	As per Entitlement	Ex-Employee	Mr.M.Nasir Yousuf
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Ex-Employee	Mr.Naveed Aslam
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Ex-Employee	Mr.Khurram Shehzad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Nadeem Hami
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Mr.Kashif Masood
Computer and peripheral equipment	120	-	12	12	As per Entitlement	Employee	Mr.Sunain Qamar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Shaikh Tariq Abdullah
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Khalid Ahmed Ghori
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Muhammad Omair Sabir
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Muhammad Naeem Hanif
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Farzan Nazeer
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Shafiq Ahmed Akhund
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Riaz Hussain
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Naveed Ali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Kamran
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr Zulfiqar Jadavjee
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Syed Anjum Naseer
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Rajesh Kumar
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Aqib Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
	21,010	184	2,077	1,872			
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr Salman Talat
Electrical & Office equipments	194	-	-	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Shabbir Ahmed Khan
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Salim Khowaja
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Electrical & Office equipments	97	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	110	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	225	113	113	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Electrical & Office equipments	225	84	84	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	25	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	50	6	6	-	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Syed M.Nadeem Kazmi
Electrical & Office equipments	244	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	298	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	28	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	32	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Faisal Khan
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Masroor Raza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Muhammad Hasnain Raza
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Mohad Hasnain Raza
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	128	-	-	-	As per Entitlement	Employee	Mr.Fouad Farrukh
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Mr.Muhammad Kashif Khan
Electrical & Office equipments	225	66	66	-	As per Entitlement	Ex-Employee	Mr.Syed Azhar Ali

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----------(Rupees in '000)----------						
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Fateh M. Shahab Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Yawar Hassan Zaidi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hussan Zaig
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Electrical & Office equipments	155	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Electrical & Office equipments	15	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Pir Bakhsh
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Khalid Saeed Quershi
Electrical & Office equipments	800	307	307	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
	5,489	575	575	-			
Furniture and fixture	190	41	41	-	As per Entitlement	Ex-Employee	Mr.Muhammad Iqbal Umrani
Furniture and fixture	160	9	9	-	As per Entitlement	Ex-Employee	Mr.Muhammad Khalid Paracha
Furniture and fixture	200	65	65	-	As per Entitlement	Ex-Employee	Mr.Inam Malik Svp
Furniture and fixture	265	41	41	-	As per Entitlement	Ex-Employee	Mr.Arshad Hussain
Furniture and fixture	150	-	-	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed
Furniture and fixture	160	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Arif
Furniture and fixture	281	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Saleem Awan
Furniture and fixture	175	1	1	-	As per Entitlement	Ex-Employee	Mr.Muhammad Anwaer Moten
Furniture and fixture	190	35	35	-	As per Entitlement	Ex-Employee	Mr.Mashooq Ali Khawajah
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Shahidullah
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Tanvir Ahmed Khan
Furniture and fixture	200	33	33	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Furniture and fixture	200	60	60	-	As per Entitlement	Ex-Employee	Mr.Pir Baksh
Furniture and fixture	160	8	8	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hassan Zaighum
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Mr.Adnan Ahmed Waraich
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Syed Asim Raza
Furniture and fixture	160	64	64	-	As per Entitlement	Ex-Employee	Mr.Karim Bukhsh
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Muhammad Nawaz Bhinder
Furniture and fixture	244	42	42	-	As per Entitlement	Ex-Employee	Mr.Junaid Shafqat Sheikh
Furniture and fixture	160	40	40	-	As per Entitlement	Ex-Employee	Mr.Mukhtar Ahmed
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Furniture and fixture	89	13	13	-	As per Entitlement	Ex-Employee	Ms.Afshan Shakeel
Furniture and fixture	190	5	5	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Furniture and fixture	138	39	39	-	As per Entitlement	Ex-Employee	Mr.Atif Iqbal
Furniture and fixture	160	24	24	-	As per Entitlement	Ex-Employee	Mr.Shaukat Raza
Furniture and fixture	160	19	19	-	As per Entitlement	Ex-Employee	Mr.Sohail Raza
Furniture and fixture	200	38	38	-	As per Entitlement	Ex-Employee	Mr.Yawar Hassan Zaidi
Furniture and fixture	190	21	21	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq
Furniture and fixture	190	25	25	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed Kazi
Furniture and fixture	160	56	56	-	As per Entitlement	Ex-Employee	Mr.Nasir Zafar
Furniture and fixture	160	61	61	-	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Mohammad Mueen Qureshi
Furniture and fixture	190	24	24	-	As per Entitlement	Ex-Employee	Mr.Abdul Majeed Rajpar
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Tanveer Tassawar
Furniture and fixture	160	31	31	-	As per Entitlement	Ex-Employee	Mr.Muhammad Naeem
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Vijay Kumar Avp
Furniture and fixture	165	40	40	-	As per Entitlement	Ex-Employee	Mr.Zahid Hussain
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Masoom Shah
Furniture and fixture	160	29	29	-	As per Entitlement	Ex-Employee	Mr.Gharib Nawaz
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Israr Ahmed
Furniture and fixture	160	4	4	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	100	-	-	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	160	25	25	-	As per Entitlement	Ex-Employee	Mr.Javed Irfan
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Late Muhammad Din
Furniture and fixture	190	74	74	-	As per Entitlement	Ex-Employee	Mr.Nazir Shah
Furniture and fixture	190	36	36	-	As per Entitlement	Ex-Employee	Mr.Dr Anwar Ali Khowaja
Furniture and fixture	160	11	11	-	As per Entitlement	Ex-Employee	Mr.Abdul Rasheed
Furniture and fixture	160	36	36	-	As per Entitlement	Ex-Employee	Mr.Rab Dino Thebo
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Hussain Ali
Furniture and fixture	160	12	12	-	As per Entitlement	Ex-Employee	Mr.Naseer Ahmed Gabol
Furniture and fixture	200	12	12	-	As per Entitlement	Ex-Employee	Ms.Zahida Hamid
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Ms.Kashif Hussain Shah
	9,436	1,750	1,750	-			
	168,693	42,250	44,458	2,207			

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14 RIGHT-OF-USE ASSETS

	2024			2023		
	Buildings	Others	Total	Buildings	Others	Total
	(Rupees in '000)					
At January 1, 2024						
Cost	19,864,344	-	19,864,344	19,458,619	-	19,458,619
Accumulated depreciation	(12,528,443)	-	(12,528,443)	(12,272,552)	-	(12,272,552)
Net carrying amount at January 1, 2024	7,335,901	-	7,335,901	7,186,067	-	7,186,067
Additions during the year	1,315,038	92,500	1,407,538	2,374,880	-	2,374,880
Disposals during the year	29,644	-	29,644	59,820	-	59,820
Depreciation charge for the year	2,093,188	24,264	2,117,452	2,165,226	-	2,165,226
Net carrying amount at December 31, 2024	6,528,107	68,236	6,596,343	7,335,901	-	7,335,901

15 INTANGIBLE ASSETS

	Note	2024	2023
		(Rupees in '000)	
Capital work-in-progress		929,882	470,540
Intangible assets	15.1	1,647,121	1,715,754
		2,577,003	2,186,294

15.1 At January 1, 2024

	2024				
	Core Banking Application	Computer software	Website	Goodwill on NBP Fund Acquisition	Total
	(Rupees in '000)				
Cost	2,913,952	3,104,889	1,041	655,146	6,675,028
Accumulated amortization	(2,913,952)	(1,951,688)	(1,041)	(92,593)	(4,959,274)
Net book value	-	1,153,201	-	562,553	1,715,754
Year ended December 2024					
Opening net book value	-	1,153,201	-	562,553	1,715,754
Additions:					
- developed internally	-	48,190	-	-	48,190
- directly purchased	-	448,663	-	-	448,663
- through business combinations	-	10,957	-	-	10,957
	-	507,810	-	-	507,810
Adjustments - addition	-	-	-	-	-
Amortization charge	-	(548,798)	-	-	(548,798)
Exchange rate adjustments	-	(26,901)	-	-	(26,901)
Other adjustments	-	(744)	-	-	(744)
Closing net book value	-	1,084,568	-	562,553	1,647,121
At December 31, 2024					
Cost	2,913,952	3,585,054	1,041	655,146	7,155,193
Accumulated amortization	(2,913,952)	(2,500,486)	(1,041)	(92,593)	(5,508,072)
Net book value	-	1,084,568	-	562,553	1,647,121
Rate of amortization (percentage)	33.33 % on cost	33.33 % on cost	33.33 % on cost		
Useful life	3 years	3 years	3 years		

	2023				
	Core Banking Application	Computer software	Website	Goodwill on NBP Fund Acquisition	Total
	(Rupees in '000)				
At January 1, 2023					
Cost	2,913,952	2,296,410	1,041	655,146	5,866,549
Accumulated amortization	(2,913,952)	(1,627,548)	(1,041)	(92,593)	(4,635,134)
Net book value	-	668,862	-	562,553	1,231,415
Year ended December 2023					
Opening net book value		668,862	-	562,553	1,231,415
Additions:					
- developed internally	-	30,000	-	-	30,000
- through acquisitions / purchased	-	690,490	-	-	690,490
- through business combinations	-		-	-	-
	-	720,490	-	-	720,490
Adjustments - addition	-	(789)	-	-	(789)
Amortization charge	-	(324,753)	-	-	(324,753)
Exchange rate adjustments	-	88,778	-	-	88,778
Other adjustments	-	613	-	-	613
Closing net book value	-	1,153,201	-	562,553	1,715,754
At December 31, 2023					
Cost	-	3,104,889	1,041	655,146	6,675,028
Accumulated amortization	-	(1,951,688)	(1,041)	(92,593)	(4,959,274)
Net book value	-	1,153,201	-	562,553	1,715,754
Rate of amortization (percentage)	33.33 % on cost	33.33 % on cost	33.33 % on cost		
Useful life	3 years	3 years	3 years		

15.2 The cost of fully amortised intangible assets that are still in use.

	Note	2024	2023
		(Rupees in '000)	
Core Banking Application		**2,913,952**	2,913,952
Computer software		**971,629**	927,410
Website		**1,041**	1,041
		3,886,622	3,842,403

16 OTHER ASSETS

	Note	2024	2023
		(Rupees in '000)	
Income / return / mark-up accrued in local currency - net of provision		**149,076,442**	185,624,656
Income / return / mark-up accrued in foreign currency - net of provision		**11,134,215**	4,531,523
Advances, deposits, advance rent and other prepayments	16.1	**42,689,543**	3,045,383
Advance taxation (payments less provisions)			
Advance taxation (payments less provisions) and Income tax refunds receivable	16.7	**227,785**	1,133,524
Income tax refunds receivable		**18,356**	-
Compensation for delayed tax refunds		**22,129,925**	22,129,925
Non-banking assets acquired in satisfaction of claims	16.4	**1,153,069**	1,169,898
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		**208,423**	208,423
Branch adjustment account		**-**	-
Mark to market gain on forward foreign exchange contracts		**-**	-
Commission receivable on Government treasury transactions		**5,291,790**	5,182,665
Stationery and stamps on hand		**452,880**	472,575
Barter trade balances		**195,399**	195,399
Receivable on account of Government transactions	16.2	**323,172**	323,172
Receivable from Government under VHS scheme	16.3	**418,834**	418,834
Receivable against sale of shares		**64,990**	234,079
Acceptances		**9,580,543**	8,100,364
Receivable from SBP		**-**	24,698,013
Receivable from Pakistan Stock Exchange		**434,284**	292,822
Receivable from mutual funds		**-**	1,238,517
Receivable from Customers		**784,291**	377,044
Deferred fair value loss	16.8	**12,587,242**	-
Others		**13,798,664**	9,052,672
		270,569,847	268,429,488
Less: Provision held against other assets	16.5	**12,655,396**	12,495,413
Less: Credit loss allowance held against markup receivable	16.6	**1,225,858**	-
Other assets (Net of credit loss allowance & provision)		**256,688,593**	255,934,075
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	16.4 & 25.2	**2,995,046**	2,803,228
Other assets - Total		**259,683,639**	258,737,303

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16.1 This includes Rs. 800 million (2023: Rs. 1,400 million) advance against Pre-IPO placement of Term Finance Certificates and prepaid staff benefits amounting to Rs. 37,632 million (2023: Nil).

16.2 This represents amount receivable from GoP on account of encashment of various instruments handled by the Bank for GoP as an agent of the SBP. Due to uncertainty about its recoverability, full amount has been provided for.

16.3 This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from GoP. Due to uncertainty about its recoverability, full amount has been provided for.

		2024	2023
		(Rupees in '000)	
16.4	Market value of Non-banking assets acquired in satisfaction of claims	**4,148,115**	3,973,126

An independent valuation of the Group's non-banking assets was performed by an independent professional valuer to determine the fair value of the assets as at December 31, 2024. The valuation was carried out by Imtech (Pvt) Limited (Pakistan Banks' Association registered valuer) on the basis of an assessment of present market values.

		2024	2023
16.4.1	**Non-banking assets acquired in satisfaction of claims**	(Rupees in '000)	
	Opening Balance	**3,973,126**	3,699,943
	Additions	**1,115**	-
	Revaluation	**191,818**	283,228
	Depreciation	**(17,944)**	(10,045)
	Closing Balance	**4,148,115**	3,973,126
16.5	**Provision held against other assets**		
	Income / mark-up accrued in local currency	**152,607**	152,607
	Advances, deposits, advance rent and other prepayments	**800,000**	800,000
	Stationery and stamps on hand	**96,542**	96,542
	Barter trade balances	**195,399**	195,399
	Receivable on account of Government transactions	**323,172**	323,172
	Receivable from Government under VHS scheme	**418,834**	418,834
	Protested bills	**4,566,759**	4,377,337
	Ex-MBL / NDFC - other assets	**760,941**	760,941
	Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC)	**208,423**	208,423
	Others	**5,132,719**	5,162,158
		12,655,396	12,495,413
16.5.1	**Movement in provision held against other assets**		-
	Opening balance	**12,495,413**	12,244,043
	Charge for the year	**(33,596)**	239,045
	Other movement	**211,518**	57,519
	Adjustment against provision	**(17,939)**	(45,194)
	Closing balance	**12,655,396**	12,495,413
16.6	**Credit loss allowance held against mark-up receivable**		
	Opening balance	**-**	-
	Impact of ECL recognition on adoption of IFRS-9	**1,125,218**	-
	Charge for the period	**100,640**	-
	Closing balance	**1,225,858**	-

16.7 During the year, the Group has adjusted an amount of Rs. 8,797 million (2023: Rs. 9,099 million) against its advance tax liability and demand of previous tax year against income tax refunds receivables. Further, refunds amounting to Rs. Nil million (2023: 10,650 million) were also determined.

16.8 This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these consolidated financial statements.

		Note	2024	2023
			(Rupees in '000)	
17	**BILLS PAYABLE**			
	In Pakistan		**25,878,780**	67,822,126
	Outside Pakistan		**181,343**	178,322
			26,060,123	68,000,448
18	**BORROWINGS**			
	Secured			
	Borrowings from State Bank of Pakistan			
	Under Export Refinance Scheme	18.2	**25,676,900**	29,815,400
	Under Financing Scheme for Renewable Energy	18.3	**1,393,611**	1,289,488
	Under Refinance Facility for Modernization of SMEs	18.4	**135,466**	95,111
	Under Financing Facility for Storage of Agriculture Produce (FFSAP)	18.5	**365,850**	599,548
	Under Long-Term Financing Facility (LTFF)	18.6	**13,716,223**	17,197,820
	Under Temporary Economic Refinance Facility	18.7	**13,612,139**	22,827,889
	Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	18.8	**99,514**	29,220
	Under Refinance Facility for Combating Covid-19	18.9	**21,131**	45,352
	Under Export Refinance Scheme for Bill Discounting	18.10	**2,207,230**	2,606,143
			57,228,064	74,505,971
	Repurchase agreement borrowings	18.11	**1,855,342,203**	2,064,472,106
	Total secured		**1,912,570,267**	2,138,978,077
	Unsecured			
	Call borrowings	18.11	**21,989,167**	19,434,142
	Overdrawn nostro accounts		**197,488**	19,330,975
	Borrowing from Pakistan Mortgage Refinance Company		**3,000,000**	-
	Total unsecured		**25,186,655**	38,765,117
			1,937,756,922	2,177,743,194
18.1	**Particulars of borrowings with respect to currencies**			
	In local currency		**1,918,267,755**	2,140,248,077
	In foreign currencies		**19,489,167**	37,495,117
			1,937,756,922	2,177,743,194

18.2 The Bank has entered into an agreement with the SBP for extending export finance to customers. As per the terms of the agreement, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP. These borrowings are repayable within 180 days. These carry mark-up at rates ranging from 8.00% to 15.50% (2023: 13.00% to 19.00%) per annum.

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18.3 These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These borrowings shall be repayable for a maximum period of twelve years. These carry mark-up at rates ranging from 2.00% to 3.00% (2023: 2.00% to 3.00%) per annum.

18.4 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up of new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These borrowings shall be repayable for a maximum period of ten years and carry mark-up at rates up to 2.00 % (2023: 2.00%) per annum.

18.5 These borrowings have been obtained from the SBP for providing financing facilities to develop the agricultural produce marketing and enhance storage capacity, to encourage Private Sector to establish Silos, Warehouses and Cold Storages. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 2.50% (2023: 2.5% to 3.5%) per annum.

18.6 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 16.00 % (2023: 4.00% to 19.00%) per annum.

18.7 These borrowings have been obtained from the SBP with a view to support businesses to continue payment of wages and salaries to their workers and employees in the aftermath of corona virus (COVID-19) outbreak. These borrowings are repayable for a maximum period of 2.5 years. These carry mark-up at rates ranging from 0% (2023: 0%) per annum.

18.8 These borrowings have been obtained from the SBP for improving access to finance for the women entrepreneurs, a refinance cum credit guarantee scheme is being launched for the women borrowers across the country. Under the scheme, refinancing will be provided by State group of Pakistan at 0% to participating financial institutions for onward lending to women entrepreneurs across the country at a mark-up rate of upto 5% per annum.

18.9 These borrowings have been obtained from the SBP with a view to provide long term local currency finance for imported and locally manufactured medical equipment to be used for combating COVID – 19. The facility will be available to all the Hospitals and Medical Centres duly registered with respective provincial / federal agencies / commissions and engaged in controlling & eradication of COVID – 19. These borrowings are repayable for a maximum period of 5 years. These carry mark-up at rates at 0.00 % (2023: 0.00%) per annum.

18.10 These borrowings have been obtained from the SBP for providing export bill discounting facilities to customers. These carry mark-up at rates ranging from 1.00. % to 2.00% per annum (2023: 1.00% to 2.00% per annum)

18.11 Mark-up / interest rates and other terms are as follows:

- Repurchase agreement borrowings carry mark-up ranging from 12% to 14% per annum (2023: 21.75% to 23.00% per annum) having maturity from January 2, 2025 to January 24, 2025.

- Call borrowings carry interest ranging from 4.44 % to 14.10% per annum (2023: 5.50% to 21.80% per annum).

18.12 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the group's cash and security balances held by the SBP.

18.13 Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 1,855,342 million (2023: Rs. 2,064,472 million).

19 DEPOSITS AND OTHER ACCOUNTS

	2024			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits - remunerative	**925,418,336**	**-**	**925,418,336**	692,443,686	-	692,443,686
Current deposits - non-remunerative	**697,490,426**	**150,386,822**	**847,877,248**	656,289,463	161,079,615	817,369,078
Savings deposits	**920,944,729**	**166,983,905**	**1,087,928,634**	766,301,047	134,394,831	900,695,878
Term deposits	**508,608,226**	**259,883,774**	**768,492,000**	509,997,709	232,985,846	742,983,555
Others	**11,713,858**	**6,711**	**11,720,569**	13,082,003	7,182	13,089,185
	3,064,175,575	**577,261,212**	**3,641,436,787**	2,638,113,908	528,467,474	3,166,581,382
Financial institutions						
Current deposits - remunerative	**4,043,354**	**-**	**4,043,354**	6,310,317	-	6,310,317
Current deposits - non-remunerative	**169,952,266**	**836,653**	**170,788,919**	458,765,517	1,400,531	460,166,048
Savings deposits	**32,044,776**	**4,214,835**	**36,259,611**	18,946,277	4,644,674	23,590,951
Term deposits	**8,683,690**	**3,999,936**	**12,683,626**	12,824,721	3,636,495	16,461,216
	214,724,086	**9,051,424**	**223,775,510**	496,846,832	9,681,700	506,528,532
	3,278,899,661	**586,312,636**	**3,865,212,297**	3,134,960,740	538,149,174	3,673,109,914

		2024	2023
		(Rupees in '000)	
19.1	Composition of deposits		
	- Individuals	**1,453,740,882**	1,220,898,183
	- Government (Federal and Provincial)	**1,511,800,469**	1,255,786,576
	- Public sector entities	**324,537,753**	385,531,338
	- Banking companies	**179,401,406**	472,952,639
	- Non-banking financial institutions	**44,374,104**	33,575,893
	- Private sector	**351,357,683**	304,365,285
		3,865,212,297	3,673,109,914

19.2 Foreign currencies deposits include deposit of foreign branches amounting to Rs. 104,461 million (2023: Rs. 99,316 million).

19.3 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,201,539 million (2023: Rs. 1,013,777 million) including Islamic branches.

20 LEASE LIABILITIES

	2024	2023
	(Rupees in '000)	
Outstanding amount at the start of the year	**8,891,000**	8,882,468
Additions during the year	**2,064,589**	2,537,659
Lease payments including interest	**(3,310,780)**	(3,566,480)
Interest expense	**1,050,289**	843,098
Exchange difference	**(109,416)**	194,255
Closure of branch	**-**	-
Outstanding amount at the end of the year	**8,585,682**	8,891,000

20.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	**1,720,059**	1,781,227
Long-term lease liabilities	**-**	
- 1 to 5 years	**4,557,122**	4,719,179
- 5 to 10 years	**1,581,913**	1,638,168
- More than 10 years	**726,588**	752,427
	6,865,623	7,109,773
Total lease liabilities	**8,585,682**	8,891,000

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21 DEFERRED TAX LIABILITIES

	2024					
	At January 01, 2024	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At December 31, 2024
	(Rupees in '000)					
Deductible temporary differences on						
- Tax losses carried forward	10,705	-	10,705	-	-	10,705
- Post retirement employee benefits	7,002,470		7,002,470	41,332	501,193	7,544,995
- Net credit loss allowance against investments	236,751	3,448,715	3,685,466	462,747	-	4,148,213
- Net credit loss allowance against loans and advances	10,143,512	15,540,398	25,683,910	(2,819,683)	-	22,864,227
- Net credit loss allowance against off-balance sheet obligations	115,222	1,984,149	2,099,371	(348,145)	-	1,751,226
- Excess of accounting book values over tax written down values of property and equipment	1,550,617	-	1,550,617	(57,565)	-	1,493,052
- Other credit loss allowance	98,789	551,357	650,146	84,976	-	735,122
- Provision against contingencies	-	-	-	221,741	-	221,741
- Net credit loss allowance against Balance with other banks	-	18	18	(10)	-	8
- Net credit loss allowance against Balance with other Central bank	-	9,169	9,169	189	-	9,358
- Net credit loss allowance against lending to financial institution	-	4,764	4,764	(5,056)	-	(292)
- Right of use assets	651,852	-	651,852	238,644	-	890,496
	19,809,918	21,538,570	41,348,488	(2,180,830)	501,193	39,668,851
Taxable temporary differences on						
- Surplus on revaluation of property and equipment	(3,221,529)	-	(3,221,529)	173,298	(624,961)	(3,673,192)
- Surplus on revaluation of investments	(16,223,311)	(5,657,733)	(21,881,044)	-	(53,632,462)	(75,513,506)
- Surplus on revaluation of non-banking assets	(106,848)		(106,848)	-	(11,367)	(118,215)
- Gain on sale of Equity Shares - FVOCI	-	-	-	-	-	-
- Opening impact IFRS-9	-	-	-	-	-	-
- Exchange translation reserve	(1,116,836)	-	(1,116,836)	(99,091)	46,815	(1,169,112)
- Excess of accounting book value of leased assets	16,038	-	16,038	11,550	15,229	42,817
-Opening impact IFRS-9	-	(232,907)	(232,907)	-	-	(232,907)
-Reclassification / Re-measurement of Investments on adoption of IFRS 9	-	(3,057,980)	(3,057,980)	3,057,980	-	-
	(20,652,486)	(8,948,620)	(29,601,106)	3,143,737	(54,206,746)	(80,664,115)
	(842,568)	12,589,950	11,747,382	962,907	(53,705,553)	(40,995,264)

	2023					
	At January 01, 2023	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At December 31, 2023
	(Rupees in '000)					
Deductible temporary differences on	10,705	-	10,705	-	-	10,705
Deductible temporary differences on	7,467,549	-	7,467,549	41,331	(506,410)	7,002,470
- Tax losses carried forward	236,751	-	236,751	-	-	236,751
- Post retirement employee benefits	12,925,197	-	12,925,197	(2,781,685)	-	10,143,512
- Provision for diminution in the value of investments	115,222	-	115,222	-	-	115,222
- Provision against loans and advances	1,395,724	-	1,395,724	154,893	-	1,550,617
- Provision against off-balance sheet obligations	107,841	-	107,841	(9,052)	-	98,789
- Excess of accounting book values over tax written down values of property and equipment	-	-	-	-	-	-
- Other provision	670,604	-	670,604	(18,752)	-	651,852
- Accelerated tax depreciation	22,929,593	-	22,929,593	(2,613,265)	(506,410)	19,809,918
Taxable temporary differences on	(2,968,387)	-	(2,968,387)	180,464	(433,606)	(3,221,529)
- Surplus on revaluation of fixed assets	3,208,916	-	3,208,916	-	(19,432,227)	(16,223,311)
- Surplus on revaluation of investments	(21,752)	-	(21,752)	-	(85,096)	(106,848)
- Surplus on revaluation of non-banking assets	(734,250)	-	(734,250)	-	(382,586)	(1,116,836)
- Exchange translation reserve	(7,890)	-	(7,890)	11,551	12,377	16,038
- Exchange translation reserve	(523,363)	-	(523,363)	192,015	(20,321,138)	(20,652,486)
	22,406,230	-	22,406,230	(2,421,250)	(20,827,548)	(842,568)

		Note	2024	2023
			(Rupees in '000)	
22	**OTHER LIABILITIES**			
	Mark-up / return / interest payable in local currency		**198,479,773**	194,680,604
	Mark-up / return / interest payable in foreign currencies		**2,126,296**	2,611,281
	Unearned commission and income on bills discounted		**316,175**	124,131
	Accrued expenses		**15,598,804**	13,907,160
	Advance payments		**426,199**	387,084
	Current taxation (provisions less payments)		**14,338,206**	-
	Unclaimed dividends		**174,057**	174,709
	Mark to market loss on forward foreign exchange contracts		**379,658**	6,676,880
	Branch adjustment account		**3,772,016**	1,659,214
	Payable to defined benefit plan:			
	Pension fund	41.4	**75,638,568**	22,944,893
	Post retirement medical benefits	41.4	**39,745,198**	34,833,112
	Benevolent fund	41.4	**1,882,384**	1,613,699
	Gratuity scheme	41.4	**5,333,423**	4,975,497
	Compensated absences	41.4	**10,227,411**	9,632,176
	Staff welfare fund		**394,102**	371,257
	Liabilities relating to barter trade agreements		**4,280,203**	4,321,484
	Provision against contingencies	22.1	**5,343,606**	4,698,118
	Credit loss allowance against off-balance sheet obligations	22.2	**1,726,164**	627,494
	Payable to brokers		**30,288**	735,663
	PIBs short selling		**-**	10,241,337
	Payable to customers		**857,521**	516,017
	Acceptances		**9,580,543**	8,100,364
	Others		**20,687,229**	19,040,688
			411,337,824	342,872,862
22.1	**Provision against contingencies**			
	Opening balance		**4,698,118**	4,170,799
	Charge for the year		**426,424**	384,838
	Other movement		**219,064**	142,481
	Closing balance		**5,343,606**	4,698,118
22.2	**Credit loss allowance against off-balance sheet obligations**			
	Opening balance		**627,494**	627,494
	Impact of adoption of IFRS-9		**4,049,283**	-
	Reversals for the year		**(669,509)**	-
			(669,509)	-
	Transfer out		**(2,281,104)**	-
	Closing balance		**1,726,164**	627,494

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FOR THE YEAR ENDED DECEMBER 31, 2024

23 SHARE CAPITAL

23.1 Authorized capital

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
2,500,000,000	2,500,000,000	Ordinary shares of Rs.10/- each	25,000,000	25,000,000

23.2 Issued, subscribed and paid up

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
		Ordinary shares		
140,388,000	140,388,000	Fully paid in cash	1,403,880	1,403,880
1,987,125,026	1,987,125,026	Issued as bonus shares	19,871,251	19,871,251
-	-	Issued for consideration other than cash	-	-
2,127,513,026	2,127,513,026		21,275,131	21,275,131
-	-	Less: Discount on issue of shares	-	-
2,127,513,026	2,127,513,026		21,275,131	21,275,131

The Federal Government and SBP holds 75.60% (2023: Federal Government and SBP 75.60%) shares of the Bank.

2024	2023
(Rupees in '000)	

23.3 Shares of the Bank held by subsidiary and associate

Following shares were held by the associate of the Bank as of year end:

First Credit & Investment Bank Limited	70,000	70,000
	70,000	70,000

24 RESERVES

Exchange translation reserve

This comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Statutory reserve

Every bank incorporated in Pakistan is required to transfer 20% of their profits to a statutory reserve until the reserve equals share capital, thereafter 10% of the profits of the Bank are to be transferred to this reserve.

