QUARTERLY REPORT MARCH 2025

ایک عزم، ایک پہچان

National Bank اور Pakistan

# CORPORATE INFORMATION

| | |
|---|---|
| **Board of Directors** | |
| Chairman | Mr. Ashraf Mahmood Wathra |
| Directors | Mr. Farid Malik, CFA |
| | Mr. Amjad Mahmood |
| | Mr. Ali Syed |
| | Mr. Nasim Ahmad |
| | Mr. Muhammad Sohail Tabba |
| | Ms. Aaiza Khan |
| President & CEO | Mr. Rehmat Ali Hasnie |
| **Audit Committee** | |
| Chairman | Mr. Nasim Ahmad |
| | Mr. Farid Malik, CFA |
| | Mr. Amjad Mahmood |
| | Mr. Ali Syed |
| **Chief Financial Officer** | Mr. Abdul Wahid Sethi |
| **Company Secretary** | Syed Muhammad Ali Zamin |
| **Auditors** | A.F. Ferguson & Co.<br>Chartered Accountants |
| | BDO Ebrahim & Co<br>Chartered Accountants |
| **Legal Advisors** | Khalid Anwar & Co.<br>Advocates & Legal Advisors |
| **Registered & Head Office** | NBP Building<br>I.I. Chundrigar Road, Karachi, Pakistan.<br>Phone: 92-21-99220100 (30 lines),<br>92-21-99062000 (60 lines)<br>NBP Call Center: 111-627-627 |
| **Registrar & Share Registration Office** | CDC Share Registrar Services Limited<br>CDC House, 99-B, Block-B,<br>S.M.C.H.S., Main Shahrah-e-Faisal,<br>Karachi-74400, Pakistan.<br>111-111-500 |
| **Website** | www.nbp.com.pk |

# Unconsolidated Condensed Interim Financial Statements
# For the three months period ended March 31, 2025

# Directors' Report to the Shareholders
## Standalone Financial Statements

## Dear Shareholders,

The Board of Directors are pleased to present the un-audited condensed interim standalone financial statements of the Bank for the three-months period ended March 31, 2025.

## Economic Environment

The global economy has continued to display resilience amid a complex backdrop of moderating inflation, geopolitical tensions, tariff conflicts and tightening financial conditions. According to the IMF, global growth is expected to remain steady at 3.2% in 2025, mirroring the pace recorded in 2024. As headline inflation continues to ease, central banks, particularly in advanced economies, are signalling a shift towards a more neutral stance, thereby improving prospects for capital flows to emerging markets.

Pakistan's economy continues to show recovery trend in the backdrop of fiscal discipline, improved external accounts, and easing inflationary pressures. Following a challenging FY'24, Pakistan's GDP growth is projected to exceed 2.5% in FY'25, supported by a robust agriculture sector, a gradual rebound in industrial output, and stronger services sector activity. Inflation has sharply decelerated, reaching 3.9% in March 2025, down from nearly 40% in May 2023, due to improved supply chains, lower global commodity prices, and prudent monetary management. In response, the State Bank of Pakistan has slashed the policy rate in a series of steps from 22% to 12%, significantly reducing borrowing costs and revitalizing credit demand, particularly in SME and consumer segments.

The external account has stabilized, driven by better current account management, resilient remittance inflows, and reduced import pressure. Inflows under the $7 Bn IMF Stand-By Arrangement, initiated in late 2024, along with committed multilateral financing, have strengthened Pakistan's foreign exchange buffers. As of March 2025, forex reserves stood at over $9 Bn, reflecting a significant improvement from previous lows. Additionally, the World Bank's $20 Bn commitment over ten years, focused on green energy, education, climate resilience, and human development, reinforces the government's development priorities and long-term reform agenda.

Capital markets have responded positively to macroeconomic improvements. The KSE-100 Index continued its strong upward trajectory in Q1'25, building on the 84% gain recorded in 2024, supported by foreign investor interest, improved corporate earnings, and greater confidence in economic policy direction. Banks have benefited from improving credit demand and lower funding costs. As we move forward, Pakistan's economy appears to be on a firmer footing. Continuation of macroeconomic management, political stability, and structural reforms, particularly in tax, energy, and state-owned enterprise governance, will be critical to sustaining recovery momentum.

## Profitability Summary

(PKR 'Bn)

| No. | Key Items | Q1'25 | Q1'24 | Better / (Worse) | |
|---|---|---|---|---|---|
| | | | | Amount | % |
| 1 | Net Interest Income | 69.6 | 29.0 | 40.6 | 140.0 |
| 2 | Non-Fund Income | 11.1 | 13.5 | (2.4) | (17.8) |
| **3** | **Total Income** | **80.7** | **42.45** | **38.2** | 90.0 |
| 4 | Operating Exp. | 28.2 | 22.0 | (6.2) | (28.2) |
| 5 | Pre-Prov. Profit | 52.5 | 20.5 | 32.0 | 156.1 |
| 6 | Credit Loss Allowances | 6.4 | (0.7) | (7.1) | (1,014.3) |
| **7** | **Pre-tax profit** | **46.1** | **21.2** | **24.9** | **117.8** |
| 8 | Tax | 24.6 | 10.4 | (14.2) | (136.1) |
| **9** | **After-tax profit** | **21.5** | **10.7** | **10.8** | **100.0** |
| 10 | EPS (Rs.) | 10.08 | 5.04 | 5.04 | 100.0 |

## Strong Financial Delivery

Your Bank commenced the financial year 2025 on a strong note, recording a Profit After Tax 'PAT' of PKR 21.45 Bn for the first quarter, representing a 100% increase over the PKR 10.72 Bn earned in the corresponding period of the previous year. This performance reflects the resilience of our business model, the agility of our asset-liability strategy, and a consistent focus on value creation for all stakeholders.

### ▪ Core Income Growth Anchored in Net Interest Performance

A key driver of this outperformance was the significant expansion in Net Mark-up / Interest Income, which grew to PKR 69.59 Bn from PKR 28.98 Bn in Q1'24, a YoY growth of over 140%. This improvement was driven by:

- A strategic repricing and maturity reprofiling of earning assets in a declining interest rate environment,
- Continued momentum in interest-earning assets, especially in the lending portfolio, and
- Tactical management of the deposit base to moderate funding costs.

While total mark-up earned declined by 22.5% YoY due to broader rate movements (PKR 213.1 Bn in Q1'25 vs PKR 275.0 Bn in Q1'24), the mark-up expensed dropped more sharply by 41.7% (PKR 143.5 Bn vs PKR 246.0 Bn), indicating effective balance sheet optimization.

### ▪ Stable Non-Interest Income with Growth in Core Streams

Non-mark-up income for the period under review closed at PKR 11.1 Bn, compared to PKR 13.5 Bn for Q1'24. Within this, fee and commission income rose 33% YoY to PKR 7.4 Bn, supported by growth in transaction banking, trade, and digital financial services. Foreign exchange income also improved to PKR 2.0 Bn, in line with market activity and the Bank's client flow. However, on capital markets front, a net loss of PKR 112 Mn was recorded on securities in Q1'25 versus a gain of PKR 4.4 Bn in Q1'24.

### ▪ Disciplined Cost Management Amid Strategic Investments

We maintain a disciplined approach to cost management, ensuring operational efficiency while enabling long-term growth. While total operating expenses increased during the period, our continued focus on growing core income streams resulted in a marked improvement in operational efficiency.

For Q1'25, total operating expenses stood at PKR 28.2 Bn, reflecting a 28% YoY increase from PKR 22.0 Bn. This rise is attributed to deliberate investments in people, technology, and infrastructure - key enablers of sustainable growth. Key cost trends include a 30% increase in HR compensation expenses, aligned with recurring impact of pension case, talent acquisition, and notional costs under IFRS 9. Also, there was a 49% surge in IT expenses, driven by expansion of IT and digital infrastructure, managed services, and system resilience initiatives.

Notably, despite the higher cost base, our cost-to-income ratio improved significantly to 35.0%, down from 51.7% in the same period last year. This efficiency gain was not achieved through cost-cutting, but rather through robust growth in core income, reflecting the success of our strategic repositioning.

### ▪ Proactive Risk Management and Credit Quality Vigilance

The Bank recorded a net credit loss allowance of PKR 6.39 Bn, versus a net reversal of PKR 665 Mn in the same period last year. This prudent provisioning approach reflects a forward-looking assessment of portfolio risks under evolving macroeconomic and sector-specific conditions, and reinforces our commitment to maintaining a robust risk posture.

### ▪ Sustained Growth in Bottom Line

Profit Before Tax (PBT) rose sharply to PKR 46.09 Bn in Q1'25, more than double the PKR 21.16 Bn reported in the same quarter last year. Following the recent increase in tax rates for banking companies under the Income Tax Amendment Ordinance, the applicable corporate tax rate for 2025 stands at 53%. As a result, the Bank

recorded a tax expense of PKR 24.64 Bn for the first quarter. Despite a significantly higher tax charge for the period, the Bank delivered a strong Profit After Tax of PKR 21.45 Bn, solidifying its position as one of the top-performing institutions in the sector.

## Appropriation of Profit

Profit for the three months period ended March 31, 2025, after carrying-forward the accumulated profit of 2024 is appropriated as follows:

| | (PKR 'Mn') |
|---|---|
| Unappropriated profit as of 31.12.2024 | 235,062.0 |
| Adjustment due to adoption of IFRS 9 - net of tax | (7,919.5) |
| **Adjusted unappropriated profit as of January 01, 2025** | **227,142.5** |
| Profit after-tax for the Quarter ended March 31, 2025 | 21,449.1 |
| Gain on sale of investments classified as FVOCI – net of tax | 1,035.1 |
| Remeasurement Loss on defined benefit obligations – net of tax | (264.0) |
| Incremental depreciation transfer from surplus on revaluation of fixed assets-net of tax | 44.9 |
| | 22,265.1 |
| **Profit available for appropriation** | **249,407.6** |
| **Appropriation:** | |
| Transfer to Statutory Reserve (10% of PAT) | 2,144.9 |
| Dividend Pay Out | 17,020.1 |
| **Unappropriated profit carried forward** | **230,242.6** |

## Financial Position as of March 31, 2025

The Bank's balance sheet grew modestly by 1.2% to reach PKR 6.83 Tn as of March 31, 2025, up from PKR 6.75 Tn at the year-end 2024. This increase reflects targeted asset rebalancing and selective growth in high-performing segments, aligned with our broader strategy of enhancing yield while managing risk and liquidity. Key changes in the asset mix reflect a repositioning toward safer and yield-accretive segments:

- **Advances**
  Gross advances stood at PKR 1,567.8 Bn, reflecting a decline of 6% from PKR 1,672.8 Bn as of December 31, 2024. This contraction was primarily driven by some seasonal impacts which are expected to reverse in the coming quarters. Within the loan mix, conventional loans (including revolvers) accounted for the bulk. Islamic financing remained relatively stable, decreasing to PKR 132.4 Bn. Notably, non-performing advances also declined from PKR 269.3 Bn to PKR 221.9 Bn, suggesting some recovery and better asset quality management. Overall, while the decline in gross advances reflects a moderated risk appetite, the concurrent reduction in NPAs points to prudent credit risk controls and a strengthened recovery process.

- **Investments**
  Investments rose by 3.8% to PKR 4.79 Tn, as the Bank continued to deploy surplus liquidity into secure government securities and high-grade instruments, capitalizing on prevailing market opportunities.

- **Lending to Financial institutions**
  Lending to FIs more than doubled to PKR 73.5 Bn, up from PKR 30.0 Bn, reflecting short-term liquidity placements and strategic use of interbank markets.

- **Funding & Liquidity**

  Total deposits of the Bank stood at PKR 3.89 Tn, similar to PKR 3.87 Tn at YE'24. The deposit mix remained diversified and well-balanced, with a consistent focus on optimizing cost of funds and supporting liquidity resilience. With current deposits aggregating to PKR 1,886.6 Bn as of March 31, 2025, the Bank maintained a strong liquidity buffer, with current accounts representing 48.5% of total deposits. Total CASA base totalled PKR 3,043.0 Bn, translating into a robust CASA ratio of 78.2% — consistent with the Bank's strategy to maintain a low-cost and stable funding structure. This funding mix continues to support sustainable margins and reinforces depositor confidence.

  Moreover, the Bank's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained well above the regulatory threshold of 100%, standing at 213% and 178%, respectively, as of March 31, 2025. These indicators affirm the Bank's prudent liquidity management practices and its capacity to absorb market volatility and meet both short- and long-term obligations without disruption.

## Capital & Equity

The Bank's balance sheet remains robust, liquid, and strategically aligned. Despite marginal reduction in net assets from PKR 457.0 Bn to PKR 441.3 Bn (*mainly due to decline in surplus on revaluation of assets from PKR 118.2 Bn to PKR 104.8 Bn*), the Bank remains well-capitalized. During 3M'25, the Bank's Eligible Tier 1 capital decreased marginally by PKR 3.5 Bn or 1.0% to PKR 350.4 Bn from PKR 353.9 Bn at YE'24. Likewise, Eligible Tier 2 capital also decreased by PKR 9.8 Bn or 7.7% to close at PKR 125.9 Bn. Tier 2 capital mainly decreased corresponding to the decrease in Tier-1 capital. As the Bank is following a risk- prudent asset growth strategy, total RWAs decreased by PKR 82.8 Bn or 4.8% from PKR 1.723.1 Bn at YE'24 to PKR 1643.3 Bn at March 31, 2025.

Accordingly, Total Capital Adequacy Ratio (CAR) stood at 28.39% with Tier-1 capital adequacy ratio at 21.33%; as compared to 27.80% and 20.51%, respectively, at YE'24. At March'31, 2025, the Bank's leverage ratio stood at 3.83%. Other financial soundness ratios are well compliant with applicable regulatory requirements.

## Contingency Regarding the Pension Case

Post year end, this status is same as discussed in Note 25.3.3.1 to the audited financial statements for the year ended December 31, 2024 as no date for hearing has been fixed as yet.

## Credit Ratings

NBP has been rated as 'AAA' by both the recognized 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).

## Outlook

With stabilising macroeconomic environment, there is an optimism for a gradual revival in domestic economic activity. Your Bank remains committed to aligning its strategic direction with national priorities, including financial inclusion, SME development, and digital transformation. In the quarters ahead, we will continue to build on our resilient balance sheet, enhance risk management practices, and deepen our focus on customer-centric digital innovation. Investments in technology, cyber resilience, and automation will support operational efficiency and service excellence across all our segments. Furthermore, the Bank aims to strengthen its footprint in underserved markets such as microfinance, agri-finance, and Islamic banking, while continuing to support infrastructure, trade, and export-oriented sectors. With prudent governance, robust capital adequacy, and a clear strategic roadmap, your Bank is well-positioned to contribute to sustainable economic growth and deliver long-term value to all stakeholders.

## Acknowledgement & Appreciation

We appreciate the continued efforts & dedication of our employees towards provision of service to the Nation and delivering strong financial results. We would also like to acknowledge the support of the Government of Pakistan, the State Bank of Pakistan, the SECP and other regulatory bodies for enabling the Bank to achieve its potential and contribute towards the socio-economic development in the country.