		Note	2024	2023
			(Rupees in '000)	
25	**SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**			
	Surplus / (deficit) on revaluation of			
	- Securities measured at FVOCI - Debt	11.1 & 25.3	**50,319,905**	-
	- Securities measured at FVOCI - Equity	11.1 & 25.3	**94,898,376**	-
	- Available for sale securities		**-**	33,119,281
	- Property and Equipment	25.1	**49,394,600**	48,300,131
	- Non-banking assets acquired in satisfaction of claims	25.2	**2,995,046**	2,803,228
	- On securities of associates and joint venture		**(93,379)**	(337,236)
			197,514,548	83,885,404
	Deferred tax on surplus / (deficit) on revaluation of:			
	- Securities measured at FVOCI - Debt		**(26,166,351)**	-
	- Securities measured at FVOCI - Equity		**(49,347,156)**	-
	- Available for sale securities		**-**	(16,223,312)
	- Property and equipment	25.1	**(3,773,782)**	(3,322,829)
	- Non-banking assets acquired in satisfaction of claims	25.2	**(118,215)**	(106,848)
			(79,405,504)	(19,652,989)
			118,109,044	64,232,415
25.1	**Surplus on revaluation of property and equipment**			
	Surplus on revaluation of property and equipment as at January 1		**47,395,553**	47,733,682
	Recognised during the year	13.2	**2,338,109**	17,842
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**-**	-
			(162,750)	(181,545)
	Related deferred tax liability on incremental deprecation charged during the year		**(176,312)**	(174,426)
	Surplus on revaluation of property and equipment as at December 31		**49,394,600**	47,395,553
	Less: related deferred tax liability on:			
	- revaluation as at January 1		**(3,322,829)**	(3,061,347)
	- revaluation recognised during the year		**(423,825)**	(8,743)
	- rate adjustment		**(203,439)**	(427,165)
	- incremental depreciation charged during the year		**176,312**	174,426
			(3,773,782)	(3,322,829)
	Share of surplus on revaluation of fixed assets of associates and joint venture		**-**	904,578
			45,620,818	44,977,302
25.2	**Surplus on revaluation of non-banking assets acquired in satisfaction of claims**			
	Surplus on revaluation as at January 1		**2,803,228**	2,520,000
	Recognised during the year		**191,818**	283,228
	Surplus on revaluation as at December 31		**2,995,046**	2,803,228
	Less: related deferred tax liability on:			
	- revaluation as at January 1		**(106,848)**	(21,752)
	- revaluation recognised during the year		**(4,826)**	(82,060)
	- rate adjustment		**(6,541)**	(3,036)
			(118,215)	(106,848)
			2,876,831	2,696,380

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FOR THE YEAR ENDED DECEMBER 31, 2024

		Note	2024	2023
			(Rupees in '000)	
25.3	**Securities which will be recycled to the consolidated statement of profit and loss account**			
	- Securities measured at FVOCI - Debt		**50,319,905**	-
	Securities which will not be recycled to the consolidated statement of profit and loss account			
	- Securities measured at FVOCI - Equity		**94,898,376**	-
26	**CONTINGENCIES AND COMMITMENTS**			
	-Guarantees	26.1	**513,080,260**	346,487,980
	-Commitments	26.2	**2,319,154,517**	2,362,684,359
	-Other contingent liabilities	26.3	**26,536,608**	26,628,229
			2,858,771,385	2,735,800,568
26.1	**Guarantees:**			
	Financial guarantees		**461,985,681**	227,063,459
	Performance guarantees		**51,094,580**	119,424,521
			513,080,260	346,487,980
26.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		**1,585,818,397**	1,633,847,479
	Commitments in respect of:			
	- forward foreign exchange contracts	26.2.1	**637,181,340**	655,935,358
	- forward government securities transactions	26.2.2	**79,587,535**	27,318,929
	- forward lending	26.2.3	**15,467,596**	44,432,555
	Commitments for acquisition of:			
	- operating property and equipment		**1,082,641**	1,129,442
	Other commitments	26.2.5	**17,008**	20,596
			2,319,154,517	2,362,684,359
26.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		**419,040,101**	412,870,783
	Sale		**218,141,239**	243,064,575
			637,181,340	655,935,358

Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

		2024	2023
		(Rupees in '000)	
26.2.2	**Commitments in respect of forward government securities transactions**		
	Purchase	**74,167,535**	11,493,136
	Sale	**5,420,000**	15,825,793
		79,587,535	27,318,929

Commitments for outstanding forward government securities transactions are disclosed in these consolidated financial statements at contracted rates.

		2024	2023
		(Rupees in '000)	
26.2.3	**Commitments in respect of forward lending**		
	Undrawn formal standby facilities, credit lines and other commitments to lend	**15,467,596**	44,432,555
		15,467,596	44,432,555

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

		Note	2024	2023
			(Rupees in '000)	
26.2.5	**Other commitments**			
	Professional services to be received		**17,008**	20,596
26.3	**Other contingent liabilities**	26.3.1	**26,536,608**	26,628,229

26.3.1 Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (2023: Rs. 1,597 million).

26.3.2 Taxation

- The return of income for tax year 2024 has been filed which is treated to be deemed assessment order.
- Honourable ATIR has passed appellate order for tax year 2005 against monitoring order and held that the proceedings are time barred. However, the order of the DCIR remanded back to the assessing officer with the instruction to proceed further if any information is already available with the tax department.
- Honourable ATIR has passed appellate order for tax year 2009 against monitoring order and the order passed by the DCIR has been annulled.
- An assessment order was issued by the ACIR for the tax year 2023. In this assessment, the tax authorities have made certain additions. The Bank has contested these additions before the Appellate Tribunal.
- The aggregate effect of contingencies as on Dec 31, 2024 including amount of Rs. 716 million (December 31, 2023: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 35,160 million (December 31, 2023: Rs. 34,730 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expect favorable outcome upon decisions of pending appeals.

26.3.3 Contingencies in respect of employees benefits and related matters

The following are the details of the contingencies arising out of the various legal cases pending adjudication in respect of employees' benefits and related matters. The Bank considers that except for Pensionary benefits note 26.3.3.1, the financial impact of other matters is impracticable to determine with sufficient reliability.

26.3.3.1 Pensionary benefits to retired employees

The Honorable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, dismissed all the civil review petitions filed by NBP (CRPs No 368 to 409 etc.), as a result of which the Supreme Court decision dated 25th September 2017, in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement bank has made payments to majority of petitioners as well as non-petitioners.

The Honorable Supreme Court has also directed NBP to pay the arrears of any government increases in pension but to only pensioners who are directly involved and are parties in the aforesaid litigation. However, as

things stand at the moment, an off- shoot of the said litigation is presently pending final adjudication in the Supreme Court wherein a different class of pensioners are claiming payment of government increases in pension from NBP. In this case, the Supreme Court has granted NBP annual relief and has suspended the operation of the judgment of the Lahore High Court which had directed NBP to pay such pension increases. As a result, there are now two different views of the Honorable Supreme Court vis a vis the payment of government increases in pension to the pensioners of NBP and the legal position is far from being clear or certain. However, as a matter of prudence the Bank has incorporated financial impact in these consolidated financial statements for the year ended December 31, 2024.

26.3.3.2 Regularizing the temporary hires / workers deployed by service provider companies under outsourcing arrangements

The Bank outsourced certain non-core jobs to various service provider companies after entering into contracts with them. The resources deployed by the service provider companies were their employees and the said companies have had sole administrative control over these resources. Some of these resources filed writ petitions before the High Courts and National Industrial Relations Commission (NIRC) seeking to be absorbed by the Bank in its regular service based on grounds that they were in fact employees of the Bank. Presently, there are 6 cases on appeal pending at the Supreme Court where these have been clubbed to be heard as one. The Chief Justice of Pakistan has constituted a larger bench comprising of five Judges being headed by himself for adjudication. The case is ongoing and is presently adjourned for a date to be fixed. A favorable outcome of this case is expected.

26.3.3.3 Litigation related to management trainee program

Following the litigation arising out of the order dated September 21, 2016 passed by the Supreme Court in our CA No.1644/2013 out of our CPLA No. 805/2013 filed against order dated March 13, 2013 of the Division Bench of Sindh High Court, Sukkur in CP No. D-417/2010 (the “Decision”), the Bank has substantially paid all the petitioners and non petitioners in accordance with court orders or on the basis of out of court settlements. The matter is now closed.

26.4 Foreign exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporter namely: M/S Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has also adjudicated penalty of Rs. 1,020 million, arbitrarily on the Bank. The Bank has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgments. The Honorable High Court has granted relief to the Bank by way of annual orders.

As advised by our counsel, NBP has also filed a Constitutional Petition challenging the constitution of the Appellate Board by the Commission and has obtained restraining order on the ground that the Appellate Board constituted by the Commission lacks legal merit in the light of Supreme Court ruling. Our counsel, Mr. Rashid Anwar, Advocate has concluded his arguments in respect of the Foreign Exchange Regulation Appellate Board constitution. However, another petition filed by another company whereby challenging the constitutionality of the Competition Act was also tagged with the petitions filed by the banks.

Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore, no provision has been made against the impugned penalty.

Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore, no provision has been made against the impugned penalty.

26.5 Compliance and risk matters relating to anti-money laundering at the New York Branch

The bank fully complied with the public enforcement actions issued in February 2022 by the New York State Department of Financial Services (NYSDFS) and the Federal Reserve Board. It thereafter decided to close the New York branch. With approval from the NYDFS, the bank’s New York branch voluntarily surrendered its banking license to the NYSDFS in October 2024. In December 2024, the Federal Reserve Board terminated the enforcement actions issued to NBP/New York Branch in March 2016 & February 2022. The NYSDFS does not have a practice of terminating enforcement actions.

		Note	2024	2023
			(Rupees in '000)	
27	**MARK-UP / RETURN / INTEREST EARNED**			
	Loans and advances		**233,243,873**	221,750,632
	Investments		**842,172,110**	774,057,450
	Lendings to financial institutions		**11,124,263**	27,987,718
	Balances with banks		**3,350,692**	1,338,862
			1,089,890,938	1,025,134,662
28	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		**460,381,568**	364,955,254
	Borrowings		**8,956,569**	6,988,812
	Cost of foreign currency swaps against foreign currency deposits / borrowings		**15,257,391**	14,293,880
	Financial charges lease liability against right of use assets		**1,050,289**	843,098
	Securities sold under repurchase agreements		**432,806,427**	468,699,346
			918,452,244	855,780,390
29	**FEE AND COMMISSION INCOME**			
	Branch banking customer fees		**1,872,522**	1,836,285
	Consumer finance related fees		**829,131**	537,528
	Card related fees (debit and credit cards)		**4,895,488**	3,018,522
	Credit related fees		**337,189**	355,727
	Investment banking fees		**382,569**	479,928
	Commission on trade		**2,447,629**	2,431,771
	Commission on guarantees		**1,767,688**	815,499
	Commission on cash management		**56,703**	98,999
	Commission on remittances including home remittances		**1,772,179**	1,851,419
	Commission on bancassurance		**273,804**	227,995
	Commission on government transactions		**10,862,413**	10,319,641
	Management Fee & Sale Load		**3,133,839**	1,936,252
	Brokerage Income		**154,440**	89,116
	Others		**385,569**	137,614
			29,171,163	24,136,296
30	**GAIN ON SECURITIES**			
	Realized	30.1	**19,112,490**	4,447,398
	Unrealized - measured as FVTPL / held for trading - net	30.2 & 11.1	**9,082,580**	(28,025)
	Unrealized - Short selling		**-**	1,873
			28,195,070	4,421,246
30.1	Realized gain on:			
	Federal Government securities		**9,222,915**	1,289,150
	Shares	30.2	**3,818,998**	3,201,890
	Sale of Joint Venture and associate		**6,161,675**	-
	Foreign securities		**(91,098)**	(43,642)
			19,112,490	4,447,398

30.1.1 The transaction for the sale of the Bank's shareholding in United National Bank Limited (UNBL UK) was concluded after obtaining all the regulatory approvals on July 01,2024.

30.1.2 During the year, the Bank has divested its interest in its associate, Agritech Limited, through a negotiated transaction. The transaction was completed on 15th October, 2024.

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FOR THE YEAR ENDED DECEMBER 31, 2024

		Note	2024	2023
			(Rupees in '000)	
30.2	**Net gain on financial assets / liabilities measured at FVTPL:**			
	Designated upon initial recognition		**5,874,857**	-
	Mandatorily measured at FVTPL		**3,207,723**	-
			9,082,579	-
	Net gain on financial assets measured at FVOCI - Debt		**6,421,596**	-
			20,085,508	-
31	**NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST**			
	Loss on derecognition of financial assets measured at amortised cost	31.1	**(662,486)**	-

31.1 This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these consolidated financial statements.

		Note	2024	2023
			(Rupees in '000)	
32	**OTHER INCOME**			
	Rent on property		**89,121**	74,028
	Gain on sale of property and equipment - net		**5,022**	224,324
	Postal, SWIFT and other charges recovered / reversed		**214,222**	131,783
	Compensation for delayed delivery of vehicles		**-**	1,009
	Compensation for delayed tax refunds	32.1	**-**	1,320,345
	Tender money		**-**	2,307
	Early settlement of staff loan		**319,333**	-
	Incentive on Home remittance		**-**	13,102
	Deferred Income on Sale of Fixed Asset		**10,542**	9,851
	Reversal of Expenses		**44,348**	-
	Others		**42,218**	19,700
			724,806	1,796,449

32.1 This represents compensation for delayed refunds determined under Section 171 of Income Tax Ordinance 2001.

		Note	2024	2023
33	**OPERATING EXPENSES**		----------(Rupees in '000)----------	
	Total compensation expense	33.2	**137,825,820**	57,298,224
	Property expense			
	Rent and taxes		**1,662,651**	1,254,651
	Insurance	33.3	**54,204**	62,440
	Utilities cost		**3,394,864**	2,902,890
	Security (including guards)		**4,583,774**	4,128,206
	Repair and maintenance (including janitorial charges)		**1,688,161**	1,481,169
	Depreciation		**499,358**	497,594
	Depreciation on non - banking assets		**17,944**	10,045
	Depreciation on Ijarah assets		**1,371**	1,065
	Depreciation on right-of-use assets		**2,117,452**	2,165,226
	Others		**12,268**	-
			14,032,047	12,503,286
	Information technology expenses			
	Software maintenance		**3,321,159**	2,810,861
	Hardware maintenance		**160,017**	138,307
	Depreciation		**750,716**	611,348
	Amortisation		**548,798**	324,753
	Network charges		**1,000,925**	892,901
	IT Manage services		**1,916,363**	2,611,550
	Others		**4,193**	
			7,702,171	7,389,720
	Other operating expenses			
	Directors' fees and allowances		**95,191**	88,232
	Directors' fees and allowances - subsidaries		**27,920**	25,870
	Fees and allowances to Shariah Board		**19,503**	17,423
	Legal and professional charges		**1,344,087**	2,185,861
	Outsourced services costs	33.1	**1,470,838**	931,924
	Travelling and conveyance		**1,738,257**	1,909,797
	NIFT clearing charges		**279,744**	255,128
	Depreciation		**1,619,752**	1,485,541
	Training and development		**184,736**	112,140
	Postage and courier charges		**359,123**	417,253
	Communication		**1,676,185**	1,265,355
	Stationery and printing		**2,514,600**	2,095,876
	Marketing, advertisement & publicity		**1,764,011**	1,159,337
	Donations	33.5	**148,762**	45,104
	Auditors remuneration	33.6	**367,484**	365,766
	Property and equipment / Non-banking asset deficit		**12,102**	-
	Financial charges on leased assets		**237,162**	71,513
	Entertainment		**486,870**	342,228
	Clearing charges, verification and licence fee		**499,229**	574,953
	Subscription			509
	Brokerage		**228,342**	148,942
	WWF		**35,077**	-
	Insurance general		**1,043,258**	748,936
	Vehicle expenses		**294,107**	257,265
	Deposit premium expense		**1,636,619**	1,392,861
	Repairs and maintenance general		**1,169,136**	1,388,748
	Others		**1,280,572**	681,419
			20,532,667	17,967,981
			180,092,705	95,159,211

33.1 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 1,471 million (2023: Rs. 931.9 million). Out of this cost, Rs. 1,455 million (2023: Rs. 919.4 million) pertains to the payment to companies incorporated in Pakistan and Rs. 16.3 million (2023: Rs. 12.5 million) pertains to payment to companies incorporated outside Pakistan. Total Cost of outsourced activities for the year given to related parties is Rs. Nil (2023: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017. The material outsourcing arrangements along with their nature of services are as follows:

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Name of Company	Nature of Services	2024	2023
		(Rupees in '000)	
HTECH Solutions (Private) Limited	Call centre management	168,497	122,541

During the year, outsourcing services were hired in respect of sales, call centre services, IT support & Services, Cash sorting, protocol services, collection services, and engineering services.

33.2 Total compensation expense

	Note	2024	2023
		(Rupees in '000)	
Fees and allowances etc		110,756	-
Managerial remuneration		-	-
i) Fixed		19,245,929	16,773,229
ii) Variable		126,222	-
a) Cash bonus / awards etc.		6,229,808	5,596,227
b) Bonus and awards in shares etc.		356,648	-
Charge for defined benefit plan	26.3.3.1	82,033,112	11,918,752
Charge for defined benefit plan - Subsidiaries		175,822	80,288
Contribution to defined contribution Plan		17,736	-
Rent and house maintenance		7,041,372	6,437,798
Utilities		3,216,195	2,694,045
Medical		5,642,967	4,618,445
Conveyance		4,835,112	4,256,728
Club Membership and Subscription		153,640	93,718
Education Allowance		1,820,867	1,818,799
Insurance		412,722	480,752
Honorarium to Staff and Staff Welfare		231,091	451,129
Overtime		49,460	45,892
Special Duty Allowance		1,369	3,621
Islamic Banking Allowance		1,070	-
Washing Allowance		13,232	14,208
Key Allowance		70,804	70,501
Unattractive Area Allowance		83,185	68,690
Leave Encashment		12,766	12,021
Teaching Allowance		13,004	10,864
Incentive on CASA deposits mobilization		76,656	35,378
Meal Allowance		444,646	246,262
Staff Incentive		15,632	8,421
Liveries		13	19
Inchamber Allowance		617	-
Inflationary Allowance		-	648,818
Saturday Allowances		158,454	162,405
Severe Winter Allowance		57,338	54,480
Hill Allowance		46,379	34,530
ATM Cash Replenish Allowance		21,325	20,593
PhD Allowance		12,844	10,098
Hardship Allowance		3,110	-
Other retirement benefits of international branches		-	132,036
Staff Loan - notional cost	33.4	4,605,524	-
Others		488,393	499,477
		137,825,820	57,298,224
		137,825,820	57,298,224

33.3 This includes Rs. 3.935 million (2023: Rs.3.422 million) insurance premium against directors' liability insurance.

33.4 This refers to unwinding of notional deferred cost on subsidised staff loans fair valuation under IFRS-9.

33.5 Donations include following amounts:

	2024	2023
	(Rupees in '000)	
Special Olympics Pakistan	5,500	-
Afzaal Memorial Thalassemia Foundation	5,000	-
Family Educational Services Foundation	15,000	-
Child Aid Association	2,000	-
Marie Adelaide Leprosy Centre	2,500	-
Child Life Foundation	10,000	-
Akhuwat	14,000	-
Karwan-e-Hayat	12,600	-
Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	38,511	26,549
Pakistan Alliance For Girls Education Trust	5,300	-
The Hunar Foundation	15,000	-
Strengthening Participatory Organization	11,314	-
Tehzibul Akhlaq Trust	7,000	-
Sindh community Foundation	5,037	-
The Citizen Foundation (TCF)	-	7,255
Network of Organizations Working for Women Empowerment Group (WEG)	-	5,000
	-	6,300
	148,762	45,104

33.5.1 None of the Directors, Sponsor shareholders and Key Management Personnel or their spouse have an interest in the Donee.

33.6 Auditors' remuneration

	A.F.Ferguson & Co.	BDO Ebrahim & Co.	Total 2024	Total 2023
	(Rupees in '000)			
Audit fee	33,000	28,132	61,132	35,949
Special certifications	2,825	2,307	5,132	2,527
	35,825	30,439	66,264	38,476
Other special certification and sundry advisory	31,340	6,790	38,130	81,871
Out-of-pocket expenses	10,175	10,175	20,350	9,000
Sales Tax	3,680	3,249	6,929	12,923
Fee for audit of foreign branches including advisory service and out-of-pocket expenses	-	-	231,238	218,321
Fee for audit of subsidiaries including out-of-pocket expenses	-	-	4,573	5,175
	81,020	50,653	367,484	365,766

34 OTHER CHARGES

	2024	2023
	(Rupees in '000)	
Penalties imposed by State Bank of Pakistan	36,718	270,073
Penalties imposed by other regulatory bodies (Central bank of International branches)	7,496	15,867
Penalties imposed by other regulatory bodies (Regulators of subsidiaries)	1,812	20
	46,026	285,960

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		Note	2024	2023
			(Rupees in '000)	
35	**CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET**			
	Net reversal of credit loss allowance against lending to financial institutions	10.7	**(9,723)**	-
	Reversal / Net credit loss allowance / provision against investments	11.3.2	**(1,447,655)**	1,437,301
	Reversal / Net credit loss allowance / provision against loans and advances	12.6	**6,136,298**	13,320,955
	Provision against other assets	16.5.1	**(33,596)**	239,045
	Other credit loss allowance against contingencies	22.1	**426,424**	384,838
	Net credit loss allowance against markup receivable	16.6	**100,640**	-
	Net reversal of credit loss allowance against off balance Sheet	22.2	**(669,509)**	-
	Net reversal of credit loss allowance against cash and balance with other banks		**(18)**	-
	Net credit loss allowance against cash and balance with treasury banks		**362**	-
			4,503,223	15,382,139
36	**TAXATION**			
	Current			
	For the year	36.1	**31,580,362**	53,879,315
	Prior years		**-**	(6,322,999)
			31,580,362	47,556,316
	Deferred			
	For the year		**(962,907)**	(5,651,977)
	Prior years		**-**	8,073,227
			(962,907)	2,421,250
			30,617,455	49,977,566
36.1	Current taxation includes Rs. Nil (2023: Rs. Nil) of overseas branches.			
36.2	**Relationship between tax expense and accounting profit**			
	Accounting Profit Before Tax		**57,120,160**	103,298,963
	Income tax at statutory rate @ 44% (2023: 39%)		**25,132,870**	40,053,643
	Super tax at statutory rate @ 10% (2023: 10%)		**5,712,016**	10,125,309
	Increase / (decrease) in taxes resulting from:			
	Inadmissible items		**24,854**	140,757
	Prior year taxation		**-**	1,750,228
	Impact of change in tax rate		**(700,835)**	(1,716,671)
	Reduced rate on SME / Housing		**-**	-
	Others		**448,549**	(375,700)
	Tax charge for current and prior years		**30,617,455**	49,977,566
37	**BASIC EARNING PER SHARE**			
	Profit for the year (Rupees in 000's)		**25,985,128**	53,101,601
	Weighted average number of ordinary shares (Number in 000's)		**2,127,513**	2,127,513
	Basic earnings per share (Rupees)		**12.21**	24.96
38	**DILUTED EARNING PER SHARE**			
	Profit for the year (Rupees in 000's)		**25,985,128**	53,101,601
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares) (Number in 000's)		**2,127,513**	2,127,513
	Diluted earnings per share (Rupees)		**12.21**	24.96

		2024	2023
		(Rupees in '000)	
39	**CASH AND CASH EQUIVALENTS**		
	Cash and balance with treasury banks	**314,787,387**	295,455,482
	Balance with other banks	**58,644,846**	43,004,567
	Musharka / clean money lending	**30,000,000**	9,723
	Call borrowings	**(21,989,167)**	(19,434,142)
	Overdrawn nostro accounts	**(197,488)**	(19,330,975)
		381,245,578	299,704,655
40	**STAFF STRENGTH**		
	Permanent	**9,547**	10,020
	On the Bank's contract	**6,005**	5,673
	Bank's own staff strength at the end of the year	**15,552**	15,693

40.1 In addition to the above, 1,957 (2023: 1,722) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services. Out of these, 1,951 employees are working domestically (2023: 1,708) and 6 (2023: 14) abroad respectively.

41 DEFINED BENEFIT PLAN

41.1 General description

General description of the type of defined benefit plan and accounting policy for remeasurements of the net defined liability / asset is disclosed in note 4.15 to the consolidated financial statements.

41.2 Number of employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2024	2023
	Numbers	
Pension fund	**9,051**	9,542
Post retirement medical expense	**9,051**	9,542
Benevolent scheme	**9,051**	9,542
Gratuity scheme	**5,551**	5,185
Compensated absences	**9,051**	9,542

41.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2024 using the following significant assumptions:

	2024	2023
	per annum	
Discount rate	**12.25%**	15.50%
Expected rate of return on plan assets	**12.25%**	15.50%
Expected rate of salary increase	**10.75%**	15.50%
Expected rate of increase in pension	**107% for next one year**	80% for next one year,11% onwards
Expected rate of increase in medical benefit	**12.25%**	15.50%

	Note	2024						2023					
		Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
		(Rupees in '000)											
41.4 Reconciliation of (receivable from) / payable to defined benefit plans													
Present value of obligations		177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
Fair value of plan assets		(101,540,358)	-	-	-	-	(101,540,358)	(80,646,300)	-	-	-	-	(80,646,300)
Subsidaries		-	-	-	480,865	-	480,865	-	-	-	399,837	-	399,837
Payable		75,638,568	39,745,198	1,882,384	5,333,423	10,227,411	132,826,984	22,944,893	34,833,112	1,613,699	4,975,497	9,632,176	73,999,377
41.5 Movement in defined benefit obligations													
Obligations at the beginning of the year		103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840	89,128,297	29,176,898	1,697,838	3,767,858	8,734,235	132,505,126
Current service cost		2,577,250	890,143	42,294	628,666	17,341	4,155,694	1,082,972	771,209	42,912	543,697	12,352	2,453,142
Past Service due to early retirement gratuity		57,549,870	-	149	80,555	356,535	57,987,109	28,590	14,663	503	136,889	613,761	794,406
Other payments		-	-	-	-	-	-	137,070	-	-	-	-	137,070
Adjustment against contingency reserve		78,513	12,814	118		11,273	102,718	158,428	34,152	332	-	19,326	212,238
Interest cost		24,875,597	5,288,935	235,391	694,031	1,463,426	32,557,380	12,665,122	4,137,561	232,065	536,448	1,247,384	18,818,580
Benefits paid by the bank		(22,508,104)	(1,421,895)	(190,094)	(196,086)	(381,432)	(24,697,611)	(3,565,262)	(1,283,994)	(194,781)	(136,429)	(263,173)	(5,443,639)
Re-measurement gain - Profit and Loss		-	-	-	-	(871,908)	(871,908)	-	-	-	-	(731,709)	(731,709)
Re-measurement loss / (gain) - OCI		11,014,607	142,089	180,827	(930,268)	-	10,407,255	3,955,976	1,982,623	(165,170)	(272,803)	-	5,500,626
Obligations at the end of the year		177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
41.6 Movement in fair value of plan assets													
Fair value at the beginning of the year		80,646,300	-	-	-	-	80,646,300	66,064,403	-	-	-	-	66,064,403
Interest income on plan assets		12,425,960	-	-	-	-	12,425,960	9,552,737	-	-	-	-	9,552,737
Contribution by the bank - net		1,501,147	-	-	-	-	1,501,147	1,403,168	-	-	-	-	1,403,168
Benefits paid		(22,508,104)	-	-	-	-	(22,508,104)	(3,565,262)	-	-	-	-	(3,565,262)
Benefits paid on behalf of fund		20,049,320	-	-	-	-	20,049,320	1,795,181	-	-	-	-	1,795,181
Actuarial gain / (loss) on Assets							-	5,396,073	-	-	-	-	5,396,073
Re-measurements: Net return on plan assets over interest income gain / (loss)	41.8.2	9,425,735	-	-	-	-	9,425,735	-	-	-	-	-	-
Fair value at the end of the year		101,540,358	-	-	-	-	101,540,358	80,646,300	-	-	-	-	80,646,300

		2024						2023					
		Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
		(Rupees in '000)											
41.7	**Movement in (receivable) / payable under defined benefit schemes**	**Note**											
	Opening balance	**22,944,893**	**34,833,112**	**1,613,699**	**4,575,660**	**9,632,176**	**73,599,540**	23,063,894	29,176,898	1,697,838	3,767,858	8,734,235	66,440,723
	Charge / (reversal) for the year	**72,576,757**	**6,179,078**	**277,834**	**1,403,252**	**965,394**	**81,402,315**	4,361,017	4,908,770	274,977	1,080,145	528,027	11,152,936
	Past Service due to early retirement gratuity	**-**	**-**	**-**	**-**	**-**	**-**	-	14,663	503	136,889	613,761	765,816
	Adjustment against contingency reserve	**78,513**	**12,814**	**118**	**-**	**11,273**	**102,718**	158,428	34,152	332	-	19,326	212,238
	Contribution by the bank - net	**(1,501,147)**	**-**	**-**	**-**	**-**	**(1,501,147)**	(1,403,168)	-	-	-	-	(1,403,168)
	Re-measurement loss / (gain) recognised in OCI during the year	**41.8.2**	**1,588,872**	**142,089**	**180,827**	**(930,268)**	**-**	**981,520**	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553
	Benefits paid by the bank	**(20,049,320)**	**(1,421,895)**	**(190,094)**	**(196,086)**	**(381,432)**	**(22,238,827)**	(1,795,181)	(1,283,994)	(194,781)	(136,429)	(263,173)	(3,673,558)
	Closing balance	**75,638,568**	**39,745,198**	**1,882,384**	**4,852,558**	**10,227,411**	**132,346,119**	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540
41.8	**Charge for defined benefit plans**												
41.8.1	**Cost recognised in profit and loss**												
	Current service cost	**2,577,250**	**890,143**	**42,294**	**628,666**	**17,341**	**4,155,694**	1,082,972	771,209	42,912	543,697	12,352	2,453,142
	Past Service due to early retirement gratuity	**57,549,870**	**-**	**149**	**80,555**	**356,535**	**57,987,109**	28,590	14,663	503	136,889	613,761	794,406
	Other payments	**-**	**-**	**-**	**-**	**-**	**-**	137,070	-	-	-	-	137,070
	Actuarial gain recognized - Profit and Loss	**-**	**-**	**-**	**-**	**(871,908)**	**(871,908)**	-	-	-	-	(731,709)	(731,709)
	Net interest on defined benefit asset / liability	**12,449,637**	**5,288,935**	**235,391**	**694,031**	**1,463,426**	**20,131,420**	3,112,385	4,137,561	232,065	536,448	1,247,384	9,265,843
		72,576,757	**6,179,078**	**277,834**	**1,403,252**	**965,394**	**81,402,315**	4,361,017	4,923,433	275,480	1,217,034	1,141,788	11,918,752
41.8.2	**Re-measurements recognised in OCI during the year**												
	Loss / (gain) on obligation												
	Financial assumptions	**(14,151,479)**	**(1,265,384)**	**283,033**	**(952,228)**	**-**	**(16,086,059)**	6,789,410	1,411,977	(82,933)	(19,843)	-	8,098,611
	Experience adjustment	**25,166,086**	**1,407,473**	**(102,206)**	**21,960**	**-**	**26,493,314**	(2,833,434)	570,646	(82,237)	(252,960)	-	(2,597,985)
	Return on plan assets over interest income	**(9,425,735)**	**-**	**-**	**-**	**-**	**(9,425,735)**	(5,396,073)	-	-	-	-	(5,396,073)
	Total re-measurements recognised in OCI	**1,588,872**	**142,089**	**180,827**	**(930,268)**	**-**	**981,520**	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553

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	2024	2023
	(Rupees in '000)	

41.9 Components of plan assets - Pension Fund

Cash and cash equivalents - net	**355,898**	430,000
Government securities	**65,336,734**	63,789,305
Shares	**750,702**	7,509,967
Non-government debt securities	**100,000**	100,000
Mutual Funds	**2,150,000**	8,817,027
	68,693,334	**80,646,299**

41.9.1 The Funds primarily invests in government securities which do not carry any significant credit risk. These are subject to interest rate risk based on market movements. Investment in term finance certificates are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Administrator of the Pension fund.