For and on behalf of the Board of Directors

**Rehmat Ali Hasnie**
President & CEO
**Karachi**
**Dated:** April 25, 2025

**Ali Syed**
Director

**NATIONAL BANK OF PAKISTAN**
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**
**AS AT MARCH 31, 2025**

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | 6 | **307,401,453** | 314,234,036 |
| Balances with other banks | 7 | **48,561,955** | 56,836,483 |
| Lendings to financial institutions | 8 | **73,522,789** | 30,000,000 |
| Investments | 9 | **4,793,082,010** | 4,612,334,198 |
| Advances | 10 | **1,285,813,609** | 1,404,867,872 |
| Property and equipment | 11 | **62,318,241** | 61,668,070 |
| Right of use assets | 12 | **7,175,935** | 6,317,624 |
| Intangible assets | 13 | **2,142,898** | 1,939,636 |
| Deferred tax asset | 14 | **-** | - |
| Other assets | 15 | **250,170,517** | 255,880,334 |
| | | **6,830,189,407** | 6,744,078,253 |
| **LIABILITIES** | | | |
| Bills payable | 16 | **16,610,686** | 26,060,123 |
| Borrowings | 17 | **2,081,780,727** | 1,937,756,922 |
| Deposits and other accounts | 18 | **3,891,250,493** | 3,865,564,883 |
| Lease liabilities | 19 | **8,965,995** | 8,030,117 |
| Subordinated debt | | **-** | - |
| Deferred tax liabilities | 14 | **14,106,134** | 40,944,092 |
| Other liabilities | 20 | **376,209,547** | 408,770,670 |
| | | **6,388,923,582** | 6,287,126,807 |
| **NET ASSETS** | | **441,265,825** | 456,951,446 |
| **REPRESENTED BY** | | | |
| Share capital | | **21,275,131** | 21,275,131 |
| Reserves | | **84,927,849** | 82,411,898 |
| Surplus on revaluation of assets | 21 | **104,820,284** | 118,202,425 |
| Unappropriated profit | | **230,242,561** | 235,061,992 |
| | | **441,265,825** | 456,951,446 |
| **CONTINGENCIES AND COMMITMENTS** | 22 | | |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Note | Quarter ended | |
|---|---|---|---|
| | | **March 31, 2025** | March 31, 2024 |
| | | **------- (Rupees in '000) -------** | |
| Mark-up / return / interest earned | 23 | **213,114,078** | 274,982,762 |
| Mark-up / return / interest expensed | 24 | **143,526,356** | 246,002,423 |
| Net mark-up / return / interest income | | **69,587,722** | 28,980,339 |
| **NON MARK-UP / INTEREST INCOME** | | | |
| Fee and commission income | 25 | **7,405,073** | 5,582,791 |
| Dividend income | | **1,746,465** | 1,723,944 |
| Foreign exchange income | | **2,002,244** | 1,706,299 |
| Income / (Loss) from derivatives | | **-** | - |
| (Loss) / gain on securities - net | 26 | **(112,262)** | 4,411,906 |
| Net gains/(loss) on derecognition of financial assets measured at amortised cost | | **(327,814)** | - |
| Other income | 27 | **383,294** | 63,122 |
| Total non mark-up / interest income | | **11,097,000** | 13,488,062 |
| Total income | | **80,684,722** | 42,468,401 |
| **NON MARK-UP / INTEREST EXPENSES** | | | |
| Operating expenses | 28 | **28,190,923** | 21,963,772 |
| Other charges | 29 | **11,790** | 10,891 |
| Total non mark-up / interest expenses | | **28,202,713** | 21,974,663 |
| Profit before credit loss allowance | | **52,482,009** | 20,493,738 |
| Credit loss allowance and write offs - net | 30 | **6,393,800** | (665,131) |
| Extra ordinary / unusual items | | **-** | - |
| **PROFIT BEFORE TAXATION** | | **46,088,209** | 21,158,869 |
| Taxation | 31 | **24,639,105** | 10,436,334 |
| **PROFIT AFTER TAXATION** | | **21,449,104** | 10,722,535 |
| | | **---------- (Rupees ) ----------** | |
| **Basic and diluted earnings per share** | 32 | **10.08** | 5.04 |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Quarter ended | |
|---|---|---|
| | **March 31, 2025** | March 31, 2024 |
| | **------- (Rupees in '000) -------** | |
| Profit after taxation for the period | **21,449,104** | 10,722,535 |
| **Other comprehensive income / (loss)** | | |
| **Items that may be reclassified to profit and loss account in subsequent periods:** | | |
| Exchange gain / (loss) on translation of net assets of foreign branches | **371,041** | (806,598) |
| Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax | **(9,380,658)** | 1,940,253 |
| Gain on sale of debt securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax | **(360,940)** | (458,482) |
| | **(9,370,557)** | 675,173 |
| **Items that will not be reclassified to profit and loss account in subsequent periods:** | | |
| Remeasurement (loss) on defined benefit obligations - net of tax | **(263,979)** | (318,522) |
| Movement in (deficit) on revaluation of equity investments - net of tax | **(2,795,728)** | (3,565,484) |
| | **(3,059,705)** | (3,884,006) |
| **Total comprehensive income** | **9,018,842** | 7,513,702 |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY(UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Share capital | Reserves | | | | | Surplus / ( Deficit) on revaluation of assets | | | Unappro-priated profit | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Exchange translation reserve | Statutory reserve | Merger reserve | General reserve | Total | Invest-ments | Property & Equipment / Non banking assets | Total | | |
| | (Rupees in '000) | | | | | | | | | | |
| Balance as at January 01, 2024 | 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 | | | | | | | (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 three months period ended March 31, 2024 | - | - | - | - | - | - | - | - | - | 10,722,535 | 10,722,535 |
| Effect of translation of net investment in foreign branches | - | (806,598) | - | - | - | (806,598) | | | - | | (806,598) |
| Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | - | - | - | 1,940,253 | - | 1,940,253 | - | 1,940,253 |
| Gain on sale of debt securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax | - | - | - | - | - | | (458,482) | - | (458,482) | - | (458,482) |
| Movement in (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | - | - | - | (3,565,484) | - | (3,565,484) | - | (3,565,484) |
| Remeasurement (loss) on defined benefit obligations - net of tax | - | - | - | - | - | - | - | - | - | (318,522) | (318,522) |
| Total other comprehensive income - net of tax | - | (806,598) | - | - | - | (806,598) | (2,083,713) | - | (2,083,713) | 10,404,013 | 7,513,702 |
| Transfer to statutory reserve | - | - | 1,072,254 | - | - | 1,072,254 | - | - | - | (1,072,254) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | - | - | (43,230) | (43,230) | 43,230 | - |
| Balance as at April 01, 2024 | 21,275,131 | 30,226,352 | 48,225,831 | 363,606 | 521,338 | 79,337,127 | 13,087,344 | 46,725,875 | 59,813,219 | 217,840,881 | 378,266,358 |
| Profit after taxation for nine months ended December 31, 2024 | - | - | - | - | - | - | - | - | - | 16,143,209 | 16,143,209 |
| Effect of translation of net investment in foreign branches | - | (193,878) | - | - | - | (193,878) | - | - | - | - | (193,878) |
| 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 / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | - | - | - | 41,154,211 | | 41,154,211 | | 41,154,211 |
| Gain on sale of debt securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax | - | - | - | - | - | - | (2,495,452) | | (2,495,452) | | (2,495,452) |
| Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | - | - | - | 20,664,349 | | 20,664,349 | | 20,664,349 |
| Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax | - | - | - | - | - | | (2,705,679) | | (2,705,679) | 2,705,679 | - |
| Remeasurement gain / (loss) on defined benefit obligations - net of tax | - | - | - | - | - | - | | | - | (132,977) | (132,977) |
| 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 | - | 1,460,451 | - | - | - | 1,460,451 | 56,617,429 | 1,891,297 | 58,508,726 | 18,715,911 | 78,685,088 |
| Transfer to statutory reserve | - | - | 1,614,320 | - | - | 1,614,320 | - | - | - | (1,614,320) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | - | - | (119,520) | (119,520) | 119,520 | - |
| Balance as at January 01, 2025 | 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 |
| Impact of adoption of IFRS 9 - net of tax | | | | | | | 235,170 | | 235,170 | (7,919,525) | (7,684,355) |
| Balance as at January 01, 2025 - restated | 21,275,131 | 31,686,803 | 49,840,151 | 363,606 | 521,338 | 82,411,898 | 69,939,943 | 48,497,652 | 118,437,595 | 227,142,467 | 449,267,091 |
| Profit after taxation for three months ended March 31, 2025 | - | - | - | - | - | - | - | - | - | 21,449,104 | 21,449,104 |
| Effect of translation of net investment in foreign branches | - | 371,041 | - | - | - | 371,041 | | | - | | 371,041 |
| Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | - | - | - | (9,380,658) | - | (9,380,658) | | (9,380,658) |
| Gain on sale of debt securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax | | | | | | | (360,940) | | (360,940) | | (360,940) |
| Movement in (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | - | - | - | (2,795,728) | - | (2,795,728) | - | (2,795,728) |
| Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax | - | - | - | - | - | - | (1,035,076) | | (1,035,076) | 1,035,076 | - |
| Remeasurement loss on defined benefit obligations - net of tax | - | - | - | - | - | - | - | | - | (263,979) | (263,979) |
| Total other comprehensive income - net of tax | - | 371,041 | - | - | - | 371,041 | (13,572,402) | - | (13,572,402) | 22,220,201 | 9,018,842 |
| Transfer to statutory reserve | - | - | 2,144,910 | - | - | 2,144,910 | - | - | - | (2,144,910) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | - | - | (44,908) | (44,908) | 44,908 | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Final Cash dividend- Rs. 8.00 per share declared subsequent to the year ended December 31, 2024 | | | | | | | | | | (17,020,104) | (17,020,104) |
| Balance as at March 31, 2025 | 21,275,131 | 32,057,844 | 51,985,061 | 363,606 | 521,338 | 84,927,849 | 56,367,542 | 48,452,744 | 104,820,284 | 230,242,561 | 441,265,825 |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

**Chairman** **President / CEO** **Chief Financial Officer** **Director** **Director**

**NATIONAL BANK OF PAKISTAN**
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Note | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit before taxation | | **46,088,209** | 21,158,869 |
| Less: dividend income | | **(1,746,465)** | (1,723,944) |
| | | **44,341,744** | 19,434,925 |
| **Adjustments:** | | | |
| Net mark-up / interest income | | **(69,587,722)** | (28,980,339) |
| Depreciation on property & equipment | | **1,013,120** | 603,227 |
| Depreciation on right of use assets | | **451,613** | 480,730 |
| Amortisation | | **137,704** | 112,557 |
| Credit loss allowance and write offs | 30 | **6,393,800** | (665,131) |
| Gain on sale of property & equipment | | **(822)** | (1,330) |
| Financial charges on leased assets | | **39,544** | 23,504 |
| Financial charges on right-of-use-assets | | **282,667** | 225,190 |
| Unrealized gain on revaluation of investments classified as FVTPL | | **1,256,856** | (1,660,694) |
| Charge for defined benefit plans - net | | **4,538,079** | 3,030,906 |
| | | **(55,475,161)** | (26,831,380) |
| | | **(11,133,417)** | (7,396,455) |
| **Decrease / (increase) in operating assets** | | | |
| Lendings to financial institutions | | **(43,522,789)** | 134,407,971 |
| Securities classified as FVTPL | | **(47,366,014)** | (52,863,973) |
| Advances | | **95,906,324** | 172,156,334 |
| Other assets (excluding advance taxation & mark-up receivable) | | **(25,656,261)** | 46,873,409 |
| | | **(20,638,740)** | 300,573,741 |
| **Increase / (decrease) in operating liabilities** | | | |
| Bills payable | | **(9,449,437)** | (56,118,511) |
| Borrowings from financial institutions | | **149,206,099** | 40,529,537 |
| Deposits | | **25,685,610** | (250,090,022) |
| Other liabilities (excluding current taxation & mark-up payable) | | **39,999,489** | (25,600,563) |
| | | **205,441,761** | (291,279,558) |
| Mark-up / interest received | | **224,854,998** | 291,677,213 |
| Mark-up / interest paid | | **(231,943,730)** | (297,342,883) |
| Income tax paid / adjusted | | **(20,268,258)** | (14,338,573) |
| Benefits paid | | **(3,805,258)** | (972,809) |
| **Net cash flow from / (used in) operating activities** | | **142,507,356** | (19,079,324) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Net Investments in securities classified as FVOCI | | **(186,966,845)** | 236,130,946 |
| Net Investments in amortized cost securities | | **5,130,407** | (106,275,453) |
| Dividends received | | **1,746,465** | 1,723,944 |
| Investments in property and equipment | | **(2,049,473)** | 568,888 |
| Proceeds from sale of property and equipment | | **18,413** | 2,003 |
| Effect of translation of net investment in foreign branches | | **371,041** | (806,598) |
| **Net cash from / (used in) investing activities** | | **(181,749,992)** | 131,343,730 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Payments of lease obligations | | **(682,072)** | (622,127) |
| Dividend paid | | **(109)** | (102) |
| **Net cash from / (used in) financing activities** | | **(682,181)** | (622,229) |
| **(Decrease) / increase in cash and cash equivalents** | | **(39,924,817)** | 111,642,176 |
| Cash and cash equivalents at beginning of the period | | **378,480,034** | 298,562,227 |
| Effects of exchange rate changes on cash and cash equivalents | | **403,830** | 6,078,352 |
| Cash and cash equivalents at beginning of the period | | **378,883,864** | 304,640,579 |
| Cash and cash equivalents at end of the period | 33 | **338,959,047** | 416,282,755 |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

| 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 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, 2024: 1,503) branches in Pakistan and including 207 (December 31, 2024: 207) Islamic Banking branches and 16 (December 31 2024: 16) 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.

## 2. BASIS OF PRESENTATION

### 2.1 Statement of compliance

**2.1.1** These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever 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 IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

**2.1.2** 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.

**2.1.3** Effective January 01, 2025, the Bank has incorporated impact of ECL against overdue foreign currency loans of certain Public Sector Entities, overseas branches where IFRS-9 has not been adopted and measurement of unquoted equity securities which was relaxed up to December 31, 2024 by SBP.

The following table reconciles the aggregate opening loan loss provision allowances under SBP Prudential Regulations to the ECL allowances of overseas branches under IFRS 9 :

| | 2025 | | | |
|---|---|---|---|---|
| | 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 | - | | | - |
| Balance with Other Banks | - | 3,435 | - | 3,435 |

| | | | | |
|---|---|---|---|---|
| Advances | - | 17,530,863 | - | 17,530,863 |
| Investments | 573,853 | - 156,740 | (573,853) | 156,740 |
| Markup Receivable | - | - 1,345 | - | 1,345 |
| Off-balance sheet obligations | - | - 2,155 | - | 2,155 |
| Total | **573,853** | **17,694,538** | **(573,853)** | **17,694,538** |

Further SBP in a separate letter SBPHOK-BPRD-RPD-NBP-821909 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

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 peroid ended March 31, 2025 would have been higher by Rs. 15.8 million and taxation would have been higher by Rs 8.4 million. Further, an unappropriated profit in unconsolidated statement of changes in equity would have been higher by Rs 7.4 million.

**2.1.4** 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.

**2.1.5** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2, dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31,

**2.1.6** These unconsolidated condensed interim financial statements are the separate 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.

**2.1.7 Standards, interpretations of and amendments to published accounting and reporting standards that are effective in the current period:**

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 do not have any material effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements.

**2.1.8 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 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.

## 3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2024.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2024.

## 5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those as disclosed in the unconsolidated financial statements for the year ended December 31, 2024.

| 6. CASH AND BALANCES WITH TREASURY BANKS | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | --------- (Rupees in '000) ---------- | |
| In hand | | | |
| Local currency | | **61,917,544** | 64,951,613 |
| Foreign currencies | | **6,361,600** | 5,781,558 |
| | | **68,279,144** | 70,733,171 |
| With State Bank of Pakistan in | | | |
| Local currency current accounts | 6.1 | **133,266,208** | 147,167,204 |
| Foreign currency current accounts | 6.2 | **25,027,549** | 22,097,814 |
| Foreign currency deposit accounts | 6.2 | **49,981,365** | 44,108,393 |
| Foreign currency collection accounts | | **112,250** | 212,443 |
| | | **208,387,372** | 213,585,854 |
| With other central banks in | | | |
| Foreign currency current accounts | 6.3 | **25,746,461** | 24,445,656 |
| Foreign currency deposit accounts | 6.3 | **4,053,821** | 4,583,665 |
| | | **29,800,282** | 29,029,321 |
| Prize bonds | | **956,230** | 904,765 |
| | | **307,423,028** | 314,253,111 |
| Less: Credit loss allowance held against cash and bank balances with Treasury banks | | **(21,575)** | (19,075) |
| Cash and Balances with Treasury banks - net of credit loss allowance | | **307,401,453** | 314,234,036 |

**6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

**6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

**6.3** 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. The deposit accounts carry interest at the rate of 0% to 4.50% per annum (December 31, 2024: 0% to 4.5% per annum).

| 7. BALANCES WITH OTHER BANKS | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | --------- (Rupees in '000) ---------- | |
| In Pakistan | | | |
| In current account | | **2,955,737** | - |
| In deposit accounts | 7.1 | **341** | 21,964 |
| Outside Pakistan | | | |
| In current accounts | | **42,776,922** | 48,856,615 |
| In deposit accounts | 7.2 | **2,832,409** | 7,957,922 |
| | | **45,609,331** | 56,814,537 |
| | | **48,565,409** | 56,836,501 |
| Less: Credit loss allowance held against balances with other banks | | **(3,454)** | (18) |
| Balances with other banks - net of credit loss allowance | | **48,561,955** | 56,836,483 |

**7.1** These include various deposits with banks and carry interest at the rates ranging from 2.00 % to 10.50 % per annum (December 31, 2024: 9.00% to 19.60% per annum).

**7.2** These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 2.7 % to 4.00 % per annum (December 31, 2024 :1.00% to 5.44% per annum).

| 8. LENDINGS TO FINANCIAL INSTITUTIONS | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | --------- (Rupees in '000) ---------- | |
| Repurchase agreement lendings (reverse repo) | 8.2 | **73,522,789** | - |
| Musharaka Lending | 8.3 | **-** | 30,000,000 |
| Letters of placement | 8.4 | **172,150** | 172,150 |
| | | **73,694,939** | 30,172,150 |
| Less: Credit loss allowance held against lending to financial institutions | | **(172,150)** | (172,150) |
| Lendings to financial institutions - net of credit loss allowance | | **73,522,789** | 30,000,000 |

**8.1 Lending to FIs- Particulars of credit loss allowance**

| | | (Un-audited) March 31, 2025 | | (Audited) December 31, 2024 | |
|---|---|---|---|---|---|
| | | Lending | Credit loss allowance held | Lending | Credit loss allowance held |
| **Domestic** | | ---------- (Rupees in '000) ---------- | | | |
| Performing | Stage 1 | 73,522,789 | - | - | - |
| Under performing | Stage 2 | - | - | - | - |
| Non-performing | Stage 3 | | | | |
| Substandard | | - | - | - | - |
| Doubtful | | - | - | - | - |
| Loss | | 172,150 | 172,150 | 172,150 | 172,150 |
| Total | | 73,694,939 | 172,150 | 172,150 | 172,150 |

**8.2** These carry mark-up at rates ranging from 12% to 12.95% per annum (December 31, 2024: Nil ) with maturities ranging from April 3, 2025 to April 9, 2025 .

**8.3** This represents Musharaka agreements entered into with Meezan Bank Limited and carrying profit at the rates Nil per annum (December 31, 2024:12.0% to 12.75% per annum ) with maturity on Nil (December 31, 2024: Janurary 02,2025).