41.10 Sensitivity analysis

The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarised as below:

	2024					
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
	(Rupees in '000)					
1% increase in discount rate	(12,447,836)	(4,042,779)	(101,895)	(472,319)	(609,055)	(17,673,885)
1% decrease in discount rate	14,688,020	4,928,173	113,896	518,951	685,551	20,934,591
1 % increase in expected rate of salary increase	4,164,175	1,073,996	4,307	545,732	736,656	6,524,865
1 % decrease in expected rate of salary increase	(3,807,334)	(976,377)	(4,651)	(501,769)	(664,258)	(5,954,389)
1% increase in expected rate of pension increase	10,878,833	1,714,662	-	-	-	12,593,496
1% decrease in expected rate of pension increase	(9,527,743)	(1,487,129)	-	-	-	(11,014,872)
1% increase in expected rate of medical benefit increase	-	1,835,515	-	-	-	1,835,515
1% decrease in expected rate of medical benefit increase	-	(1,554,021)	-	-	-	(1,554,021)

41.11 Expected contributions to be paid to the fund in the next financial year 1,750,151

41.12 Expected charge for the next financial year 20,042,835

41.13 Maturity profile

	Years
The weighted average duration of the obligation (in years)	**8.27**
Pension fund	7.66
Post retirement medical scheme	11.29
Benevolent scheme	5.73
Gratuity scheme	10.21
Compensated absences	6.33

41.14 Funding policy

The Bank should disclose the policy followed for funding the staff retirement benefit schemes.

Current Assets	Amount	Percentage
	Rupees in '000	
Cash and cash equivalents - net	**355,898**	0.52%
Government securities	**65,336,734**	95.11%
Shares	**750,702**	1.09%
Non-Government debt securities	**100,000**	0.15%
Mutual funds	**2,150,000**	3.13%
	68,693,334	100.00%

Bank will continue to invest with the same percentage in the asset categories mentioned but increase the assets gradually so that there is no deficit in the pension fund.

41.15 Significant risks associated with the staff retirement benefit schemes are as follows:

Asset volatility	The risk arises when the future earnings are lower than expectation. This risk is measured at a plan level over the obligation period of the current population. The company assets are either invested in fixed securities or cash.
Changes in bond yields	The risk arises when the actual return on plan assets is lower than expectation.
Inflation risk	The most common type of retirement benefit is one where the benefit is linked with last drawn salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
Life expectancy / withdrawal rate	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. The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.
Investment Risk	The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

42 DEFINED CONTRIBUTION PLAN

Provident Fund

The NBP employees Provident Fund was created under National Bank of Pakistan Employees Provident Fund Rules on April 01, 1950, under the Provident Fund Act, 1925. The Rules have been superseded by revised NBP Employees' Provident Fund Rules which came into force on January 01, 1958.

As per rules, the Officers, Executives and Clerical and Non Clerical staff in regular cadre make monthly contribution of 10% and 12.5% of their basic salary respectively towards the fund and the bank has to pay interest on balances of member's provident fund half yearly.

This scheme covers 8,808 employees (2023: 9,313 employees).

43 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

43.1 Total compensation expense

Items	2024						
	Directors			Members Shariah Board (Note 43.4)	President / CEO (Note 43.1.1)	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Executive (other than CEO)	Non-Executives				
	(Rupees in '000)						
Fees and allowances etc.	13,440	-	81,751	12,257	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	2,287	108,000	207,006	1,184,570
ii) Variable							
a) Cash bonus / awards	-	-	-	958	-	161,945	537,717
b) Bonus and awards in shares	-	-	-	-	-	-	59,612
Charge for defined benefit plan	-	-	-	753	19,799	80,166	746,502
Contribution to defined contribution plan	-	-	-	-	-	-	1,414
Rent and house maintenance	-	-	-	1,258	12,000	113,853	552,526
Utilities	-	-	-	526	2,168	47,525	222,736
Medical	-	-	-	469	-	43,943	244,256
Conveyance	-	-	-	574	-	42,984	247,944
Others *	-	-	-	121	5,499	9,165	198,015
Total	13,440	-	81,751	19,203	147,466	706,589	3,995,291
Number of persons	1	-	5	5	1	22	278

43.1.1 This represents compensation from January 1, 2024 to December 31, 2024 paid to President / CEO upon approval of compensation package by shareholders in Extra Ordinary General Meeting held on November 22, 2024. Last year, upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 26.129 million was paid from August 07, 2023 till December 31, 2023 to the President which has been adjusted in 2024, while the actual amount for the period August 7, 2023 to December 31, 2023 as per compensation package approved by shareholders amounted to Rs 52.891 million.

* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

43.1.2 The total amount of deferred bonus as at December 31, 2024 for the Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 266.2 million (2023: Rs. 233.6 million). The deferred bonus is held in a trust fund.

Items	2023						
	Directors			Members Shariah Board	President / CEO (Note 43.2)	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Executive (other than CEO)	Non-Executives				
	(Rupees in '000)						
Fees and allowances etc.	11,786	-	76,446	11,370	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	1,972	9,405	193,791	1,173,963
ii) Variable							
a) Cash bonus / awards	-	-	-	809	-	156,328	583,571
Charge for defined benefit plan	-	-	-	594	6,915	68,901	505,291
Rent and house maintenance	-	-	-	1,085	6,001	106,585	548,915
Utilities	-	-	-	394	2,182	38,697	192,204
Medical	-	-	-	325	1,800	32,471	212,105
Conveyance	-	-	-	444	1,501	37,840	284,696
Others *	-	-	-	130	35,136	14,090	223,445
Total	11,786	-	76,446	17,123	62,940	648,703	3,724,189
Number of persons	1		**6	5	1	29	293

43.2 This represents amount of compensation paid to President in the capacity of Acting President uptill August 6, 2023 as per entitlement of SEVP / Group Chief and also included payment of Gratuity as end service benefit (Rs. 33.416 million included in Others). Upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 26.129 million has been paid from August 07, 2023 till December 31, 2023 to the President which will be adjusted from his salary on approval.

* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

** Mr. Asif Jooma retired on March 08, 2023.

43.3 Remuneration paid to Directors for participation in board and committee meetings

		2024								
		Meeting Fees and Allowances Paid								
			For Board Committees							
Sr. No.	Name of director	For Board Meetings	Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Board Strategy Committee	Allowances *	Total amount paid
		(Rupees in '000)								
1	Mr. Ashraf Mahmood Wathra	6,240	-	-	4,800	480	1,920	-	-	13,440
2	Mr. Farid Malik	5,200	5,200	-	4,000	1,600	-	400	2,279	18,679
3	Mr. Amjad Mahmood	5,200	5,200	-	-	1,600	1,600	400	147	14,147
4	Mr. Ali Syed	5,200	5,200	3,600	4,000	1,600	-	400	41	20,041
5	Mr. Nasim Ahmad	5,200	5,200	4,800	-	-	1,600	-	5,305	22,105
6	Mr. Ahsan Ali Chughtai ***	2,400	1,600	2,400	-	-	-	-	379	6,779
	Total amount paid	29,440	22,400	10,800	12,800	5,280	5,120	1,200	8,151	95,191

* Allowances include accommodation and travel expenses as per Board Remuneration Policy.
** Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).
*** Retired on June 20, 2024.

		2023							
		Meeting Fees and Allowances Paid							
			For Board Committees						
Sr. No.	Name of director	For Board Meetings	Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Allowances *	Total Amount Paid
		(Rupees in '000)							
1	Mr. Ashraf Mahmood Wathra	6,720	-	-	3,840	-	960	266	11,786
2	Mr. Farid Malik	3,950	2,950	150	3,000	1,350	-	2,171	13,571
3	Mr. Ahsan Ali Chughtai	4,750	3,900	7,000	300	-	-	579	16,529
4	Mr. Amjad Mahmood	4,200	3,750	1,200	-	1,750	550	105	11,555
5	Mr. Ali Syed	4,600	3,750	3,750	2,700	1,600	-	-	16,400
6	Mr. Nasim Ahmad	4,450	3,600	4,000	-	150	550	4,291	17,041
7	Mr. Asif Jooma***	600	300	150	300	-	-	-	1,350
	Total amount paid	29,270	18,250	16,250	10,140	4,850	2,060	7,412	88,232

* Allowances include accommodation and travel expenses.
** Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).
*** Retired on March 08, 2023.

43.4 Remuneration paid to Shariah Board Members

	2024				2023			
Items	Chairman	Resident Member	Non-Resident Members	Total	Chairman	Resident Member	Non-Resident Members	Total
	(Rupees in '000)							
Retainer fee and fixed remuneration	4,438	6,946	7,818	19,203	4,050	5,753	7,320	17,123
Total amount	4,438	6,946	7,818	19,203	4,050	5,753	7,320	17,123
Total number of persons	1	1	3	5	1	1	3	5

The above information does not include particulars of subsidiaries.

44 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted Instruments classified under "held to collect" are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed-term loans, other assets, other liabilities, fixed-term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

44.1 Fair value of financial assets

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

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

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

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

The table below analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2024				
On balance sheet financial instruments	Carrying Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,206,109,126	-	1,206,109,126	-	1,206,109,126
- Pakistan Investment Bonds	2,793,255,571	-	2,793,255,571	-	2,793,255,571
- GOP Ijarah Sukuks	96,404,072	64,725,870	31,678,202	-	96,404,072
- Foreign Currency Debt securities	19,567,813	-	19,567,813	-	19,567,813
Ordinary Shares					
- Listed Companies	105,072,151	105,072,151	-	-	105,072,151
Preference shares					
- Listed	992,711	992,711	-	-	992,711
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	42,378,187	18,111,177	24,267,010	-	42,378,187
Mutual Fund units	8,748,858	2,994,767	5,754,091	-	8,748,858
Foreign Securities					
- Government debt securities	5,802,711	-	5,802,711	-	5,802,711
- Equity Securities - Listed	52,569,482	52,569,482	-	-	52,569,482
	4,330,900,682	244,466,158	4,086,434,524	-	4,330,900,682

	2024				
Financial assets - disclosed but not measured at fair value	Carrying Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Investments					
Federal Government Securities					
- Market Treasury Bills	**59,594**	**-**	**59,594**	**-**	**59,594**
- Pakistan Investment Bonds	**222,656,096**	**-**	**222,656,096**	**-**	**222,656,096**
- Ijarah Sukuks	**14,373,995**	**-**	**14,373,995**	**-**	**14,373,995**
- Foreign Currency Debt securities	**6,287,309**	**-**	**6,287,309**	**-**	**6,287,309**
Foreign Securities					
- Government debt securities	**37,707,456**	**-**	**37,707,456**	**-**	**37,707,456**
- Non-Government debt securities	**1,077**	**-**	**1,077**	**-**	**1,077**
	281,085,527	**-**	**281,085,527**	**-**	**281,085,527**
	4,611,986,209	**244,466,158**	**4,367,520,051**	**-**	**4,611,986,209**
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	**637,181,340**	**-**	**(379,658)**	**-**	**(379,658)**
Forward government securities transactions	**79,587,535**	**-**	**(774,179)**	**-**	**(774,179)**

	2023				
On balance sheet financial instruments	Carrying Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- Ijarah Sukuks	35,128,974	-	35,128,974	-	35,128,974
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
Ordinary Shares					
- Listed Companies	62,430,593	62,430,593	-	-	62,430,593
Preference shares					
- Listed Companies	1,043,797	1,043,797	-	-	1,043,797
Mutual Fund units	4,885,134	-	4,885,134	-	4,885,134
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	47,649,851	13,790,776	33,859,075	-	47,649,851
Foreign Securities					
- Government debt securities	6,090,437	-	6,090,437	-	6,090,437
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	4,126,474,490	119,900,011	4,006,574,479	-	4,126,474,490
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	161,108	-	161,108	-	161,108
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,610	-	4,243,610
Foreign Securities					
- Government debt securities	41,295,981	-	41,295,981	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,951,142	-	252,002,875	-	252,002,875
	4,399,425,632	119,900,011	4,258,577,354	-	4,378,477,365
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts purchase and sale	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

44.2 Fair value of non-financial assets

Information about the fair value hierarchy of group's non-financial assets as at the end of the reporting period are as follows:

	2024				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)				
Land & building (fixed assets)	**54,416,216**	**-**	**-**	**54,416,216**	**54,416,216**
Non-banking assets acquired in satisfaction of claims	**4,148,115**	**-**	**-**	**4,148,115**	**4,148,115**
	58,564,331	**-**	**-**	**58,564,331**	**58,564,331**

	2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land & building (fixed assets)	51,992,069	-	-	51,992,069	51,992,069
Non-banking assets acquired in satisfaction of claims	3,973,126	-	-	3,973,126	3,973,126
	55,965,195	-	-	55,965,195	55,965,195

44.3 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

45. SEGMENT INFORMATION

45.1 Segment Details with respect to Business Activities

	2024									
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance Group	Aitemaad and Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
	(Rupees in '000)									
Profit and loss account										
Net mark-up / return / profit	(362,654,307)	35,736,621	10,187,073	456,133,827	9,935,777	16,938,715	5,160,987	171,438,694	-	171,438,694
Inter segment revenue - net	464,832,128	(37,960,949)	14,808,636	(459,753,500)	-	(6,695,911)	24,769,597	-	-	-
Non mark-up / return / interest income	19,678,664	627,069	6,392,275	32,926,860	1,072,798	485,813	9,139,943	70,323,421	-	70,323,420
Total income	121,856,485	(1,597,259)	31,387,984	29,307,187	11,008,575	10,728,617	39,070,527	241,762,116	-	241,762,114
Segment direct expenses	47,265,374	703,657	1,499,610	703,145	12,537,015	4,009,762	2,729,615	69,448,178	-	69,448,178
Inter segment expense allocation	-	-	-	-	-	-	110,690,554	110,690,554	-	110,690,554
Total expenses	47,265,374	703,657	1,499,610	703,145	12,537,015	4,009,762	113,420,168	180,138,731	-	180,138,731
Credit loss allowance	(1,191,982)	5,043,441	3,007,751	115,163	723,601	386,001	(3,580,753)	4,503,222	-	4,503,223
Profit / (loss) before tax	75,783,093	(7,344,357)	26,880,623	28,488,879	(2,252,041)	6,332,854	(70,768,888)	57,120,163	-	57,120,160
Statement of financial position										
Cash and Bank balances	104,543,937	12,700,078	323,160	180,215,699	44,650,767	28,290,145	2,708,447	373,432,233	-	373,432,233
Investments	-	-	17,474,258	4,401,774,189	69,366,379	123,905,109	2,329,341	4,614,849,276	-	4,614,849,276
Net inter segment lending	2,654,121,574	-	15,212,340	-	-	-	385,852,374	3,055,186,288	(3,055,186,288)	-
Lendings to financial institutions	-	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000
Advances - performing	255,462,856	302,527,511	634,925,249	-	68,891,051	144,913,723	(3,456,320)	1,403,264,070	-	1,403,264,070
- non-performing	4,049,155	77,623,629	25,693,942	-	61,422,655	1,985,434	98,663,652	269,438,467	-	269,438,468
Credit loss against advances	(5,322,616)	(30,305,806)	(71,341,462)	-	(59,115,382)	(2,677,968)	(99,312,178)	(268,075,411)	-	(268,075,412)
Advances - net	254,189,395	349,845,335	589,277,729	-	71,198,324	144,221,189	(4,104,846)	1,404,627,126	-	1,404,627,126
Others	35,950,181	4,380,238	32,592,996	95,122,683	9,554,222	6,998,746	146,489,151	331,088,217	-	331,088,218
Total assets	3,048,805,087	366,925,651	654,880,483	4,677,112,571	194,769,693	333,415,189	533,274,466	9,809,183,139	(3,055,186,288)	6,753,996,853
Borrowings	-	6,146,011	53,629,990	1,858,039,691	19,489,167	-	452,063	1,937,756,922	-	1,937,756,922
Deposits and other accounts	2,879,997,795	-	567,480,954	-	104,461,295	309,438,082	3,834,171	3,865,212,297	-	3,865,212,297
Net inter segment borrowing	-	340,348,843	1	2,631,278,091	67,253,026	16,306,327	-	3,055,186,288	(3,055,186,288)	-
Others	168,807,292	20,430,796	33,766,774	21,551,859	4,217,824	5,057,923	233,146,424	486,978,892	-	486,978,893
Total liabilities	3,048,805,087	366,925,651	654,877,719	4,510,869,641	195,421,311	330,802,332	237,432,658	9,345,134,399	(3,055,186,288)	6,289,948,112
Equity	-	-	2,764	166,242,930	(651,619)	2,612,857	295,841,808	464,048,740	-	464,048,741
Total equity and liabilities	3,048,805,087	366,925,651	654,880,483	4,677,112,571	194,769,692	333,415,189	533,274,466	9,809,183,139	(3,055,186,288)	6,753,996,853
Contingencies and commitments	-	69,715,086	2,006,678,247	732,236,471	22,505,325	-	27,636,257	2,858,771,385	-	2,858,771,385

	2023									
	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking Group	Treasury	International, Financial Institution and Remittance	Aitemaad & Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
	(Rupees in '000)									
Profit and loss account										
Net mark-up / return / profit	(288,653,905)	44,446,578	30,024,021	372,043,914	1,044,898	11,604,875	(1,156,109)	169,354,272	-	169,354,272
Inter segment revenue - net	426,952,717	(44,570,637)	(14,722,482)	(394,040,795)	-	(3,783,783)	30,164,980	-	-	-
Non mark-up / return / interest income	16,879,805	469,040	5,475,249	14,827,098	974,082	379,522	5,767,205	44,772,001	-	44,772,001
Total income	155,178,617	344,981	20,776,788	(7,169,783)	2,018,980	8,200,614	34,776,076	214,126,273	-	214,126,273
Segment direct expenses	36,682,759	3,763,540	1,353,645	489,431	10,208,514	3,497,535	2,139,930	58,135,354	-	58,135,354
Inter segment expense allocation	-	-	-	-	-	-	37,309,817	37,309,817	-	37,309,817
Total expenses	36,682,759	3,763,540	1,353,645	489,431	10,208,514	3,497,535	39,449,747	95,445,171	-	95,445,171
Provision and write off-net	(392,545)	1,421,129	13,619,854	1,778,752	(688,721)	1,173,602	(1,529,932)	15,382,139	-	15,382,139
Profit / (loss) before tax	118,888,403	(4,839,688)	5,803,289	(9,437,966)	(7,500,813)	3,529,477	(3,143,739)	103,298,963	-	103,298,963
Statement of financial position										
Cash and Bank balances	24,530,869	2,327,011	309,620	253,026,662	45,591,085	10,291,381	2,383,420	338,460,049	-	338,460,049
Investments	-	-	29,881,757	4,238,437,789	82,409,810	51,544,718	11,900,231	4,414,174,305	-	4,414,174,305
Net inter segment lending	2,848,709,058	-	-	-	-	-	305,771,087	3,154,480,145	(3,154,480,145)	-
Lendings to financial institutions	-	-	-	192,430,437	-	-	-	192,430,437	-	192,430,437
Advances - performing	236,148,640	263,088,116	719,624,952	-	69,139,462	73,125,444	49,658,269	1,410,784,883	-	1,410,784,883
Advances - non-performing	4,151,922	24,855,686	24,997,940	-	65,007,470	1,550,350	100,557,069	221,120,437	-	221,120,437
Provsion against Advances	(8,543,697)	(21,077,228)	(34,670,159)	-	(62,606,767)	(1,550,875)	(105,383,925)	(233,832,651)	-	(233,832,651)
Advances - net	231,756,865	266,866,574	709,952,733	-	71,540,165	73,124,919	44,831,413	1,398,072,669	-	1,398,072,669
Others	45,196,987	4,100,249	37,794,142	117,135,121	8,393,652	5,155,676	107,960,739	325,736,565	-	325,736,565
Total assets	3,150,193,779	273,293,834	777,938,252	4,801,030,009	207,934,712	140,116,694	472,846,891	9,823,354,170	(3,154,480,145)	6,668,874,025
								-		
Borrowings	-	5,171,334	69,017,574	2,085,073,081	18,164,142	-	317,063	2,177,743,194	-	2,177,743,194
Deposits and other accounts	2,948,491,330	-	510,139,226	-	99,315,779	113,801,806	1,361,773	3,673,109,914	-	3,673,109,914
Net inter segment borrowing	-	249,921,195	169,394,087	2,620,973,252	90,971,376	23,220,235	-	3,154,480,145	(3,154,480,145)	-
Others	201,702,449	18,201,305	29,358,656	51,337,805	6,641,630	3,494,872	109,870,161	420,606,878	-	420,606,878
Total liabilities	3,150,193,779	273,293,834	777,909,543	4,757,384,138	215,092,926	140,516,913	111,548,997	9,425,940,131	(3,154,480,145)	6,271,459,986
Equity	-	-	28,709	43,645,871	(7,158,215)	(400,219)	361,297,894	397,414,039	-	397,414,039
Total equity and liabilities	3,150,193,779	273,293,834	777,938,252	4,801,030,009	207,934,711	140,116,694	472,846,891	9,823,354,170	(3,154,480,145)	6,668,874,025
Contingencies and commitments	-	90,350,773	1,864,882,509	727,686,842	25,102,178	-	27,778,266	2,735,800,568	-	2,735,800,568

45.2 Segment Details with respect to geographical locations

	2024					
	Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total
	(Rupees in '000)					
Profit and loss account						
Net mark-up / return / profit	161,188,444	3,602,216	145,520	748,228	5,754,285	171,438,694
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	69,248,121	366,696	273,941	198,787	235,876	70,323,420
Total income	230,436,565	3,968,912	419,461	947,015	5,990,161	241,762,114
Segment direct expenses	56,395,025	3,311,431	1,358,227	6,908,222	1,475,273	69,448,177
Inter segment expense allocation	110,690,554	-	-	-	-	110,690,554
Total expenses	167,085,579	3,311,431	1,358,227	6,908,222	1,475,273	180,138,731
Credit loss allowance	3,747,174	282,443	3	(385,503)	859,105	4,503,223
Profit / (loss) before tax	59,603,812	375,038	(938,769)	(5,575,704)	3,655,783	57,120,160
Statement of financial position						
Cash and Bank balances	328,775,614	25,470,005	10,804,570	5,257,264	3,124,781	373,432,233
Investments	4,542,923,802	45,391,617	-	3,958,760	22,575,101	4,614,849,276
Net inter segment lending	67,253,026	-	-	-	-	67,253,026
Lendings to financial institutions	30,000,000	-	-	-	-	30,000,000
Advances - performing	1,334,373,019	46,867,609	0	-	22,023,442	1,403,264,070
- non-performing	207,891,212	50,034,870	1,905,119	-	9,607,267	269,438,468
Credit loss against advances	(208,960,030)	(49,798,232)	(1,905,119)	-	(7,412,030)	(268,075,412)
Advances - net	1,333,304,201	47,104,247	-	-	24,218,679	1,404,627,126
Others	321,474,536	3,500,420	22,122	262,572	5,828,566	331,088,218
Total assets	6,623,731,178	121,466,290	10,826,692	9,478,596	55,747,127	6,821,249,879
Borrowings	1,918,267,755	6,977,772	-	-	12,511,396	1,937,756,922
Deposits and other accounts	3,760,751,002	48,907,231	6,450,502	4,519,881	44,583,681	3,865,212,297
Net inter segment borrowing	-	61,452,445	4,279,997	3,589,328	(2,068,744)	67,253,026
Others	482,759,108	297,769	96,194	1,442,455	2,383,367	486,978,893
Total liabilities	6,161,777,865	117,635,217	10,826,693	9,551,664	57,409,700	6,357,201,138
Equity	461,953,312	3,831,071	-	(73,068)	(1,662,573)	464,048,741
Total equity and liabilities	6,623,731,177	121,466,288	10,826,693	9,478,596	55,747,127	6,821,249,879
Contingencies and commitments	2,836,266,060	13,008,078	627,153	-	8,870,094	2,858,771,385

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2023					
	Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total
	(Rupees in '000)					
Profit and loss account						
Net mark-up / return / profit	167,941,137	(1,621,983)	130,022	1,066,688	1,849,409	169,354,272
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	43,772,402	281,910	353,114	200,284	164,291	44,772,001
Total income	211,713,539	(1,340,074)	483,136	1,266,972	2,013,701	214,126,273
Segment direct expenses	47,798,451	2,783,601	1,409,334	4,394,781	1,749,187	58,135,354
Inter segment expense allocation	37,309,817	-	-	-	-	37,309,817
Total expenses	85,108,268	2,783,601	1,409,334	4,394,781	1,749,187	95,445,171
Provision and write off-net	16,047,677	(161,651)	539	-	(534,210)	15,382,139
Profit / (loss) before tax	110,557,594	(3,962,024)	(926,737)	(3,127,809)	798,724	103,298,963
Statement of financial position						
Cash and Bank balances	292,860,492	24,753,905	10,517,717	8,252,155	2,075,780	338,460,049
Investments	4,329,067,608	49,392,795	-	5,301,910	30,411,991	4,414,174,305
Net inter segment lending	90,971,180	-	-	-	-	90,971,180
Lendings to financial institutions	192,430,437	-	-	-	-	192,430,437
Advances - performing	1,341,645,420	43,244,999	3	32	25,894,427	1,410,784,883
Advances - non-performing	155,859,184	53,471,389	2,045,768	-	9,744,095	221,120,437
Provsion against Advances	(171,187,530)	(52,900,243)	(2,045,768)	(15,437)	(7,683,673)	(233,832,651)
Advances - net	1,326,317,074	43,816,145	3	(15,405)	27,954,849	1,398,072,669
Others	317,298,904	4,847,818	130,708	1,726,463	1,732,671	325,736,565
Total assets	6,548,945,695	122,810,663	10,648,427	15,265,123	62,175,291	6,759,845,205
Borrowings	2,159,579,052	8,299,024	-	-	9,865,119	2,177,743,194
Deposits and other accounts	3,573,794,135	46,442,386	4,705,117	7,801,287	40,366,989	3,673,109,914
Net inter segment borrowing	-	64,906,375	5,733,904	6,298,941	14,031,960	90,971,180
Others	414,007,603	1,447,847	209,407	1,821,637	3,120,382	420,606,878
Total liabilities	6,147,380,791	121,095,632	10,648,428	15,921,864	67,384,449	6,362,431,166
Equity	401,564,905	1,715,031	-	(656,741)	(5,209,158)	397,414,037
Total equity and liabilities	6,548,945,696	122,810,663	10,648,428	15,265,123	62,175,291	6,759,845,203
Contingencies and commitments	2,710,698,390	12,116,117	808,936	430,156	11,746,969	2,735,800,568

46. TRUST ACTIVITIES

46.1 Endowment Fund

Students Loan Scheme was launched by Government of Pakistan in collaboration with major commercial banks with a view to extend financial help by way of mark-up free loan to the meritorious students without sufficient resources for pursuing scientific technical and professional education within Pakistan.

The Scheme is being administered by a high powered committee headed by the Deputy Governor, State Bank of Pakistan and the Presidents of NBP, HBL, UBL, MCB, ABL and the Deputy Secretary, Ministry of Finance as member and Senior Director of IH&SME Finance Department (Infrastructure, Housing & SME Finance Department) as a secretary of the Committee. The State Bank of Pakistan has assigned National Bank of Pakistan to operate the scheme.

The Committee in its meeting held on August 7, 2001 approved creation of Endowment Fund initially at an amount of Rs. 500 million, Rs. 396 million were transferred from the old Qarz-e-Hasna (Defunct) Fund, Rs. 50 million contributed by the Government of Pakistan and Rs. 54 million were contributed by participating banks (HBL, NBP and UBL 25% each, MCB 17.5% and ABL 7.5%).

The amount of the Endowment Funds in investments stands at Rs. 1,045.2 million as at December 31, 2024 (2023: Rs. 936.8 million).