**8.4** These are overdue placements and full provision has been made against these placements as at March 31, 2025.

## 9. INVESTMENTS

### 9.1 Investments by type:

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Cost / amortized cost** | **Credit loss allowance / Provision for diminution** | **Surplus / (deficit)** | **Carrying value** | Cost / amortized cost | Credit loss allowance / Provision for diminution | Surplus / (deficit) | Carrying value |
| | ---------- (Rupees in '000) ---------- | | | | | | | |
| **FVTPL** | | | | | | | | |
| **Federal Government Securities** | | | | | | | | |
| - Market Treasury Bills | **54,147,936** | **-** | **(19,517)** | **54,128,419** | 35,690,468 | - | 72,668 | 35,763,136 |
| - Pakistan Investment Bonds | **32,347,587** | **-** | **(96,956)** | **32,250,631** | 20,906,802 | - | 63,890 | 20,970,692 |
| - Ijarah Sukuk Bonds | **1,836,000** | **-** | **3,713** | **1,839,713** | | | | |
| **Mutual Fund units** | **4,562,180** | **-** | **3,956** | **4,566,136** | 4,933,558 | - | 3,192,983 | 8,126,541 |
| **Non-Government debt securities** | | | | | | | | |
| - Term Finance Certificates and Sukuk Bonds | **8,092,634** | **-** | **(6,982)** | **8,085,652** | 9,911,967 | - | 13,901 | 9,925,868 |
| **Preference shares** | | | | | | | | |
| - Listed | **1,202,370** | **-** | **(8,514)** | **1,193,856** | 1,043,797 | - | (51,086) | 992,711 |
| - Unlisted | **558,284** | **(558,284)** | **-** | **-** | 558,284 | (558,284) | - | - |
| **Ordinary Shares** | | | | | | | | |
| - Listed Companies | **18,988,839** | **-** | **(1,132,817)** | **17,856,022** | 11,612,714 | - | 5,738,300 | 17,351,014 |
| | **121,735,830** | **(558,284)** | **(1,257,118)** | **119,920,429** | 84,657,590 | (558,284) | 9,030,656 | 93,129,962 |
| **FVOCI** | | | | | | | | |
| **Federal Government Securities** | | | | | | | | |
| - Pakistan Investment Bonds | **2,851,722,209** | **-** | **23,225,002** | **2,874,947,211** | 2,739,200,656 | - | 33,084,223 | 2,772,284,879 |
| - Market Treasury Bills | **1,158,415,226** | **-** | **8,196,648** | **1,166,611,874** | 1,152,657,126 | - | 17,688,599 | 1,170,345,725 |
| - GOP Ijarah Sukuks | **34,627,032** | **-** | **646,499** | **35,273,531** | 31,090,982 | - | 587,221 | 31,678,203 |
| - GOP Ijarah Sukuks - Traded | **109,842,216** | **-** | **378,998** | **110,221,214** | 29,772,129 | - | 1,127,871 | 30,900,000 |
| - GOP Ijarah Sukuks - Discounted | **20,895,242** | **-** | **128,593** | **21,023,835** | 32,874,030 | - | 951,840 | 33,825,870 |
| - Foreign Currency Debt securities | **29,620,455** | **(6,455,319)** | **(2,804,886)** | **20,360,250** | 29,229,000 | (6,119,189) | (3,541,998) | 19,567,813 |
| **Ordinary Shares** | | | | | | | | |
| - Listed Companies | **43,445,060** | **-** | **38,130,587** | **81,575,647** | 44,928,949 | - | 42,792,188 | 87,721,137 |
| - Unlisted Companies | **2,107,198** | **-** | **235,170** | **2,342,368** | 2,107,198 | (573,855) | - | 1,533,343 |
| **Non-Government debt securities** | | | | | | | | |
| - Term Finance Certificates and Sukuk Bonds | **39,079,427** | **(6,948,196)** | **250,936** | **32,382,167** | 39,157,588 | (6,984,089) | 278,820 | 32,452,319 |
| **Foreign Securities** | | | | | | | | |
| - Equity Securities - Listed | **463,294** | **-** | **49,041,715** | **49,505,009** | 463,294 | - | 52,106,188 | 52,569,483 |
| - Government debt securities | **1,330,722** | **-** | **3,119** | **1,333,841** | 3,100,284 | - | 143,329 | 3,243,613 |
| | **4,291,548,081** | **(13,403,515)** | **117,432,380** | **4,395,576,947** | 4,104,581,236 | (13,677,133) | 145,218,281 | 4,236,122,385 |
| **Amortised Cost** | | | | | | | | |
| **Federal Government Securities** | | | | | | | | |
| - Pakistan Investment Bonds | **213,047,542** | **-** | **-** | **213,047,542** | 222,656,096 | - | - | 222,656,096 |
| - GOP Ijarah Sukuks | **19,049,170** | **-** | **-** | **19,049,170** | 14,057,627 | - | - | 14,057,627 |
| - Foreign Currency Debt securities | **7,238,603** | **(1,022,314)** | **-** | **6,216,289** | 7,104,331 | (817,022) | - | 6,287,309 |
| | **-** | **-** | | | | | | |
| **Non-Government debt securities** | **-** | **-** | | | | | | |
| - Term Finance Certificates, 'Participation Term | **-** | **-** | | | | | | |
| Certificates, 'Bonds, Debentures and Sukuk Bonds | **383,471** | **(383,471)** | **-** | **-** | 383,471 | (383,471) | - | - |
| | **-** | **-** | | | | | | |
| **Foreign Securities** | **-** | **-** | | | | | | |
| - Government debt securities | **37,059,789** | **(147,085)** | **-** | **36,912,704** | 37,707,456 | - | - | 37,707,456 |
| - Non-Government debt securities | **1,076** | **-** | **-** | **1,076** | 1,077 | - | - | 1,077 |
| | **276,779,651** | **(1,552,870)** | **-** | **275,226,781** | 281,910,058 | (1,200,493) | - | 280,709,565 |
| **Associates** | **1,260,443** | **(517,442)** | **-** | **743,001** | 1,260,443 | (503,012) | | 757,431 |
| | | **-** | | | | | | |
| **Subsidiaries** | **2,952,967** | **(1,338,111)** | **-** | **1,614,856** | 2,952,967 | (1,338,112) | | 1,614,855 |
| **Total investments** | **4,694,276,972** | **(17,370,223)** | **116,175,262** | **4,793,082,010** | 4,475,362,295 | (17,277,034) | 154,248,937 | 4,612,334,198 |

### 9.1.1 Investments given as collateral

The book value of investment given as collateral against borrowings is as follows:

| | Note | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| Pakistan Investment Bonds | | **1,021,117,128** | 1,253,027,780 |
| Market Treasury Bills | | **984,719,167** | 602,314,423 |
| | 17 | **2,005,836,295** | 1,855,342,203 |

| | March 31, 2025 (Un-audited) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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) | | | | |
| **9.1.2 Associates** | | | | | | | | | |
| **Listed** | | | | | | | | | |
| First Credit and Investment Bank Limited | 20,000,000 | 30.77 | Pakistan | December 31, 2024 (Un-audited) | 3,712,459 | 303,419 | 155,217 | 13,937 | (19,097) |
| 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 | December 31, 2024 (Un-audited) | 972,627 | 68,342 | 9,483 | (9,491) | (9,491) |
| SG Allied Businesses Limited | 3,754,900 | 25.03 | Pakistan | December 31, 2024 (Un-audited) | 1,526,314 | 328,513 | 7,485 | (1,394) | (1,394) |
| Nina Industries Limited | 4,906,000 | 20.27 | Pakistan | N/A | - | - | - | - | - |
| NBP Stock Fund | 31,347,444 | 4.236 | Pakistan | December 31, 2024 (Un-audited) | 36,221,848 | 712,439 | 11,779,312 | 11,419,378 | 11,419,378 |
| **Unlisted** | | | | | | | | | |
| Pakistan Emerging Venture Limited | 12,500,000 | 33.33 | 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 | 33.33 | Pakistan | N/A | - | - | - | - | - |
| Kamal Enterprises Limited * | 11,000 | 20.37 | Pakistan | N/A | - | - | - | - | - |
| Mehran Industries Limited * | 37,500 | 32.05 | Pakistan | N/A | - | - | - | - | - |
| Tharparkar Sugar Mills Limited * | 2,500,000 | 21.52 | Pakistan | N/A | - | - | - | - | - |
| Youth Investment Promotion Society * | 644,508 | 25 | Pakistan | N/A | - | - | - | - | - |
| Dadabhoy Energy Supply Company Limited | 9,900,000 | 23.11 | Pakistan | N/A | - | - | - | - | - |
| K-Agricole Limited * | 5,000 | 20 | Pakistan | N/A | - | - | - | - | - |
| New Pak Limited * | 200,000 | 20 | Pakistan | N/A | - | - | - | - | - |
| Pakistan Mercantile Exchange Limited | 10,653,860 | 33.98 | Pakistan | December 31, 2024 (Un-audited) | 8,743,752 | 7,947,163 | 286,024 | 117,639 | 117,639 |
| Prudential Fund Management Limited * | 150,000 | 20 | Pakistan | N/A | - | - | - | - | - |

* Nil figure represent shares which have been acquired under different arrangements without any cost

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **9.1.3 Subsidiaries** | | | | | | | | | |
| CJSC Subsidiary Bank of NBP in Kazakhstan | 8,650 | 100 | Kazakhstan | March 31, 2025 | 2,946,290 | 1,796 | 93,789 | 68,212 | 68,212 |
| NBP Exchange Company Limited | 99,999,999 | 100 | Pakistan | March 31, 2025 | 2,609,122 | 264,580 | 109,029 | 78,618 | 78,618 |
| NBP Modaraba Management Company Limited | 10,500,000 | 100 | Pakistan | March 31, 2025 | 143,367 | 111,657 | 29,765 | 830 | 830 |
| Taurus Securities Limited | 7,875,002 | 58.32 | Pakistan | March 31, 2025 | 1,500,362 | 1,129,506 | 63,179 | 10,377 | 10,377 |
| Cast-N-Link Products Limited | 1,245,000 | 76.51 | Pakistan | N/A | - | - | - | - | - |
| NBP Fund Management Limited | 13,499,996 | 54 | Pakistan | March 31, 2025 | 4,906,642 | 2,258,537 | 1,686,278 | 481,505 | 481,505 |

N/A: Not available

| | | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **9.2** | **Credit loss allowance for diminution in value of investments** | | |
| **9.2.1** | Opening balance | **17,277,033** | 23,608,927 |
| | Impact of reclassification on adoption of IFRS 9 | **(573,853)** | (12,665,194) |
| | Impact of ECL recognized on adoption of IFRS 9 | **156,740** | 7,038,193 |
| | | **16,859,921** | 17,981,926 |
| | Charge for the period / Year | **505,860** | 1,389,291 |
| | Reversals for the period / Year | **(545)** | (5,058,634) |
| | Reversal on disposals | | - |
| | | **505,316** | (3,669,343) |
| | Derecognition of ECL on disposal | **-** | - |
| | Transfers - net | | 155,437 |
| | Others movement | | 2,812,053 |
| | Exchange adjustment | **4,987** | (3,040) |
| | Closing balance | **17,370,223** | 17,277,033 |

**9.2.2 Particulars of credit loss allowance against debt securities**

| **Category of classification** | | **March 31, 2025 (Un-audited)** | | December 31, 2024 (Audited) | |
|---|---|---|---|---|---|
| | | **Outstanding amount** | **Credit loss allowance Held** | Outstanding amount | Credit loss allowance Held |
| | | ---------- (Rupees in '000) ---------- | | | |
| **Domestic** | | | | | |
| Performing | Stage 1 | **4,776,833** | **82,328** | 4,362,670 | 166,530 |
| Underperforming | Stage 2 | **2,000,000** | **159,545** | 2,864,333 | 110,692 |
| Non-Performing | Stage 3 | | | | |
| Substandard | | | | - | - |
| Doubtful | | | | - | - |
| Loss | | **7,089,795** | **7,089,795** | 7,090,336 | 7,090,336 |
| | | **13,866,628** | **7,331,668** | 14,317,339 | 7,367,558 |
| **Overseas** | | | | | |
| Performing | Stage 1 | **-** | **-** | - | - |
| Underperforming | Stage 2 | **74,725,504** | **7,624,719** | 36,333,331 | 6,936,211 |
| Non-Performing | Stage 3 | | | | |
| Substandard | | **-** | **-** | - | - |
| Doubtful | | **-** | **-** | - | - |
| Loss | | **-** | **-** | - | - |
| | | **-** | **-** | - | - |
| | | **74,725,504** | **7,624,719** | 36,333,331 | 6,936,211 |
| **Total** | | **88,592,132** | **14,956,385** | 50,650,670 | 14,303,769 |

**9.3** The market value of securities classified at amortised cost as at March 31, 2025 amounted to Rs. 268,102 million (December 31, 2024: Rs. 272,292 million).

## 10. ADVANCES

| | Note | Performing | | Non performing | | Total | |
|---|---|---|---|---|---|---|---|
| | | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
| | | (Rupees in '000) | | | | | |
| Loans, cash credits, running finances, etc. | | **1,191,872,688** | 1,237,262,018 | **206,685,029** | 254,074,848 | **1,398,557,717** | 1,491,336,866 |
| Islamic financing and related assets | | **130,449,451** | 144,913,723 | **1,985,998** | 1,985,434 | **132,435,449** | 146,899,157 |
| Net Investment in finance lease | 10.1 | **-** | 1,288 | **-** | - | **-** | 1,288 |
| Bills discounted and purchased | | **23,529,900** | 21,296,996 | **13,261,021** | 13,228,689 | **36,790,921** | 34,525,685 |
| Advances - gross | 10.2 | **1,345,852,039** | 1,403,474,025 | **221,932,048** | 269,288,971 | **1,567,784,087** | 1,672,762,996 |
| Credit loss allowance against advances | | | | | | | |
| -Stage 1 | | **20,587,439** | 19,751,831 | **-** | - | **20,587,439** | 19,751,831 |
| -Stage 2 | | **10,874,595** | 10,808,620 | **-** | - | **10,874,595** | 10,808,620 |
| -Stage 3 | * | **25,342,238** | - | **211,200,274** | 225,833,262 | **236,542,512** | 225,833,262 |
| -Specific | | - | - | - | | - | - |
| -General | | **13,965,932** | 11,501,411 | **-** | - | **13,965,932** | 11,501,411 |
| | 10.4 | **70,770,204** | 42,061,862 | **211,200,274** | 225,833,262 | **281,970,478** | 267,895,124 |
| Advances - net of credit loss allowance / provision | | **1,275,081,835** | 1,361,412,163 | **10,731,774** | 43,455,709 | **1,285,813,609** | 1,404,867,872 |

*This represents credit loss allowance against loan that have been classified as stage 3 according to IFRS 9.

### 10.1 Net investment in finance lease

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Not later than one year** | **Later than one and up to five years** | **Over five years** | **Total** | Not later than one year | Later than one and up to five years | Over five years | Total |
| | (Rupees in '000) | | | | | | | |
| Lease rentals receivable | **-** | **-** | **-** | **-** | - | - | - | - |
| Residual value | **-** | **-** | **-** | **-** | 1,288 | - | - | 1,288 |
| Minimum lease payments | **-** | **-** | **-** | **-** | 1,288 | - | - | 1,288 |
| Less: financial charges for future periods | **-** | **-** | **-** | **-** | - | - | - | - |
| Present value of minimum lease payments | **-** | **-** | **-** | **-** | 1,288 | - | - | 1,288 |

**10.1.1** 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 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 Nil (December 31, 2024: 10.15% to 11.42%) per annum.

### 10.2 Particulars of advances (Gross)

| | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|
| | (Rupees in '000) | |
| In local currency | **1,435,814,205** | 1,385,703,091 |
| In foreign currencies | **131,969,882** | 287,059,905 |
| | **1,567,784,087** | 1,672,762,996 |

**10.3** Advances includes Rs.221,932 million (December 31, 2024: Rs. 269,289 million) which have been placed under non-performing / stage 3 status as detailed below:

| Category of Classification | March 31, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|---|---|---|---|---|
| | **Non performing loans** | **Credit Loss Allowance** | Non performing loans | Credit Loss Allowance |
| | (Rupees in '000) | | | |
| **Domestic** | | | | |
| Other assets especially mentioned | **3,911,967** | **2,228,764** | 2,441,119 | 1,257,677 |
| Substandard | **6,892,976** | **4,911,355** | 55,792,771 | 3,596,871 |
| Doubtful | **8,908,450** | **7,017,388** | 9,732,418 | 7,655,002 |
| Loss | **140,964,774** | **138,223,853** | 140,024,609 | 137,730,472 |
| | **160,678,166** | **152,381,360** | 207,990,917 | 150,240,022 |
| **Overseas** | | | | |
| Overdue by: | | | | |
| Upto 90 days | - | - | - | - |
| 91 to 180 days | - | - | - | - |
| 181 to 365 days | **387,299** | **193,650** | 385,067 | 192,534 |
| > 365 days | **60,866,583** | **58,625,265** | 60,912,987 | 58,684,587 |
| | **61,253,882** | **58,818,914** | 61,298,054 | 58,877,121 |
| **Total** | **221,932,048** | **211,200,274** | 269,288,971 | 209,117,143 |
| **Stage 3 as per IFRS 9** | **-** | **25,342,238** | - | 16,716,120 |
| **Total** | **221,932,048** | **236,542,512** | 269,288,971 | 225,833,263 |

## 10.4 Particulars of credit loss allowance against advances

| | Note | March 31, 2025 (Un-audited) | | | | | | December 31, 2024 (Audited) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Stage 1 | Stage 2 | Stage 3 | Specific Provision | General Provision | Total | Stage 1 | Stage 2 | Stage 3 | Specific Provision | General Provision | Total |
| | | (Rupees in '000) | | | | | | (Rupees in '000) | | | | | |
| **Opening balance** | | **19,751,831** | **10,808,620** | **225,833,262** | **-** | **11,501,411** | **267,895,124** | 15,875,937 | 11,637,716 | 226,150,506 | - | 11,659,813 | 265,323,972 |
| **IFRS-9 adoption** | | **6,940** | | **17,523,923** | | | **17,530,863** | | | | | | |
| | | **19,758,771** | **10,808,620** | **243,357,185** | **-** | **11,501,411** | **285,425,987** | 15,875,937 | 11,637,716 | 226,150,506 | - | 11,659,813 | 265,323,972 |
| Exchange adjustments | | | | **14,767** | | **(30,716)** | **(15,949)** | | | (3,795,696) | | 155,491 | (3,640,205) |
| Charge for the period / year | | **3,998,314** | **3,972,098** | **3,276,354** | | **2,502,931** | **13,749,697** | 7,431,728 | 2,809,002 | 9,781,273 | | 21,370 | 20,043,373 |
| Reversals | | **(2,930,398)** | **(3,991,815)** | **(1,202,713)** | | **(7,695)** | **(8,132,621)** | (3,064,006) | (5,900,820) | (4,785,589) | | (179,826) | (13,930,241) |
| | | **1,067,916** | **(19,717)** | **2,073,641** | **-** | **2,495,237** | **5,617,077** | 4,367,722 | (3,091,818) | 4,995,684 | - | (158,456) | 6,113,132 |
| Amounts written off | | | | **(12,852)** | | | **(12,852)** | | | (161,905) | - | - | (161,905) |
| Amounts charged off - agriculture financing | 10.5.5 | | | **(145,980)** | | | **(145,980)** | | | (138,990) | - | - | (138,990) |
| Transfer to stage 1 | | | | | | | **-** | | | | | | - |
| Transfer to stage 2 | | **(223,529)** | **223,529** | | | | **-** | (453,966) | 2,568,844 | (2,114,878) | | | - |
| Transfer to stage 3 | | **(15,719)** | **(137,837)** | 153556 | | | **-** | (37,862) | (306,122) | 343,984 | | | - |
| Other movement | | | | **(8,897,805)** | | | **(8,897,805)** | | | 554,557 | - | (155,437) | 399,120 |
| Closing balance | | **20,587,439** | **10,874,595** | **236,542,512** | **-** | **13,965,932** | **281,970,478** | 19,751,831 | 10,808,620 | 225,833,262 | - | 11,501,411 | 267,895,124 |

## 10.5 Advances - Particulars of credit loss allowance

| | | March 31, 2025 (Un-audited) | | | | | | December 31, 2024 (Audited) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Stage 1 | Stage 2 | Stage 3 | Specific Provision | General Provision | Total | Stage 1 | Stage 2 | Stage 3 | Specific Provision | General Provision | Total |
| | | (Rupees in '000) | | | | | | (Rupees in '000) | | | | | |
| **10.5.1** | **Opening balance** | **19,751,831** | **10,808,620** | **225,833,262** | **-** | **11,501,411** | **267,895,124** | 15,875,937 | 11,637,716 | 226,150,506 | - | 11,659,813 | 265,323,972 |
| | **IFRS-9 adoption** | **6,940** | | **17,523,923** | | | **17,530,863** | | | | | | |
| | | **19,758,771** | **10,808,620** | **243,357,185** | **-** | **11,501,411** | **285,425,987** | 15,875,937 | 11,637,716 | 226,150,506 | - | 11,659,813 | 265,323,972 |
| | New Advances | **3,998,314** | **3,972,098** | **3,276,354** | **-** | **2,502,931** | **13,749,697** | 7,431,728 | 2,809,002 | 9,781,273 | - | 21,370 | 20,043,373 |
| | Exchange Adjustment | **-** | **-** | **14,767** | **-** | **(30,716)** | **(15,949)** | | | (3,795,696) | - | 155,491 | (3,640,205) |
| | Charge for the period | **-** | **-** | **-** | **-** | **-** | **-** | | | | | | - |
| | Advances derecognised or repaid | **(2,930,398)** | **(3,991,815)** | **(1,202,713)** | **-** | **(7,695)** | **(8,132,621)** | (3,064,006) | (5,900,820) | (4,785,589) | - | (179,826) | (13,930,241) |
| | Transfer to stage 1 | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - |
| | Transfer to stage 2 | **(223,529)** | **223,529** | **-** | **-** | **-** | **-** | (453,966) | 2,568,844 | (2,114,878) | - | - | - |
| | Transfer to stage 3 | **(15,719)** | **(137,837)** | **153,556** | **-** | **-** | **-** | (37,862) | (306,122) | 343,984 | - | - | - |
| | Other Movement | **-** | **-** | **(8,897,805)** | **-** | **-** | **(8,897,805)** | | | 554,557 | - | (155,437) | 399,120 |
| | Transfer from general to specific | **-** | **-** | **-** | **-** | **-** | **-** | | | | | - | - |
| | | **828,668** | **65,975** | **(6,655,841)** | **-** | **2,464,521** | **(3,296,677)** | 3,875,894 | (829,096) | (16,349) | - | (158,402) | 2,872,047 |
| | | | | | | | **-** | | | | | | - |
| | Amounts written off | **-** | **-** | **(12,852)** | **-** | **-** | **(12,852)** | | | (161,905) | - | - | (161,905) |
| | Amounts charged off - agriculture financing | **-** | **-** | **(145,980)** | **-** | **-** | **(145,980)** | | | (138,990) | - | - | (138,990) |
| | Changes in risk parameters | **-** | **-** | **-** | **-** | **-** | **-** | | | | - | - | - |
| | Closing balance | **20,587,439** | **10,874,595** | **236,542,512** | **-** | **13,965,932** | **281,970,478** | 19,751,831 | 10,808,620 | 225,833,262 | - | 11,501,411 | 267,895,124 |