46.2 The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these consolidated financial statements. Assets held under trust are shown in the table below:

Category	No. of IPS Accounts	As at December 31, 2024			
		Securities Held (Face Value)			
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Total
		(Rupees in '000)			
Assets Management Companies	48	-	-	-	-
Charitable institutions	6	-	-	-	-
Companies	49	197,964,850	145,097,700	-	343,062,550
Employee Funds	49	131,428,285	515,439,700	-	646,867,985
Individuals	2,820	3,449,070	52,200	-	3,501,270
Insurance Companies	8	65,180,000	176,685,400	-	241,865,400
Non-Government Organizations	-	-	-	-	-
Others	104	301,544,070	777,591,430	-	1,079,135,500
Total	3,084	699,566,275	1,614,866,430	-	2,314,432,705

Category	No. of IPS Accounts	As at December 31, 2023			
		Securities Held (Face Value)			
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Total
		(Rupees in '000)			
Assets Management Companies	48	-	-	-	-
Charitable institutions	6	-	-	-	-
Companies	42	203,783,170	59,782,300	24,417,400	287,982,870
Employee Funds	47	55,528,855	429,482,600	-	485,011,455
Individuals	2,317	3,008,590	63,200	-	3,071,790
Insurance Companies	8	49,300,000	172,939,300	-	222,239,300
Non-Government Organizations	-	-	-	-	-
Others	97	164,055,135	544,853,930	-	708,909,065
Total	2,565	475,675,750	1,207,121,330	24,417,400	1,707,214,480

47 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, associates, employee benefit plans and its directors and Key Management Personnel. The details of investment in subsidiaries and associated undertaking and their provisions are stated in note 11 of the consolidated financial statements of the Bank.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

	2024							2023							
	Directors	Key management personnel	Associates	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties
	(Rupees in '000)														
Balances with other banks															
In current accounts	-	-	-	-	-	-	279,616	-	-	-	425,938	-	-	-	-
	-	-	-	-	-	-	279,616	-	-	-	425,938	-	-	-	-
Investments															
Opening balance	-	-	-	-	-	-	4,921,177	-	-	-	-	-	-	-	6,512,634
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,021)
Transfer in / (out) - net	-	-	-	-	-	-	(4,921,077)	-	-	-	-	-	-	-	(1,150,536)
Closing balance	-	-	-	-	-	-	100	-	-	-	-	-	-	-	4,921,177
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	100	-	-	-	-	-	-	-	164,975
Advances															
Opening balance	-	265,788	2,540,453	-	-	-	-	-	339,734	2,665,220	-	-	-	-	2,085,795
Addition during the year	-	75,194	-	-	-	-	-	-	24,777	-	-	-	-	-	-
Repaid during the year	-	(99,509)	(2,357,281)	-	-	-	-	-	(58,217)	(124,767)	-	-	-	-	(520,649)
Transfer in / (out) - net	-	17,139		-	-	-	-	-	(40,506)	-	-	-	-	-	(1,565,146)
Closing balance	-	258,612	183,172	-	-	-	-	-	265,788	2,540,453	-	-	-	-	-
Credit loss allowance held against advances	-	-	183,172	-	-	-	-	-	-	2,540,453	-				-

	2024							2023							
	Directors	Key management personnel	Associates	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties
	(Rupees in '000)														
Other assets															
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid in advance	-	-	-	-	-	-	4,582	-	-	-	35,846	-	-	-	-
Rent and utility receivable	-	-	8,370	-	-	-	-	-	-	-	-	-	-	-	-
Dividend receivable	-	-	-	-	-	-		-	-	2,880	-	-	-	-	-
	-	-	8,370	-	-	-	4,582	-	-	2,880	35,846	-	-	-	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings															
Opening balance	-	-	-	-	-	-	546,209	-	-	-	52,245	-	-	-	-
Borrowings during the year	-	-	-	-	-	-	29,232	-	-	-	493,964	-	-	-	-
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	575,441	-	-	-	546,209	-	-	-	-
Subordinated debt															
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issued / Purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption / Sold during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts															
Opening balance	3,630	72,801	145,790	100	378,978	13,563,087	9,245,132		98,488	3,000	-	27,222	257,252	13,263,170	515,559
Received during the year	37,179	1,270,799	-	36,502,461	6,363,285	3,417,472	120,594,671	11,733	991,165	145,790	-	62,751,350	3,883,069	5,369,545	123,529,442
Withdrawn during the year	(19,721)	(1,244,645)	(67,822)	(36,415,278)	(6,473,650)	(2,781,356)	(124,055,441)	(8,103)	(996,174)	(3,000)	(1,450)	(62,778,472)	(3,761,343)	(5,069,628)	(118,318,327)
Transfer in / (out) - net	-	(2,542)	-	-	-	-	(1,256,020)	-	(20,678)	-	1,821	-	-	-	3,518,458
Closing balance	21,088	96,413	77,968	87,283	268,613	14,199,203	4,528,342	3,630	72,801	145,790	371	100	378,978	13,563,087	9,245,132
Other liabilities															
Interest / mark-up payable	418	2,491	8,759	-	73,809	-	-	151	2,217	5,892	-	-	45,271	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	418	2,491	8,759	-	73,809	-	-	151	2,217	5,892	-	-	45,271	-	-
Contingencies and commitments															
Other contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

RELATED PARTY TRANSACTIONS

	2024						2023						
	Directors	Key management personnel	Associates	Pension Fund	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Other related parties
	(Rupees in '000)												
Income													
Mark-up / return / interest earned	-	13,918	-	-	-	-	-	3,054	-	-	-	-	422,679
Dividend income	-	-	111,506	-	-	81,180	-	-	-	-	-	-	144,720
Rent income / Lighting & Power and Bank charges	-	-	6,451	-	-	21,027	-	-	6,077	-	-	-	21,027
Expense													
Mark-up / return / interest paid	3,065	8,898	31,800	95,946	1,816,643	952,971	292	7,496	108,007	31,505	150,743	1,844,455	297,705
Expenses paid to company in which Director of the bank is interested as CEO and director	-	-	-	-	-	926,655	-	-	-	-	-	-	598,462
Remuneration to key management executives including charge for defined benefit plan	-	854,055	-	-	-	-	-	711,643	-	-	-	-	-
Commission paid to subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors fee & other allowances	95,191	-	-	-	-	-	88,232	-	-	-	-	-	-

47.1 Transactions with Government-related entities

The entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the group.

The group in the ordinary course of business enters into transaction with Government–related entities. Such transactions include lending to, deposits from and provision of other grouping service to Government–related entities.

The group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 10,862 million (2023: 10,320 million) for the year ended December 31, 2024. As at the statement of financial position date the loans and advances, deposits and contingencies relating to Government–related entities amounted to Rs. 620,914 million (2023: 602,707 million), Rs. 1,864,349 million (2023: 1,622,331 million) and Rs.1,798,996 million (2023: 1,780,517 million), respectively and income earned on advances and investment and profit paid on deposits amounted to Rs. 74,854 million (2023: 77,719 million) and Rs. 277,132 million (2023: 184,042 million) respectively.

48 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- to comply with the capital requirements set by the regulators of the banking markets where the Bank operates;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

The SBP has issued instructions for Basel-III Implementation vide BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions were effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Basel-III instructions comprise the following three capital standards:

i. Minimum Capital Requirement (MCR):

The MCR standard sets the nominal amount of capital banks/ DFIs are required to hold. Currently the MCR for banks and DFIs is Rs. 10 billion as prescribed by SBP.

ii. Capital Adequacy Ratio (CAR):

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the banks/ DFIs. The banks/ DFIs are required to comply with the minimum requirements as specified by the SBP on standalone as well as consolidated basis. Currently the required CAR for banks is 11.50% (plus 1.50% for NBP as D-SIB requirement).

iii. Leverage Ratio:

Tier-1 Leverage Ratio of 3% is introduced in response to Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from December 31, 2015. However, SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023 has reduced the minimum requirement to 2.5% up till March 2024 which was 3% as per BPRD circular No.6 dated August 15, 2013. The bank has a leverage ratio of 3.83% in the year ended December 31, 2024, (2023: 3.12%) and Tier-1 capital of Rs.349,238 Millions (2023: 283,307).

The SBP's regulatory capital as managed by the Bank is analysed into following tiers:

1. Tier 1 Capital (going-concern capital)

• Common Equity Tier 1

• Additional Tier 1

- Tier I capital, which comprises highest quality capital element and include fully paid up capital, balance in share premium account, reserve for issue of bonus shares, general reserves and un-appropriate profits (net of accumulated losses, if any).

2. Tier 2 Capital (gone-concern capital)

- Tier II capital, which includes general reserve for loan losses, revaluation reserve, exchange translation reserve and subordinated debt.

Basel III capital rules requires bank to make certain deductions from the capital before arriving at the Capital Adequacy Ratio (CAR).

Risk weighted assets are measured according to the nature and reflect an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect more contingent nature of potential losses.

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FOR THE YEAR ENDED DECEMBER 31, 2024

The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future development of the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratios compare the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratio under the SBP rules, which ultimately determines the regulatory capital, required to be maintained by Banks and DFIs.

The paid-up capital of the Bank for the year ended December 31, 2024 stood at Rs. 21,275 million (2023 : Rs. 21,275 million) and is in compliance with the SBP requirement for the said period. In addition the Bank has maintained minimum Capital Adequacy Ratio (CAR) of 28.05% (2023: 25.8%)

There have been no material changes in the Bank's management of capital during the year.

	2024	2023
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**21,275,131**	21,275,131
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**359,001,823**	290,194,013
Eligible Additional Tier 1 (ADT 1) Capital	**-**	-
Total Eligible Tier 1 Capital	**359,001,823**	290,194,013
Eligible Tier 2 Capital	**127,884,327**	95,972,355
Total Eligible Capital (Tier 1 + Tier 2)	**486,886,150**	386,166,368
Risk Weighted Assets (RWAs):		
Credit Risk	**1,219,662,457**	1,064,724,576
Market Risk	**148,427,279**	121,288,938
Operational Risk	**367,891,513**	310,495,520
Total	**1,735,981,249**	1,496,509,034
Common Equity Tier 1 Capital Adequacy ratio	**20.68%**	19.39%
Tier 1 Capital Adequacy Ratio	**20.68%**	19.39%
Total Capital Adequacy Ratio	**28.05%**	25.80%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**359,001,823**	290,194,013
Total Exposures	**9,129,797,793**	8,988,394,792
Leverage Ratio	**3.93%**	3.23%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**2,474,264,138**	1,618,093,446
Total Net Cash Outflow	**1,200,642,088**	918,191,522
Liquidity Coverage Ratio	**206%**	176%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**3,776,992,766**	3,360,328,373
Total Required Stable Funding	**2,176,376,949**	2,113,268,425
Net Stable Funding Ratio	**174%**	159%

48.1 During the year, the SBP, through its letter No. BSD-1/BANK/NBP/751797/2024 dated August 29, 2024 has reduced the D-SIB buffer requirement for the Bank from 2.50% to 1.50%.

48.2 The full disclosure on the Capital Adequacy, Leverage Ratio and Liquidity Requirements as per SBP instructions issued from time to time, is available on NBP's website. The link to the full disclosure is available at https://www.nbp.com.pk/blsd/.

49 RISK MANAGEMENT

Risk Management is a logical and/or systematic method to identify, measure, monitor and control the risks involved in any activity or process. Risk is inherent in all our business activities. If not managed well, risks can result in financial loss, regulatory sanctions/ penalties, and damage to our reputation; each of which may adversely impact on our ability to execute our business strategies. The Bank has taken a comprehensive approach towards risk management with a well- defined Risk Management Strategy/ Policy with clear objectives and deliverables through multi-pronged risk management processes. In the Bank, it is ensured that the risk management framework along with internal controls are adequate and effective in accurately identifying, assessing or addressing risks faced by the Bank.

The Bank applies the Basel framework as a cornerstone of its risk management framework, capital and liquidity strategy. The Bank maintains a strong capital, funding and liquidity position in line with its on-going commitment to maintain balance sheet strength. The strength of risk profile management of the Bank stands at the following pillars:

- Identification and assessment of significant material risks
- Overseeing and managing the risk profile of the Bank within the context of the risk appetite
- Optimize risk/ return decisions by aligning them to business objective of achieving sustainable optimum growth.

To support Risk Management Group (RMG's) activities, a strong data management mechanism is also in place to collect and consolidate exposure wise information for various risk related analysis and reviews. The mechanism also helps in identification of e-CIB related information, periodic reviews, generation of reports and highlighting inconsistencies and errors, and issuing instructions to the relevant data entry points for rectification.

The Bank is cognizant of importance of Environmental & Social Risk Management (E&SRM). The Green Banking Office (GBO) within Corporate Social Responsibility & Sustainable Development Division, Inclusive Development Group (IDG), is responsible for the development of Green Banking and Environmental & Social Risk Management (GB & ESRM) Policy and coordinates across functional areas of the Bank to oversee the implementation of GB & ESRM Policy.

49.1 Risk Governance Structure

The Board is responsible for ensuring active oversight of the implementation of policies and frameworks to prevent any significant financial loss or reduction in shareholder value. The Board manages its responsibility through Board Risk & Compliance Committee (BRCC) which is essentially a Board-level oversight committee that remains updated with regard to changes in the risk management activities of the Bank on behalf of the Board and is the highest risk-related policy making and supervising body for all types of risks faced by the Bank, notably credit, market, liquidity, operational, Information Security and other risks that may have material impact over the Bank's performance. BRCC functions under its Terms of Reference (TORs) duly approved by the Board of Directors.

Risk Management Group (RMG) operates as an independent group under the supervision of Chief Risk Officer (CRO). RMG's scope and coverage has been enhanced to cater enterprise-wide risk management, credit risk management, credit administration and information security. CRO reports directly to the President with a dotted line reporting to the Board Risk & Compliance Committee (BRCC). The group is responsible for performing the functions pertaining to development and oversight of the risk framework, methodologies and other functions assigned from time to time in line with local/ international best practices and under the ambit of SBP's regulations/ guidelines.

Risk governance of the Bank is being carried out by various management committees where material risks are addressed in more focused terms. These committees' function under duly approved Terms of Reference (TORs) to oversee various Risk Management activities within their scope. Enterprise Risk Committee (ERC) for Operational, Strategic, Reputational, and other risks; Management Credit Committee (MCC) for Credit Risk, Asset Liability Committee (ALCO) for Market & Liquidity Risk, and Compliance Committee for Management (CCM) for Compliance Risk.

49.2 Risk Management Framework

The Bank implements a risk management framework through a 'Three Lines of Defence' model & defines clear responsibilities and accountabilities for various offices and ensures effective & independent oversight and assurance that the activities take place as intended.

The First Line of Defence: Business groups have primary responsibility for identifying, measuring, monitoring and controlling the risks within their areas of accountability. They are required to implement effective procedures and controls to ensure compliance with the related policy requirements, to maintain appropriate risk management skills, and to act within defined parameters as a set and approved by the Board.

The Second Line of Defence: Primarily Risk Management and the Compliance functions in the Bank act as second line of defence however other support functions also perform control activities where applicable. These functions oversee and independently challenge the effectiveness of risk management actions taken by business groups which are further evaluated at Management-level Committees.

The Third Line of Defence: Audit & Inspection Group (A&IG) provides independent, objective assurance and consulting activity designed to add value and improve risk management functions of the Bank. A&IG helps the Bank accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

The following paragraphs introduce Bank's exposures to material risks associated with its business activities and explain overall strategies and processes to manage those risks:

49.2.1 Credit Risk

Credit risk arises when a counterparty fails to repay a loan, leading to financial losses, cash flow disruptions, and increased debt recovery costs. For NBP, lending activities represent the primary source of credit risk. These activities include providing loans and advances, contingent liabilities such as letters of credit and guarantees, and engaging in other on- and off-balance sheet transactions

The goal of credit risk management is to maintain credit risk exposure within acceptable levels, ensuring asset quality and achieving returns that align with the level of risk. By taking a proactive approach to managing credit risk, NBP not only safeguard its profitability and sustainability but also support the stability of the financial system and efficient capital allocation. Under the supervision of the Board Risk and Compliance Committee (BRCC), the Bank has a dedicated risk management setup, headed by the Chief Risk Officer, which ensures the efficiency of credit risk assessment, measurement, review, and reporting frameworks.

Prudent lending decisions can empower people and businesses to boost the bank's profitability and strategically guard against the risks of extending credit. The effective implementation of structured risk assessment standards, comprehensive pre-disbursement evaluation tools, and post-disbursement review systems has allowed NBP to effectively manage credit risk and mitigate losses within acceptable tolerance levels. Our risk management approach is driven by a strategic goal to maintain a robust framework, proactively identify and address risks, and facilitate sustainable business growth. The bank has in place a Risk Appetite Framework and a Credit Risk Concentration Management Framework to set limits on credit risk exposure in relation to obligors, economic groups, and industry segments.

The Risk Management function continuously evaluates the credit portfolio using detailed reports and dashboards to identify borrowers and sectors vulnerable to changes in local and global economic conditions. The Bank actively monitors account delinquencies, counterparties' financial health, prevailing economic landscape, and other relevant factors. A robust credit review mechanism and approval process, closely supervised by senior management, ensures effective oversight.

The Bank has actively undertaken the implementation of the IFRS 9 standard. This standard introduces a model for financial assets, mandating the recognition of impairment charges through the 'Expected Credit Loss' approach, departing from the existing 'Incurred Credit Loss' approach.

The Retail & Program Lending Division performs risk management of program-based products, encompassing Retail Banking Group (RBG), Inclusive Development Group (IDG), and Aitemaad Islamic Banking Group (AIBG). Adopting a credit cycle approach, the Division provides end-to-end credit management through various functions that includes policy and portfolio management, MIS and analytics, credit approvals, collection and recovery and quality assurance. The division also works closely with Operational Risk, Information Technology, Credit Administration, and Human Resource functions to ensure comprehensive risk management. The Divisional Head reports directly to the Chief Risk Officer (CRO).

Effective Credit Administration is very crucial for the Bank as it enables the Bank to effectively manage credit risk, maintain regulatory compliance, and ensure financial stability. CAD, in view of its critical role in post-approval credit management, is actively contributing to portfolio expansion and granting individuals and businesses access to essential funds. As a part of continuous improvement, CAD has implemented additional controls and enhanced its monitoring with the aim to have more efficient end-to-end processes whilst maintaining appropriate controls. Moreover, CAD is actively working on automation, focusing on advanced collateral management functions, control over limit functions, and effective vendor management. Once the Core Banking Application (CBA) is upgraded, it is expected to significantly bolster the Bank's position within its peer group, reinforcing its overall strength and building customer confidence.

"The Bank employs the Standardized Approach within the SBP’s Basel Accord to estimate credit risk-weighted assets. This approach allows banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

49.2.1.1 Credit risk - general disclosures Basel specific

The Bank employs the Standardized Approach within the SBP’s Basel Accord to estimate credit risk-weighted assets. This approach allows Banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

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

49.2.1.2 External ratings

The SBP Basel III guidelines require banks to use ratings assigned by specified External Credit Assessment Institutions (ECAIs) namely Pakistan Credit Rating Agency Limited (PACRA), VIS and Moody's, Fitch and Standard & Poor's.

The SBP through its letter number BSD/BAI-2/201/1200/2009 dated December 21, 2009 accorded approval to the Bank for use of ratings assigned by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL). The Bank uses these ECAIs to rate its exposures denominated in Bangladeshi currency on certain corporate exposures and banks incorporated in Bangladesh.

The Bank uses external ratings for the purpose of mapping risk weights as per the Basel III framework. Instances whereby an exposure is rated by two or more ratings agencies, mapping into different risk weights, instructions outlined in Regulatory guidelines on BASEL framework shall be adhered to for selection of applicable rating.

49.2.1.3 Credit risk mitigation policy

The group defines collateral as the assets or rights provided to the group by the borrower or a third party in order to secure a credit facility. The group would have the rights of secured creditor in respect of the assets / contracts offered as security for the obligations of the borrower / obligor.

49.2.1.4 Collateral valuation and management

As stipulated in the SBP Basel guidelines, the group uses simple approach for credit risk mitigation. Under this approach the risk weighting of the collateral instrument collateralizing or partially collateralizing the exposure is substituted for the risk weighting of the counterparty.

49.2.1.5 Types of collaterals

The group determines the appropriate collateral for each facility based on the type of product and counterparty. In case of corporate and SME financing, fixed assets are generally taken as security for long tenure loans and current assets for working capital finance usually backed by mortgage or hypothecation. For project finance, security of the assets of the borrowers and assignment of the underlying project contracts are generally obtained. Additional security such as pledge of shares, cash collateral, TDRs, SSC/DSCs, charge on receivables may also be obtained. Moreover, in order to cover the entire exposure personal guarantees of directors / borrowers are also obtained generally by the group. For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the property and automobile being financed respectively.

The group also offers products which are primarily based on collateral such as shares, specified securities and pledged commodities. These products are offered in line with the SBP prudential regulations and approved product policies which also deal with types of collateral, valuation and margining.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorisation approved by the MCC under its delegation powers. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

49.2.1.6 Types of eligible financial collateral

For credit risk mitigation purposes (capital adequacy purposes), the Bank considers all types of financial collaterals that are eligible under the SBP Basel III accord. This includes cash / TDRs, gold, securities issued by Government of Pakistan such as T-Bills and PIBs, National Savings Certificates, certain debt securities rated by recognised credit rating agencies, and guarantees from certain specified entities (Government of Pakistan, Banks etc.) under substitution effect of Basel.

49.2.1.7 Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz. industry, geography, and single/group borrower exposures. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single borrower, group borrowers and related parties. Moreover, in order to restrict the industry concentration risk, Bank's Credit Risk Concetration Management Framework spells out the maximum allowable exposure that it can take on specific industry. Additionally, the Internal Rating System allows the Bank to monitor risk rating concentration of borrowers against different grades / scores ranging from 1 - 12 (1 being the best and 12 being loss category).

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

49.2.1.8 Methodologies and models used for the measurement of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal / external rating grade for subject customer. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account being restructured. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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

Stage 1 (Performing assets):	When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the forward looking LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.
Stage 2 (Underperforming assets):	When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.
Stage 3 (Non performing assets):	For financial instruments considered credit-impaired, the Bank recognises LTECLs for these instruments. A description of how the Bank defines credit-impaired and default is given in relevent section. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.
Undrawn financing commitments:	When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. Expected draw-down is added to the EAD and the ECL is then based on the present value of the expected cash flows of EAD if the financings are drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both financings and an undrawn commitment, ECLs are calculated on un-drawn portion (after application of CCF) of the facility and presented within other liabilities.
Guarantee and letters of credit contracts:	The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for financial guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee and letter of credit contracts are recognised within other liabilities.

Forward looking information

The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for Wholesale & Retail portfolio.

These economic variables and their associated impact on the PD vary by the portfolio.

The rating band / DPD bucket wise PDs are computed through migration analysis using alteast 5 years historical transition matrices of respective portfolio. Furthermore, a detailed regression analysis is carried out using Marco Economic variables (i.e. Average Inflation rate ,GDP Growth rate and Exports were regressed against Bank's Internal Default Rates) in order to attain forward-looking PDs for each following year.

In addition to the base economic scenario, the Bank also uses other possible scenarios along with scenario weightings. The number of scenarios and their attributes are reassessed at each reporting date.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In its ECL models, the Bank relies on range of the following forward looking information as economic inputs, such as:

• GDP growth

• Consumer price index

• Export

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), discounted at an approximation to the EIR, defined as follows:

Probability of Default (PD):

The Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- For corporate, commercial, and SME loan portfolios , the Bank has used a obligor risk rating (ORR) transition based approach to determine the segment wise PDs for each ORR.
- For housing, agriculture, cash and gold and advance salary , a days-past-due (“DPD”) based migration approach has been used; and these PD's for wholesale & retail portfolio are then adjusted with forward looking information to arrive at point in time (PIT) PDs;
- For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), historical PDs were estimated on the basis of global default Rates taken from s&P rating-wise transition matrices.These annual default Rates were converted into forward-looking PDs using the vasicek model. the forecast global macro-economic variables were derived using historical regression between global macro-economic variables and Pakistan macro-economic variables.

Exposure at Default (EAD)

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. The Bank’s product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank’s expectations of the customer behaviour, its likelihood of default and the Bank’s future risk mitigation procedures, which could include reducing or cancelling the facilities.

Loss Given Default (LGD):

LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive. It is expressed as a percentage of the EAD. Bank has estimated segment wise LGDs for Corporate / Commercial, SE, ME & Agri Portfolio as well as product wise LGDs for Auto Finance, Personal Loan, Home Finance and Credit Card portfolio. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money.

The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs, through use of term structure of Point in time Pds.

49.2.1.9 ECL Principles, Grouping and Calculations

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

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

When estimating the ECLs, the Bank considers three scenarios (a base, best and a worst case). Each of these scenario's is based on different macro-economic forecasts and is associated with different set of PDs & LGD.

Furthermore, to mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certanity & enforceability
- History of recovery

The Bank's management has only considered cash, gold & gold ornaments, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs. Furthermore, The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Impact on Regulatory Capital:

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has permitted Banks to opt for transitional arrangement for the ECL impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

Accordingly, Bank has opted for transition arrangement to phase in ECL impact and below tabulated is the impact on key ratios, had the transitional arrangement not applied.

Key Ratios	With Transitional arrangement	Without Transitional arrangement
Total Capital to total RWA (CAR)	28.05%	26.48%
Leverage Ratio	3.93%	3.72%

49.2.1.10 ECL Modeling and staging criteria/ Significant increase in ECLs

Significant increase in credit risk (SICR): A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument compared to the risk of default expected at the time of initial recognition.

The Bank uses a number of qualitative and quantitative measures in assessing SICR including, inter alia, the deterioration of Obligor Risk Ratings (ORR), in line with Bank's internally approved grid outlining specific notches downgrade for each ORR / external rating, payments being past due by 60 days, and other qualitative factors (such as watchlisting or restructuring of account).

49.2.1.11 Loans and advances definitions and methodologies of categorisation, credit loss allowance stages and movements between stages

Backward Transition:

In line with Bank's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Bank of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a significant increase in credit risk (SICR) no longer exist. However, a minimum period of three months from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2.

For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

49.2.1.12 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Public / Government	-	85,000,000	-	-	-	-	-	-
Private	30,172,150	107,604,587	172,150	174,150	-	-	172,150	174,150
	30,172,150	192,604,587	172,150	174,150	-	-	172,150	174,150

49.2.1.13 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Cement	245,508	245,168	132,838	20,168	24	-	20,168	20,168
Chemical	1,076,217	326,742	1,076,217	326,742	-	-	1,076,217	326,742
Construction	2,962,405	2,630,239	2,298,072	1,633,739	-	116,952	1,633,739	1,633,739
Engineering	4,842	4,842	4,842	4,842	-	-	4,842	4,842
Fertilizer	1,152,560	1,152,560	1,152,560	1,152,560	-	-	1,152,560	1,152,556
Sugar	214,549	640,719	214,549	640,719	-	-	214,549	640,719
Textile	582,953	725,810	582,954	582,953	-	-	582,954	582,953
Financial	17,961,954	15,119,874	4,049,988	501,012	86	-	49,988	501,012
Electronics and electrical appliances	1,308,738	1,308,738	1,308,738	1,308,738	-	-	1,308,738	1,308,738
Glass and Ceramics	11,361	11,361	11,361	11,361	-	-	11,361	11,361
Leather and Tenneries	5,288	5,288	5,288	5,288	-	-	5,288	5,288
Food and Personal Care Products	11,184	11,184	11,184	11,184	-	-	11,184	11,184
Pharmaceuticals	2,413	2,413	2,413	2,413	-	-	2,413	2,413
Technology and Communication	6,170	8,348	6,170	8,348	-	-	6,170	8,348
Vanaspati and Allied Industries	4,238	4,238	4,238	4,238	-	-	4,238	4,238
Oil and Gas Marketing	687	687	687	687	-	-	687	687
Cable and Electrical Goods	4,284	4,509	4,284	4,509	-	-	4,284	4,509
Automobile Parts and Accessories	1,185	1,185	1,185	1,185	-	-	1,185	1,185
Power (electricity), Gas, Water, Sanitary	29,623,717	29,940,857	2,200,000	-	-	406,750	-	-
Tobacco	144	144	144	144	-	-	144	144
Paper and Board	10,794	10,794	10,794	10,794	-	-	10,794	10,794
Jute	7,081	7,081	7,081	7,080	-	-	7,081	7,084
Metal Products	840,000	590,000	590,000	-	45	-	340,000	-
Services	607,068	780,516	607,068	-	-	-	607,068	-
Telecom	-	-	-	-	-	-	-	-
Miscelleneous	34,685	23,605	34,685	23,447	-	-	34,685	23,447
	56,680,025	53,556,902	14,317,340	6,262,151	155	523,702	7,090,337	6,262,151

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
Credit risk by public / private sector	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Public/ Government	25,242,579	26,694,858	18,862	18,862	-	-	18,862	18,862
Private	31,437,446	26,862,044	14,298,478	6,243,289	155	523,702	7,071,475	6,243,289
	56,680,025	53,556,902	14,317,340	6,262,151	155	523,702	7,090,337	6,262,151

49.2.1.14 Advances

Credit risk by industry sector

Sector Change	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Agriculture, Forestry, Hunting & Fishing	115,101,438	98,624,179	59,623,751	7,981,816	2,344,417	231,812	7,144,814	5,858,554
Mining & Quarrying	2,997,004	4,953,424	192,334	205,554	58,414	-	192,334	205,554
Textile	158,393,261	172,963,205	38,446,498	38,936,407	3,206,068	2,332,019	38,286,703	38,798,431
Chemical & Pharmaceuticals	9,528,745	8,726,797	5,253,406	5,693,439	179,349	9,561	5,206,889	5,057,930
Cement	23,766,311	29,429,909	6,291,552	6,286,205	459,020	18,690	5,527,365	4,306,468
Sugar	32,494,636	35,757,518	15,473,023	15,271,238	146,598	465,096	15,473,023	15,248,595
Footwear and Leather garments	1,637,081	2,548,291	1,091,113	1,305,280	7,910	136	1,088,303	1,271,149
Automobile & Transportation Equipment	9,017,546	8,926,304	1,380,656	962,288	241,780	76,607	1,374,031	954,395
Electronics & Electrical Appliances	9,664,286	10,503,866	4,753,298	4,778,714	44,853	2,493	4,720,555	3,688,323
Construction	22,048,431	23,638,052	9,751,095	10,057,457	61,953	627,904	9,729,560	9,936,191
Oil & Gas	270,712,396	311,928,714	19,783,847	19,934,588	4,867,063	3,052,715	36,351,983	19,481,124
Power (electricity), Gas, Water, Sanitary	160,207,995	191,933,546	12,362,352	14,882,572	2,510,062	2,641,340	10,742,733	12,709,678
Wholesale and Retail Trade	59,878,358	53,130,430	11,847,289	11,827,052	14,778	-	11,597,525	11,666,288
Transport, Storage and Communication	75,316,094	73,254,000	17,232,785	17,158,081	184,019	15,464	14,917,504	15,100,201
Financial	136,267,709	2,557,744	344,460	123,035	18,499	701	339,191	107,083
Services	44,262,655	48,600,716	1,301,450	2,406,149	95,749	162,907	1,214,412	1,584,931
Individuals	183,202,191	210,444,440	7,400,924	6,939,024	2,051,721	439,534	5,828,559	4,357,928
Fertilizer	2,895,562	5,496,940	1,391,094	2,730,894	37,817	650	1,363,159	2,690,260
Metal Products	72,997,045	75,901,770	32,511,687	30,959,009	146,968	81,642	32,323,086	30,871,562
Telecommunication	29,777,778	32,954,455	877,816	1,312,494	693,476	334,796	877,816	1,104,242
Public Sector Commodity Operations	154,240,557	127,236,872	74,198	718,876	-	-	74,198	235,368
Rice Trading & Processing	47,439,549	44,913,336	5,605,102	4,541,062	1,428,741	55,486	5,453,474	4,361,754
Food and Tobacco	22,199,266	22,581,792	8,767,732	9,386,521	567,251	150,878	8,604,421	7,973,281
Glass and Ceramics	6,570,308	7,089,518	296,493	271,493	7,605	-	296,493	271,493
Paper & Board	4,273,736	3,954,072	610,718	590,686	32,796	81,770	589,787	570,300
Engineering	3,660,605	8,845,740	1,305,957	1,508,928	44,213	-	1,203,457	1,370,855
Plastic Products	3,767,532	3,865,916	1,731,563	1,735,045	1,087	-	1,641,158	1,396,225
Media	398,683	664,016	151,334	151,334	16,328	2	151,334	151,334
Flour Mills	4,641,652	4,463,504	840,495	609,624	152,239	18,737	773,594	609,461
Sports Goods	1,535,815	1,457,410	33,294	34,794	282	-	33,294	34,794
Surgical equipments	902,571	981,604	13,159	13,159	953	-	13,159	13,159
Others	2,905,741	3,577,240	2,697,993	1,807,619	129,820	7,681	2,879,636	1,807,619
	1,672,702,537	1,631,905,320	269,438,468	221,120,437	19,751,829	10,808,621	226,013,550	203,794,530

Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					Stage 1	Stage 2	Stage 3	
	2024	2023	2024	2023	2024			2023
	(Rupees in '000)							
Public/ Government	604,290,709	644,878,073	51,337,669	982,500	-	-	337,619	498,992
Private	1,068,411,828	987,027,247	218,100,799	220,137,937	19,751,831	10,808,620	225,675,931	203,295,538
	1,672,702,537	1,631,905,320	269,438,468	221,120,437	19,751,831	10,808,620	226,013,550	203,794,530

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

49.2.1.15 Contingencies and commitments

	2024	2023
	(Rupees in '000)	
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	**229,085**	218,136
Mining and Quarrying	**3,559,445**	73,466
Textile	**21,024,719**	15,709,777
Chemical and Pharmaceuticals	**8,756,360**	8,405,999
Cement	**2,567,426**	5,949,829
Sugar	**221,542**	5,303
Footwear and Leather garments	**32,793**	51,827
Automobile and Transportation Equipment	**4,382,093**	2,423,164
Electronics and Electrical Appliances	**3,470,564**	3,509,467
Construction	**9,909,840**	10,408,498
Oil & Gas	**108,118,521**	59,322,425
Power (electricity), Water, Sanitary	**50,826,895**	50,934,421
Wholesale and Retail Trade	**2,332,478**	3,105,839
Transport, Storage and Communication	**54,873,340**	55,560,127
Financial	**847,846,794**	856,711,238
Services	**1,567,386,041**	1,512,041,370
Individuals	**212,308**	228,227
Fertilizer	**3,613,420**	4,832,942
Metal Products	**13,540,609**	23,669,700
Telecommunication	**31,452,915**	32,082,348
Public Sector Commodity Operations	**27,399,543**	3,437,431
Rice processing and Trading	**483,325**	358,732
Food and Tobacco	**2,866,583**	2,082,149
Glass and Ceramics	**594,346**	502,829
Paper and Board	**2,134,032**	2,100,963
Engineering	**90,458,587**	81,202,951
Plastic Products	**108,908**	246,351
Sports Goods	**33,709**	6,229
Surgical equipments	**76,299**	86,235
Others	**258,866**	532,595
	2,858,771,385	2,735,800,568
Credit risk by public / private sector		
Public / Government	**1,798,995,582**	1,708,517,452
Private	**1,059,775,804**	1,027,283,116
	2,858,771,385	2,735,800,568

* Contingent liabilities for the purpose of this note are presented at cost and includes direct credit substitutes, transaction related contingent liabilities and trade related contingent liabilities.

49.2.1.16 Concentration of advances

The bank's top ten (10) exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 2,074,573 million (2023: Rs. 1,959,515 million) are as following:

	2024	2023
	(Rupees in '000)	
Funded	**554,555,082**	441,093,207
Non Funded	**1,520,018,147**	1,518,421,637
Total Exposure	**2,074,573,229**	1,959,514,844

The sanctioned limits against these top 10 exposures aggregated to Rs. 2,158,452 million (2023: Rs. 2,045,103 million).

Total funded classified therein	2024		2023	
	Amount	Credit loss allowance	Amount	Credit loss allowance
	(Rupees in '000)			
OAEM	-	-	-	-
Substandard	51,000,000	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	51,000,000	-	-	-

49.2.1.17 Advances - Province/Region-wise disbursement & utilization

Province/Region	Disbursements	2024 Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	659,220,612	657,735,567	-	1,485,044	-	-	-
Sindh	587,484,427	1,000,000	584,837,367	1,647,060	-	-	-
KPK including FATA	16,881,142	-	-	16,881,142	-	-	-
Balochistan	5,078,348	-	-	-	5,078,348	-	-
Islamabad	120,272,040	-	-	-	-	120,272,040	-
AJK including Gilgit-Baltistan	5,123,306	-	-	-	-	-	5,123,306
Total	1,394,059,875	658,735,567	584,837,367	20,013,246	5,078,348	120,272,040	5,123,306

Province/Region	Disbursements	2023 Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	488,630,825	487,273,108	111,328	1,246,389	-	-	-
Sindh	623,940,498	-	622,376,734	1,176,470	-	387,294	-
KPK including FATA	10,821,813	-	-	10,821,813	-	-	-
Balochistan	3,714,956	-	-	-	3,714,956	-	-
Islamabad	118,306,922	-	-	-	-	118,306,922	-
AJK including Gilgit-Baltistan	3,763,094	-	-	-	-	-	3,763,094
Total	1,249,178,108	487,273,108	622,488,062	13,244,672	3,714,956	118,694,216	3,763,094

49.2.2 Market risk

Market Risk is the value of on and off-balance sheet positions of a financial institution that are adversely affected by movements in market factors such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Bank's market risk is managed through Market & Liquidity Risk Management Policy duly approved by the Board. The Bank has in-place market risk limits to manage risks within the Bank's approved risk appetite.

The Standardized Approach is used to calculate capital charge for market risk as per Basel framework. Stress testing for interest sensitive, equity, and FX exposures is carried out regularly to estimate the impact on the capital of the Bank.

In addition to the regulatory requirements, Bank has devised proprietary stress testing scenarios which are periodically performed to assess the impact on capital of the Bank for Internal Capital Adequacy and Assessment Process (ICAAP). Limits/ zones and management action triggers/ plans corresponding to various ratios/ limits/ thresholds are defined in the Market & Liquidity Risk Policy. Appropriate segregation of duties exists between the front, middle, and back office functions.

49.2.2.1 Statement of financial position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	314,787,387	-	314,787,387	295,455,482	-	295,455,482
Balances with other banks	58,644,846	-	58,644,846	43,004,567	-	43,004,567
Lendings to financial institutions	30,000,000	-	30,000,000	192,430,437	-	192,430,437
Investments	4,518,537,899	96,311,377	4,614,849,276	4,367,407,940	46,766,365	4,414,174,305
Advances	1,404,627,126	-	1,404,627,126	1,398,072,669	-	1,398,072,669
Property and equipment	62,231,233	-	62,231,233	57,477,067	-	57,477,067
Right-of-use assets	6,596,343	-	6,596,343	7,335,901	-	7,335,901
Intangible assets	2,577,003	-	2,577,003	2,186,294	-	2,186,294
Deferred tax assets	-	-	-	-	-	-
Other assets	259,683,639	-	259,683,639	258,737,303	-	258,737,303
	6,657,685,476	96,311,377	6,753,996,853	6,622,107,660	46,766,365	6,668,874,025

49.2.2.2 Foreign exchange risk

Foreign exchange risk arises from the impact of currency movements on the value of the Bank's foreign exchange exposures, a result of participation in financial markets and international operations.

In order to manage currency risk exposure, the Bank enters into ready, spot, forward and swaps transactions with the SBP, financial institutions and corporates. The Bank's foreign exchange exposure comprises of forward contracts, purchase of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign placements and foreign currency assets and liabilities. Foreign Exchange exposure is managed within the regulatory and internal limits.

	2024				2023			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)							
United States Dollar	407,614,555	566,598,696	183,543,747	24,559,606	407,253,916	526,892,244	149,166,105	29,527,777
Great Britain Pound Sterling	1,327,328	7,393,733	5,479,782	(586,623)	4,563,184	8,045,546	8,217,517	4,735,156
Euro	10,343,955	13,886,149	7,455,351	3,913,157	11,886,019	14,678,082	5,639,911	2,847,848
Japanese Yen	5,521,105	1,673,326	(162,608)	3,685,171	5,270,740	1,265,119	2,990	4,008,610
Other currencies	131,375,632	48,670,790	4,582,589	87,287,431	125,917,928	63,654,038	6,779,686	69,043,576
	556,182,575	638,222,694	200,898,861	118,858,742	554,891,788	614,535,029	169,806,209	110,162,967

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	28,304	-	39,378
- Other comprehensive income	1,161,117	-	1,069,107	-

49.2.2.3 Equity position risk

Stock trading activities also raise risk which occur due to adverse movements stock prices. The Bank's equity exposure is managed through limits imposed by the regulator for both overall investment and exposure in single scrip. Moreover, internal limits are set to manage equity risk by placing stop loss and VaR limits and/or through diversification within overall equity portfolio

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
	(Rupees in '000)			
Impact of 5% change in equity prices on				
- Profit and loss account	-	**1,329,805**	-	3,966
- Other comprehensive income	**4,387,208**	-	3,912,948	-

49.2.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate risk arises due to adverse movements in yield curve that is being monitored by ALCO with an objective to manage the potential adverse impact on the profitability of the Bank. This may arise due to volatility in market interest rates and any mismatch/ gaps in the amount of financial assets/ liabilities in different maturity time bands. The sources of IRR are based on following sub-risks.

- Re-pricing risk; arising from changes to the overall level of interest rates and inherent mismatches in the re-pricing term of banking book items.
- Yield curve risk; arising from a change in the relative level of interest rates for different tenors and changes in the slope or shape of the yield curve.
- Basis risk; arising from differences between the actual and expected interest margins on Banking book items over the implied cost of funds of those items.

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in interest rates on	(Rupees in '000)			
- Profit and loss account	**-**	**321,262**	-	402,100
- Other comprehensive income	**21,487,481**	**-**	20,443,787	-

49.2.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

	2024											
			Exposed to Yield / interest risk									Non-interest bearing financial instruments
	Effective Yield / interest rate	Total	Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	2 to 10 years	Above 10 Years	
			(Rupees in '000)									
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	4.0%	314,787,387	48,777,802	-	-	-	-	-	-	-	-	266,009,585
Balances with other banks	10.7%	58,644,846	6,161,320	750,824	605,181	716,457	-	-	-	-	-	50,411,064
Lending to financial institutions	19.8%	30,000,000	30,000,000	-	-	-	-	-	-	-	-	-
Investments	19.8%	4,614,849,276	699,962,200	1,202,993,983	989,636,165	866,003,307	284,899,267	171,253,762	124,639,101	102,365,484	2,336,428	170,759,579
Advances	14.9%	1,404,627,126	434,267,629	379,461,619	219,216,950	84,335,549	22,370,722	26,734,243	43,232,169	62,829,290	40,439,536	91,739,419
Other assets	-	187,030,211	-	-	-	-	-	-	-	-	-	187,030,211
		6,609,938,846	1,219,168,951	1,583,206,426	1,209,458,296	951,055,313	307,269,989	197,988,005	167,871,270	165,194,774	42,775,964	765,949,858
Liabilities												
Bills payable	-	26,060,123	-	-	-	-	-	-	-	-	-	26,060,123
Borrowings	20.7%	1,937,756,922	1,866,830,521	16,077,088	19,720,345	967,481	3,573,437	2,605,938	4,995,166	22,850,206	136,740	-
Deposits and other accounts	12.3%	3,865,212,297	2,254,833,265	165,626,282	247,944,847	142,528,000	8,882,966	31,116,038	41,928,830	4,736,575	-	967,615,494
Lease Liabilities against right-of-use assets	9.8%	8,585,682	1,008	4,710	32,223	167,229	619,327	1,137,990	1,827,830	4,287,977	507,388	-
Subordinated debt	%	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	%	400,196,058	-	-	-	-	-	-	-	-	-	400,196,058
		6,237,811,082	4,121,664,794	181,708,080	267,697,415	143,662,710	13,075,730	34,859,966	48,751,826	31,874,758	644,128	1,393,871,675
On-balance sheet gap		372,127,764	(2,902,495,843)	1,401,498,346	941,760,881	807,392,603	294,194,259	163,128,039	119,119,444	133,320,016	42,131,836	(627,921,817)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,585,818,397	-	-	-	-	-	-	-	-	-	1,585,818,397
Commitments in respect of:												
- forward foreign exchange contracts		200,898,861	84,001,311	102,780,386	13,838,614	278,550	-	-	-	-	-	-
- forward government securities transactions		68,747,535	-	-	211,235	50,500,000	(220,000)	-	18,256,300	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		15,467,596	-	-	-	-	-	-	-	-	-	15,467,596
Commitments for acquisition of:			-	-	-	-	-	-	-	-	-	-
- fixed assets		1,082,641	-	-	-	-	-	-	-	-	-	1,082,641
- other commitments		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		1,872,015,031	84,001,311	102,780,386	14,049,849	50,778,550	(220,000)	-	18,256,300	-	-	1,602,368,635
Total yield / interest risk sensitivity gap		2,244,142,795	(2,818,494,532)	1,504,278,732	955,810,730	858,171,153	293,974,259	163,128,039	137,375,744	133,320,016	42,131,836	974,446,818
Cumulative yield / interest risk sensitivity gap			(2,818,494,532)	(1,314,215,800)	(358,405,070)	499,766,083	793,740,342	956,868,381	1,094,244,125	1,227,564,141	1,269,695,977	2,244,142,795

	2023											
			Exposed to Yield/ Interest risk									Non-interest bearing financial instruments
	Effective Yield/ Interest rate	Total	Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	2 to 10 years	Above 10 Years	
			(Rupees in '000)									
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	4.0%	295,455,482	47,892,144	-	-	-	-	-	-	-	-	247,563,338
Balances with other banks	10.7%	43,004,567	4,688,914	3,376,854	671,770	758,450	-	-	-	-	-	33,508,579
Lending to financial institutions	19.8%	192,430,437	192,420,714	-	-	-	-	-	-	-	-	9,723
Investments	19.8%	4,414,174,305	1,217,495,026	1,016,852,727	406,102,259	1,046,953,641	125,302,736	219,655,801	161,244,939	97,933,065	4,827,262	117,806,849
Advances	14.9%	1,398,072,669	398,482,253	400,789,064	198,012,729	64,385,689	23,471,767	41,855,723	44,435,433	58,092,119	60,544,803	108,003,089
Other assets	0%	258,732,684	1,154,262	86,327	-	1,397,158	-	-	-	-	-	256,094,937
		6,601,870,144	1,862,133,313	1,421,104,972	604,786,758	1,113,494,938	148,774,503	261,511,524	205,680,372	156,025,184	65,372,065	762,986,515
Liabilities												
Bills payable	0.0%	68,000,448	-	-	-	-	-	-	-	-	-	68,000,448
Borrowings	20.7%	2,177,743,194	2,087,923,897	39,730,834	7,640,293	710,905	1,073,314	1,066,201	6,558,534	33,017,995	21,221	-
Deposits and other accounts	12.3%	3,673,109,914	1,754,993,189	164,721,333	205,025,317	211,301,760	20,390,959	8,319,597	16,710,676	2,777,796	-	1,288,869,287
Lease Liabilities against right-of-use assets	9.8%	208,268	-	-	-	64,241	-	144,027	-	-	-	-
Subordinated debt	%	8,682,732	971	4,534	31,018	284,918	596,179	1,380,043	1,768,936	4,127,708	488,425	-
Other liabilities	%	341,891,306	591,709.00	-	-	1,417,279.00	-	-	-	-	-	339,882,318
		6,269,635,862	3,843,509,766	204,456,701	212,696,628	213,779,103	22,060,452	10,909,868	25,038,146	39,923,499	509,646	1,696,752,053
On-balance sheet gap		332,234,282	(1,981,376,453)	1,216,648,271	392,090,130	899,715,835	126,714,051	250,601,656	180,642,226	116,101,685	64,862,419	(933,765,538)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,633,847,479	-	-	-	-	-	-	-	-	-	1,633,847,479
Commitments in respect of:												
- forward foreign exchange contracts		169,806,209	60,702,960	87,931,586	21,171,663	-	-	-	-	-	-	-
- forward government securities transactions		(4,332,657)	-	-	-	(658)	-	-	(2,908,182)	(1,423,817)	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		44,432,555	-	-	-	-	-	-	-	-	-	44,432,555
Commitments for acquisition of:		-	-	-	-	-	-	-	-	-	-	-
- fixed assets		1,129,442	-	-	-	-	-	-	-	-	-	1,129,442
- other commitments		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		1,844,883,028	60,702,960	87,931,586	21,171,663	(658)	-	-	(2,908,182)	(1,423,817)	-	1,679,409,476
Total Yield / Interest Risk Sensitivity Gap			(1,920,673,493)	1,304,579,857	413,261,793	899,715,177	126,714,051	250,601,656	177,734,044	114,677,868	64,862,419	745,643,938
Cumulative Yield / Interest Risk Sensitivity Gap			(1,920,673,493)	(616,093,636)	(202,831,843)	696,883,334	823,597,385	1,074,199,041	1,251,933,085	1,366,610,953	1,431,473,372	2,177,117,310

	2024	2023
	(Rupees in '000)	
49.2.2.6 Reconciliation of Financial Assets & Liabilities with Total Assets & Liabilities		
Total Financial Assets as per note 49.2.2.5	**6,609,938,846**	6,601,870,144
Add: Non-Financial Assets		
Property and equipment	**62,231,233**	57,477,067
Intangible assets	**2,577,003**	2,186,294
Right-of-use assets	**6,596,343**	7,335,901
Other assets	**72,653,428**	4,619
	144,058,007	67,003,881
Total assets as per statement of financial position	**6,753,996,853**	6,668,874,025
Total Financial Liabilities as per note 49.2.2.5	**6,237,811,082**	6,269,635,862
Add: Non-Financial Liabilities		
Deferred tax liabilities	**40,995,264**	842,568
Other liabilities	**11,141,766**	981,556
Total liabilities as per statement of financial position	**6,289,948,112**	6,271,459,986

49.2.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks. For effective implementation, the group has a comprehensive Operational Risk Management Policy Framework (ORMPF) and procedures. These provide guidance for setting up operational risk strategy of the group, selection and adoption of risk and loss measurement tools, reporting, and establishment of operational risk management process.

Operational risks are core components of doing business arising from the day-to-day operational activities of the group including launching of new products and services. The group realizes that operational risks cannot be fully mitigated, it therefore determines an appropriate balance between accepting potential losses and related costs of mitigation.

Further, the group has adopted an Operational Risk Management Policy Framework and Operational Risk Appetite duly approved by the Board. Furthermore, the group has rolled-out operational risk events (OREs) collection mechanism whereby field functionaries and Groups/Divisions at head office are responsible to report operational losses under their jurisdictions on immediate basis. OREs are reviewed and appropriate corrective measures are taken on an ongoing basis. Risk Evaluation exercise is carried out for new products, processes and systems as per the ORM procedures.

The group also conducts root cause analysis of major OREs covering key control lapses and accordingly suggests mitigating actions. As per regulatory framework, the group calculates capital charge for its operational risk using Basic Indicator Approach (BIA).

Moreover, the group closely monitored overall operational environment and undertakes required actions to ensure the safety and security of the group's staff and its assets. The group takes measures to ensure continuously improve customer service levels and resolve related complaints to meet the expectations of its stakeholders.

The group's operations stays highly resilient and the group deploys all necessary measures for the health and safety of its employees to prevent them from any unwarranted situation.

49.2.4 Information Security Risk

Management of Information Security risk is given due importance, considering extensive customer base and increasing digital footprint of the group. A mechanism has been devised for upscaling technology infrastructure and related channels from information security standpoint. Further, due to evolving cyber threat landscape, the group has taken appropriate actions to monitor and respond to cybersecurity risks and adopted a heightened state of cybersecurity. We are living in a highly technologically dependent environment, where most of the business functions are performed with information technology for storing, processing and sharing of information. The information “assets” that are being used to store, process and transmit the information face various types of threats. If threats materialize and are able to exploit the vulnerabilities (weaknesses) present in these information assets, the confidentiality, integrity and availability of information get compromised and/or may result in a breakdown of IT assets. In order to mitigate the risks, certain controls and countermeasures need to be assessed and implemented. The group has devised a governance mechanism to manage related risks through development of policies & frameworks, and deployed security tools to ensure adequate implementation of internal controls and monitoring of security threats within technology infrastructure.

As a first line of defense, the Business groups have primary responsibility for identifying, measuring, and controlling the risks within their areas of accountability. Information Security Division (ISD) is the second line of defense against cyber risks. Therefore, the group regularly assesses the information security controls and undertakes employees’ awareness and training. The group works with its key technology partners to ensure that potentially vulnerable systems are identified and appropriate fixes & controls are implemented to secure the systems. The group is actively communicating with its customers on interacting with the group in a secure manner through its full suite of channels including online and digital grouping.

Over the last two years, the group has taken various initiatives to uplift its cyber security controls. Management is cognizant of the fact that cyber security is a top priority, and the group is taking appropriate steps to monitor and respond to it. The Information Security Division (ISD) works under the supervision of Chief Information Security Officer (CISO). Numerous steps have been taken by the group to identify cyber security weaknesses of systems & infrastructure.

49.2.5 Enterprise-wide Risk

The group has a Board approved Enterprise Risk Management (ERM) Framework in place. The ERM framework is a holistic approach starting from strategy setting, capital and financial planning to managing, monitoring, and reporting of risks inherent in the day-to-day business of the group. It documents the risk management structure and processes driven by the group’s board of directors, management, and other personnel. All this provides reasonable assurance regarding the achievement of the group’s strategic objectives.

In addition to the Pillar I risks, the group has a structure to identify other Pillar II material risks on a periodic basis. The group has in place an Internal Capital Adequacy & Assessment Process (ICAAP) to identify and quantify material risks, including Pillar II risks, and continually re-assess the adequacy of the capital buffer and risk appetite, which is set periodically in order to build a solid platform for business growth."

In accordance with the regulatory requirements for Domestic Systematically Important groups (D-SIBs), the group has put in place a Recovery Plan to prepare the group to act promptly and efficiently in the event of stress situations that may threaten the financial and operational strength and viability of a group and pose a risk on group’s ability to remain a going concern. Moreover, risks that are material and arise within the group or due to behaviour of the country’s market and economic conditions, whether in isolation or in combination are addressed in the group-wide Recovery Plan.

Group’s Stress-testing framework comprises of tools to deliver a timely assessment of the resilience of the group’s capital under stressed conditions to the senior management. It ranges from simple sensitivity analysis to sophisticated stress testing methods to capture the abnormal movement of market and economic indicators and to translate such scenarios into projections of group’s profitability, liquidity and capital planning.

This framework paves the way to a quantitative, forward-looking assessment of capital adequacy (movement/ level of Capital Adequacy Ratio (CAR) of the group) to provide an indication of how much capital might be needed to absorb any expected and any unforeseen losses. It helps in identifying potential vulnerabilities within the group and assessing solvency by applying plausible/ past adverse scenarios under extreme conditions.

49.2.6 Liquidity Risk

Liquidity risk is the risk of loss to a group arising from its inability to meet obligations as they fall due or to fund assets, without incurring unacceptable costs or losses. More simply, liquidity risk is the possibility that a group will be unable to meet its financial commitment to a customer, creditor, or investor when due, in a timely and cost-effective manner.

To mitigate this risk, the group has arranged diversified funding sources, manages specific assets with liquidity in mind and monitors liquidity position on daily basis. In addition, the group maintains statutory deposits with central groups inside and outside Pakistan. The purpose of liquidity management is to ensure that there are sufficient cash flows to meet all of the group's liabilities when due, under both normal and stress conditions without incurring unacceptable losses, as well as to capitalize on opportunities for business expansion and profitability. This includes the group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature and to make new loans and investments, as opportunities arise.

The Asset and Liability Committee (ALCO) is responsible for ensuring that the group has adequate liquidity and monitors liquidity gaps, to execute this responsibility. Mandatory as well as optional stress testing and ratio based liquidity assessments are performed to proactively identify and manage liquidity position, needs/ requirements. The group has put in place various limits/ ratios, triggers and related management actions in place to monitor and mitigate liquidity risk. The group calculates and monitors, on regular basis, Basel-III Liquidity standards (includes LCR, NSFR and LMTs), liquidity ratios as per SBP parameters besides other internal liquidity measures.