**10.5.2 Advances - Category of classification**

| | | March 31, 2025 (Un-audited) | | |
|---|---|---|---|---|
| | | Outstanding amount | Credit loss allowance Held | Net of Advances |
| | | ----------(Rupees in '000)---------- | | |
| **Domestic** | | | | |
| Performing | Stage 1 | **1,107,793,437** | **19,957,100** | **1,087,836,337** |
| Underperforming | Stage 2 | **160,008,196** | **10,705,962** | **149,302,234** |
| Non-Performing | Stage 3 | | | |
| Other assets especially mentioned | | **3,911,967** | **2,228,764** | **1,683,203** |
| Substandard | | **6,892,976** | **4,911,355** | **1,981,620** |
| Doubtful | | **8,908,450** | **7,017,388** | **1,891,062** |
| Loss | | **140,964,774** | **138,223,853** | **2,740,921** |
| Stage 3 as per IFRS 9 | | **47,960,429** | **25,342,238** | **22,618,191** |
| General Provision | | **-** | **13,965,932** | **(13,965,932)** |
| | | **208,638,595** | **191,689,530** | **16,949,066** |
| Sub Total | | **1,476,440,228** | **222,352,592** | **1,254,087,636** |
| **Overseas** | | | | |
| Performing | Stage 1 | **22,110,197** | **630,339** | **21,479,858** |
| Underperforming | Stage 2 | **7,979,781** | **168,633** | **7,811,148** |
| IFRS 9 not applicable | | | | **-** |
| Non-Performing | Stage 3 | | | **-** |
| Substandard | | **-** | **-** | **-** |
| Doubtful | | **387,299** | **193,650** | **193,650** |
| Loss | | **60,866,583** | **58,625,265** | **2,241,318** |
| | | **61,253,882** | **58,818,914** | **2,434,968** |
| Sub Total | | **91,343,859** | **59,617,887** | **31,725,973** |
| Total | | **1,567,784,087** | **281,970,478** | **1,285,813,609** |

**10.5.3** General provision includes provision amounting to Rs.52 million (December 31, 2024: Rs. 90 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.

**10.5.4** The SBP had 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. Bank has applied for further relaxation from SBP, however, response is awaited. 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 loan of a Public Sector Entity permanently.

**10.5.5** 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.

| | | Note | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|---|---|
| | | | -------- (Rupees in '000) -------- | |
| **11.** | **PROPERTY AND EQUIPMENT** | | | |
| | Capital work-in-progress | 11.1 | **1,624,493** | 1,569,889 |
| | Property and equipment | | **60,693,748** | 60,098,181 |
| | | | **62,318,241** | 61,668,070 |
| **11.1** | **Capital work-in-progress** | | | |
| | Civil works | | **1,555,033** | 1,500,429 |
| | Equipment | | **10,727** | 10,727 |
| | Advances to suppliers and contractors | | **58,733** | 58,733 |
| | | | **1,624,493** | 1,569,889 |

| | | (Un-audited) March 31, 2025 | (Un-audited) March 31, 2024 |
|---|---|---|---|
| **11.2** | **Additions to property and equipment** | **--------- (Rupees in '000) ----------** | |
| | The following additions have been made to fixed assets during the period: | | |
| | **Capital work-in-progress** | **130,880** | 162,211 |
| | **Property and equipment** | | |
| | Building on freehold land | **53,939** | 217,481 |
| | Building on leasehold land | **4,721** | 11,674 |
| | Furniture and fixtures | **314,460** | 228,476 |
| | Computer and peripheral equipment | **833,336** | 53,277 |
| | Electrical, office equipment | **238,612** | 108,832 |
| | Vehicles | **231,261** | 93,794 |
| | | **1,676,330** | 713,534 |
| | | **1,807,210** | 875,745 |

**11.3 Disposal of property and equipment**

The net book value of fixed assets disposed off during the period is as follows:

| | | |
|---|---|---|
| Building on leasehold land | **-** | - |
| Furniture and fixture | **348** | - |
| Electrical, office equipment | **75** | - |
| Vehicles | **17,081** | 673 |
| Computer equipment | **88** | - |
| | **17,591** | 673 |

| | | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| **12.** | **INTANGIBLE ASSETS** | **---------- (Rupees in '000) ----------** | |
| | Capital work-in-progress - Software Implementation | **942,472** | 929,882 |
| | Computer Software | **1,200,426** | 1,009,754 |
| | | **2,142,898** | 1,939,636 |

| | | (Un-audited) March 31, 2025 | (Un-audited) March 31, 2024 |
|---|---|---|---|
| **12.1** | **Additions to intangible assets** | **---------- (Rupees in '000) ----------** | |
| | The following additions have been made to intangible assets during the period: | | |
| | Capital Work in Progress | **341,963** | 18,755 |
| | Directly purchased | **305,950** | 40,528 |
| | | **647,913** | 59,283 |

**13. RIGHT OF USE ASSETS**

| | March 31, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | **Buildings** | **Others** | **Total** | Buildings | Others | Total |
| | **---------- (Rupees in '000) ----------** | | | | | |
| At January 1, | | | | | | |
| Cost | **16,131,108** | **92,500** | **16,223,608** | 16,747,954 | - | 16,747,954 |
| Accumulated Depreciation | **(9,813,483)** | **(24,264)** | **(9,837,747)** | (9,813,483) | - | (9,813,483) |
| Net Carrying amount at January 1 | **6,317,626** | **68,236** | **6,385,862** | 6,934,472 | - | 6,934,472 |
| Additions during the year | **1,241,686** | | **1,241,686** | 1,248,352 | 92,500 | 1,340,852 |
| Deletions during the year | **-** | | **-** | | - | - |
| Depreciation charge for the year | **439,904** | **11,708** | **451,613** | 1,933,435 | 24,264 | 1,957,699 |
| Net Carrying amount | **7,119,408** | **56,528** | **7,175,935** | 6,249,389 | 68,236 | 6,317,624 |

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |

## 14. DEFERRED TAX ASSETS / (DEFFERED TAX LIABILITIES)

| | | |
|---|---|---|
| **Deductible temporary differences on** | | |
| - Tax losses carried forward | **10,705** | 10,705 |
| - Post retirement employee benefits | **7,689,709** | 7,392,031 |
| - Net credit loss allowance against investments | **4,492,483** | 4,148,213 |
| - Net credit loss allowance against loans and advances | **34,509,973** | 22,864,227 |
| - Net credit loss allowance against off-balance sheet obligations | **1,748,183** | 1,751,226 |
| - Excess of accounting book values over tax written down values of property and equipmen | **1,681,851** | 1,603,618 |
| - Other Credit loss allowance | **643,438** | 709,106 |
| - Provision against contingencies | **221,740** | 221,741 |
| - Net credit loss allowance against Balance with other banks | **1,795** | 8 |
| - Net credit loss allowance against lending to financial institution | **(292)** | 9,358 |
| - Net credit loss allowance against Balance with other Central bank | **10,657** | (292) |
| - Right of use assets | **930,831** | 890,496 |
| | **51,941,074** | 39,600,437 |
| **Taxable temporary differences on** | | |
| - Surplus on revaluation of fixed assets | **(3,726,607)** | (3,773,781) |
| - Exchange translation reserve | **(906,119)** | (906,119) |
| - Surplus on revaluation of investments | **(61,064,838)** | (75,513,507) |
| - Surplus on revaluation of non-banking assets | **(116,737)** | (118,215) |
| - Opening impact IFRS-9 | **(232,907)** | (232,907) |
| | **(66,047,208)** | (80,544,529) |
| | **(14,106,134)** | (40,944,092) |

## 15. OTHER ASSETS

| | | | |
|---|---|---|---|
| Income / return / mark-up accrued in local currency | | **138,103,524** | 149,041,479 |
| Income / return / mark-up accrued in foreign currency | | **10,271,792** | 11,074,757 |
| Advances, deposits, advance rent and other prepayments | | **41,278,174** | 42,497,343 |
| Compensation for delayed tax refunds | | **22,129,925** | 22,129,925 |
| Non-banking assets acquired in satisfaction of claims | | **1,135,530** | 1,153,069 |
| Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) | | **208,423** | 208,423 |
| Mark to market gain on forward foreign exchange contracts | | **200,611** | - |
| Commission receivable on Government treasury transactions | | **8,592,132** | 5,290,234 |
| Stationery and stamps on hand | | **487,981** | 452,880 |
| 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 |
| Receivable against sale of shares | | **103,347** | 64,990 |
| Acceptances | | **13,935,811** | 9,580,543 |
| Deferred fair value loss | 15.3 | **12,259,428** | 12,587,242 |
| Others | | **11,596,504** | 11,748,252 |
| | | **261,240,587** | 266,766,542 |
| Less: Provision held against other assets | 15.1 | **12,965,542** | 12,655,396 |
| Less: Credit loss allowance held against markup receivable | 15.2 | **1,099,574** | 1,225,858 |
| Other assets (net of provision) | | **247,175,471** | 252,885,288 |
| Surplus on revaluation of non-banking assets acquired in satisfaction of claims | | **2,995,046** | 2,995,046 |
| **Other assets - total** | | **250,170,517** | 255,880,334 |

| | | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| **15.1** | **Provision held against other assets** | ---------- (Rupees in '000) ---------- | |
| | 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 | **4,539,008** | 4,566,759 |
| | Ex-MBL / NDFC - other assets | **760,941** | 760,941 |
| | Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC) | **208,423** | 208,423 |
| | Others | **5,470,615** | 5,132,719 |
| | | **12,965,542** | 12,655,396 |
| **15.1.1** | **Movement in Provision held against other assets** | | |
| | Opening balance | **12,655,396** | 12,495,413 |
| | (Reversal) / Charge for the period / year | **295,868** | (33,596) |
| | Adjustment against provision | **-** | (17,939) |
| | Other Movement | **14,278** | 211,518 |
| | Closing balance | **12,965,542** | 12,655,396 |
| **15.2** | **Credit loss allowance held against mark-up receivable** | | |
| | Opening balance | **1,225,858** | - |
| | Impact of ECL recognition on adoption of IFRS-9 | **1,345** | 1,125,218 |
| | Charge for the period | **(127,628)** | 100,640 |
| | Closing balance | **1,099,574** | 1,225,858 |

**15.3** 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 2nd year's 10% of loss in these unconsolidated financial statements.

| | | | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|---|
| **16.** | **BILLS PAYABLE** | | ---------- (Rupees in '000) ---------- | |
| | In Pakistan | | **16,418,498** | 25,878,780 |
| | Outside Pakistan | | **192,188** | 181,343 |
| | | | **16,610,686** | 26,060,123 |
| **17.** | **BORROWINGS** | | | |
| | **Secured** | | | |
| | Borrowings from State Bank of Pakistan | | | |
| | Under Export Refinance Scheme | | **24,733,926** | 25,676,900 |
| | Financing Scheme for Renewable Energy | | **1,325,152** | 1,393,611 |
| | Refinance Facility for Modernization of SMEs | | **122,513** | 135,466 |
| | Financing Facility for storage of Agriculture Produce (FFSAP) | | **324,330** | 365,850 |
| | Under Long-Term Financing Facility (LTFF) | | **13,542,497** | 13,716,223 |
| | Temporary Economic Refinance Facility | | **13,464,963** | 13,612,139 |
| | Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE) | | **123,418** | 99,514 |
| | Export Refinance scheme for Bill Discounting | | **2,282,141** | 2,207,230 |
| | Refinance Facility for Combating Covid-19 | | **21,131** | 21,131 |
| | | | **55,940,071** | 57,228,064 |
| | Repurchase agreement borrowings | 9.1.1 | **2,005,836,295** | 1,855,342,203 |
| | | | **2,064,776,366** | 1,912,570,267 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| **Unsecured** | ---------- (Rupees in '000) ---------- | |
| Call borrowings | **16,947,618** | 21,989,167 |
| Overdrawn nostro accounts | **56,743** | 197,488 |
| Borrowing from Pakistan Mortgage Refinance Company | **-** | 3,000,000 |
| | **17,004,361** | 25,186,655 |
| | **2,081,780,727** | 1,937,756,922 |

**17.1 Particulars of borrowings with respect to currencies**

| | | |
|---|---|---|
| In local currency | **2,064,833,109** | 1,918,267,755 |
| In foreign currencies | **16,947,618** | 19,489,167 |
| | **2,081,780,727** | 1,937,756,922 |

**17.2 Mark-up / interest rates and other terms are as follows:**

- The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up of 1.00 % to 16.00 % per annum (December 31, 2024: from 1.00 % to 16.00% per annum).

- Repurchase agreement borrowings carry mark-up ranging from 11.25% to 13% per annum (December 31, 2023: 12.00 % to 14.00% per annum) having maturities ranging from April 3, 2025 to April 18, 2025.

- Call borrowings carry interest ranging from 4.79 % to 7.85 % per annum (December 31, 2024: 4.44% to 14.10% per annum).

**17.3** 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.

**17.4** Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 5 Years and 1 Year respectively, are pledged as security under borrowing having carrying amount of Rs. 2,005,836 million (December 31, 2024: Rs.1,855,342 million).

## 18. DEPOSITS AND OTHER ACCOUNTS

| | March 31, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | **In local currency** | **In foreign currencies** | **Total** | In local currency | In foreign currencies | Total |
| | ---------- (Rupees in '000) ---------- | | | | | |
| **Customers** | | | | | | |
| Current deposits - | **856,714,694** | **-** | **856,714,694** | 925,418,336 | - | 925,418,336 |
| Current deposits - non-remunerative | **642,923,305** | **147,069,942** | **789,993,247** | 697,490,426 | 150,386,822 | 847,877,248 |
| Savings deposits | **938,641,876** | **182,799,118** | **1,121,440,994** | 920,944,729 | 166,983,905 | 1,087,928,634 |
| Term deposits | **507,739,932** | **268,091,620** | **775,831,552** | 508,608,226 | 259,883,774 | 768,492,000 |
| Others | **52,596,088** | **6,944** | **52,603,032** | 11,713,858 | 6,711 | 11,720,569 |
| | **2,998,615,895** | **597,967,624** | **3,596,583,519** | 3,064,175,575 | 577,261,212 | 3,641,436,787 |
| **Financial Institutions** | | | | | | |
| Current deposits | **236,313,420** | **817,795** | **237,131,215** | 169,952,266 | 836,653 | 170,788,919 |
| Current deposits - Remunerative | **3,059,513** | **-** | **3,059,513** | 4,215,100 | - | 4,215,100 |
| Savings deposits | **34,991,747** | **-** | **34,991,747** | 32,225,617 | 4,214,835 | 36,440,452 |
| Term deposits | **10,533,433** | **8,950,768** | **19,484,201** | 8,683,690 | 3,999,936 | 12,683,626 |
| Others | **-** | **298** | **298** | - | - | - |
| | **284,898,113** | **9,768,861** | **294,666,974** | 215,076,673 | 9,051,424 | 224,128,097 |
| | **3,283,514,008** | **607,736,485** | **3,891,250,493** | 3,279,252,248 | 586,312,636 | 3,865,564,883 |

**18.1** Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 120,192 million (December 31, 2024: Rs. 104,461 million).

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) --------- | |

## 19. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

| | | |
|---|---|---|
| Outstanding amount at the start of the year | **8,030,117** | 8,264,782 |
| Additions during the year | **1,320,850** | 1,604,213 |
| Lease payments including interest | **(682,072)** | (2,746,757) |
| Interest expense | **282,667** | 994,407 |
| Exchange difference | **14,433** | (86,528) |
| Closure of branch | | - |
| Outstanding amount at the end of the year | **8,965,995** | 8,030,117 |

**Liabilities Outstanding**

| | | |
|---|---|---|
| Less than one year | **1,635,338** | 1,608,757 |
| One to five years | **4,669,638** | 4,262,238 |
| Five to Ten Years | **1,948,523** | 1,479,550 |
| More than Ten Years | **712,494** | 679,572 |
| Total undiscounted lease liabilities | **8,965,994** | 8,030,117 |

## 20. OTHER LIABILITIES

| | | | |
|---|---|---|---|
| Mark-up / return / interest payable in local currency | | **110,872,971** | 198,302,520 |
| Mark-up / return / interest payable in foreign currencies | | **1,138,471** | 2,126,296 |
| Unearned commission and income on bills discounted | | **369,345** | 316,175 |
| Accrued expenses | | **15,371,784** | 15,235,759 |
| Advance payments | | **320,326** | 335,630 |
| Current taxation (provisions less payments) | | **41,561,390** | 14,337,001 |
| Unclaimed dividends | | **173,523** | 173,632 |
| Mark to market loss on forward foreign exchange contracts | | **-** | 379,658 |
| Dividends payable | | **17,020,105** | - |
| Branch adjustment account | | **974,919** | 3,772,016 |
| Payable to defined benefit plan: | | | |
| Pension fund | | **75,309,851** | 75,638,568 |
| Post retirement medical benefits | | **41,028,468** | 39,745,198 |
| Benevolent fund | | **1,844,197** | 1,882,384 |
| Gratuity scheme | | **4,916,291** | 4,852,558 |
| Compensated absences | | **10,203,470** | 10,227,411 |
| Staff welfare fund | | **371,257** | 371,257 |
| Liabilities relating to Barter trade agreements | | **4,300,363** | 4,280,203 |
| Credit loss allowance against off-balance sheet obligations | 20.2 | **10,618,117** | 1,726,164 |
| Provision against contingencies | 20.1 | **5,737,162** | 5,343,606 |
| Payable to brokers | | **135,508** | 30,288 |
| PIBs short selling | | **491,661** | - |
| Acceptances | | **13,935,811** | 9,580,543 |
| Others | | **19,514,557** | 20,113,803 |
| | | **376,209,547** | 408,770,670 |