49.2.6.1 Maturities of Assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

	2024														
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	314,787,387	314,787,387	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	58,644,846	50,433,727	2,615,353	3,523,304	-	750,824	-	605,181	716,457	-	-	-	-	-
Lending to financial institutions	30,000,000	-	30,000,000	-	-	-	-	-	-	-	-	-	-	-
Investments	4,614,849,276	31,621,768	-	4,463,284	12,106,686	521,265,266	149,503,906	507,107,307	685,719,445	653,809,329	385,710,068	274,407,343	1,222,649,515	166,485,359
Advances	1,404,627,126	198,599,151	19,967,689	23,103,364	200,656,121	34,109,689	50,590,232	140,434,855	93,289,519	152,964,434	44,969,819	53,081,452	205,553,859	187,306,942
Property and equipment	62,231,233	-	-	-	-	-	-	-	-	1,444,847	3,029,072	1,444,848	1,413,194	54,899,273
Intangible assets	2,577,003	-	-	-	-	-	-	-	-	859,001	859,001	859,000	-	-
Right-of-use assets	6,596,343	-	-	-	261	1,488	1,488	25,466	67,713	67,713	436,180	972,233	1,303,929	3,719,872
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	259,683,639	80,549,534	-	-	-	53,781,593	54,184,307	36,410,397	4,724,430	4,724,430	21,719,334	797,692	1,196,539	1,595,384
	6,753,996,853	675,991,567	52,583,042	31,089,953	212,763,068	609,908,860	254,279,933	684,583,206	784,517,563	813,869,754	456,723,475	331,562,567	1,432,117,035	414,006,830
Liabilities														
Bills payable	26,060,123	26,060,123	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,937,756,922	1,407,653	301,949,718	6,238,210	1,557,234,942	12,422,932	3,654,156	19,720,345	530,023	437,458	3,573,437	2,605,937	4,995,166	22,986,945
Deposits and other accounts	3,865,212,297	3,086,153,999	55,657,212	15,146,557	65,750,483	113,849,567	51,517,227	247,944,847	125,840,402	16,687,598	8,882,966	31,116,036	41,928,830	4,736,573
Lease Liabilities against assets subject right-of-use assets	8,585,682	-	-	-	1,009	2,355	2,355	32,223	83,614	83,614	619,327	1,137,990	1,827,831	4,795,364
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	40,995,264	-	-	-	-	-	-	-	-	-	-	-	40,995,264	-
Other liabilities	411,337,824	211,811,056	78,302	66,353	61,988	6,833,946	6,809,857	34,843,114	3,931,288	3,931,288	44,081,949	20,169,015	39,635,315	39,084,353
	6,289,948,112	3,325,432,831	357,685,232	21,451,120	1,623,048,422	133,108,800	61,983,595	302,540,529	130,385,327	21,139,958	57,157,679	55,028,978	129,382,406	71,603,235
Net assets	464,048,741	(2,649,441,264)	(305,102,190)	9,638,833	(1,410,285,354)	476,800,060	192,296,338	382,042,677	654,132,236	792,729,796	399,565,796	276,533,589	1,302,734,629	342,403,595
Share capital / head office capital account	21,275,131													
Reserves	82,145,337													
Unappropriated profit	241,120,418													
Surplus / (Deficit) on revaluation of assets	118,109,044													
Non-controlling interest	1,398,811													
	464,048,741													

	2023													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	295,455,482	292,116,487	931,850	-	2,405,140	2,005	-	-	-	-	-	-	-	-
Balances with other banks	43,004,567	33,574,696	121,714	188,428	3,937,730	3,751,780	(1)	671,770	758,450	-	-	-	-	-
Lending to financial institutions	192,430,437	9,723	192,420,714	-	-	-	-	-	-	-	-	-	-	-
Investments	4,414,174,305	6,645,274	63,237	4,470,333	491,810	642,639	43,725,986	46,393,901	575,275,570	1,009,545,853	1,304,643,492	489,385,140	649,752,188	283,138,882
Advances	1,398,072,669	308,463,728	12,814,449	29,826,563	81,107,496	104,805,117	56,183,865	127,960,502	57,342,172	41,318,720	74,813,740	65,861,729	153,261,454	284,313,134
Property and equipment	57,477,067	-	-	-	33,181	-	29,358	-	-	764,175	2,332,578	709,154	1,574,446	52,034,175
Intangible assets	2,186,294	-	-	-	-	4,530	-	-	-	531,972	521,472	558,051	7,717	562,552
Right-of-use assets	7,335,901	-	-	-	274	1,017	2,112	26,771	67,685	191,032	502,464	1,042,021	1,591,972	3,910,553
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	258,737,303	76,635,621	569,457	9,337	(17,274)	54,619,154	53,434,573	33,961,677	6,476,723	6,476,723	22,596,844	757,405	1,136,107	2,080,956
	6,668,874,025	717,445,529	206,921,421	34,494,661	87,958,357	163,826,242	153,375,893	209,014,621	639,920,600	1,058,828,475	1,405,410,590	558,313,500	807,323,884	626,040,252
Liabilities														
Bills payable	68,000,448	68,000,448	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,177,743,194	19,330,975	515,918,633	688,152,390	864,421,899	9,640,838	30,189,996	7,640,293	620,036	90,869	1,073,314	1,066,201	6,558,534	33,039,216
Deposits and other accounts	3,673,109,914	2,920,420,517	34,709,515	16,717,829	74,090,370	93,681,799	70,148,129	207,889,752	153,452,035	53,798,779	20,389,267	8,323,449	16,710,676	2,777,797
Lease Liabilities against assets subject right-of-use assets	8,891,000	610	-	-	363	1,697	2,837	31,018	76,618	264,950	660,880	1,476,383	1,759,513	4,616,131
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	842,568	-	-	-	-	-	-	-	-	-	-	-	842,568	-
Other liabilities	342,872,862	204,685,508	1,911,066	1,141,953	1,046,977	6,560,557	6,149,853	36,083,856	3,771,941	2,431,529	26,230,647	10,936,240	21,215,571	20,707,164
	6,271,459,986	3,212,438,058	552,539,214	706,012,172	939,559,609	109,884,891	106,490,815	251,644,919	157,920,630	56,586,127	48,354,108	21,802,273	47,086,862	61,140,308
Net assets	397,414,039	(2,494,992,529)	(345,617,793)	(671,517,511)	(851,601,252)	53,941,351	46,885,078	(42,630,298)	481,999,970	1,002,242,349	1,357,056,481	536,511,227	760,237,023	564,899,944

Share capital / head office capital account	21,275,131
Reserves	85,078,819
Unappropriated profit	225,693,440
Surplus / (Deficit) on revaluation of assets	64,232,415
Non-controlling interest	1,134,234
	397,414,039

49.2.6.2 Maturities of Assets and liabilities - based on expected maturity of the assets and liabilities of the Bank

	2024									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	314,787,387	200,798,631	37,996,252	37,996,252	37,996,252	-	-	-	-	-
Balances with other banks	58,644,846	56,572,385	750,824	605,181	716,456	-	-	-	-	-
Lending to financial institutions	30,000,000	30,000,000	-	-	-	-	-	-	-	-
Investments	4,614,849,276	29,182,734	673,112,071	557,685,939	1,312,933,806	378,392,509	274,407,343	1,222,649,515	162,533,196	3,952,163
Advances	1,404,627,126	400,318,629	144,895,191	130,735,203	238,387,249	46,091,404	54,141,876	205,757,146	140,308,681	43,991,747
Property and equipment	62,231,233	-	-	-	1,444,846	3,029,072	1,444,847	1,413,194	-	54,899,274
Intangible assets	2,577,003	-	-	-	859,001	859,001	859,001	-	-	-
Right-of-use assets	6,596,343	261	2,976	25,466	135,426	436,180	972,233	1,303,928	3,306,416	413,457
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	259,683,639	158,930,795	40,202,865	25,792,171	9,448,859	21,719,334	797,692	1,196,538	1,595,385	-
	6,753,996,853	875,803,435	896,960,179	752,840,212	1,601,921,895	450,527,500	332,622,992	1,432,320,321	307,743,678	103,256,641
Liabilities										
Bills payable	26,060,123	16,645,423	2,098,769	2,438,644	2,438,643	2,438,644	-	-	-	-
Borrowings	1,937,756,922	1,866,830,523	16,077,088	19,720,345	967,479	3,573,437	2,605,938	4,995,166	22,850,206	136,740
Deposits and other accounts	3,865,212,297	620,941,344	331,315,281	735,090,556	625,087,883	497,587,241	519,820,313	530,633,105	4,736,574	-
Lease Liabilities against assets subject right-of-use assets	8,585,682	1,009	4,710	32,223	167,228	619,327	1,137,990	1,827,830	4,287,977	507,388
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	40,995,264	-	-	-	-	-	-	40,995,264	-	-
Other liabilities	411,337,824	176,393,876	41,587,633	42,523,108	7,862,575	44,081,949	20,169,014	39,635,315	19,542,177	19,542,177
	6,289,948,112	2,680,812,175	391,083,481	799,804,876	636,523,808	548,300,598	543,733,255	618,086,680	51,416,934	20,186,305
Net assets	464,048,741	(1,805,008,740)	505,876,698	(46,964,664)	965,398,087	(97,773,098)	(211,110,263)	814,233,641	256,326,744	83,070,336
Share capital / head office capital account	21,275,131									
Reserves	82,145,337									
Unappropriated profit	241,120,418									
Surplus / (Deficit) on revaluation of assets	118,109,044									
Non-controlling interest	1,398,811									
	464,048,741									

	2023									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	295,455,482	187,160,382	4,459,436	51,917,832	51,917,832	-	-	-	-	-
Balances with other banks	43,004,567	38,197,493	3,376,854	671,770	758,450	-	-	-	-	-
Lending to financial institutions	192,430,437	192,430,437	-	-	-	-	-	-	-	-
Investments	4,414,174,305	12,650,748	37,116,409	46,232,793	1,585,589,361	1,304,643,492	495,657,264	649,752,188	273,727,499	8,804,551
Advances	1,398,072,669	353,290,345	257,892,715	117,908,126	90,732,536	74,812,630	65,861,729	153,261,454	208,090,803	76,222,331
Property and equipment	57,477,067	-	62,533	-	764,175	2,332,578	762,583	1,521,025	52,715	51,981,458
Intangible assets	2,186,294	-	4,530	-	531,972	521,472	559,353	6,416	562,551	-
Right-of-use assets	7,335,901	277	3,128	26,771	258,717	502,464	1,042,021	1,591,971	3,475,902	434,650
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	258,737,303	173,404,114	23,399,862	20,930,958	14,997,217	22,596,844	757,405	1,136,094	1,514,809	-
	6,668,874,025	957,133,796	326,315,467	237,688,250	1,745,550,260	1,405,409,480	564,640,355	807,269,148	487,424,279	137,442,990
Liabilities										
Bills payable	68,000,448	43,326,759	644,310	8,009,793	8,009,793	8,009,793	-	-	-	-
Borrowings	2,177,743,194	2,087,823,897	39,830,834	7,640,293	710,905	1,073,314	1,066,201	6,558,534	33,017,995	21,221
Deposits and other accounts	3,673,109,914	755,499,825	211,824,202	641,470,099	655,458,958	473,941,147	461,875,330	470,262,556	2,777,797	-
Lease Liabilities against assets subject right-of-use assets	8,891,000	972	4,534	31,018	341,568	660,880	1,476,383	1,759,513	4,127,708	488,424
Subordinated debt	-									
Deferred tax liabilities	842,568	-	-	-	122,386	-	-	720,182	-	-
Other liabilities	342,872,862	174,421,677	39,531,890	43,622,687	6,206,986	26,230,647	10,936,240	21,215,571	10,353,582	10,353,582
	6,271,459,986	3,061,073,130	291,835,770	700,773,890	670,850,596	509,915,781	475,354,154	500,516,356	50,277,082	10,863,227
Net assets	397,414,039	(2,103,939,334)	34,479,697	(463,085,640)	1,074,699,664	895,493,699	89,286,201	306,752,792	437,147,197	126,579,763

Share capital / head office capital account	21,275,131
Reserves	85,078,819
Unappropriated profit	225,693,440
Surplus / (Deficit) on revaluation of assets	64,232,415
Non-controlling interest	1,134,234
	397,414,039

49.2.7 Derivative risk

A derivative is a contract that derives its value from the performance of an underlying asset which can be an index, interest rate, commodity price, security price, FX rate etc. Derivatives include forwards, futures, swaps, options etc. In Pakistan, futures and forwards are most commonly traded derivatives.

Currently, the group is not an active participant in the Pakistan derivatives market as it does not hold an Authorized Derivative Dealer (ADD) license to perform derivative transactions. Once acquired, the group will carry out transactions that are permitted under the Financial Derivatives Business Regulations issued by SBP, which may include Interest rate swaps, forward rate agreements, foreign currency options, etc.

Moreover, the Bank may also offer other over the counter derivative products to satisfy customer requirements, specific approval of which will be sought from the SBP on a transaction by transaction basis.

50 EVENTS AFTER THE REPORTING DATE

50.1 Subsequent to year end, pursuant to the order of the Hon'ble Islamabad High Court dated November 15, 2024 (as amended by a further Court Order dated December 11, 2024), the Scheme of Arrangement filed with the Hon'ble Islamabad High Court, Islamabad, prepared under Sections 279 to 283 and 285(8) of the Companies Act, 2017 in respect of the demerger of a specified portion of the lending portfolio of SME Bank Limited ("SME group"), along with all associated rights, obligations, titles, contracts, benefits, claims, interests, and liabilities (the "Demerger Lending Portfolio"), was approved by the shareholders in the Extraordinary General Meeting ("EOGM") of the Members of NBP which was held on January 06, 2025. This demerger involves the separation of the Demerged Lending Portfolio from SME Bank, its transfer to and vesting in NBP, and the retention of all other assets and liabilities of SME Bank that do not form part of the Demerged Lending Portfolio (the "Retained Undertaking") by the SME Bank.

50.2 The Board of Directors in their meeting held on February 28,2025 has announced final cash dividend of Rs. 8 per share (2023: Rs. Nil per share). The consolidated financial statements for the year ended December 31, 2024, do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2025.

51 GENERAL

51.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary, to facilitate comparison and better presentation. No significant reclassifications have been made during the current year.

51.2 Figures have been rounded off to the nearest thousand rupees.

52 DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements were authorised for issue on February 28, 2025 by the Board of Directors of the group.

Ashraf Mahmood Wathra	**Rehmat Ali Hasnie**	**Abdul Wahid Sethi**	**Nasim Ahmad**	**Ali Syed**
Chairman	President & CEO	Chief Financial Officer	Director	Director

ANNEXURE 'I' AS REFERRED TO IN NOTE 12.7.3 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

Statement showing written-off loans or any other financial relief of rupees five hundred thousand or above provided during the year ended December 31,2024

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				----------(Rupees in '000)----------							
1	Warehousing Systems Limited Plot No.8, West Warf Industrial Area, Karachi	Samina Saigal 42301-9208295-6 Sadeed Anver Malik 42301-1033177-3	Tariq Ahmed Saigal (Husband) Saeed Ahmed Malik	-	-	652	652	47,095	-	44,692	91,787
2	Irfan Textile Pvt Ltd. 31 Km Ferozepur Road, Lahore.	Yawar Irfan Khan 35202-6657307-7 Syed Muhammad Jawad Ahsan 35202-6356700-9 Muhammad Ahmad Irfan Khan 35202-0268314-1	Muhammad Irfan ullah Khan Syed Muhammad Ahsan uddin Muhammad Irfan ullah Khan	564,548	83,466	2,502	650,516	-	-	85,968	85,968
3	Paramount Spinning Mills Ltd , SITE Kotri,Raiwind Punjab	Tanveer Ahmed Shakoor 42201-0350138-5	Mr.Abdul Shakoor	79,585	14,327	-	93,912	29,585	-	14,327	43,912
4	Lalazar Flour Mills Chak # 182/6-R, Kacha Paca Noor Shah Road, Sahiwal.	Sh. Ashfaq Ahmed 36502-1378032-3 Saima Sadaf 36502-1305750-0	Sh. Bashir Ahmed Sh. Ashfaq Ahmed	25,706	5,225	26,100	57,031	-	-	24,031	24,031
5	Decent Rice Mills (Pvt) Ltd 28-KM, Sargodha Road, District Jhang	Ch. Tanveer Iqbal 33100-1616674-1 Syed Ali ul Asad 33100-6580397-5	Ch. Muhammad Iqbal Syed Ashfaq Ahmed	22,649	13,762	95	36,506	-	-	2,372	2,372
6	Decent Trading Company 28-KM, Sargodha Road, District Jhang	Abdul Nasir 33100-8452254-3 Ch.Naveed Niaz 33100-0956589-5	Niaz Ahmed Niaz Ahmed	19,000	12,708	104	31,812	-	-	1,887	1,887
7	Adnan Rice Mills (Pvt) Ltd 15-KM, Bhakkar Road, District Jhang	Rehana Anjum 33202-2514085-2 Adnan Jamshed 33202-4533543-9	Chaudhary Jamshaid Iqbal (Husband) Chaudhary Jamshaid Iqbal (Father)	13,650	5,872	81	19,603	-	-	1,159	1,159
8	M/s. Zamindara Rice International Kotli Bawa Faqir Chand , Pasrur	Jalal Ashraf Warraich 34101-3254657-3 Muhmamad Ashraf Warriach 34101-5024953-1	Muhammad Ashraf Muhammad Sadiq	-	1,773	9,013	10,786	-	-	1,802	1,802

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
9	M/s Zamindara Rice Mills Kotli Bawa Faqir Chand , Pasrur	Jalal Ashraf Warraich 34101-3254657-3 Muhmamad Ashraf Warriach 34101-5024953-1 Nazia Mobeen 42301-0781431-2	Muhammad Ashraf Muhammad Sadiq Mobeen Ashraf	2,774	1,399	5,498	9,671	-	-	1,100	1,100
10	M/S Hashim Khudadaad Hamid Behind Shah Enterprises, near Shalimar Town,Pindi Bye Pass Gujranwala	Jalal Ashraf Warraich 34101-3254657-3	Muhammad Ashraf	-	180	3,850	4,030	-	-	770	770
11	Ms. Tabasum Shah Flat No. 603, 6Th Floor, Komal Apartment, Johar More, Karachi	Ms. Tabasum Shah 45203-5418702-6	Ali Murad Shah	1,557	-	-	1,557	1,557	-	-	1,557
12	Muhammed Nauman Thq Hospital Fort Abbas, Muhalla Medical Colony, Fort Abbas	Muhammed Nauman 31304-3423127-7	Muhammed Hanif	1,401	-	-	1,401	1,401	-	-	1,401
13	Liaquat Ali Chak No. 266 Rb Madina Town Khurrianwala,Tehsil Jaranwala	Liaquat Ali 33104-2068752-5	Asghar Khan	1,370	-	-	1,370	1,370	-	-	1,370
14	Ashraf Javed Street No. 06 Bilal Park Kahar Pura Muridke	Ashraf Javed 35401-1757241-9	Muhammed Din	845	-	-	845	845	-	-	845
15	Muhammed Amin Basti Nazar Kot, Po Islampura	Muhammed Amin 31101-1657670-3	Wali Muhammed	845	-	-	845	845	-	-	845
16	Abdul Qadeer , Qadirpur Lar Po Same Tehsil Multan Saddar	Abdul Qadeer 36303-2165759-5	Mehar Din	837	-	-	837	837	-	-	837
17	Lal Bux Village Sadullah Naper, Garhi Haleem, Shikarpur	Lal Bux 43303-5903084-5	Rahib	791	-	-	791	791	-	-	791
18	Riaz Hussain H. No. 17/19-18, Muhalla Mumtaz, Badah, Talka Dokri	Riaz Hussain 43203-6682755-9	Gulzar Ali Khoso	778	-	-	778	778	-	-	778
19	Zafar Iqbaltarar, Village Post Office Saida Sharif Tehsil Phalia	Zafar Iqbaltarar, 34403-2542040-3	Muhammad Hayat	771	-	-	771	771	-	-	771
20	Iftikhar Hussain S/o Haitam Khan Street # 5, Usmanabad Colony, Distt: Multan	Iftikhar Hussain 36102-8072932-9	Haitam Khan	766	-	-	766	766	-	-	766
21	Naseer Ahmed Chak No. 16 Gnb Po Same Nankana Sahib	Naseer Ahmed 35402-6942493-7	Ghulam Muhammed	751	-	-	751	751	-	-	751
22	Wali Muhammed H. No.466/1 Muhalla Family Line Arirport Jcd	Wali Muhammed 43102-4769603-7	Ali Murad	689	-	-	689	689	-	-	689

ANNEXURE 'I' AS REFERRED TO IN NOTE 12.7.3 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
23	Parveen Akhtar Railway Road, Phulwaran, Tehsil Bhalwal	Parveen Akhtar 38401-0192054-4	Muhammed Younas	687	-	-	687	687	-	-	687
24	Muhammed Ajmal Chah Hayat Muqadam Wala, Muhalla Ameer Abad, Multan	Muhammed Ajmal 36302-9727086-9	Wahid Bux	679	-	-	679	679	-	-	679
25	Muhammed Ilyas Village Sardarpur, Talka Khanpur	Muhammed Ilyas 43302-6719374-5	Muhammed Moosa	671	-	-	671	671	-	-	671
26	Mehmood S/O Sawan Chandio Village Muhammed Chandio, PO Qazi Ahmed, Talka Qazi Ahmed	Mehmood 45401-7846417-3	Sawan Chandio	669	-	-	669	669	-	-	669
27	Sajid Hussain Street, Lane No. 07, Sadique Town, Adiyala Road, Rwp	Sajid Hussain 37405-0618427-1	Khadim Hussain	663	-	-	663	663	-	-	663
28	Moula Bux Bhand, Mohalla Rasool Abad, Larkana	Moula Bux 43204-4611217-9	Yar Muhammed	656	-	-	656	656	-	-	656
29	Tahir Shabbir Khan Jalal Pur Road, H. No. 33/ E, Balouch Colony, Shujaabad	Tahir Shabbir Khan 36304-1353400-5	Muhammed Shabbir Khan Hamzai	637	-	-	637	637	-	-	637
30	Abdul Salam H. No 496, Street 05, Sector 01, Mohalla Talli, Tehsil & Dist Haripur	Abdul Salam 13302-0505401-9	Abdul Rasheed	632	-	-	632	632	-	-	632
31	Shah Jahan Chak No. 121/9 L Po Same Sahiwal	Shah Jahan 36502-0229508-1	Sohna	628	-	-	628	628	-	-	628
32	Asghar Khan Janak Shakandara Lachi, Kohat	Asghar Khan 14301-2027760-1	Raees Khan	600	-	-	600	600	-	-	600
33	Mumtaz Mugheri, Near Maal Piri, Bhens Colony, Larkana	Mumtaz 43203-3734271-7	Muhammed Hassan	596	-	-	596	596	-	-	596
34	Fakhar Zaman Basti Bhattian Wala, Po Same Murad Abad Distt Muzaffar Garh	Fakhar Zaman 32304-3644381-7	Haji Muhammed Khan	594	-	-	594	594	-	-	594
35	Sarfraz Masih Mansoor Wali Kachi Abadi, Police Line Hq, H11, Islamabad	Sarfraz Masih 61101-8806613-5	Payara Masih	592	-	-	592	592	-	-	592
36	Gohar Ali Toutkay, Matta Swat	Gohar Ali 15601-1042337-5	Abdul Mateen Khan	589	-	-	589	589	-	-	589
37	Faizan Ali H. No 49, Gulshan E Mehran Colony, Nasrpur Road, Tando Allah Yar	Faizan Ali 41307-8502332-1	Sagheer Ahmd	579	-	-	579	579	-	-	579
38	Saifullah Kalhoro Kalhoro, Village & Po Balishah, Talka Mehar	Saifullah Kalhoro 41205-8507598-3	Abdul Wahab Kalhoro	572	-	-	572	572	-	-	572
39	Manzoor Masih New Christian Colony Chak No. 14, Gajani Tehsil Chistian	Manzoor Masih 31102-4471478-3	Mohin	551	-	10	561	551	-	10	561
40	Muhammed Akber Lokri Mardan Shah, Qadir Abad	Muhammed Akber 34403-3716102-9	Bashir Ahmed	556	-	-	556	556	-	-	556

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
41	Fareed Ahmed H. No. 47, Muhalla Police Headquarter, Saddar, Hyderabad	Fareed Ahmed 41303-2321304-7	Ghulam Sarwar	555	-	-	555	555	-	-	555
42	Khalid Mehmood H. No. 320-B, Sector 4, Alnoor Colony, Rawalpindi	Khalid Mehmood 34101-1320935-7	Makhmool Ahmed	548	-	-	548	548	-	-	548
43	Muhammed Nawaz Near Old Cia Staff Office, Muhalla Bagh Wala, Jhang Saddar	Muhammed Nawaz 33202-7447108-1	Mian Allah Ditta	546	-	-	546	546	-	-	546
44	Syed Shah Sultan Mohalla Hospital Havelian	Syed Shah Sultan 13101-0865235-5	Syed Fida Hussain	545	-	-	545	545	-	-	545
45	Lal Bux Village Naseer Khan Korai, Po Hayat Pitafi Talka Mirpur Mathelo	Lal Bux 45104-6716130-0	Habibullah	537	-	-	537	537	-	-	537
46	Muhammed Yousif Village Nau Tharo Wadho District Qamber Shahdadkot	Muhammed Yousif 43204-1154528-3	Arbab Soomro	534	-	-	534	534	-	-	534
47	Javed Mohalla Shaikh Zaid Colony, Larkana	Javed 43203-0696468-3	Khadim Shaikh	531	-	-	531	531	-	-	531
48	Ghulam Nabi Village Juman Shah, Po Mirpur Buriro, Thull	Ghulam Nabi 43105-2733356-9	Ghulam Rasool	528	-	-	528	528	-	-	528
49	Ghulam Sarwar Piyaro Goth, Badah Talka Dokri	Ghulam Sarwar 43201-1243585-9	Qaimudin Khokhar	523	-	-	523	523	-	-	523
50	Ghulam Ali Panhwer Mohalla Bagho Dero Po Talka Kamber Ali Khan	Ghulam Ali Panhwer 43202-3077918-1	Momin Panhwer	521	-	-	521	521	-	-	521
51	Iqbal Hussain Pehlwan, Sultan Pur Hamar, Multan	Iqbal Hussain 36303-0887761-3	Muhammed Pehlwan	508	-	-	508	508	-	-	508
52	Raja Muhammed Muzammil S/O Abdul Rasheed Fateh Garh, Mohalla Rohail Pura, Sialkot	Raja Muhammed Muzammil 34603-2327298-5	Abdul Rasheed	508	-	-	508	508	-	-	508
53	Good Family Construction Llc/ Baku, Narimanov Rayonu, Çəmənzəminli Küç si, Ev 53	Zulfugarova Sevinj Aliyusif Aze 07437682	Zulfugarova Sevinj Aliyusif	8,575	7,017	6,494	22,085	-	-	6,629	6,629
54	Sema Llc/ Bakı Şəhəri, Ak.M.Qasımov Küçəsi, Ev 29, Mənzil 151	Ahmadov Sahin Aze 08251958	Ahmadova Gunel	-	2,835	40	2,875	-	2,835	40	2,875
55	Ibrahimov Ali Arif/ K lb c r h, N.G nc vi Pr, Ev 235, M nzil 05	Ibrahimov Ali Arif Aze № 02294307	Ahmadova Gunel	595	939	-	1,533	595	939	-	1,533
56	Zulfugarov Vidadi Aliyusif/ Neftçala Ray, Bankə Qəsəbəsi, L Rzayev Küçəsi, Ev 10	Zulfugarov Vidadi Aliyusif Aze 06130440	Zulfuqarov Ali Yusif	12,767	7,492	-	20,259	-	5,828	-	5,828

ANNEXURE 'I' AS REFERRED TO IN NOTE 12.7.3 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
57	Mammadov Khaladdin Gani /Bakı Şəh, Nərimanov Rayonu, Mustafa Kamal Atatürk Prospektiev 39 Nömrəli, 68 Nömrəli Mənzil	Mammadov Khaladdin Gani Aze № 03876595	Mammadov Gani	-	15,964	484	16,448	-	15,964	1,305	17,269
58	Zulfugarova Sevinj Aliyusif/ Baku, Narimanov Rayonu, Çəmənzəminli Küçəsi, Ev 53	Zulfugarova Sevinj Aliyusif Aze № 07437682	Zulfuqarov Aliyusif	9,948	7,548	-	17,496	-	6,068	-	6,068
59	Allahverdiyeva Gulafar Shahmurad/ Abşeron Rayonu Masazır Kəndi, S.Ə.Şirvani Küçəsi, Döngə 1, Dalan 1, Ev 3.	Allahverdiyeva Gulafar Shahmurad Aze № 08143334	Allahverdiyev Şahmurad	5,141	2,812	500	8,452	-	1,367	500	1,867
60	Rustamov Zulfugar Rustam O. Baku City, Nasimi District, M M. Qashgay Street, House 63 A, Apartment 23	Rüstəmov Zülfüqar Rüstəm O. Aze № 05031863	Rustamov Rustam O.	-	2,068	1,558	3,625	-	2,068	1,558	3,625
61	Fayzullayev Munasib Abdulkhan O Absheron Ray, Khirdalan City, District 28, House 15, Apartment 50	Feyzullayev Münasib Abdulxan O Aze № 06170280	Fayzullayev Abdulkhan O	6,713	4,549	2,149	13,411	-	-	2,149	2,149
62	Bagirov Ramzi Boyukagha Oglu, Masalli District, Erkivan Settlement	Bağirov Rəmzi Böyükağa Oğlu Aze № 06956471	Bagirov Boyukagha	13,060	8,997	1,014	23,071	-	8,997	1,014	10,011
63	Ashrafov Qardash Khan Humbat; Address Baku City, Nasimi District, 3Rd Alatava House 108	Ashrafov Qardash Khan Humbat Aze 00424999	Ashrafov Humbat	10,314	7,169	2,352	19,836	-	3,779	2,352	6,132
64	Husynov Iabal Cabbar Oglu	Husynov Iabal Cabbar Oglu Aze 02369854	Hussainov Jabbar	4,994	4,237	530	9,760	3,356	4,237	530	8,123
65	LLP KazCom-K, Kazakhstan, Zhambyl region, Shu district, Shu city Satpayev Street, 44.	Mangeldiev Azmat (013315186 Dt.18.11.2002	Nagimovich	157,407	-	-	157,407	54,325	-	-	54,325
66	IE Borasheva Aygul, Street Tole Bi. D.308/21, Nauruzbay District, Almaty, Kazakhstan	Borasheva Aygul (051302935 Dt.26.07.2022	Kelsenbec	7,362	1,955	288	9,605	2,364	1,955	288	4,607
67	LLP Asia Elite Cars, Kazakhstan Almaty city, St. Tole bi 285b/2	Sheikh Arshad Javed	Not Availabe	22,824	1,959	743	25,526	10,057	1,959	743	12,759
			TOTAL:	**1,016,547**	**214,252**	**64,056**	**1,294,854**	**176,313**	**55,996**	**195,225**	**427,534**

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

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

ISLAMIC BANKING BUSINESS

The bank is operating with 207 (2023: 188) Islamic banking branches and 251 (2023: 150) Islamic banking windows as at December 31, 2024.