### 20.1 Provision against contingencies

| | | |
|---|---|---|
| Opening balance | **5,343,606** | 4,698,118 |
| Charge during the year | **108,674** | 426,424 |
| Other movement | **284,882** | 219,064 |
| Closing balance | **5,737,162** | 5,343,606 |

### 20.2 Credit loss allowance against off-balance sheet obligations

| | | |
|---|---|---|
| Opening balance | **1,726,164** | 627,494 |
| Impact of adoption of IFRS-9 | **2,155** | 4,049,283 |
| Reversals the year | **(8,007)** | (669,509) |
| Transfer in / (out) | **8,897,805** | (2,281,104) |
| Closing balance | **10,618,117** | 1,726,164 |

| | | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|---|
| **21.** | **SURPLUS ON REVALUATION OF ASSETS** | | ---------- Rupees in '000 ---------- | |
| | Surplus on revaluation of | | | |
| | - Securities measured at FVOCI Debt | 9.1 | **30,024,908** | 50,319,905 |
| | - Securities measured at FVOCI Equity | | **87,407,472** | 94,898,376 |
| | - Fixed assets | | **49,303,882** | 49,394,599 |
| | - Non-banking assets | | **2,993,681** | 2,995,046 |
| | | | **169,729,943** | 197,607,926 |
| | Deferred tax on surplus on revaluation of: | | | |
| | - Securities measured at FVOCI / AFS-Debt | | **(15,612,952)** | (26,166,351) |
| | - Securities measured at FVOCI / AFS-Equity | | **(45,451,885)** | (49,347,156) |
| | - Fixed assets | | **(3,726,607)** | (3,773,779) |
| | - Non-banking assets | | **(118,215)** | (118,215) |
| | | | **(64,909,659)** | (79,405,501) |
| | | | **104,820,284** | 118,202,425 |
| **22.** | **CONTINGENCIES AND COMMITMENTS** | | | |
| | Guarantees | 22.1 | **509,492,548** | 513,080,260 |
| | Commitments | 22.2 | **2,579,385,691** | 2,319,154,517 |
| | Other contingent liabilities | 22.3 | **24,919,585** | 26,536,608 |
| | | | **3,113,797,824** | 2,858,771,385 |
| **22.1** | **Guarantees** | | | |
| | Financial guarantees | | **470,507,306** | 461,985,681 |
| | Performance guarantees | | **38,985,242** | 51,094,580 |
| | | | **509,492,548** | 513,080,260 |
| **22.2** | **Commitments** | | | |
| | Documentary credits and short-term trade-related transactions | | | |
| | - letters of credit | | **1,568,349,515** | 1,585,818,397 |
| | Commitments in respect of: | | | |
| | - forward foreign exchange contracts | 22.2.1 | **699,575,555** | 637,181,340 |
| | - forward government securities transactions | 22.2.2 | **295,290,272** | 79,587,535 |
| | - forward lending | 22.2.3 | **15,316,027** | 15,467,596 |
| | Commitments for acquisition of: | | | |
| | - operating fixed assets | | **837,314** | 1,082,641 |
| | Other commitments | 22.2.4 | **17,008** | 17,008 |
| | | | **2,579,385,691** | 2,319,154,517 |
| **22.2.1** | **Commitments in respect of forward foreign exchange contracts** | | | |
| | Purchase | | **459,970,534** | 419,040,101 |
| | Sale | | **239,605,021** | 218,141,239 |
| | | | **699,575,555** | 637,181,340 |

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated condensed interim 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.

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **22.2.2 Commitments in respect of forward government securities transactions** | | |
| Purchase | **275,348,331** | 74,167,535 |
| Sale | **19,941,940** | 5,420,000 |
| | **295,290,272** | 79,587,535 |

Commitments for outstanding forward government securities transactions are disclosed in these unconsolidated condensed interim financial statements at contracted rates.

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **22.2.3 Commitments in respect of forward lending** | | |
| Undrawn formal standby facilities, credit lines and other commitment to lend | **15,316,027** | 15,467,596 |

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.

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **22.2.4 Other commitments** | | |
| Professional services to be received | **17,008** | 17,008 |
| **22.3 Other contingent liabilities** | | |
| **22.3.1** Claims against the Bank not acknowledged as debt | **24,919,585** | 26,536,608 |

Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2024: Rs. 1,597 million).

Moreover, these claims also represent counter claims by the borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, the management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

**22.3.2 Taxation**

As at March 31, 2025, the status of tax contingencies disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2024 is same except for that Assessment for the Tax Year 2024 has been finalised and certain add backs by Taxation Officer are being aggitated at Appelate Forum

**22.3.3 Contingencies in respect of employees benefits and related matters**

As at March 31,2025, the status of contingencies in respect of employees benefits including pension and other related matters are same as disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2024.

| | (Un-audited) | |
|---|---|---|
| | Quarter ended | |
| | **March 31, 2025** | March 31, 2024 |
| | ---------- (Rupees in '000) ---------- | |
| **23. MARK-UP / RETURN / INTEREST EARNED** | | |
| On: | | |
| Loans and advances | **51,863,444** | 56,375,559 |
| Investments | **159,579,400** | 215,272,819 |
| Lendings to financial institutions | **1,050,485** | 2,478,244 |
| Balances with banks | **620,749** | 856,140 |
| | **213,114,078** | 274,982,762 |
| **24. MARK-UP / RETURN / INTEREST EXPENSED** | | |
| On: | | |
| Deposits | **73,601,374** | 115,483,222 |
| Borrowings | **1,474,316** | 1,891,891 |
| Cost of foreign currency swaps against foreign currency deposits | **1,838,153** | 3,667,439 |
| Finance Charges lease liability against right of use assets | **282,667** | 225,190 |
| Securities sold under repurchase agreements | **66,329,846** | 124,734,681 |
| | **143,526,356** | 246,002,423 |
| **25. FEE AND COMMISSION INCOME** | | |
| Branch banking customer fees | **478,000** | 468,985 |
| Consumer finance related fees | **252,719** | 169,078 |
| Card related fees | **1,740,818** | 1,254,346 |
| Credit related fees | **102,394** | 93,036 |
| Investment banking fees | **110,296** | 39,084 |
| Commission on trade | **457,980** | 741,581 |
| Commission on guarantees | **544,399** | 349,988 |
| Commission on cash management | **11,210** | 12,573 |
| Commission on remittances including home remittances | **74,399** | 375,960 |
| Commission on bancassurance | **68,520** | 34,648 |
| Commission on government transactions | **3,551,943** | 2,030,970 |
| Others | **12,395** | 12,542 |
| | **7,405,073** | 5,582,791 |

| | | Note | (Un-audited) Quarter ended March 31, 2025 | March 31, 2024 |
|---|---|---|---|---|
| | | | ---------- (Rupees in '000) ---------- | |
| **26.** | **GAIN ON SECURITIES - NET** | | | |
| | Realized | 26.1 | **1,144,856** | 2,742,081 |
| | Unrealised - Measured at FVTPL | 9.1 | **(1,257,118)** | 1,660,694 |
| | Unrealized - Short selling | | **-** | 9,131 |
| | | | **(112,262)** | 4,411,906 |
| **26.1** | **Realized gain on** | | | |
| | Federal Government Securities | | **824,163** | 1,882,955 |
| | Shares | | **219,054** | 851,941 |
| | Ijarah Sukuks | | **101,639** | 7,185 |
| | | | **1,144,856** | 2,742,081 |
| **26.2** | **Net gain / loss on financial assets / liabilities measured at FVTPL:** | | | |
| | Designated upon initial recognition | | **(1,249,290)** | (33,691) |
| | Mandatorily measured at FVTPL | | **(7,828)** | 1,694,385 |
| | | | **(1,257,118)** | 1,660,694 |
| **27.** | **OTHER INCOME** | | | |
| | Rent on properties | | **27,167** | 11,785 |
| | Gain on sale of fixed assets - net | | **822** | 1,330 |
| | Insurance Claim | | **68,491** | - |
| | Swift share allocation | | **22,256** | - |
| | Others | | **264,558** | 50,007 |
| | | | **383,294** | 63,122 |

| | | (Un-audited) Quarter ended March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **28.** | **OPERATING EXPENSES** | | |
| | **Total compensation expenses** | **18,701,197** | 14,392,838 |
| | **Property expenses** | | |
| | Rent and taxes | **220,393** | 336,735 |
| | Insurance | **9,921** | 9,449 |
| | Utilities cost | **545,502** | 574,582 |
| | Security (including guards) | **1,073,229** | 955,694 |
| | Repair and maintenance (including janitorial charges) | **467,923** | 350,854 |
| | Depreciation | **147,520** | 119,733 |
| | Depreciation on non banking assets | **17,539** | 4,479 |
| | Depreciation on Ijarah assets | **-** | - |
| | Depreciation on right of use assets | **451,613** | 480,730 |
| | | **2,933,640** | 2,832,256 |
| | **Information technology expenses** | | |
| | Software maintenance | **659,689** | 716,087 |
| | Hardware maintenance | **35,190** | 40,328 |
| | Depreciation | **406,349** | 126,260 |
| | Amortisation | **137,704** | 112,557 |
| | Network charges | **306,322** | 214,988 |
| | IT Manage Services | **430,985** | 117,998 |
| | | **1,976,239** | 1,328,218 |

| | (Un-audited) | |
|---|---|---|
| | Quarter ended | |
| | **March 31, 2025** | March 31, 2024 |
| | ---------- (Rupees in '000) ---------- | |
| **Other operating expenses** | | |
| Directors' fees and reimbursement of other expenses | **14,848** | 25,064 |
| Fees and allowances to Shariah Board | **5,306** | 4,191 |
| Legal and professional charges | **280,266** | 414,006 |
| Outsourced services costs | **402,393** | 214,313 |
| Travelling and conveyance | **308,324** | 332,648 |
| NIFT clearing charges | **61,856** | 50,818 |
| Depreciation | **441,712** | 352,755 |
| Training and development | **39,265** | 14,997 |
| Postage and courier charges | **86,248** | 34,096 |
| Communication | **448,491** | 191,482 |
| Stationery and printing | **362,260** | 297,857 |
| Marketing, advertisement and publicity | **392,999** | 130,958 |
| Donations | **-** | 5,509 |
| Auditors' remuneration | **69,014** | 68,082 |
| Entertainment | **107,104** | 89,430 |
| Clearing, verification, license fee charges | **86,653** | 65,346 |
| Brokerage | **35,036** | 34,330 |
| Financial charges on leased assets | **39,544** | 23,504 |
| Insurance | **199,529** | 183,026 |
| Vehicle expenses | **59,510** | 63,817 |
| Repairs and maintenance | **380,821** | 306,103 |
| Deposit premium expense | **405,511** | 348,216 |
| Others | **353,157** | 159,912 |
| | **4,579,847** | 3,410,460 |
| | **28,190,923** | 21,963,772 |

## 29. OTHER CHARGES

| | | |
|---|---|---|
| Penalties imposed by State Bank of Pakistan | **11,790** | 10,891 |
| Penalties imposed by other regulatory bodies of overseas branches | **-** | - |
| | **11,790** | 10,891 |

## 30. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

| | | | |
|---|---|---|---|
| Credit loss allowance for diminution in value of investments | 9.2 | **505,316** | (1,277,705) |
| Credit loss allowance against loans and advances | 10.4 | **5,617,077** | 342,932 |
| Provision held against other assets | 15.1.1 | **295,868** | (15,015) |
| Provision against contingencies | 20.1 | **108,674** | 19,351 |
| Credit loss allowance against balances with other banks | | **1** | - |
| Credit loss allowance against balances with other centeral bank | | **2,499** | |
| Credit loss allowance against markup receivable | | **(127,628)** | 134,584 |
| Credit loss allowance against off balance Sheet | | **(8,007)** | 130,722 |
| | | **6,393,800** | (665,131) |

| | | (Un-audited) Quarter ended | |
|---|---|---|---|
| | | **March 31, 2025** | March 31, 2024 |
| **31.** | **TAXATION** | ---------- (Rupees in '000) ---------- | |
| | Current | | |
| | For the period | **27,528,076** | 10,551,803 |
| | Prior years | **-** | - |
| | | **27,528,076** | 10,551,803 |
| | Deferred | | |
| | For the period | **(2,888,971)** | (115,469) |
| | Prior years | **-** | - |
| | | **(2,888,971)** | (115,469) |
| | | **24,639,105** | 10,436,334 |

**32. EARNINGS PER SHARE - BASIC AND DILUTED**

| | | |
|---|---|---|
| Profit for the period (Rupees in 000's) | **21,449,104** | 10,722,535 |
| Weighted average number of ordinary shares (in 000's) | **2,127,513** | 2,127,513 |
| (Loss) / Earnings per share - basic and diluted (Rupees) | **10.08** | 5.04 |

**32.1** Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

| | | | (Un-audited) Quarter ended | |
|---|---|---|---|---|
| | | | **March 31, 2025** | March 31, 2024 |
| **33.** | **CASH AND CASH EQUIVALENTS** | **Note** | ---------- (Rupees in '000) ---------- | |
| | Cash and balances with treasury banks | 6 | **307,401,453** | 407,595,369 |
| | Balances with other banks | 7 | **48,561,955** | 29,111,352 |
| | Call money lendings | 8 | **-** | 9,723 |
| | Call money borrowings | 17 | **(16,947,618)** | (19,861,821) |
| | Overdrawn nostro | 17 | **(56,743)** | (571,868) |
| | | | **338,959,047** | 416,282,755 |

**34. FAIR VALUE MEASUREMENTS**

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

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

**34.1 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 analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

| | March 31, 2025 (Un-audited) | | | | |
|---|---|---|---|---|---|
| | 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 | **1,220,740,293** | **-** | **1,220,740,293** | **-** | **1,220,740,293** |
| - Pakistan Investment Bonds | **2,907,197,842** | **-** | **2,907,197,842** | **-** | **2,907,197,842** |
| - GOP Ijarah Sukuks | **166,518,580** | **131,245,049** | **35,273,531** | **-** | **166,518,580** |
| - Foreign Currency Debt securities | **20,360,250** | **-** | **20,360,250** | **-** | **20,360,250** |
| **Ordinary Shares** | | | | | |
| - Listed Companies | **99,431,669** | **99,431,669** | **-** | **-** | **99,431,669** |
| **Preference shares** | | | | | |
| - Listed | **1,193,856** | **1,193,856** | **-** | **-** | **1,193,856** |
| **Non-Government debt securities** | | | | | |
| - Term Finance Certificates and Sukuk Bonds | **40,467,819** | **14,529,027** | **25,938,792** | **-** | **40,467,819** |
| **Mutual Fund units** | **4,566,136** | **-** | **4,566,136** | **-** | **4,566,136** |
| **Foreign Securities** | | | | | |
| - Government debt securities | **1,333,841** | **-** | **1,333,841** | **-** | **1,333,841** |
| - Equity Securities - Listed | **49,505,009** | **49,505,009** | **-** | **-** | **49,505,009** |
| | **4,511,315,295** | **295,904,610** | **4,215,410,685** | **-** | **4,511,315,295** |
| **Financial assets - disclosed but not measured at fair value** | | | | | |
| **Investments** | | | | | |
| **Federal Government Securities** | | | | | |
| - Pakistan Investment Bonds | **213,047,542** | **-** | **205,114,405** | **-** | **205,114,405** |
| - Ijarah Sukuks | **19,049,170** | | **19,224,300** | | **19,224,300** |
| - Foreign Currency Debt securities | **6,216,289** | **-** | **7,104,331** | **-** | **7,104,331** |
| **Foreign Securities** | | | | | |
| - Government debt securities | **36,912,704** | **-** | **36,658,177** | **-** | **36,658,177** |
| - Non-Government debt securities | **1,076** | **-** | **1,076** | **-** | **1,076** |
| | **275,226,781** | **-** | **268,102,289** | **-** | **268,102,289** |
| | **4,786,542,076** | **295,904,610** | **4,483,512,974** | **-** | **4,779,417,584** |
| **Off-balance sheet financial** | | | | | |
| **Commitments** | | | | | |
| Foreign exchange contracts purchase | **699,575,555** | **-** | **200,611** | **-** | **200,611** |
| Forward government securities transactions | **295,290,272** | **-** | **23,201** | **-** | **23,201** |

| | December 31, 2024 (Audited) | | | | |
|---|---|---|---|---|---|
| | 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 |
| - 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 |
| **Mutual Fund units** | 8,126,541 | 2,994,767 | 5,131,774 | - | 8,126,541 |
| **Non-Government debt securities** | | | | | |
| - Term Finance Certificates and Sukuk Bonds | 42,378,187 | 18,111,177 | 24,267,010 | - | 42,378,187 |
| **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 |

| | December 31, 2024 (Audited) | | | | |
|---|---|---|---|---|---|
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| | (Rupees in '000) | | | | |
| **Financial assets - disclosed but not measured at fair value** | | | | | |
| **Investments** | | | | | |
| **Federal Government Securities** | | | | | |
| - Market Treasury Bills | - | - | - | - | - |
| - 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 | 4,355,544,505 | - | 4,600,010,664 |
| **Off-balance sheet financial** | | | | | |
| Foreign exchange contracts purchase | 637,181,340 | - | (379,658) | - | (379,658) |
| Forward government securities | 79,587,535 | - | (774,179) | - | (774,179) |

**Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3**

| | **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 / Pakistan Stock Exchange |
| 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. |
| Foreign Securities | The fair value of foreign securities is determined using the prices from Reuter page. |
| Forward foreign exchange contracts and 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 condensed interim financial statements. |

## 34.2 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:

| | **March 31, 2025 (Un-audited)** | | | | |
|---|---|---|---|---|---|
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| | (Rupees in '000) | | | | |
| Land and building(fixed assets) | **54,317,917** | **-** | **-** | **54,317,917** | **54,317,917** |
| Non-banking assets acquired in satisfaction of claims | **4,130,576** | **-** | **-** | **4,130,576** | **4,130,576** |
| | **58,448,493** | **-** | **-** | **58,448,493** | **58,448,493** |

| | December 31, 2024 (Audited) | | | | |
|---|---|---|---|---|---|
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| | (Rupees in '000) | | | | |
| Land and 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 |

## 35. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

| | Three months period ended March 31, 2025 (Un-audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate & Investment Banking | Treasury | International, Financial Institution and Remittance | Atimaad & Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Profit and loss account** | | | | | | | | | | |
| Net mark-up / return / interest income / (expense) | (52,181,439) | 12,786,947 | 2,513,234 | 96,935,992 | 802,142 | 7,584,327 | 1,146,519 | 69,587,722 | - | 69,587,722 |
| Inter segment revenue - net | 70,718,912 | (9,040,167) | 4,337,565 | (65,125,144) | - | (3,565,775) | 2,674,609 | (0) | - | (0) |
| Non mark-up / return / interest income | 6,003,285 | 131,022 | 1,633,889 | 2,965,102 | 508,747 | 74,820 | (219,865) | 11,097,000 | - | 11,097,000 |
| Total income | 24,540,759 | 3,877,802 | 8,484,688 | 34,775,950 | 1,310,889 | 4,093,372 | 3,601,263 | 80,684,722 | - | 80,684,722 |
| Segment direct expenses | 11,265,508 | 123,348 | 335,661 | 123,567 | 1,872,398 | 1,021,645 | 101,918 | 14,844,044 | - | 14,844,044 |
| Inter segment expense allocation | - | - | - | - | - | - | 13,358,669 | 13,358,669 | - | 13,358,669 |
| Total expenses | 11,265,508 | 123,348 | 335,661 | 123,567 | 1,872,398 | 1,021,645 | 13,460,587 | 28,202,714 | - | 28,202,714 |
| Credit loss allowance | 329,903 | 1,411,586 | 1,372,778 | 1 | 338,435 | 737,782 | 2,203,315 | 6,393,800 | - | 6,393,800 |
| Profit / (loss) before taxation | 12,945,348 | 2,342,867 | 6,776,249 | 34,652,382 | (899,944) | 2,333,946 | (12,062,639) | 46,088,208 | - | 46,088,207 |

| | As at March 31, 2025 (Un-audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate & Investment Banking | Treasury | International, Financial Institution and Remittance | Atimaad & Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Statement of financial position** | | | | | | | | | | |
| Cash and balances with treasury and other banks | 88,245,076 | 6,529,320 | 388,182 | 194,672,627 | 42,877,540 | 23,250,664 | - | 355,963,408 | - | 355,963,408 |
| Investments | - | - | 17,482,440 | 4,509,769,941 | 64,859,525 | 198,611,174 | 2,358,929 | 4,793,082,010 | - | 4,793,082,010 |
| Net inter segment lending | 2,685,820,091 | - | - | - | - | - | 413,458,807 | 3,099,278,899 | (3,099,278,899) | - |
| Lendings to financial institutions | - | - | - | 73,522,788 | - | - | - | 73,522,788 | - | 73,522,789 |
| Advances - performing | 260,626,953 | 210,397,161 | 677,626,916 | - | 68,765,371 | 130,449,451 | (2,013,813) | 1,345,852,039 | - | 1,345,852,039 |
| Advances - non-performing | 4,807,591 | 29,324,123 | 25,344,700 | - | 61,253,882 | 1,985,998 | 99,215,754 | 221,932,048 | - | 221,932,048 |
| Credit allowance against Advances | (5,640,119) | (31,566,771) | (62,393,598) | - | (76,517,780) | (3,425,385) | (102,426,825) | (281,970,478) | - | (281,970,478) |
| Advances - Net | 259,794,424 | 208,154,514 | 640,578,018 | - | 53,501,473 | 129,010,064 | (5,224,884) | 1,285,813,609 | - | 1,285,813,609 |
| Others | 42,559,876 | 3,165,943 | 27,626,023 | 90,293,310 | 6,677,026 | 10,265,595 | 141,219,817 | 321,807,591 | - | 321,807,591 |
| **Total assets** | 3,076,419,468 | 217,849,776 | 686,074,662 | 4,868,258,666 | 167,915,565 | 361,137,497 | 551,812,670 | 9,929,468,305 | (3,099,278,899) | 6,830,189,407 |
| Borrowings | - | 6,569,139 | 52,370,933 | 2,005,893,037 | 16,947,618 | - | - | 2,081,780,727 | - | 2,081,780,727 |
| Deposits and other accounts | 2,974,443,573 | - | 532,643,614 | - | 120,191,677 | 260,268,644 | 3,702,985 | 3,891,250,493 | - | 3,891,250,493 |
| Net inter segment borrowing | - | 203,739,716 | 73,454,640 | 2,695,886,289 | 30,395,067 | 95,803,187 | - | 3,099,278,898 | (3,099,278,898) | - |
| Others | 101,975,895 | 7,540,922 | 27,604,213 | 26,978,034 | 3,182,970 | 4,044,407 | 244,565,920 | 415,892,361 | - | 415,892,361 |
| **Total liabilities** | 3,076,419,468 | 217,849,777 | 686,073,400 | 4,728,757,360 | 170,717,332 | 360,116,238 | 248,268,905 | 9,488,202,479 | (3,099,278,898) | 6,388,923,581 |
| Equity | - | - | 1,262 | 139,501,306 | (2,801,767) | 1,021,259 | 303,543,765 | 441,265,825 | - | 441,265,825 |
| **Total equity and liabilities** | 3,076,419,468 | 217,849,777 | 686,074,662 | 4,868,258,666 | 167,915,565 | 361,137,498 | 551,812,669 | 9,929,468,304 | (3,099,278,898) | 6,830,189,406 |
| **Contingencies and commitments** | - | 80,382,128 | 1,965,573,008 | 1,010,181,854 | 18,747,249 | - | 38,913,585 | 3,113,797,824 | - | 3,113,797,824 |

| | Three months ended March 31, 2024 (Un-audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate & Investment Banking | Treasury | International, Financial Institution and Remittance | Atimaad & Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Profit and loss account** | | | | | | | | | | |
| Net mark-up / return / interest income / (expense) | (90,200,934) | 9,243,938 | 251,229 | 105,644,993 | 3,056,778 | | 984,336 | 28,980,340 | - | 28,980,340 |
| Inter segment revenue - net | 123,260,264 | (10,704,447) | 1,576,071 | (120,246,452) | - | | 6,114,565 | - | - | - |
| Non mark-up / return / interest income | 4,183,351 | 126,492 | 1,558,709 | 7,249,888 | 214,454 | | 155,168 | 13,488,062 | - | 13,488,062 |
| Total income | 37,242,681 | (1,334,017) | 3,386,009 | (7,351,571) | 3,271,232 | - | 7,254,069 | 42,468,404 | - | 42,468,402 |
| | | | | | | | | - | - | |
| Segment direct expenses | 9,921,106 | 103,111 | 309,598 | 90,929 | 2,322,734 | - | 909,500 | 13,656,978 | - | 13,656,978 |
| Inter segment expense allocation | - | - | - | - | - | - | 8,317,685 | 8,317,685 | - | 8,317,685 |
| Total expenses | 9,921,106 | 103,111 | 309,598 | 90,929 | 2,322,734 | - | 9,227,185 | 21,974,663 | - | 21,974,663 |
| Credit loss allowance / provisions and write offs - net | 51,861 | 579,507 | 550,665 | - | (121,579) | - | (1,725,586) | (665,132) | - | (665,132) |
| Profit / (loss) before taxation | 27,269,714 | (2,016,635) | 2,525,746 | (7,442,500) | 1,070,077 | - | (247,531) | 21,158,869 | - | 21,158,869 |

| | As at December 31, 2024 (Audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate & Investment Banking | Treasury | International, Financial Institution and Remittance | Atimaad & Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Statement of financial position** | | | | | | | | | | |
| Cash and balances with treasury and other banks | 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 |
| Advances - 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 | 589,729,792 | - | 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** | 3,049,157,672 | 366,925,651 | 655,332,546 | 4,677,112,571 | 192,020,684 | 333,415,190 | 525,300,229 | 9,799,264,542 | (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 | - | 483,805,003 |
| **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 | 9,799,264,540 | (3,055,186,288) | 6,744,078,252 |
| | | | | | | | | | | |
| **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 |

## 36. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, employee benefit plans and its directors and key management personnel. The details of investment in subsidiary companies and associated undertaking and their provisions are stated in note 9 of the unconsolidated condensed interim financial statements of the Bank.

The Banks 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 period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

| | As at March 31, 2025 (Un-audited) | | | | | | | | As at December 31, 2024 (Audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Directors | Key management personnel | Subsidiaries | Associates | Pension Fund (Current) | Pension Fund (N.I.D.A A/c) | Provident Fund | Other related parties | Directors | Key management personnel | Subsidiaries | Associates | Pension Fund (Current) | Pension Fund (N.I.D.A A/c) | Provident Fund | Other related parties |
| | (Rupees in '000) | | | | | | | | | | | | | | | |
| Balances with other banks | | | | | | | | | | | | | | | | |
| In current accounts | - | - | - | - | - | - | - | 14,187 | - | - | - | - | - | - | - | 279,616 |
| | - | - | - | - | - | - | - | 14,187 | - | - | - | - | - | - | - | 279,616 |
| Investments | | | | | | | | | | | | | | | | |
| Opening balance | - | - | - | - | - | - | - | 100 | - | - | - | - | - | - | - | 4,921,177 |
| Investment made during the period / year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment redeemed / disposed off during the period / year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer in / (out) - net | | | | | | | | 1,190,129 | - | - | - | - | - | - | - | (4,921,077) |
| Closing balance | - | - | - | - | - | - | - | 1,190,229 | - | - | - | - | - | - | - | 100 |
| Credit loss allowance for diminution in value of investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 100 |
| Advances | | | | | | | | | | | | | | | | |
| Opening balance | - | 258,612 | 452,063 | 183,172 | - | - | - | - | - | 265,788 | 317,063 | 2,540,453 | - | - | - | - |
| Addition during the period / year | - | 8,393 | - | - | - | - | - | - | - | 75,194 | 135,000 | - | - | - | - | - |
| Repaid during the period / year | - | (14,470) | (60,000) | - | - | - | - | - | - | (99,509) | - | (2,357,281) | - | - | - | - |
| Transfer in / (out) - net | - | - | - | - | - | - | - | 23,125,356 | - | 17,139 | - | | - | - | - | - |
| Closing balance | - | 252,535 | 392,063 | 183,172 | - | - | - | 23,125,356 | - | 258,612 | 452,063 | 183,172 | - | - | - | - |
| Credit loss allowance held against advances | - | - | 217,063 | 183,172 | - | - | - | - | - | - | 217,063 | 183,172 | - | - | - | - |

| | As at March 31, 2025 (Un-audited) | | | | | | | | As at December 31, 2024 (Audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Directors | Key management personnel | Subsidiaries | Associates | Pension Fund (Current) | Pension Fund (N.I.D.A A/c) | Provident Fund | Other related parties | Directors | Key management personnel | Subsidiaries | Associates | Pension Fund (Current) | Pension Fund (N.I.D.A A/c) | Provident Fund | Other related parties |
| | (Rupees in '000) | | | | | | | | | | | | | | | |
| **Other Assets** | | | | | | | | | | | | | | | | |
| Interest / mark-up accrued | | | 2,249 | | | | | | - | - | 7,336 | - | - | - | - | - |
| Other receivable | | | 2,027 | | | | | | - | - | 3,155 | - | - | - | - | |
| Commission paid in advance | | | | | | | | | - | - | - | - | - | - | - | 4,582 |
| Rent and utility receivable | | | 103,862 | | | | | | - | - | 103,862 | 8,370 | - | - | - | - |
| Dividend receivable | | | | | | | | | - | - | - | - | - | - | - | - |
| | - | - | 108,138 | - | - | - | - | - | - | - | 114,353 | 8,370 | - | - | - | 4,582 |
| Credit loss allowance against other assets | - | | 103,862 | | - | - | - | - | - | - | 103,862 | - | - | - | - | - |
| **Borrowings** | | | | | | | | | | | | | | | | |
| Opening balance | - | - | - | - | - | - | - | 575,442 | - | - | - | - | - | - | - | 546,209 |
| Borrowings during the period / year | - | - | - | - | - | - | - | (573,189) | - | - | - | - | - | - | - | 29,232 |
| Settled during the period / year | - | - | - | - | - | - | - | | - | - | - | - | - | - | - | - |
| Closing balance | - | - | - | - | - | - | - | 2,253 | - | - | - | - | - | - | - | 575,442 |
| **Deposits and other accounts** | | | | | | | | | | | | | | | | |
| Opening balance | 21,088 | 96,414 | 352,585 | 77,968 | 87,283 | 268,614 | 14,199,204 | 4,528,343 | 3,630 | 72,801 | 1,249,465 | 145,790 | 100 | 378,978 | 13,563,087 | 9,245,132 |
| Received during the period / year | 3,127 | 363,855 | 760,949 | | 15,217,161 | 7,858,110 | 221,181 | 34,295,861 | 37,179 | 1,270,799 | 26,937 | - | 36,502,461 | 6,363,285 | 3,417,472 | 120,594,671 |
| Withdrawn during the period / year | (3,359) | (349,530) | (9,858) | (9,002) | (15,285,904) | (6,696,268) | (303,070) | (36,266,639) | (19,721) | (1,244,645) | (923,817) | (67,822) | (36,415,278) | (6,473,650) | (2,781,356) | (124,055,441) |
| Transfer in / (out) - net* | | 465 | | | | | | 55,018 | - | (2,542) | - | - | - | - | - | (1,256,020) |
| Closing balance | 20,855 | 111,204 | 1,103,676 | 68,966 | 18,541 | 1,430,456 | 14,117,315 | 2,612,583 | 21,088 | 96,414 | 352,585 | 77,968 | 87,283 | 268,614 | 14,199,204 | 4,528,343 |
| **Other Liabilities** | | | | | | | | | | | | | | | | |
| Interest / mark-up payable | 210 | 1,456 | 16,694 | 4,454 | | 28,960 | | - | 418 | 2,491 | 42,643 | 8,759 | - | 73,809 | - | - |
| Other liabilities | | | 2,637 | | | | | | - | - | - | - | - | - | - | - |
| Brokerage | | | | | | | | | - | - | 9,738 | - | - | - | - | - |
| | 210 | 1,456 | 19,331 | 4,454 | - | 28,960 | - | - | 418 | 2,491 | 52,381 | 8,759 | - | 73,809 | - | - |
| **Contingencies and commitments** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

* Transfer in / (out) - net due to retirement / appointment of directors and changes in key management executives.

| | For the three months ended March 31, 2025 (Un-audited) | | | | | | | For the three months ended March 31, 2024 (Un-audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Directors | Key management personnel | Subsidiaries | Associates | Pension Fund | Provident Fund | Others | Directors | Key management personnel | Subsidiaries | Associates | Joint venture | Pension Fund | Provident Fund | Others |
| | (Rupees in '000) | | | | | | | | | | | | | | |
| **Income** | | | | | | | | | | | | | | | |
| Mark-up / return / interest earned | - | **1,783** | **2,249** | - | - | - | **125,074** | - | 2,027 | 697 | - | - | - | - | 99,426 |
| Commission | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividend income | - | - | - | **2,219** | - | - | **68,657** | - | - | - | - | - | - | - | 29,700 |
| Rent income / lighting and power and bank charges | - | - | **2,482** | **1,851** | - | - | **5,257** | - | - | 4,641 | 1,816 | - | - | - | 5,257 |
| **Expense** | | | | | | | | | | | | | | | |
| Mark-up / return / interest paid | **978** | **3,103** | **40,461** | **4,137** | **102,653** | **466,082** | **501,365** | 407 | 3,723 | 64,098 | 50,307 | 7,564 | 38,382 | 506,887 | 271,220 |
| Expenses paid to company in which Directors of the bank is interested as director | - | - | - | - | - | - | **247,500** | - | - | - | - | - | - | - | 484,697 |
| Remuneration to key management executives including charge for defined benefit plan | - | **212,797** | - | - | - | - | - | - | 165,131 | - | - | - | - | - | - |
| Commission paid to subsidiaries | - | - | **24,324** | - | - | - | - | - | - | 4,040 | - | - | - | - | - |
| Directors fee & other allowances | **14,848** | - | - | - | - | - | - | 25,064 | - | - | - | - | - | - | - |

## 36.1 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 services to Government–related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 3,552 million (March 31, 2024: Rs. 2,031 million) for the three months ended March 31, 2025. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government–related entities amounted to Rs 624,914 million (December 31, 2024: Rs. 620,914 million), Rs.1,896,515 million (December 31, 2024: Rs. 1,864,349 million) and Rs. 1,773,880 million (December 31, 2024: Rs.1,798,996 million) respectively and income earned on advances and profit paid on deposits amounted to Rs 16,955 million (March 31, 2024: Rs. 19,249 million) and Rs. 69,283 million (March 31, 2024 Rs. 46,010 million) respectively.