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		28,240,319	10,248,305
Balances with other banks		49,826	43,076
Due from financial institutions	1	30,000,000	-
Investments	2	123,905,109	51,544,718
Islamic financing and related assets - net	3	144,221,215	73,125,189
Property and equipment		125,580	70,902
Right-of-use assets		582,812	640,166
Intangible assets		-	-
Due from head office	4	-	-
Other assets		6,290,354	4,488,184
Total assets		333,415,215	140,160,540
LIABILITIES			
Bills payable		1,397,301	477,959
Due to financial institutions		-	-
Deposits and other accounts	5	309,438,083	113,801,806
Due to head office		2,883,224	12,960,028
Lease liabilities		814,024	811,291
Subordinated debt		-	-
Other liabilities		2,846,597	2,249,195
		317,379,229	130,300,279
NET ASSETS		16,035,986	9,860,261
REPRESENTED BY			
Islamic Banking Fund		8,531,000	6,731,000
Reserves		-	-
Surplus/ (Deficit) on revaluation of assets		2,612,858	(400,216)
Unappropriated / Unremitted profit	7	4,892,128	3,529,477
		16,035,986	9,860,261
CONTINGENCIES AND COMMITMENTS	8		

The profit and loss account of the Bank's Islamic banking branches for the year ended December 31,2024 is as follows:

	Note	2024	2023
		(Rupees in '000)	
Profit / return earned	9	29,980,783	21,584,554
Profit / return expensed	10	19,739,351	13,764,527
Net Profit / return		10,241,432	7,820,027
Other income			
Fee and Commission Income		385,781	317,707
Dividend Income		-	-
Foreign exchange income		98,289	61,765
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		1,194	-
Other Income		549	50
Total other income		485,813	379,522
Total Income		10,727,245	8,199,549
Other expenses			
Operating expenses		4,007,585	3,496,250
Workers welfare fund		-	-
Other charges		806	220
Total other expenses		4,008,391	3,496,470
Profit before credit loss allowance		6,718,854	4,703,079
Credit loss allowance and write offs - net		(386,000)	(1,173,602)
Profit before taxation		6,332,854	3,529,477
Taxation		-	-
Profit after taxation		6,332,854	3,529,477

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

		2024			2023		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		(Rupees in '000)					
1	**Due from financial institutions**						
	Call Money Placement	30,000,000	-	30,000,000	-	-	-

		2024				2023			
		Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)							
2	**Investments by segments:**								
	Debt Instruments								
	Classified / Measured at amortised cost								
	Federal Government securities								
	-Ijarah Sukuks	14,057,627	-	-	14,057,627	14,087,500	-	-	14,087,500
	Non Government debt securities								
	- Sukuk	130,807	(130,807)	-	-	130,807	(130,807)	-	-
		14,188,434	(130,807)	-	14,057,627	14,218,307	(130,807)	-	14,087,500
	Classified / Measured at FVOCI								
	Federal Government securities								
	-Ijarah Sukuks	83,155,034	-	2,334,037	85,489,071	20,513,568	-	(726,606)	19,786,962
	Non Government debt securities								
	- Sukuk	22,784,066	(550,572)	278,821	22,512,315	17,343,866	-	326,390	17,670,256
		105,939,100	(550,572)	2,612,858	108,001,386	37,857,434	-	(400,216)	37,457,218
	Classified / Measured at FVTPL								
	Non Government debt securities								
	- Sukuk	1,832,366	-	868	1,833,234	-	-	-	-
		1,832,366	-	868	1,833,234	-	-	-	-
	Mutual Funds Units	12,536	-	326	12,862	-	-	-	-
	Total investments	121,972,436	(681,379)	2,614,052	123,905,109	52,075,741	(130,807)	(400,216)	51,544,718

		2024				2023	
		Stage 1	Stage 2	Stage 3	Total	Provision for diminution	Total
		(Rupees in '000)					
2.1	**Particulars of credit loss allowance**						
	Non Government debt securities	99,880	110,692	470,807	681,379	130,807	130,807

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

3	Islamic financing and related assets	Note	2024	2023
			(Rupees in '000)	
	Ijarah	3.1	**8,436**	13,749
	Murabaha	3.2	**1,050,778**	3,291,932
	Running Musharaka		**104,490,555**	30,500,000
	Diminishing Musharaka		**14,530,164**	19,357,928
	Musawama		**7,443**	-
	Istisna		**-**	705,500
	Wakala tul Istismar		**8,500,000**	8,500,000
	Advance for Murabaha		**378,000**	-
	Advance for Diminishing Musharaka		**1,320,707**	113,086
	Advance for Istisna		**12,797,450**	8,850,972
	Inventories against Istisna		**3,815,624**	3,342,628
	Gross Islamic financing and related assets		**146,899,157**	74,675,795
	Less: Credit loss allowance against Islamic financings			
	Stage 1		**(664,490)**	-
	Stage 2		**(28,044)**	-
	Stage 3		**(1,985,408)**	-
	- Specific		**-**	(913,875)
	- General		**-**	(636,731)
			(2,677,942)	(1,550,606)
	Islamic financing and related assets - net of credit loss allowance		**144,221,215**	73,125,189

3.1 Ijarah

	2024						
	Cost			Depreciation			Book Value as at December 31, 2024
	As at Jan 01, 2024	Additions / (deletions)	As at Dec 31, 2024	As at Jan 01, 2024	Charge for the year	As at Dec 31, 2024	
	(Rupees in '000)						
Plant & machinery	**59,828**	**(4,344)**	**55,484**	**47,449**	**(401)**	**47,048**	**8,436**
Vehicles	**6,000**	**(3,355)**	**2,645**	**4,630**	**1,371** **(3,356)**	**2,645**	**-**
Total	**65,828**	**-** (7,699)	**58,129**	**52,079**	**1,371** **(3,356)**	**49,693**	**8,436**

	2023						
	Cost			Depreciation			Book Value as at December 31, 2023
	As at Jan 01, 2023	Additions / (deletions)	As at Dec 31, 2023	As at Jan 01, 2023	Charge for the year	As at Dec 31, 2023	
	(Rupees in '000)						
Plant & machinery	63,474	- (3,646)	59,828	50,820	- (3,371)	47,449	12,379
Vehicles	168,680	- (162,680)	6,000	143,126	1,065 (139,561)	4,630	1,370
Total	232,154	- (166,326)	65,828	193,946	1,065 (142,932)	52,079	13,749

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

3.1.1 Future Ijarah payments receivable

	2024				2023			
	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
	(Rupees in '000)							
Ijarah rental receivables	475	-	-	475	1,460	-	-	1,460

		Note	2024	2023
			(Rupees in '000)	
3.2	**Murabaha**			
	Murabaha financing	3.2.1	**1,050,778**	3,291,932
	Advances for Murabaha		**378,000**	-
			1,428,778	3,291,932
3.2.1	Murabaha receivable - gross	3.2.2	**1,152,762**	3,409,195
	Less: Deferred murabaha income	3.2.4	**13,366**	31,040
	Less: Profit receivable shown in other assets		**88,618**	86,223
	Murabaha financings		**1,050,778**	3,291,932
3.2.2	The movement in Murabaha financing during the year is as follows:			
	Opening balance		**3,409,195**	1,868,953
	Sales during the year		**4,367,769**	11,165,657
	Adjusted during the year		**6,624,202**	9,625,415
	Closing balance		**1,152,762**	3,409,195
3.2.3	Murabaha sale price		**4,367,769**	11,165,657
	Murabaha purchase price		**4,249,509**	10,750,858
			118,260	414,799
3.2.4	Deferred murabaha income			
	Opening balance		**31,040**	73,359
	Arising during the year		**118,260**	402,591
	Less: Recognised during the year		**135,934**	444,910
	Closing balance		**13,366**	31,040

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

4 **Due from Head Office Rs. Nil (2023: Rs. Nil).**

5 **Deposits**

	2024			2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	**40,619,109**	**215,067**	**40,834,176**	22,342,688	185,921	22,528,609
Savings deposits	**80,198,997**	**-**	**80,198,997**	56,721,533	-	56,721,533
Term deposits	**17,145,145**	**-**	**17,145,145**	16,261,024	-	16,261,024
Others	**4,800,439**	**-**	**4,800,439**	810,992	-	810,992
	142,763,690	**215,067**	**142,978,757**	96,136,237	185,921	96,322,158
Financial institutions						
Current deposits	**136,864,262**	**-**	**136,864,262**	1,879,123	-	1,879,123
Savings deposits	**28,979,564**	**-**	**28,979,564**	15,071,912	-	15,071,912
Term deposits	**615,500**	**-**	**615,500**	528,613	-	528,613
	166,459,326	**-**	**166,459,326**	17,479,648	-	17,479,648
	309,223,016	**215,067**	**309,438,083**	113,615,885	185,921	113,801,806

		2024	2023
		(Rupees in '000)	
5.1	**Composition of deposits**		
	- Individuals	**78,737,881**	54,111,171
	- Government / Public Sector Entities	**41,395,878**	23,779,916
	- Banking Companies	**137,454,684**	2,338,737
	- Non-Banking Financial Institutions	**29,004,641**	15,140,911
	- Private Sector	**22,844,999**	18,431,071
		309,438,083	113,801,806

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 87,194 million (2023: Rs. 55,033 million).

		2024	2023
		(Rupees in '000)	
6	**Charity Fund**		
	Opening Balance	**6,369**	203
	Additions during the period		
	Received from customers on account of delayed payment	**1,302**	9,067
	Profit on charity saving account	**284**	99
		7,955	9,369
	Payments / Utilization during the period		
	Education	**3,500**	1,500
	Health	**3,500**	1,500
		7,000	3,000
	Closing Balance	**955**	6,369

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

		2024	2023
		(Rupees in '000)	
6.1	**Charity paid during the year are as follows**		
	Indus Hospital & Health Network	**2,500**	1,500
	The Citizen Foundation	**1,500**	1,500
	Network of Organizations Working with People with Disabilities, Pakistan (NOWPDP)	**2,000**	-
	Abaseen Institute of Medical Science (AIMS)	**1,000**	-
	Total	**7,000**	3,000
7	**Islamic Banking Business Unappropriated Profit**		
	Opening Balance	**3,529,477**	2,297,141
	Add: Islamic Banking profit for the period	**6,332,854**	3,529,477
	Less: Impact of adoption of IFRS 9	**(1,440,726)**	-
	Less: Transferred / Remitted to Head Office	**(3,529,477)**	(2,297,141)
	Closing Balance	**4,892,128**	3,529,477
8	**Contingencies and commitments**		
	Guarantees	-	-
	Commitments	-	-
	Other contingent liabilities	-	-
		-	-
9	**Profit/Return Earned of Financing, Investments and Placement**		
	Profit earned on:		
	Financing	**16,191,448**	12,351,676
	Investments	**13,780,656**	9,231,359
	Placements	**8,679**	1,519
		29,980,783	21,584,554
10	**Profit on Deposits and Other Dues Expensed**		
	Deposits and other accounts	**12,898,692**	9,901,324
	Due to Financial Institutions	**292**	-
	Amortisation of lease liability against - ROUA	**144,456**	79,419
	Others (General Account)	**6,695,911**	3,783,784
		19,739,351	13,764,527

11 Pool Management

NBP-AIBG has managed following pools for profit and loss distribution.

a) General depositor pool

The General pool consists of all other remunerative deposits. NBP Aitemaad (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

b) Special depositor pools (Total 253 during the period and 33 as at Dec 31, 2024)

Special pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, and after allocation of share of profit to commingled equity, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

c) Equity pool

Equity pools include AIBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

Key features and risk & reward characteristics

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

Avenues / sectors of economy / business where Modaraba based deposits have been deployed.

	2024	2023
	(Percentage)	
Sector		
Textile	**1.56%**	3.34%
Fuel & energy	**11.14%**	24.72%
Leasing/Modarbas	**0.01%**	0.02%
Sugar	**2.48%**	6.12%
Cement	**1.64%**	3.81%
Gas	**0.19%**	0.15%
Financial	**10.67%**	1.57%
Federal Government	**32.52%**	27.29%
Real Estate	**1.08%**	2.45%
Agriculture	**0.46%**	0.24%
Commodity Operations	**34.54%**	23.66%
Others	**3.71%**	6.62%
Total	**100.00%**	100.00%

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

Parameters for profit allocation and charging expenses

Profit of the pools has been distributed between Mudarib and Rab-ul-Mall by using preagreed profit sharing ratios. The share of Rab-ul-Mall's profit has been distributed among different customers using the various weightages assigned to the different categories of the pool.

No provision against any non performing asset of the pool is passed on to the pool except on the actual loss / write off of such non performing asset. Administrative expense are borne by mudarib and not charged to Mudaraba pool.

Mudarib Share	**31-Dec-24** **Rupees in '000**
Gross Distributable Income	**22,255,543**
Mudarib (Bank) share of profit before Hiba	**4,160,949**
Mudarib Share in percentage	**18.70%**
Hiba from Mudarib Share	
Mudarib (Bank) share of profit before Hiba	**4,160,949**
Hiba from bank's share to depositors	**1,170,675**
Hiba from bank's share to depositors in percentage	**28.13%**

Profit rates

During the year ended Dec 31, 2024 the average profit rate earned by NBP Islamic Banking Group is 17.99 % and the profit distributed to the depositors is 14.30 %.

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Threads of Progress

Each connection we build is like a thread, intricately woven to create a fabric of growth and opportunity. At NBP, we build systems that ripple outward, shaping possibilities in an evolving world.

Together, we turn small actions into lasting impact, creating a foundation that thrives on trust, innovation, and collaboration.



Others

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Proxy Form (English)	504
Proxy Form (Urdu)	505

NATIONAL BANK OF PAKISTAN

NOTICE FOR 76TH ANNUAL GENERAL MEETING

Notice is hereby given that 76th Annual General Meeting ("AGM") of National Bank of Pakistan (the "Bank") will be held on Tuesday, March 25, 2025 at 04:00 P.M. (PKT) at **National Bank of Pakistan, Head Office Building, I.I. Chundrigar Road, Karachi, Pakistan,** and through electronic means.

The following business will be transacted in the Meeting:

1. To confirm the minutes of the Extraordinary General Meetings (EOGMs) of Shareholders held on November 22, 2024, and January 6, 2025, conducted in person and via electronic means.

2. To receive, consider and adopt the annual audited unconsolidated and consolidated financial statements of National Bank of Pakistan and its subsidiaries for the year ended December 31, 2024, together with the Directors' Report, Auditors' Report and Chairman's Review Report thereon.

   In accordance with Section-223 of the Companies Act 2017 and pursuant to S.R.O. 389(1)/2023 dated March 21, 2023, the Annual Report of the Bank has been uploaded on the Bank's website which can be downloaded from the following web link or QR enabled code:

   https://www.nbp.com.pk/Financial Statements/Annual Reports.aspx

3. To appoint auditors for the year ending December 31, 2025, and fix their remuneration. The Board of Directors has recommended the re-appointment of Messrs. PwC A.F. Ferguson & Co., Chartered Accountants at a fee of PKR 45.856 million including some statutory certification and Messrs. BDO Ebrahim & Co., Chartered Accountants at a fee of PKR 38.962 million including some statutory certifi-cation, to be auditors of the Bank for the year ending December 31, 2025.

4. To consider and approve cash dividend at PKR 8/- per share, i.e., 80% as recommended by the Board of Directors for the year ended December 31, 2024 (subject to approval of Government of Pakistan under Section-17 of The Banks Nationalization Act, 1974).

5. To transact any other business with permission of the Chairman.

Karachi
Dated: March 04, 2025

By Order of the Board
Sd/-
S.M. Ali Zamin
Secretary (Board)

NOTES:

The Share Transfer Books of the Bank shall remain closed from March 18, 2025 to March 25, 2025 (both days inclusive).Transfers received at Messrs. CDC Share Registrar Services Limited, CDC House 99-B, Block "B", SMCHS, Main Shahrah-e-Faisal, Karachi 74400, the Bank's Share Registrar, at the close of business on March 17, 2025 will be treated in time to attend the meeting and entitlement.

PARTICIPATION IN ANNUAL GENERAL MEETING:

The Annual General Meeting is being conducted as per guidelines circulated by SECP. The following arrangements have been made by the Bank to facilitate the maximum participation of shareholders in the AGM through video link facility, either in-person or through appointed proxies:

a) Attending Meeting through Electronic Means

In order to attend the AGM through electronic facility, the members are requested to get them-selves registered with CDC Share Registrar Services Limited upto March 24, 2025 till 05:00 P.M. at cdcsr@cdcsrsl.com or WhatsApp No. 0321-8200864 and they are requested to provide the information as per the below format:

S.#	Company Name	Folio Number/CDC Account #	Name of the Shareholder	CNIC #	Cell #	E-mail Address
	NBP					

The details of electronic facility will be sent to the members at the email address provided by them. The login facility will be opened at 3:30 P.M. on March 25, 2025 enabling the participants to join the proceedings. after identification and verification process before joining the meeting, which will start at 4:00 P.M. (sharp).

b) Attending Meeting Physically

Arrangements for physical gathering of shareholders have been made at **National Bank of Pakistan, HeadOffice Building, I.I. Chundrigar Road, Karachi, Pakistan.**

c) Attending Meeting through Proxies

I) All members, entitled to attend and vote at the Annual General Meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may appoint any person, regardless of whether they are a member or not, as proxy.

II) The proxy instrument must be complete in all respects and in order to be effective should be deposited at Office of the Registrar or Office of the Secretary Board, 2nd floor, NBP Head Office, 1.1. Chundrigar Road, Karachi not later than 48 hours before the time of holding the meeting.

III) For attending the meeting through electronic means (Zoom), proxy form shall be submitted along with proxy holders' email address and mobile number.

IV) If any member appoints more than one proxy for any one meeting and more than one instrument of the proxy are deposited with the Registrar/Bank, all such instruments of proxy shall be rendered invalid.

d) Guidelines for Appointing Proxies:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations shall submit the proxy form as per the requirements mentioned below:

a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form.

b) Attested copy of CNIC or the Passport of the beneficial owner(s) and of the proxy shall be furnished with the proxy form.

ii) In case of a legal entity, the original or duly authenticated Board of Directors' resolution or power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to Messrs. CDC Share Registrar Services Limited or to the Office of Secretary Board, 2nd floor, NBP Head Office, 1.1 Chundrigar Road, Karachi.

(Proxy Form is available at NBP website www.nbp.com.pk)

• Members are requested to immediately notify any change in their address to the Bank's Registrar/Shares Transfer Agent i.e., Messrs. CDC Share Registrar Services Limited.

SPECIAL NOTES TO THE SHAREHOLDERS

1. CONVERSION OF PHYSICAL SHARES INTO BOOK-ENTRY FORM:

Shareholders having physical share certificates of the Bank are advised to convert thern into Book-En-try Form with CDC to comply with Section-72 of the Companies Act, 2017.

2. UNCLAIMED CASH DIVIDENDS AND SHARE CERTIFICATES

In line with Section-244 of the Act, the Bank has notified shareholders through newspaper announce ments about collecting unclaimed shares and unpaid cash dividends. We kindly urge our valued share-holders to reach out to the Bank's Share Registrar, CDC Share Registrar Services Limited, to submit their claims for any unclaimed shares or unpaid cash dividends.

3. REQUIREMENT OF VALID CNIC AND IBAN:

As per requirements issued by the SECP, the payment of cash dividend shall only be made to those shareholders who have provided copies of their valid CNIC/NICOP/Passport (in case of individuals) and NTN (in case of corporate entities) and valid details of designated International Bank Account Number ("IBAN").

4. DEDUCTION OF WITHHOLDING TAX:

Please note that the withholding tax will be deducted at the following rate based on "Active Taxpayer List (ATL) available at FBR website:

1. Persons appearing in Active Taxpayer List: 15%
2. Persons not appearing in Active Taxpayer List: 30%.

Further, in case of joint shareholders, tax will be deducted as per their ratio/share (if any) intimated by the same to the Bank's Share Registrar, otherwise, their shareholding will be treated as equal.

5. ELECTRONIC DIVIDEND MANDATE:

Under Section-242 of the Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to their shareholders through electronic mode directly in the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available on the Bank's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, CDC Share Registrar Services, Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahrah-e-Faisal, Karachi -74400, in case of physical shares.

In case of shares held in CDC, Electronic Dividend Mandate Form must be directly submitted to the shareholder's broker/participant/CDC account services.

In case of non-receipt of information, the Bank will be constrained to withhold payment of dividend to shareholders.

6. DEDUCTION OF ZAKAT ON DIVIDEND ISSUE:

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (PKR 10/- each) under Zakat & Ushr Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat Declaration Form (CZ-50) under Zakat & Ushr Ordinance 1980 and Zakat (Collection & Refund) Rules, 1981 to the Bank's Share Registrar. Share-holders who hold shares with participants/CDC are advised to provide the above Form through the concerned brokers/CDC.

اسپیشل نوٹس

1۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا:

جن شیئر ہولڈرز کے پاس بینک کے فزیکل شیئر سرٹیفکیٹس ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ انہیں سی ڈی سی کے ساتھ بک انٹری فارم میں تبدیل کریں تاکہ کمپنیز ایکٹ 2017 کی شق 72 کی تعمیل کی جاسکے۔

2۔ غیر دعوی شدہ نقد ڈیویڈنڈز اور شیئر سرٹیفکیٹس:

ایکٹ کی شق 244 کے مطابق، بینک نے اخباری اعلانات کے ذریعے شیئر ہولڈرز کے غیر دعوی شدہ شیئرز اور غیر ادا شدہ نقد ڈیویڈنڈز کے بارے میں مطلع کیا ہے۔
ہم اپنے معزز شیئر ہولڈرز سے درخواست کرتے ہیں کہ وہ بینک کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ سے رابطہ کریں تاکہ اپنے کسی بھی غیر دعوی شدہ شیئرز یا غیر ادا شدہ نقد ڈیویڈنڈ کے دعوے جمع کرا سکیں۔

3۔ درست سی این آئی سی اور آئی بی اے این کی ضرورت:

ایس ای سی پی کی جانب سے جاری کردہ ہدایات کے مطابق، نقد ڈیویڈنڈ کی ادائیگی صرف ان شیئر ہولڈرز کو کی جائے گی جنہوں نے اپنے درست سی این آئی سی/این آئی سی او پی/پاسپورٹ (افراد کی صورت میں) اور این ٹی این (کارپوریٹ اداروں کی صورت میں) کی کاپیاں اور مخصوص بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) کی درست تفصیلات فراہم کی ہیں۔

4۔ ودہولڈنگ ٹیکس کی کٹوتی:

براہ کرم نوٹ کریں کہ ایف بی آر کی ویب سائٹ پر دستیاب "ایکٹو ٹیکس پیئرلسٹ" (ATL) کی بنیاد پر ودہولڈنگ ٹیکس کی کٹوتی درج ذیل شرح سے کی جائے گی۔

1۔ فعال ٹیکس دہندگان کی فہرست میں ظاہر ہونے والے افراد: 15%

2۔ فعال ٹیکس دہندگان کی فہرست میں ظاہر نہ ہونے والے افراد: 30%

مزید برآں، مشترکہ شیئر ہولڈرز کی صورت میں، ان کے تناسب/حصص (اگر کوئی ہے) کے مطابق ٹیکس کاٹ لیا جائے گا۔ بصورت دیگر، ان کی شیئر ہولڈنگ کو مساوی تصور کیا جائے گا۔

5۔ الیکٹرانک ڈیوڈنڈ مینڈیٹ:

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت، تمام درج کمپنیوں کے لیے لازمی ہے کہ وہ اپنے شیئر ہولڈرز کو الیکٹرانک ذرائع کے ذریعے براہ راست شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیویڈنڈ ادا کریں۔

براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ وصول کرنے کے لیے فزیکل حصص یافتگان سے درخواست کی جاتی ہے کہ وہ بینک کی ویب سائٹ پر دستیاب کیش ڈیویڈنڈ کے الیکٹرانک کریڈٹ کے لیے بینک مینڈیٹ فارم پُر کریں اور اسے CNIC کی کاپی کے ساتھ دستخط شدہ بھیجیں۔ شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس 99۔ بی، بلاک 'بی' سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی (ایس ایم سی ایچ ایس)، مین شاہراہ فیصل، کراچی 74400۔

سی ڈی سی میں حصص رکھنے کی صورت میں، الیکٹرانک ڈیویڈنڈ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر/شرکت کنندہ/سی ڈی سی اکاؤنٹ سروسز میں جمع کرایا جانا چاہیے۔

معلومات نہ ملنے کی صورت میں، بینک شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگا۔

6۔ ڈیویڈنڈ پر زکوٰۃ کی کٹوتی:

زکوٰۃ "زکوٰۃ اور عشر" قوانین کے تحت حصص کی ادا شدہ قیمت کے 2.5% کی شرح سے منافع سے کاٹی جائے گی اور اسے مقررہ مدت کے اندر متعلقہ اتھارٹی کے پاس جمع کرایا جائے گا۔
براہ کرم زکوٰۃ اور عشر آرڈیننس 1980 اور زکوٰۃ (جمع کرنے اور رقم کی واپسی) رولز 1981 کے تحت اپنا زکوٰۃ اعلامیہ فارم (CZ-50) بینک کے شیئر رجسٹرار کو جمع کرائیں۔ حصص یافتگان جو شرکاء/سی ڈی سی کے ساتھ حصص رکھتے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ متعلقہ بروکرز/سی ڈی سی کے ذریعے مندرجہ بالا فارم فراہم کریں۔

نوٹس :

بینک کی شیئر ٹرانسفر کتب 18 مارچ 2025 سے 25 مارچ 2025 تک (بشمول دونوں ایام) بند رہیں گی۔ تاہم بینک رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس 99۔ بی، بلاک بی سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی (ایس ایم سی ایچ ایس)، مین شارع فیصل، کراچی۔ 74400 کو مورخہ 17 مارچ 2025 تک کاروباری اوقات ختم ہونے سے قبل وصول ہونے والے ٹرانسفرز کو اجلاس میں شرکت اور کسی بھی دیگر استحقاق کے سلسلے میں بروقت تصور کیا جائے گا۔

سالانہ اجلاس عام میں شرکت

سالانہ اجلاس عام کا انعقاد سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ رہنما اصولوں کے مطابق کیا جارہا ہے اور سالانہ اجلاس عام میں شیئر ہولڈرز کی زیادہ سے زیادہ شرکت کیلئے ویڈیو لنک کی سہولت، ذاتی موجودگی پر یا مقرر کردہ پراکسیز کے ذریعے شرکت کے انتظامات کئے گئے ہیں۔

الف) اجلاس میں بذریعہ الیکٹرانک ذرائع شرکت

سالانہ اجلاس عام میں الیکٹرانک سہولت کے ذریعے شرکت کرنے والے ممبران سے درخواست کی جاتی ہے کہ مورخہ 24 مارچ 2025 بوقت شام 05:00 بجے تک CDC شیئر رجسٹرار سروسز لمیٹڈ کی ای میل cdcsr@cdcsrsl.com یا واٹس ایپ نمبر 0321-8200864 پر خود کو رجسٹرڈ کروالیں اور ان سے التماس ہے کہ وہ مندرجہ ذیل فارمیٹ پر معلومات مہیا کریں:

نمبر شمار	کمپنی کا نام	فولیو نمبر/CDC	شیئر ہولڈر کا نام	قومی شناختی کارڈ نمبر	موبائل نمبر	ای میل ایڈریس
	این بی پی					

الیکٹرانک سہولت کی تفصیلات ممبران کی طرف سے فراہم کردہ ای میل ایڈریس پر فراہم کردی جائیں گی۔ مورخہ 25 مارچ 2025 کو لاگ ان سہولت دوپہر 03:30 بجے کھول دی جائے گی تاکہ شرکاء اجلاس شروع ہونے کے مقررہ وقت شام 04:00 بجے سے پہلے پہچان اور تصدیق کے عمل سے گزر کر اجلاس میں شریک ہوسکیں۔

ب) اجلاس میں ذاتی طور پر شرکت:

نیشنل بینک آف پاکستان، ہیڈ آفس بلڈنگ، آئی۔ آئی۔ چندریگر روڈ، کراچی، پاکستان۔ شیئر ہولڈرز کے لئے روبرو اجتماع کے انتظامات کئے گئے ہیں۔

پ) پراکسیز کے ذریعے اجلاس میں شرکت کرنا:

i۔ تمام ممبران جو کہ سالانہ اجلاس عام میں شرکت اور ووٹ ڈالنے کے اہل ہیں کسی بھی دوسرے ممبر کو تحریری طور پر پراکسی مقرر کرسکتے ہیں۔ ایک قانونی ادارہ رکن ہونے کے ناطے کسی بھی فرد کو قطع نظر، خواہ وہ ممبر ہو یا نہیں، پراکسی کے طور پر تقرری کرسکتا ہے۔

II۔ پراکسی انسٹرومنٹ ہر لحاظ سے مکمل ہونا ضروری ہے۔ اور موثر ہونے کے لئے اجلاس کے انعقاد سے 48 گھنٹے قبل شیئر رجسٹرار یا سیکریٹری بورڈ کے دفتر، دوسری منزل، NBP ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی پر جمع کروانا ہوگا۔

III۔ الیکٹرانک سہولت (زوم) کے ذریعے میٹنگ میں شرکت کے لیے پراکسی ہولڈرز کا ای میل ایڈریس اور موبائل نمبر پراکسی فارم میں ہونا لازمی ہے۔

iv۔ اگر کوئی ممبر کسی ایک میٹنگ کے لئے ایک سے زیادہ ممبرز کو پراکسی مقرر کرتا ہے یا کسی پراکسی کے ایک سے زیادہ انسٹرومنٹس رجسٹرار/بینک کے پاس جمع کروائے جاتے ہیں تو پراکسی کے ایسے تمام انسٹرومنٹس کو غلط قرار دیا جائے گا۔

ت) شیئر ہولڈرز کو پراکسی کی تقرری کے لئے درج ذیل ہدایات پر عمل کرنا ہوگا:

i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ کی گئی ہیں مندرجہ ذیل تقاضوں کے مطابق پراکسی فارم جمع کروائیں:

الف) پراکسی فارم دو افراد کے بطور گواہ دستخط کے ساتھ جمع کردایا جائے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

ب) قومی شناختی کارڈ کی تصدیق شدہ کاپی یا بینیفیشل مالکان اور پراکسی کے پاسپورٹ کی کاپی پراکسی فارم کے ساتھ پیش کی جائے گی۔

ii) قانونی ادارے کی صورت میں نامزد شخص کے دستخط کے نمونے کے ساتھ اصل یا باضابطہ تصدیق شدہ بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی میں پراکسی فارم کے ساتھ جمع کروانا ہوگا، (اگر وہ پہلے فراہم نہ کردیے گئے ہوں)۔

(پراکسی فارم این بی پی کی ویب سائٹ www.nbp.com.pk پر بھی دستیاب ہے)

ممبران سے درخواست ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کی اطلاع فوری طور پر بینک کے رجسٹرار/شیئرز ٹرانسفر ایجنٹ یعنی میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو دیں۔

نیشنل بینک آف پاکستان

اطلاع برائے چھہترواں سالانہ اجلاس عام

بذریعہ ہٰذا نوٹس اطلاع دی جاتی ہے کہ نیشنل بینک آف پاکستان کا چھہترواں سالانہ اجلاس عام بروز منگل، مورخہ 25 مارچ 2025ء، پاکستان کے معیاری وقت کے مطابق شام 04:00 بجے **نیشنل بینک آف پاکستان، ہیڈ آفس بلڈنگ، آئی۔آئی۔چندریگر روڈ، کراچی، پاکستان** ۔ذاتی موجودگی اور الیکٹرونک ذرائع پر منعقد ہوگا۔ اجلاس میں درج ذیل کاروائی عمل میں لائی جائے گی:

1۔ مورخہ 22 نومبر 2024 اور 06 جنوری 2025، کو ذاتی موجودگی اور الیکٹرانک ذرائع سے منعقد ہونے والے شیئر ہولڈرز کے غیر معمولی اجلاس عام کی کاروائی کی توثیق۔

2۔ 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے نیشنل بینک آف پاکستان کے سالانہ آڈٹ شدہ غیر مجموعی اور مجموعی مالی گوشواروں اور اس کے ذیلی اداروں کے مجتمع گوشوارے مع ڈائریکٹرز رپورٹ، آڈیٹرز رپورٹ کے ساتھ چیئرمین جائزہ رپورٹ کی وصولی، ان پر غور اور منظوری۔

کمپنیز ایکٹ 2017 (کمپنیز "ایکٹ") کے سیکشن 223 اور ایس ار او 389 (1)/2023 مورخہ 21 مارچ 2023 کے تحت بینک کی سالانہ رپورٹ بینک کی ویب سائٹ پر اپ لوڈ کر دی گئی ہے، جسے درج ذیل ویب لنک یا QR فعال کوڈ سے حاصل کیا جا سکتا ہے:

https://www.nbp.com.pk/FinancialStatements/AnnualReports.aspx

3۔ 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے طے کرنا۔ بورڈ آف ڈائریکٹرز نے میسرز پی ڈبلیو سی اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 45.856 ملین روپے بشمول کچھ قانونی سرٹیفکیشن اور میسرز بی ڈی او اے ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 38.962 ملین روپے بشمول کچھ قانونی سرٹیفکیشن کی فیس پر 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے بینک کے آڈیٹرز کے طور پر دوبارہ تعیناتی کی سفارش کی ہے۔

4۔ 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز کی تجویز کے مطابق۔/ 8 روپیہ فی شیئر یعنی 80% کی شرح سے کیش ڈیویڈنڈ پر غور اور اس کی منظوری (بینک نیشنلائزیشن ایکٹ 1974 کے سیکشن 17 کے تحت حکومت پاکستان کی منظوری سے مشروط)۔

5۔ چیئرمین کی اجازت سے کسی دیگر کاروباری معاملے پر کاروائی۔

بحکم بورڈ

سید محمد علی ضامن

سیکریٹری (بورڈ)

کراچی

مورخہ مارچ 04، 2025

NATIONAL BANK OF PAKISTAN
76TH ANNUAL GENERAL MEETING FORM OF PROXY

Folio No. _____ or CDC participant identity No. _____
CDC A/C No. _____
I/We _____
of _____
being a member(s) of the National Bank of Pakistan, holding shares No. _____
hereby appoint _____of _____
also a member of the National Bank of Pakistan (Folio No. _____) or failing him/her _____
of _____ also a member of National Bank of Pakistan (Folio No. _____) as my/our Proxy to attend the 76th Annual General Meeting of National Bank of Pakistan, to be held at 04:00 P.M. (PKT) on Tuesday, March 25, 2025, at **National Bank of Pakistan, Head Office Building, I.I. Chundrigar Road, Karachi, Pakistan,**
or through electronic means.