## 37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (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 | **350,440,769** | 353,929,600 |
| Eligible Additional Tier 1 (ADT 1) Capital | **-** | - |
| Total Eligible Tier 1 Capital | **350,440,769** | 353,929,600 |
| Eligible Tier 2 Capital | **116,138,241** | 125,894,908 |
| Total Eligible Capital (Tier 1 + Tier 2) | **466,579,010** | 479,824,508 |
| Risk Weighted Assets (RWAs): | | |
| Credit Risk | **1,135,473,876** | 1,218,349,551 |
| Market Risk | **147,900,353** | 147,806,086 |
| Operational Risk | **359,905,031** | 359,905,031 |
| Total | **1,643,279,261** | 1,726,060,668 |
| Common Equity Tier 1 Capital Adequacy ratio | **21.33%** | 20.51% |
| Tier 1 Capital Adequacy Ratio | **21.33%** | 20.51% |
| Total Capital Adequacy Ratio | **28.39%** | 27.80% |
| **Leverage Ratio (LR):** | | |
| Eligible Tier-1 Capital | **350,440,769** | 353,929,600 |
| Total Exposures | **9,138,491,396** | 9,126,550,345 |
| Leverage Ratio | **3.83%** | 3.88% |
| **Liquidity Coverage Ratio (LCR):** | | |
| Total High Quality Liquid Assets | **2,547,859,717** | 2,474,264,138 |
| Total Net Cash Outflow | **1,196,478,864** | 1,200,642,088 |
| Liquidity Coverage Ratio | **213%** | 206% |
| **Net Stable Funding Ratio (NSFR):** | | |
| Total Available Stable Funding | **3,602,580,971** | 3,776,992,766 |
| Total Required Stable Funding | **2,019,098,829** | 2,176,376,949 |
| Net Stable Funding Ratio | **178%** | 174% |

**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) | 28.39% | 27.26% |
| Leverage Ratio | 3.83% | 3.63% |

## 38. ISLAMIC BANKING BUSINESS

The bank is operating 207 (December 31, 2024: 207) Islamic banking branches and 279 (December 31, 2024: 251) Islamic banking windows as at March 31, 2025.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2025 is as follows:

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | | **23,222,298** | 28,240,319 |
| Balances with other banks | | **28,365** | 49,826 |
| Due from financial institutions | 38.1 | **-** | 30,000,000 |
| Investments | 38.2 | **198,611,174** | 123,905,109 |
| Islamic financing and related assets - net | 38.3 | **129,010,064** | 144,221,215 |
| Property and equipment | | **129,830** | 125,580 |
| Right of use assets | | **597,875** | 582,812 |
| Due from Head Office | 38.4 | **-** | - |
| Other assets | | **9,537,890** | 6,290,354 |
| **Total Assets** | | **361,137,496** | 333,415,215 |
| **LIABILITIES** | | | |
| Bills payable | | **410,959** | 1,397,301 |
| Deposits and other accounts | 38.5 | **260,268,643** | 309,438,083 |
| Due to Head Office | | **78,609,013** | 2,883,224 |
| Lease liability | | **837,169** | 814,024 |
| Other liabilities | | **2,796,279** | 2,846,597 |
| | | **342,922,063** | 317,379,229 |
| **NET ASSETS** | | **18,215,433** | 16,035,986 |
| **REPRESENTED BY** | | | |
| Islamic Banking Fund | | **14,864,000** | 8,531,000 |
| Surlpus on revaluation of assets | | **1,021,259** | 2,612,858 |
| Unremitted profit | 38.6 | **2,330,174** | 4,892,128 |
| | | **18,215,433** | 16,035,986 |
| **CONTINGENCIES AND COMMITMENTS** | 38.7 | | |

The profit and loss account of the Bank's Islamic banking operations for the three months ended March 31, 2025 is as follows:

| | Note | (Un-audited) Quarter ended March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| Profit / return earned | 38.8 | **10,952,979** | 5,665,996 |
| Profit / return expensed | 38.9 | **6,934,428** | 3,750,712 |
| Net profit / return | | **4,018,551** | 1,915,284 |
| **Other income** | | | |
| Fee and commission income | | **74,240** | 84,991 |
| Foreign exchange income | | **(3,758)** | 45,613 |
| Gain / (loss) on securities | | **4,331** | - |
| Other income | | **6** | 1,545 |
| Total other income | | **74,819** | 132,149 |
| Total income | | **4,093,370** | 2,047,433 |
| **Other expenses** | | | |
| Operating expenses | | **1,021,544** | 820,438 |
| Other charges | | **100** | - |
| | | **1,021,644** | 820,438 |
| Profit before credit loss allowance | | **3,071,726** | 1,226,995 |
| Credit loss allowance and write offs - net | | **737,808** | 87,338 |
| Profit before taxation | | **2,333,918** | 1,139,657 |
| Taxation | | **-** | - |
| Profit after taxation | | **2,333,918** | 1,139,657 |

| | March 31, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | In local currency | In foreign currencies | Total | In local currency | In foreign currencies | Total |
| | (Rupees in '000) | | | | | |
| **38.1 Due from Financial Institutions** | | | | | | |
| Call Money Placement | - | - | - | 30,000,000 | - | 30,000,000 |
| | - | - | - | 30,000,000 | - | 30,000,000 |

**38.2 Investments by segments:**

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | Cost / amortized cost | Credit loss allowance for diminution | Surplus / (deficit) | Carrying value | Cost / amortized cost | Credit loss allowance for diminution | Surplus / (deficit) | Carrying value |
| | (Rupees in '000) | | | | | | | |
| - Debt Instruments | | | | | | | | |
| Classified / Measured at amortised cost | | | | | | | | |
| Federal Government securities | | | | | | | | |
| - GOP Ijarah Sukuks | 19,049,182 | - | - | 19,049,182 | 14,057,627 | - | - | 14,057,627 |
| Non Government debt securities | | | | | | | | |
| -Sukuks | 130,807 | (130,807) | - | - | 130,807 | (130,807) | - | - |
| | 19,179,989 | (130,807) | - | 19,049,182 | 14,188,434 | (130,807) | - | 14,057,627 |
| Provincial Government Securities | - | - | - | - | - | - | - | - |
| Shares: | | | | | | | | |
| -Listed Companies | - | - | - | - | - | - | - | - |
| -Unlisted Companies | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Classified / Measured at FVOCI | | | | | | | | |
| Federal Government securities | | | | | | | | |
| -GOP Ijarah Sukuks | 154,878,390 | - | 771,188 | 155,649,578 | 83,155,034 | - | 2,334,037 | 85,489,071 |
| Non Government debt securities | | | | | | | | |
| - Sukuk | 22,334,067 | (515,892) | 250,071 | 22,068,246 | 22,784,066 | (550,572) | 278,821 | 22,512,315 |
| | 177,212,457 | (515,892) | 1,021,259 | 177,717,824 | 105,939,100 | (550,572) | 2,612,858 | 108,001,386 |
| Classified / Measured at FVPL | | | | | | | | |
| Non Government debt securities | | | | | | | | |
| -Sukuks | 1,833,234 | - | 3,974 | 1,837,208 | 1,832,366 | - | 868 | 1,833,234 |
| | 1,833,234 | - | 3,974 | 1,837,208 | 1,832,366 | - | 868 | 1,833,234 |
| Mutual Funds Units | 6,603 | - | 357 | 6,960 | 12,536 | - | 326 | 12,862 |
| | 6,603 | - | 357 | 6,960 | 12,536 | - | 326 | 12,862 |
| Total Investments | 198,232,283 | (646,699) | 1,025,590 | 198,611,174 | 121,972,436 | (681,379) | 2,614,052 | 123,905,109 |

**38.2.1 Particulars of credit loss allowance**

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | (Rupees in '000) | | | | | | | |
| Non Government debt securities | 16,498 | 163,917 | 466,284 | 646,699 | 99,880 | 110,692 | 470,807 | 681,379 |

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **38.3 Islamic financing and related assets** | | | |
| Ijarah | 38.3.1 | **8,361** | 8,436 |
| Murabaha | | **1,056,228** | 1,050,778 |
| Musawama | | **58,044** | 7,443 |
| Running Musharaka | | **80,385,880** | 104,490,555 |
| Diminishing Musharaka | | **14,286,581** | 14,530,164 |
| Other Islamic Modes (Wakala tul Istismar) | | **8,500,000** | 8,500,000 |
| Advance for Murabaha | | **112,360** | 378,000 |
| Advance for Diminishing Musharaka | | **1,321,339** | 1,320,707 |
| Advance for Istisna | | **22,633,188** | 12,797,450 |
| Inventories against Istisna | | **4,073,468** | 3,815,624 |
| Gross Islamic financing and related assets | | **132,435,449** | 146,899,157 |
| Less: Credit loss allowance against Islamic financings | | | |
| Stage 1 | | **(1,221,338)** | (664,490) |
| Stage 2 | | **(218,165)** | (28,044) |
| Stage 3 | | **(1,985,882)** | (1,985,408) |
| | | **(3,425,385)** | (2,677,942) |
| Islamic financing and related assets - net of credit loss allowance | | **129,010,064** | 144,221,215 |

### 38.3.1 Ijarah

| | March 31, 2025 (Un-audited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cost | | | Depreciation | | | Book Value as at Mar 31, 2025 |
| | As at Jan 01, 2025 | Additions / (deletions/ adjustment) | As at Mar 31, 2025 | As at Jan 01, 2025 | Charge/ Adjustment for the period | As at Mar 31, 2025 | |
| | ----------Rupees in 000 ---------- | | | | | | |
| Plant & Machinery | **55,484** | **-** | **55,409** | **47,048** | **-** | **47,048** | **8,361** |
| | | **(75)** | | | **-** | | |
| Vehicles | **2,645** | **-** | **2,645** | **2,645** | **-** | **2,645** | **-** |
| Total | **58,129** | **(75)** | **58,054** | **49,693** | **-** | **49,693** | **8,361** |

| | December 31, 2024 (Audited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cost | | | Accumulated Depreciation | | | Book Value as at Dec 31, 2024 |
| | As at Jan 01, 2024 | Additions / (deletions/ adjustment) | As at Dec 31, 2024 | As at Jan 01, 2024 | Charge/ Adjustment for the year | As at Dec 31, 2024 | |
| | ----------Rupees in 000 ---------- | | | | | | |
| Plant & Machinery | 59,828 | | 55,484 | 47,449 | | 47,048 | 8,436 |
| | | (4,344) | | | (401) | | |
| Vehicles | 6,000 | | 2,645 | 4,630 | 1,371 | 2,645 | - |
| | - | (3,355) | - | - | (3,356) | - | - |
| Total | 65,828 | | 58,129 | 52,079 | 1,371 | 49,693 | 8,436 |
| | | (7,699) | | | (3,757) | | |

**Future Ijarah payments receivable**

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | 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** | 475 | - | - | 475 |

### 38.4 Due from Head Office

Due from Head Office Rs.Nil (Rs.Nil)

### 38.5 Deposits

| | March 31, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | **In Local Currency** | **In Foreign currencies** | **Total** | In Local Currency | In Foreign currencies | Total |
| | **----------Rupees in 000 ----------** | | | | | |
| **Customers** | | | | | | |
| Current deposits | **30,990,685** | **232,030** | **31,222,715** | 40,619,109 | 215,067 | 40,834,176 |
| Savings deposits | **104,367,048** | **-** | **104,367,048** | 80,198,997 | - | 80,198,997 |
| Term deposits | **17,450,297** | **-** | **17,450,297** | 17,145,145 | - | 17,145,145 |
| Others | **3,843,365** | | **3,843,365** | 4,800,439 | | 4,800,439 |
| **Financial Institutions** | **156,651,395** | **232,030** | **156,883,425** | 142,763,690 | 215,067 | 142,978,757 |
| Current deposits | | | | | | |
| Savings deposits | **77,743,763** | **-** | **77,743,763** | 136,864,262 | - | 136,864,262 |
| Term deposits | **25,012,722** | **-** | **25,012,722** | 28,979,564 | - | 28,979,564 |
| | **628,733** | **-** | **628,733** | 615,500 | - | 615,500 |
| | **103,385,218** | **-** | **103,385,218** | 166,459,326 | - | 166,459,326 |
| | **260,036,613** | **232,030** | **260,268,643** | 309,223,016 | 215,067 | 309,438,083 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **38.6 Islamic Banking Business Unremitted Profit** | | |
| Opening balance | **4,892,128** | 3,529,477 |
| Less: Impact of adoption of IFRS 9 | **-** | (1,440,726) |
| Add: Islamic banking profit for the period | **2,333,918** | 6,332,854 |
| Less: Transferred / remitted to Head Office | **(4,895,872)** | (3,529,477) |
| Closing balance | **2,330,174** | 4,892,128 |

**38.7 CONTINGENCIES AND COMMITMENTS**

| | | |
|---|---|---|
| -Guarantees | - | - |
| -Commitments | - | - |
| -Other contingent liabilities | - | - |
| | - | - |

| | (Un-audited) Quarter ended | |
|---|---|---|
| | **March 31, 2025** | March 31, 2024 |
| | ---------- (Rupees in '000) ---------- | |
| **38.8 Profit / Return Earned of Financing, Investments and Placement** | | |
| Profit earned on: | | |
| Financing | **4,978,448** | 3,202,371 |
| Investments | **5,964,004** | 2,463,206 |
| Placements | **10,527** | 419 |
| | **10,952,979** | 5,665,996 |
| **38.9 Profit on Deposits and other Dues Expensed** | | |
| Deposits and other accounts | **3,333,456** | 3,032,058 |
| Others (General Account) | **3,565,775** | 688,271 |
| Amortisation of lease liability against - ROUA | **35,197** | 30,383 |
| | **6,934,428** | 3,750,712 |

**39 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 46 during the period and 31 as at March 31, 2025)**

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.**

| | **March 31, 2025** | December 31, 2024 |
|---|---|---|
| **Sector** | **Percentage** | |
| Fertilizer | **0.00%** | 0.00% |
| Textile | **1.42%** | 1.56% |
| Fuel & energy | **10.01%** | 11.14% |
| Leasing/Modarbas | **0.01%** | 0.01% |
| Sugar | **5.68%** | 2.48% |
| Cement | **1.38%** | 1.64% |
| Gas | **0.17%** | 0.19% |
| Financial | **0.57%** | 10.67% |
| Federal Government | **52.59%** | 32.52% |
| Real Estate | **0.96%** | 1.08% |
| Agriculture | **0.40%** | 0.46% |
| Commodity Operations | **23.03%** | 34.54% |
| Others | **3.78%** | 3.71% |
| **Total** | **100%** | 100% |

**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.

| | **March 31, 2025** |
|---|---|
| **Mudarib Share** | **Rupees in '000** |
| Gross Distributable Income | 8,135,145 |
| Mudarib (Bank) share of profit before Hiba | 3,570,580 |
| Mudarib Share in %age | 43.89% |
| | |
| **Hiba from Mudarib Share** | |
| Mudarib (Bank) share of profit before Hiba | 3,570,580 |
| Hiba from bank's share to depositors | 1,832,304 |
| Hiba from bank's share to depositors in %age | 51.32% |

**Profit rates**

During the three months ended March 31, 2025 the average profit rate earned by NBP Aitemaad Islamic Banking Group is 13.29 % and the profit distributed to the depositors is 10.79%.

**39 GENERAL**

**39.1** Figures have been rounded off to the nearest thousand rupees.

**40. DATE OF AUTHORIZATION FOR ISSUE**

The unconsolidated condensed interim financial statements were authorized for issue on April 25, 2025 by the Board of Directors of the Bank.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

# Consolidated Condensed Interim Financial Statements
# For the three months period ended March 31, 2025

# 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 quarter ended March 31, 2025.

Consolidated after-tax profit for the quarter ended March 31, 2025, amounted to PKR 22.105 Bn, being 125.1% more than PKR 9.818 Bn for the same period last year. During the quarter, the subsidiary companies contributed PKR 0.575 Bn (March 31, 2024: PKR 0.295 Bn) in Group profitability, whereas the associates contributed share of profit of PKR 0.023 Bn (March 31, 2024: PKR 0.038 Bn). Accordingly, consolidated EPS per share recorded at PKR 10.29 for the quarter ended March 31, 2025, as compared to EPS of PKR 4.56 for the same period last year.

As of March 31, 2025, consolidated assets of the Group amounted to PKR 6,840.9 Bn being PKR 86.9 Bn or 1.29% higher than PKR 6,754.0 Bn of December 31, 2024.

Profit for the quarter ended March 31, 2025, after carrying forward of accumulated profit of 2024 is proposed to be appropriated as follows:

| | (PKR 'Mn) |
|---|---|
| Unappropriated profit brought forward | 241,120.4 |
| Impact due to adoption of IFRS – 9, net of tax | (7,919.5) |
| **Adjusted unappropriated profit as of January 01,2025** | **233,200.9** |
| | |
| After-tax consolidated profit for the quarter ended March 31, 2025 | 22,105.0 |
| Gain on sale of investment classified as FVOCI-net of tax | 1,035.1 |
| Remeasurement loss on defined benefit obligation-net of tax | (264.0) |
| Non-controlling interest | (221.4) |
| Transfer from surplus on revaluation of fixed assets – net of tax | 42.8 |
| | **22,697.5** |
| **Profit available for appropriations** | **255,898.4** |
| **Appropriation:** | |
| Transfer to statutory reserve | 2,144.9 |
| Dividend Payout | 17,020.1 |
| | **19,165.0** |
| **Unappropriated profit carried forward** | **236,733.4** |

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO
Karachi
Date: April 25, 2025

Ali Syed
Director

**NATIONAL BANK OF PAKISTAN**
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**
**AS AT MARCH 31, 2025**

| | Note | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|---|
| | | **(Rupees in '000)** | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | 6. | **307,818,849** | 314,787,387 |
| Balances with other banks | 7. | **49,806,032** | 58,644,846 |
| Lendings to financial institutions | 8. | **73,522,789** | 30,000,000 |
| Investments | 9. | **4,796,397,313** | 4,614,849,276 |
| Advances | 10. | **1,285,633,077** | 1,404,627,126 |
| Property and equipment | 11. | **62,876,998** | 62,231,233 |
| Right of use assets | 12. | **7,733,751** | 6,596,343 |
| Intangible assets | 13. | **2,772,099** | 2,577,003 |
| Deferred tax assets | 14. | **-** | - |
| Other assets | 15. | **254,308,184** | 259,683,639 |
| **Total Assets** | | **6,840,869,093** | 6,753,996,853 |
| **LIABILITIES** | | | |
| Bills payable | 16. | **16,610,686** | 26,060,123 |
| Borrowings | 17. | **2,081,780,727** | 1,937,756,922 |
| Deposits and other accounts | 18. | **3,890,146,817** | 3,865,212,297 |
| Lease liabilities | 19. | **9,840,902** | 8,585,682 |
| Subordinated debt | | **-** | - |
| Deferred tax liabilities | 14. | **14,222,127** | 40,995,264 |
| Other liabilities | 20. | **379,215,507** | 411,337,824 |
| **Total Liabilities** | | **6,391,816,766** | 6,289,948,112 |
| **NET ASSETS** | | **449,052,327** | 464,048,741 |
| Share capital | | **21,275,131** | 21,275,131 |
| Reserves | | **84,694,553** | 82,145,337 |
| Surplus on revaluation of assets - net of tax | 21. | **104,729,007** | 118,109,044 |
| Unappropriated profit | | **236,733,386** | 241,120,418 |
| Total equity attributable to the equity holders of the Bank | | **447,432,077** | 462,649,930 |
| Non-controlling interest | | **1,620,250** | 1,398,811 |
| | | **449,052,327** | 464,048,741 |
| **CONTINGENCIES AND COMMITMENTS** | 22. | | |

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Note | Quarter ended March 31, 2025 | Quarter ended March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) --------- | |
| Mark-up / return / interest earned | 23. | **213,255,175** | 275,082,071 |
| Mark-up / return / interest expensed | 24. | **143,502,258** | 245,954,549 |
| Net mark-up / return / interest income | | **69,752,917** | 29,127,522 |
| **NON MARK-UP / INTEREST INCOME** | | | |
| Fee and commission income | 25. | **9,209,691** | 6,280,035 |
| Dividend income | | **1,746,465** | 1,765,477 |
| Foreign exchange income | | **2,002,261** | 1,771,214 |
| Income / (loss) from derivatives | | **-** | - |
| (Loss) / gain on securities - net | 26. | **(100,420)** | 4,424,218 |
| Net loss on derecognition of financial assets measured at amortised cost | | **(327,814)** | - |
| Share of profit from joint venture - net of tax | | **-** | 158,211 |
| Share of profit from associates - net of tax | | **22,649** | 37,504 |
| Other income | 27. | **394,454** | 70,632 |
| Total non mark-up / interest income | | **12,947,286** | 14,507,291 |
| Total income | | **82,700,203** | 43,634,813 |
| **NON MARK-UP / INTEREST EXPENSES** | | | |
| Operating expenses | 28. | **29,206,993** | 22,469,860 |
| Other charges | 29. | **11,790** | 10,891 |
| Total non mark-up / interest expenses | | **29,218,783** | 22,480,751 |
| Profit before credit loss allowance | | **53,481,420** | 21,154,062 |
| Credit loss allowance and write offs - net | 30. | **6,393,799** | 727,490 |
| Extra ordinary / unusual items | | **-** | - |
| **PROFIT BEFORE TAXATION** | | **47,087,621** | 20,426,572 |
| Taxation | 31. | **24,982,579** | 10,608,281 |
| **PROFIT AFTER TAXATION** | | **22,105,042** | 9,818,291 |
| **Attributable to:** | | | |
| Equity holders of the Bank | | **21,883,603** | 9,708,340 |
| Non-controlling interest | | **221,439** | 109,951 |
| | | **22,105,042** | 9,818,291 |
| | | ---------- (Rupees) ---------- | |
| **Basic and diluted earnings per share** | 32. | **10.29** | 4.56 |