Proxy holder email address (for attending meeting through electronic means): _____
and mobile number _____
Signed this _____ day of March, 2025.

Affix Revenue Stamp of Five Rupees.

Witnesses:
Name: _____
Address: _____
CNIC No. _____

Name: _____
Address: _____
CNIC No. _____

Signature _____
(Signature should agree with the specimen signature registered with the Bank)

NOTE

Attending Meeting through Proxies:

1. All members, entitled to attend and vote at the Annual General Meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A Corporation, being a member, may appoint any person, regardless of whether they are a member or not, as a proxy.
2. The proxy instrument must be complete in all respects and in order to be effective should be deposited at Office of the Registrar or Office of the Secretary Board, 2 nd floor, NBP Head Office, I. I. Chundrigar Road, Karachi, not later than 48 hours before the time of holding the meeting.
3. For attending the meeting through electronic means (Zoom), a proxy form shall be submitted along with the proxy holders' email address and mobile number.
4. If any member appoints more than one proxy for any meeting and more than one instrument, of the proxy, is deposited with the Registrar or the Bank, all such instruments of proxy shall be rendered invalid.

The shareholders will further have to follow the following guidelines for appointing proxies:

i. In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations shall submit the proxy form as per the requirements mentioned below:

a) The proxy form shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form.

b) An attested copy of CNIC or valid Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

ii) In case of Government of Pakistan/State Bank of Pakistan/ corporate entity, the original or duly authenticated Board of Directors' resolution or power of attorney with specimen signatures of the nominee shall be submitted along with proxy form to Messrs. CDC Share Registrar Services Limited or to the Office of the Secretary Board, 2nd floor, NBP head Office, I. I. Chundrigar Road, Karachi.

نیشنل بینک آف پاکستان

اطلاع برائے چھہترواں سالانہ اجلاس عام

اجلاس عام

فولیو نمبر _____ یا سی ڈی سی پارٹیسپنٹ آئیڈنٹیٹی نمبر _____

سی ڈی سی اکاؤنٹ نمبر _____

میں/ہم _____

جن کا تعلق _____

سے ہے نیشنل بینک آف پاکستان ہولڈنگ شیئرز نمبر _____ کا/کے رکن ہوتے ہوئے بذریعہ ہذا _____ کے _____ کو جو کہ نیشنل بینک آف پاکستان (فولیو نمبر _____ کا رکن بھی ہے یا _____ کے _____ کی ناکامی کی صورت میں جو کہ نیشنل بینک آف پاکستان (فولیو نمبر _____ کا رکن بھی ہے کو میرے/ ہمارے نمائندے کے طور پر نامزد کرتا ہوں/ کرتے ہیں تاکہ وہ نیشنل بینک آف پاکستان کے 76ویں سالانہ اجلاس عام میں میرے/ ہمارے پراکسی کے طور پر شرکت کریں جو کہ بروز منگل، مورخہ 25 مارچ 2025ء کو شام 04:00 بجے **نیشنل بینک آف پاکستان، ہیڈ آفس بلڈنگ، آئی۔آئی۔ چندریگر روڈ، کراچی، پاکستان۔ ذاتی موجودگی اور الیکٹرونک ذرائع پر منعقد ہوگا۔**

پراکسی کی ای میل ایڈریس (الیکٹرانک ذرائع سے شرکت کے لئے) _____ موبائل نمبر _____

اسے مارچ 2025 کی _____ تاریخ کو دستخط کیا گیا:

پانچ روپے کے ریونیو اسٹیمپ

گواہان:

نام _____

پتہ _____

شناختی کارڈ نمبر _____

دستخط _____

دستخط دیئے گئے نمونے سے مطابقت رکھتے ہوں یا بینک میں رجسٹرڈ ہوں

نام _____

پتہ _____

شناختی کارڈ نمبر _____

نوٹ

پراکسی کے ذریعے اجلاس میں شرکت

1۔ تمام ممبران، جو سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے حقدار ہیں، کسی دوسرے ممبر کو تحریری طور پر اپنے پراکسی کے طور پر مقرر کرنے کے حقدار ہیں، تاکہ وہ شرکت کریں اور ووٹ دیں۔ ایک قانونی ادارہ، ایک رکن ہونے کے ناطے کسی بھی شخص کو چاہے وہ رکن ہے یا نہیں، بطور پراکسی مقرر کرسکتا ہے۔

2۔ پراکسی کی جزیات ہر لحاظ سے مکمل ہونا چاہئے اور موثر ہونے کے لئے رجسٹرار کے دفتر یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی میں میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے جمع کروانا ہوگا۔

3۔ الیکٹرانک ذرائع (زوم) کے ذریعے میٹنگ میں شرکت کے لئے پراکسی ہولڈرز کے ای میل ایڈریس اور موبائل نمبر کے ساتھ ایک پراکسی فارم جمع کروانا لازمی ہے۔

4۔ اگر کوئی ممبر کسی بھی میٹنگ کے لئے ایک سے زیادہ پراکسی کا تقرر کرتا ہے اور پراکسی کے ایک سے زیادہ انسٹرومنٹ رجسٹرار یا بینک کے پاس جمع کرائے جاتے ہیں، تو پراکسی کے ایسے تمام انسٹرومنٹ کو غلط قرار دیا جائے گا۔

حصص یافتگان کو پراکسیوں کی تقرری کے لئے درج ذیل رہنما اصولوں پر عمل کرنا ہوگا۔

I افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قواعد وضوابط کے مطابق اپ لوڈ کی گئی ہیں ذیل میں بیان کردہ ضروریات کے مطابق پراکسی فارم جمع کروائیں۔

(الف) پراکسی فارم پر دو افراد گواہی دیں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔

(ب) قومی شناختی کارڈ کی تصدیق شدہ کاپی یا بنی فیشل مالکان اور پراکسی کے پاسپورٹ کی کاپی پراکسی فارم کے ساتھ پیش کی جائے گی۔

II حکومت پاکستان/اسٹیٹ بینک آف پاکستان/کارپوریٹ ادارے کی صورت میں نامزد شخص کے دستخط کے نمونے کے ساتھ اصل یا باضابطہ تصدیق شدہ بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی کو پراکسی فارم کے ساتھ جمع کروانا ہوگا۔

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
1	**Organizational Overview and External Environment**	
1.01	Principal business activities and markets (local and international) including key brands, products and services.	42-46 & 164-190
1.02	Geographical location and address of all business units including sales units and plants.	40-41
1.03	Mission, vision, code of conduct, culture, ethics and values.	3-7
1.04	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates. Also name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	18-21
1.05	Organization chart indicating functional and administrative reporting, presented with legends.	39
1.06	Identification of the key elements of the business model of the company through simple diagram supported by a clear explanation of the relevance of those elements to the organization. (The key elements of business model are Inputs, Business activities, Outputs and Outcomes).	196-197
1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain. (This disclosure shall be provided by the companies in service and non-service sector organizations through graphical presentation).	194-195
1.08	Significant factors effecting the external environment and the associated organization's response. Also describe the effect of seasonality on business in terms of production and sales. (External environment includes commercial, political, economic, social, technological, environmental and legal environment).	212-215
1.09	The legitimate needs, interests of key stakeholders and industry trends.	207-211
1.10	SWOT Analysis of the company.	200
1.11	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	198
1.12	The legislative and regulatory environment in which the organization operates	212-215
1.13	The political environment where the organization operates and other	212-215
1.14	Significant changes from prior years (regarding the information disclosed in this section).	212-215
1.15	History of major events.	28-31
1.16	Details of significant events occurred during the year and after the reporting period.	33-36
2	**Strategy and Resource Allocation**	
2.1	Short, medium and long term strategic objectives	202-203
2.2	Strategies in place or intended to be implemented to achieve the strategic objectives.	202-203

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
2	**Strategy and Resource Allocation**	
2.03	Resource allocation plans to implement the strategy and financial capital structure. Resource mean CAPITALS including: a. financial capital (e.g. liquidity, cash flows, financing arrangements); human capital; b. manufactured capital (e.g. building, equipment, infrastructure); c. intellectual capital (e.g. patents, copyrights, software, licenses, 4 knowledge, system, procedures); d. human capital; e. social and relationship capital; and f. natural capital.	205-206
2.04	Key resources and capabilities of the company which provide sustainable competitive advantage.	198 & 205-506
2.05	Value created by the business, and for whom, using these resources and capabilities.	140
2.06	The effect of technological change, societal issues such as population and demographic changes, human rights, health, poverty, collective values and educational systems, environmental challenges, such as climate change, the loss of ecosystems, and resource shortages on the company strategy and resource allocation.	212-215
2.07	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.	201
2.08	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	204
2.09	Board's statement on the following: a) significant plans and decisions such as corporate restructuring, business expansion, or discontinuance of perations; b) business rationale of major capital expenditure or projects started during the year and those planned for next year etc.	103-104
2.10	Significant changes in objectives and strategies from prior years.	202
3	**Risks and Opportunities**	
3.01	Key risks and opportunities effecting availability, quality and affordability of CAPITALS in the short, medium and long term.	205-206
3.02	Risk Management Framework including risk management methodology and principal risk and uncertainties facing the company.	122-128
3.03	Sources of risks and opportunities (internal and external).	124
3.04	The initiatives taken by the company in promoting and enabling innovation.	172
3.05	Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does.	317-339
3.06	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	50-352
3.07	Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.	317-339
3.08	Statement from the board that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	67
3.09	Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses.	122 & 137
3.10	Inadequacy in the capital structure and plans to address such inadequacy.	

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
4	**Sustainability and Corporate Social Responsibility**	
4.01	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and corporate social responsibility as per best business practices including: a) environment related obligation applicable on the company; b) company progress towards environmental, social and & governance initiatives during the year; and c) company's responsibility towards the staff, health & safety.	183-185
4.02	Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable.	183-185
4.03	Certifications acquired and international standards adopted for best sustainability and CSR practices.	183-185
5	**Governance**	
5.01	Board composition: a) Leadership structure of those charged with governance. b) Name of independent directors indicating justification for their independence. c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience. d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc. e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	84-85
5.02	Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	84-85
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	84-85
5.04	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	50-55
5.05	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	50-55
5.06	Details of formal orientation courses for directors.	102
5.07	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	102
5.08	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	114
5.09	a) Approved policy for related party transactions. b) Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding. c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement. d) Disclosure of director's interest in related party transactions. e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	105

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
5	**Governance**	
5.10	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls. b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. c) Disclosure of director's interest in significant contracts and arrangements. d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. f) Security clearance of foreign directors. g) Board meetings held outside Pakistan. h) Human resource management including preparation of succession plan. i) Social and environmental responsibility. j) Communication with stakeholders. k) Investors' relationship and grievances. l) Employee health, safety and protection. m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report. n) Safety of records of the company. o) Providing reasonable opportunity to the shareholder for participation in the AGM.	94-118
5.11	Board review statement of the organization's business continuity plan or disaster recovery plan.	105
5.12	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	19-20
5.13	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	108-113
5.14	A brief description about role of the Chairman and the CEO.	99 & 102
5.15	Shares held by Sponsors / Directors / Executives.	161
5.16	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	99-101
5.17	Timely Communication: Date of authorization of financial statements by the board of directors: within 40 days ---6 marks within 60 days ---3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	February 28, 2025
5.18	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate and all members are non- executive / Independent directors including the Chairman of the Audit Committee. b) Role of the committee in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed with details where particular attention was paid in this regard. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial	100

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
5	**Governance**	
	and other matters and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current statutory auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information for shareholders to assess the company's position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	100
5.19	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	104
5.20	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a) how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system; b) management support in the effective implementation and continuous updation; c) details about user training of ERP software; d) how the company manages risks or control risk factors on ERP projects; e) how the company assesses system security, access to sensitive data and segregation of duties.	106
5.21	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, it should be disclosed if it has any other connection with the company.	N/A
5.22	Chairman's significant commitments and any changes thereto.	N/A
5.23	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	66-67
5.24	How the organization's implemented governance practices have been exceeding legal requirements.	
6	**Analysis of the Financial Information**	
6.01	6.01 Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: (a) Past and current performance; (b) Performance against targets /budget; and (c) Objectives to assess stewardship of management.	134-159
6.02	Analysis of financial ratios (Annexure I)	143
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years.	145-148
6.04	Graphical presentation of 6.02 and 6.03 above.	145-148
6.05	Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts, including comments on the results disclosed in 6.02 and 6.03 above.	145-148

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
6	**Analysis of the Financial Information**	
6.06	Any significant change in accounting policies, judgements, estimates and assumptions with rationale.	233
6.07	Information about defaults in payment of any debts and reasons thereof period.	Nil
6.08	Methods and assumptions used in compiling the indicators.	Nil
6.09	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	Nil
6.10	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	307-310
6.11	a) Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning. b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations	159-160 N/A
6.12	Brief description and reasons: a) for not declaring dividend despite earning profits and future prospects of dividend. b) where any payment on account of taxes, duties, levies etc. is overdue or outstanding.	65
6.13	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	Nil
7	**Disclosures on IT Governance and Cybersecurity**	
7.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	129-130
7.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	129-130
7.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	129-130
7.04	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	129-130
7.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	129-130
7.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	129-130
7.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	129-130
7.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	129-130
7.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	129-130
8	**Future Outlook**	
8.01	Forward looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	202-203

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
8	**Future Outlook**	
8.02	Explanation of the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and how it will affect the organization in terms of its business performance, strategic objectives and availability, quality and affordability of capitals.	212-215
8.03	Explanation as to how the performance of the company meets the forward looking disclosures made in the previous year.	203-204
8.04	Status of the projects in progress and were disclosed in the forward looking statement in the previous year.	203-204
8.05	Sources of information and assumptions used for projections / forecasts in the forward looking statement and assistance taken by any external consultant.	
8.06	How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise.	205-206 & 212-215
9	**Stakeholders Relationship and Engagement**	
9.01	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	207
9.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees and g) Analysts.	207-211
9.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	103 & 208
9.04	Investors' Relations section on the corporate website.	103
9.05	Issues raised in the last AGM, decisions taken and their implementation status.	107
9.06	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	140
9.07	Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	103
9.08	Highlights about redressal of investors' complaints.	103
10	**Business Model**	
10.01	Describe the business model including inputs, business 175-178 activities, outputs and outcomes in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework (IR Framework).	194-197
11	**Striving for Excellence in Corporate Reporting**	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	14 & 229
11.02	Adoption of IR Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles' in the IR Framework.	105
11.03	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's ebsite).	506-515
11.04	Disclosures beyond BCR criteria (The participating organization to send the list of additional disclosures to BCR Committee).	106

BCR Criteria Mapping

Sr. No	BCR Criteria	Page No.
12	**Specific Disclosures of the Financial Statements**	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	Refer Below
13	**Assessment based on Qualitative Factors**	
13.01	Please refer (Annexure IV).	Various Sections
Annexure I - Financial Ratios		
Profitability Ratios		
a)	Profit before tax ratio	143
b)	Gross Yield on Earning Assets	143
c)	Gross Spread ratio	143
d)	Cost/Income ratio	143
e)	Return on Equity	143
f)	Return on Capital employed	143
g)	Shareholders' Funds	143
h)	Return on Shareholders' Funds	143
Profitability Ratios		
a)	Advances to deposits ratio	143
b)	Current ratio	143
c)	Quick / Acid test ratio	143
d)	Cash to Current Liabilities	143
e)	Cost of Funds	143
f)	Cash flow coverage ratio	143
g)	Net interest income as a percentage of working funds / Operating cost - Efficiency ratio	143
h)	Cash Reserve Ratio / Liquid Asset ratio	143
i)	Gross Non-Performing assets to gross advances	143
j)	Non-Performing loans to Total Loans	143
Investment / Market Ratios		
a)	Earnings per share (EPS) and diluted EPS	143
b)	Price Earnings ratio	143
c)	Price to Book ratio	143
d)	Dividend Yield ratio	143
e)	Dividend Payout ratio / Dividend Cover Ratio	143
f)	Cash Dividend per share / Stock Dividend per share	143
g)	Market value per share at the end of the year and high/low during the year	143
h)	Breakup value per share i. Without Surplus on Revaluation of property, plant and equipment ii. With Surplus on Revaluation of property plant and equipment including the effect of all Investments iii. Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment.	143
i)	DuPont Analysis	143
j)	Free Cash Flow	143
k)	Economic Value Added (EVA)	143
Capital Structure		
a)	Capital Adequacy ratio	143
b)	Earning assets to total assets ratio	143
c)	Weighted Average cost of deposit	143
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BCR Criteria Mapping

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BCR Criteria Mapping

Annexure II - Specific Disclosures		
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Glossary of Financial and Banking Terms

Acceptances
Promise to pay created when the drawee of a time draft stamps or writes the word 'accepted' above his signature and a designated payment date.

Accounting Policies
The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

Accrual Basis
Recognition of the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

Actuarial Gain/Loss
Gain or loss arising from the difference between estimates and actual experience in an entity's pension plan.

Amortisation
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Amortised Cost
Amount at which the financial asset or financial iability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or un-collectability.

Associate
An entity over which the Bank has significant influence. Available-for-Sale (AFS) Financial Investments All non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, financial investments – Held to maturity and financial investments at fair value through profit or loss.

Basel III
The Basel Committee on Banking Supervision (BCBS) issued the Basel III rules text, which presents the details of strengthened global regulatory standards on bank capital adequacy and liquidity.

Basis Point (BP)
One hundredth of a percentage point (0.01 per cent); 100 basis points is 1 percentage point. Used in quoting movements in interest rates or yields on securities.

Capital Adequacy Ratio
The percentage of risk-adjusted assets supported by capital as defined under the framework of risk-based capital standards developed by the Bank for International Settlements (BIS) and as modified by the CBSL to suit local requirements.

Cash Equivalents
Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

General Loan Impairment Provisions
Impairment assessment on a collective basis for homogeneous groups of loans that are not considered individually significant and to cover losses that have been incurred but have not yet been identified at the reporting date.

Commitments
Credit facilities approved but not yet availed by the clients as at the reporting date.

Contingencies
A condition or situation, the ultimate outcome of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Corporate Governance
The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of entity, the supervision of executive actions and accountability to shareholders and others.

Correspondent Bank
A bank in a foreign country that offers banking facilities to the customers of a bank in another country.

Cost/Income Ratio
Operating expenses as a percentage of total operating income.

Credit Rating
An evaluation of a corporate's ability to repay its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

Credit Risk
Risk of financial loss to the Bank, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the loans and advances to customers and other banks and investment in debt securities.

Currency SWAPs
The simultaneous purchase of an amount of a currency for spot settlement and the sale of the same amount of the same currency for forward settlement.

Deferred Taxation
Sum set aside in the Financial Statements for taxation that may become payable/ receivable in a financial year other than the current financial year. It arises because of temporary differences between tax rules and accounting conventions.

Delinquency
A debt or other financial obligation is considered to be in a state of delinquency when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as “Arrears”.

Derivatives
A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (e.g. interest rate) that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date
.

Dividend Yield
Dividend earned per share as a percentage of its market value.

Letters of Credit (LCs)
Written undertaking by a bank on behalf of its customers, authorising a third party to draw on the Bank up to a stipulated amount under specific terms and conditions. Such undertakings are established for the purpose of facilitating international trade.

Domestic Systemically Important Banks (D-SIBs)
Systemically Important Banks (SIBs) are perceived as banks that are “Too Big To Fail”. D-SIBs are critical for the uninterrupted availability of essential banking services to the country’s real economy even during crisis.

Earnings per Share (EPS)
The profit attributable to ordinary shareholders divided by the number of ordinary shares in issue.

Effective Interest Rate (EIR)
Rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Effective Tax Rate (ETR)
Provision for taxation excluding deferred tax expressed as a percentage of the profit before taxation.

Equity Method
This is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor’s share of net assets of the investee. The profit or loss and other comprehensive income of the investor include the investor’s share of the profit or loss and other comprehensive income of the investee.

ESOP (Employee Share Ownership Plan)
A method of giving employees shares in the business for which they work.

Exposure at Default (EAD)
EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal & interest and expected drawdowns of committed facilities.

Expected Credit Losses (ECLs)
ECL approach is the loan loss impairment method under IFRS 9 on “Financial Instruments”. ECLs are the discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). ECL measurements are unbiased and are determined by evaluating a range of possible outcomes.

Fair Value
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.

Finance Lease
A lease in which the lessee acquires all financial benefits and risks attaching to ownership of the asset under lease.

Financial Instrument
A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial Assets Measured at Amortised Cost
A financial asset is measured at amortised cost if the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)
FVOCI include debt and equity instruments measured at fair value through other comprehensive income. A debt instrument is measured at FVOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Equity investments may be irrevocably classified as FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation, and are not held for trading.

Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)
All financial assets other than those classified at Amortised Cost or FVOCI are classified as measured at FVTPL. These are held for trading or managed and their performance is evaluated on a fair value basis as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Forward Exchange Contract
Agreement between two parties to exchange one currency for another at a future date at a rate agreed upon today.

Global Reporting Initiatives (GRI)
The GRI is an international independent standards organisation that helps businesses, governments and other organisations to understand and communicate their impacts on issues such as climate change, human rights and corruption. GRI promotes sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development.

Group
A parent company and all its subsidiaries.

Guarantees
Three party agreement involving a promise by one party (the guarantor) to fulfill the obligations of a person owing a debt if that person fails to perform.

Hedging
A strategy under which transactions are effected with the aim of providing cover against the risk of unfavourable price movements (interest rate, foreign exchange rate, commodity prices, etc.).

Held-to-Maturity (HTM) Investments
Non-derivative financial assets with determinable payments and financial maturity that an entity has the positive intention and ability to hold to maturity.

High Quality Liquid Assets (HQLA)
Assets that are unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible. These include, for example, cash and claims on central governments and central banks.

Impaired Loans
Loans where the Group does not expect to collect all the contractual cash flows or expects to collect them later than they are contractually due.

Impairment
This occurs when recoverable amount of an asset is less than its carrying amount.

Impairment Charge
Impairment allowances are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentified and individual (specific) or collective (portfolio).

Intangible Asset
An intangible asset is an identifiable non- monetary asset without physical substance.

Interest Rate SWAP
An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another stream of future interest payments based on a specific principal amount.

Interest Spread
Represents the difference between the average interest rate earned on interest earning assets and the average interest rate paid on interest-bearing liabilities.

Key Management Personnel (KMP)
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

Liquid Assets
Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, Bills of Exchange and Treasury Bills and Bonds.

Loans and Receivables
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those intended to sell immediately or in the near term and designated as fair value through profit or loss or available for sale on initial recognition.

Lifetime Expected Credit Losses (LTECL)
Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. According to IFRS 9 on “Financial instruments”, the ECL allowance should be based on LTECL unless there has been no significant increase in credit risk since origination.

Liquidity Coverage Ratio – LCR
Refers to highly liquid assets held by Banks to meet short-term obligations. The ratio represents a generic stress scenario that aims to anticipate market-wide shocks.

Loan-to-value ratio (LTV)
The LTV ratio is a mathematical expression which expresses the amount of a first mortgage lien as a percentage of the total appraised value of real property. The LTV ratio is used in determining the appropriate level of risk for the loan and therefore the correct price of the loan to the borrower.

Loss given default (LGD)
LGD is the percentage of an exposure that a lender expects to lose in the event of obligor default.

Market Capitalisation
The value of an entity obtained by multiplying the number of ordinary shares in issue by its market value as at a date.

Market Risk
This refers to the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Materiality
The relative significance of a transaction or an event, the omission or misstatement of which could influence the economic decisions of users of Financial Statements.

Net Interest Income (NII)
The difference between the amount a bank earns on assets such as loans and securities and the amount it pays on liabilities such as deposits, refinance funds and inter-bank borrowings.

Net Interest Margin (NIM)
The margin is expressed as net interest income divided by average interest earning assets.

Non-Controlling Interest (NCI)
Equity in a Subsidiary not attributable, directly or indirectly, to a parent.

Nostro Account
A bank account held in a foreign country by a domestic bank, denominated in the currency of that country. Nostro accounts are used to facilitate the settlement of foreign exchange trade transactions.

Net Stable Funding Ratio (NSFR)
Measures the amount of longer-term, stable sources of funding employed by a bank relative to the liquidity profiles of the assets funded and the potential for contingent calls on funding liquidity arising from off-balance sheet commitments and obligations.

Open Credit Exposure Ratio
Total net non-performing loans and advances expressed as a percentage of regulatory capital base.

Operational Risk
This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Parent
An entity that controls one or more entities.

Price Earnings Ratio (P/E Ratio)
Market price of a share divided by the earnings per share.

Price to Book Value
Market price of a share divided by the net assets value of a share.

Probability of Default (PD)
PD is an internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation.

Provision Cover
Total provisions for loan losses expressed as a percentage of net non-performing loans and advances before discounting for provisions on non-performing loans and advances.

Related Parties
One party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

Related Party Transaction (RPT)
RPT is a transfer of resources, services or obligations between a reporting entity and a related party, regardless whether a price is charged.

Repurchase Agreement
Contract to sell and subsequently repurchase securities at a specified date and price.

Return on Average Assets (ROA)
Profit after tax expressed as a percentage of the average assets.

Return on Average Equity (ROE)
Net profit attributable to owners expressed as a percentage of average ordinary shareholders' equity.

Reverse Repurchase Agreement
Transaction involving the purchase of securities by a bank or a dealer and resale back to the seller at a future date at a specified price.

Subsidiary
An entity that is controlled by another entity.

Substance over Form
The consideration that the accounting treatment and presentation of Financial Statements of transactions and events should be governed by their substance and financial reality and not merely by legal form.

Tier I Capital
Common Equity Tier 1 (CET1) is a component of Tier 1 capital that consists mostly of Stated Capital. It is a capital measure that was introduced as a precautionary measure to protect the economy from a financial crisis.

Tier I Capital
Additional Tier 1 Capital (AT1) is a component of Tier 1 capital that comprises securities that are subordinated to most subordinated debt, which have no maturity, and their dividend can be cancelled at any time.

Tier II Capital
Capital representing revaluation reserves, general provisions and other capital instruments, which combine certain characteristics of equity and debt such as hybrid capital instruments and subordinated term debts.

Yield to Maturity (YTM)
Discount rate at which the present value of future cash flows would equal the security's current price.

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Disclaimer

This document contains certain statements that are “forward-looking” with respect to certain of the bank’s plans, goals and expectations relating to its future performance, results, strategies and objectives. Words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “aim”, “outlook”, “believe”, “plan”, “seek”, “predict” or similar expressions typically identify forward-looking statements. These forward-looking statements are not statements of fact or guarantees of future performance, results, strategies and objectives, and by their nature involve risk and uncertainty because they relate to future events and circumstances which are difficult to predict and are beyond the bank’s control, including but not limited to, domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities (including changes related to capital and solvency requirements), the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of changes in domestic and global legislation and regulations in the jurisdictions in which the bank and its affiliates operate. The bank’s actual future performance, results, strategies and objectives may differ materially from the plans, goals and expectations expressed or implied in the forward-looking statements. The bank makes no representations or warranty, express or implied, that these forward-looking statements will be achieved, and undue reliance should not be placed on such statements. The bank undertakes no obligation to update the historical information or forward-looking statements in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.



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