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Quarter ended | |
|---|---|---|
| | **March 31, 2025** | March 31, 2024 |
| | ---------- (Rupees in '000) --------- | |
| Profit after taxation for the period | **22,105,042** | 9,818,291 |
| **Other comprehensive income** | | |
| **Items that may be reclassified to profit and loss account in subsequent periods:** | | |
| Exchange gain / (loss) on translation of net assets of foreign branches | **404,306** | (1,069,676) |
| Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax | **(9,380,658)** | 1,958,592 |
| Gain on sale of debt securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax | **(360,940)** | (458,482) |
| | **(9,337,292)** | 430,434 |
| **Items that will not be reclassified to profit and loss account in subsequent periods:** | | |
| Remeasurement (loss) on defined benefit obligations - net of tax | **(263,979)** | (318,522) |
| Movement in (deficit) on revaluation of equity investments - net of tax | **(2,795,728)** | (3,200,148) |
| | **(3,059,707)** | (3,518,670) |
| **Total comprehensive income** | **9,708,044** | 6,730,055 |
| **Total comprehensive income attributable to:** | | |
| Equity holders of the Bank | **9,486,605** | 6,620,104 |
| Non-controlling interest | **221,439** | 109,951 |
| | **9,708,044** | 6,730,055 |

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Share capital | Reserves | | | Total | Surplus / (Deficit) on revaluation of assets | | | Unappropriated profit | Sub Total | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Exchange translation reserve | Statutory reserve | General reserve | | Investments | Fixed / Non-banking assets | Total | | | | |
| | (Rupees in '000) | | | | | | | | | | | |
| **Balance as at January 01, 2024** | 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 - net of tax | - | - | - | - | - | (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 three months period ended March 31, 2024 | - | - | - | - | - | - | - | - | 9,708,340 | 9,708,340 | 109,951 | 9,818,291 |
| Effect of translation of net investment in foreign branches | | (1,069,676) | | | (1,069,676) | | | - | | (1,069,676) | - | (1,069,676) |
| Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | | | | | - | 1,958,592 | | 1,958,592 | | 1,958,592 | - | 1,958,592 |
| Gain on sale of debt securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax | | | | | - | (458,482) | | (458,482) | - | (458,482) | - | (458,482) |
| Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | | | | | - | (3,200,148) | | (3,200,148) | | (3,200,148) | - | (3,200,148) |
| Remeasurement gain / (loss) on defined benefit obligations - net of tax | | | | | | | | | (318,522) | (318,522) | - | (318,522) |
| **Other comprehensive income / (loss) - net of tax** | **-** | **(1,069,676)** | **-** | **-** | **(1,069,676)** | **(1,700,038)** | **-** | **(1,700,038)** | **9,389,818** | **6,620,104** | **109,951** | **6,730,055** |
| Transfer to statutory reserve | - | - | 970,834 | - | 970,834 | - | - | - | (970,834) | - | - | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | - | (43,230) | (43,230) | 43,230 | - | - | - |
| **Balance as at April 01, 2024** | **21,275,131** | **36,237,183** | **48,221,456** | **521,338** | **84,979,977** | **13,144,265** | **47,630,451** | **60,774,716** | **223,867,148** | **390,896,972** | **1,244,185** | **392,141,157** |
| Profit after taxation for the nine months period ended December 31, 2024 | - | - | - | - | - | - | - | - | 16,276,789 | 16,276,789 | 407,626 | 16,684,415 |
| Effect of translation of net investment in foreign branches | | 69,200 | - | | 69,200 | | | - | - | 69,200 | | 69,200 |
| 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 | | | | | - | 41,135,872 | | 41,135,872 | - | 41,135,872 | - | 41,135,872 |
| Gain on sale of securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax | | | | | - | (2,495,452) | | (2,495,452) | - | (2,495,452) | - | (2,495,452) |
| Movement in surplus on revaluation of equity investments through FVOCI - net of tax | | | | | - | 20,532,389 | | 20,532,389 | - | 20,532,389 | - | 20,532,389 |
| 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 | | | | | - | - | - | - | (132,977) | (132,977) | - | (132,977) |
| 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 |
| **Other comprehensive income / (loss) - net of tax** | **-** | **(4,550,380)** | **-** | **-** | **(4,550,380)** | **56,467,130** | **986,718** | **57,453,848** | **18,849,491** | **71,752,959** | **407,626** | **72,160,585** |
| Transfer to statutory reserve | - | - | 1,715,740 | - | 1,715,740 | - | - | - | (1,715,740) | - | - | - |
| Transfer from loss loan reserve to unappropriated profit | - | - | - | - | - | - | - | - | - | - | | |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | - | (119,520) | (119,520) | 119,520 | - | - | - |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | - | | |
| | | | | | | | | | | - | | |
| | | | | | | | | | | - | | |
| Cash dividend paid / profit distribution by subsidiaries | - | - | - | - | - | - | - | - | - | - | (253,000) | (253,000) |
| **Balance as at January 01, 2025** | **21,275,131** | **31,686,803** | **49,937,196** | **521,338** | **82,145,337** | **69,611,395** | **48,497,649** | **118,109,044** | **241,120,419** | **462,649,931** | **1,398,811** | **464,048,742** |
| Imapct of adoption of IFRS-9 | | | | | | **235,170** | **-** | **235,170** | **(7,919,525)** | **(7,684,355)** | **-** | **(7,684,355)** |
| **Balance as at January 01, 2025 -restated** | **21,275,131** | **31,686,803** | **49,937,196** | **521,338** | **82,145,337** | **69,846,565** | **48,497,649** | **118,344,214** | **233,200,894** | **454,965,576** | **1,398,811** | **456,364,387** |
| Profit after taxation for the three months period ended March 31, 2025 | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **21,883,603** | **21,883,603** | **221,439** | **22,105,042** |
| Effect of translation of net investment in foreign branches | | **404,306** | | | **404,306** | | | **-** | | **404,306** | **-** | **404,306** |
| Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | | | | | **-** | **(9,380,658)** | | **(9,380,658)** | | **(9,380,658)** | **-** | **(9,380,658)** |
| Gain on sale of securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax | | | | | **-** | **(360,940)** | | **(360,940)** | | **(360,940)** | **-** | **(360,940)** |
| Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | | | | | **-** | **(2,795,728)** | | **(2,795,728)** | | **(2,795,728)** | **-** | **(2,795,728)** |
| Gain on sale of equity shares - FVOCI - net of tax | | | | | | **(1,035,076)** | | **(1,035,076)** | **1,035,076** | **-** | **-** | **-** |
| Remeasurement gain / (loss) on defined benefit obligations - net of tax | | | | | **-** | | | **-** | **(263,979)** | **(263,979)** | **-** | **(263,979)** |
| **Other comprehensive income / (loss) - net of tax** | **-** | **404,306** | **-** | **-** | **404,306** | **(13,572,402)** | **-** | **(13,572,402)** | **22,654,700** | **9,486,605** | **221,439** | **9,708,044** |
| Transfer to statutory reserve | **-** | **-** | **2,144,910** | **-** | **2,144,910** | **-** | **-** | **-** | **(2,144,910)** | **-** | **-** | **-** |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | **-** | **-** | **-** | **-** | **-** | **-** | **(42,806)** | **(42,806)** | **42,806** | **-** | **-** | **-** |
| Transfer to unappropriated profit | | | | | | | | | | | | |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | | | | |
| Final Cash dividend- Rs. 8.00 per share declared subsequent to the year ended December 31, 2024 | | | | | **-** | | | **-** | **(17,020,104)** | **(17,020,104)** | **-** | **(17,020,104)** |
| **Balance as at March 31, 2025** | **21,275,131** | **32,091,109** | **52,082,106** | **521,338** | **84,694,553** | **56,274,164** | **48,454,843** | **104,729,007** | **236,733,386** | **447,432,077** | **1,620,250** | **449,052,327** |

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

| | Note | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit before taxation | | **47,087,621** | 20,426,572 |
| Less: dividend income | | **(1,746,465)** | (1,765,477) |
| | | **45,341,156** | 18,661,095 |
| Adjustments: | | | |
| Net mark-up / interest income | | **(69,752,917)** | (29,127,522) |
| Depreciation | | **1,051,538** | 633,937 |
| Depreciation on right of use assets | | **487,314** | 518,653 |
| Amortisation | | **145,868** | 122,762 |
| Credit loss allowance and write offs | 30. | **6,393,799** | 727,490 |
| Gain on sale of Property and equipment - net | | **(822)** | (1,354) |
| Financial charges on leased assets | | **299,029** | 31,707 |
| Finance charges on lease liability against right of use assets | | **39,544** | 241,414 |
| Unrealized loss / (gain) on revaluation of investments classified as FVTPL | | **1,252,959** | (1,665,176) |
| Charge for defined benefit plans - net | | **4,538,079** | 3,030,906 |
| Share of (profit) from joint venture - net of tax | | **-** | (158,211) |
| Share of (profit) from associates - net of tax | | **(22,649)** | (37,504) |
| | | **(55,568,257)** | (25,682,898) |
| | | **(10,227,101)** | (7,021,803) |
| **(Increase) / decrease in operating assets** | | | |
| Lendings to financial institutions | | **(73,522,789)** | 134,407,904 |
| Securities classified as FVTPL | | **(28,899,207)** | (53,526,103) |
| Advances | | **104,759,863** | 172,452,472 |
| Other assets (excluding advance taxation & mark-up receivable) | | **(6,673,036)** | 9,782,441 |
| | | **(4,335,169)** | 263,116,714 |
| **Increase/ (decrease) in operating liabilities** | | | |
| Bills payable | | **(9,449,437)** | (56,118,511) |
| Borrowings from financial institutions | | **149,206,099** | 40,529,537 |
| Deposits | | **24,934,520** | (250,032,342) |
| Other liabilities (excluding current taxation & mark-up payable) | | **30,363,201** | 5,128,008 |
| | | **195,054,383** | (260,493,308) |
| Mark-up / interest received | | **225,071,812** | 291,855,860 |
| Mark-up / interest paid | | **(231,918,410)** | (297,653,155) |
| Income tax paid | | **(27,823,559)** | (14,338,573) |
| Benefits paid | | **(3,842,268)** | (972,809) |
| **Net cash flow generated from / (used in) operating activities** | | **141,979,688** | (19,709,778) |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Net Investments in securities classified as FVOCI | | **(187,249,526)** | 236,130,665 |
| Net investments in amortised cost securities | | **5,200,520** | (106,114,345) |
| Dividends received | | **1,746,465** | 1,765,477 |
| Investments in property and equipment | | **(1,957,021)** | 191,497 |
| Disposal of property and equipment | | **18,413** | 20,989 |
| Effect of translation of net investment in foreign branches | | **404,306** | 51,999 |
| **Net cash flow (used in) / generated from investing activities** | | **(181,836,843)** | 132,046,282 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payments of lease obligations | | **(767,367)** | (663,701) |
| Dividend paid | | **(534)** | (527) |
| **Net cash flow used in financing activities** | | **(767,901)** | (664,228) |
| **(Decrease) / Increase in cash and cash equivalents** | | **(40,625,057)** | 111,672,275 |
| Cash and cash equivalents at beginning of the period | | **380,328,849** | 299,678,633 |
| Effects of exchange rate changes on cash and cash equivalents | | **916,729** | 6,078,352 |
| | | **381,245,578** | 305,756,985 |
| Cash and cash equivalents at end of the period | 33. | **340,620,521** | 417,429,260 |

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

**NATIONAL BANK OF PAKISTAN**
**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITE**
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

## 1. THE GROUP AND ITS OPERATIONS

**1.1** The "Group" consists of:

Holding Company

- National Bank of Pakistan (the Bank)

Subsidiary Companies

- CJSC Subsidiary Bank of NBP in Kazakhstan
- NBP Exchange Company Limited, Pakistan
- National Bank Modaraba Management Company Limited, Pakistan
- First National Bank Modaraba, Pakistan
- Taurus Securities Limited, Pakistan
- NBP Fund Management Limited, Pakistan
- Cast-N-Link Products Limited, Pakistan

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.

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on 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, 2024: 1,503) branches in Pakistan and including 207 (December 31, 2024: 207) Islamic Banking branches and 16 (December 31 2024: 16) 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.

CJSC Subsidiary Bank of NBP in Kazakhstan, NBP Exchange Company Limited, National Bank Modaraba Management Company Limited are wholly owned subsidiaries of the holding company while the controlling interest in Taurus Securities Limited is 58.32%, NBP Fund Management Limited is 54%, First National Bank Modarba 30% and Cast-N-Link Products Limited 76.51%.

## 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 STATEMENT OF COMPLIANCE

**2.1.1** These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever 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 IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

**2.1.2** 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

**2.1.3** Effective January 01, 2025, the Bank has incorporated impact of ECL on overdue certain Public Sector Entities, overseas branches where IFRS-9 has not been adopted and measurement of unquoted equity securities which was relaxed up to December 31, 2024 by SBP.

The following table reconciles the aggregate opening loan loss provision allowances under SBP Prudential Regulations to the ECL allowances of overseas branches under IFRS 9 :

| | 2025 | | | |
|---|---|---|---|---|
| | Provision as per current regulatory | Remeasurement (ECL) | Reclassification | ECLs under IFRS 9 |
| | ----------Rupees in '000---------- | | | |
| **Impairment allowance against:** | | | | |
| Balance with Other Banks | - | 3,435 | - | 3,435 |
| Advances | - | 17,530,863 | - | 17,530,863 |
| Investments | 573,853 | 156,740 | (573,853) | 156,740 |
| Markup Receivable | - | 1,345 | - | 1,345 |
| Off-balance sheet obligations | - | 2,155 | - | 2,155 |
| | **573,853** | **17,694,538** | **(573,853)** | **17,694,538** |

Further SBP in a separate letter SBPHOK-BPRD-RPD-NBP-821909 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

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 consolidated statement of profit and loss account for the peroid ended March 31, 2025 would have been higher by Rs. 15.8 million and taxation would have been higher by Rs 8.4 million. Further, an unappropriated profit in consolidated statement of changes in equity would have been higher by Rs 7.4 million.

**2.1.4** 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.

**2.1.5** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2, dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended December 31, 2023.

**2.1.6 Standards, interpretations of and amendments to published accounting and reporting standards that are effective in the current period:**

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 do not have any material effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements except for IFRS 9 (Financial Instruments), the impact of which is disclosed under note 4.

**2.1.7 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 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.

## 3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Bank for the year ended December 31, 2024.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

## 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those as disclosed in the consolidated financial statements for the year ended December 31, 2024.

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **6. CASH AND BALANCES WITH TREASURY BANKS** | | | |
| In hand | | | |
| Local currency | | **62,020,090** | 65,096,769 |
| Foreign currencies | | **6,611,143** | 5,885,440 |
| | | **68,631,233** | 70,982,209 |
| With State Bank of Pakistan in | | | |
| Local currency current accounts | 6.1 | **133,331,515** | 147,471,517 |
| Foreign currency current accounts | 6.2 | **25,027,549** | 22,097,814 |
| Foreign currency deposit accounts | 6.2 | **49,981,365** | 44,108,393 |
| Foreign currency collection accounts | | **112,250** | 212,443 |
| | | **208,452,679** | 213,890,167 |
| With other central banks in | | | |
| Foreign currency current accounts | 6.3 | **25,746,461** | 24,445,656 |
| Foreign currency deposit accounts | 6.3 | **4,053,821** | 4,583,665 |
| | | **29,800,282** | 29,029,321 |
| Prize bonds | | **956,230** | 904,765 |
| | | **307,840,424** | 314,806,462 |
| Less: Credit loss allowance held against cash and balances with treasury banks | | **(21,575)** | (19,075) |
| Cash and balances with treasury banks - net of credit loss allowance | | **307,818,849** | 314,787,387 |

**6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

**6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

**6.3** 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. The deposit accounts carry interest at the rate of 0% to 4.50% per annum (December 31, 2024: 0% to 4.5% per annum).

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **7. BALANCES WITH OTHER BANKS** | | | |
| In Pakistan | | | |
| In current accounts | | **3,489,556** | 726,739 |
| In deposit accounts | 7.1 | **438,690** | 1,097,736 |
| | | **3,928,246** | 1,824,475 |
| Outside Pakistan | | | |
| In current accounts | | **43,048,832** | 48,862,467 |
| In deposit accounts | 7.2 | **2,832,409** | 7,957,922 |
| | | **45,881,241** | 56,820,389 |
| | | **49,809,486** | 58,644,864 |
| Less: Credit loss allowance held against balances with other banks | | **(3,454)** | (18) |
| Balances with other banks - net of credit loss allowance | | **49,806,032** | 58,644,846 |

**7.1** These include various deposits with banks and carry interest at the rates ranging from 2.00 % to 10.50 % per annum (December 31, 2024: 9.00% to 19.60% per annum).

**7.2** These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 2.7 % to 4.00 % per annum (December 31, 2024 :1.00% to 5.44% per annum).

| | Note | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- **(Rupees in '000)** ---------- | |
| **8. LENDINGS TO FINANCIAL INSTITUTIONS** | | | |
| Call / clean money lendings | 8.1 | **-** | - |
| Repurchase agreement lendings (Reverse Repo) | 8.2 | **73,522,789** | - |
| Musharaka Lending | 8.3 | **-** | 30,000,000 |
| Letters of placement | 8.4 | **172,150** | 172,150 |
| | | **73,694,939** | 30,172,150 |
| Less: Credit loss allowance held against lending to financial | 8.5 | **(172,150)** | (172,150) |
| Lendings to financial institutions - net of credit loss allowance | | **73,522,789** | 30,000,000 |

| **Lending to FIs- Particulars of credit loss allowance** | | **(Un-audited) March 31, 2025** | | (Audited) December 31, 2024 | |
|---|---|---|---|---|---|
| | | **Lending** | **Credit loss allowance held** | Lending | Credit loss allowance held |
| **Domestic** | | Rupees in '000 | | | |
| Performing | Stage 1 | **73,522,789** | - | 30,000,000 | - |
| Under performing | Stage 2 | - | - | - | - |
| Non-performing | Stage 3 | | | | |
| Substandard | | **172,150** | **172,150** | - | - |
| Doubtful | | - | **-** | - | - |
| Loss | | - | **-** | 172,150 | 172,150 |
| | | **172,150** | **172,150** | 172,150 | 172,150 |
| Sub Total | | **73,694,939** | **172,150** | 30,172,150 | 172,150 |
| **Total** | | **73,694,939** | **172,150** | 30,172,150 | 172,150 |

**8.1** These carry mark-up at rates ranging from 12% to 12.95% per annum (December 31, 2024: Nil ) with maturities ranging from April 3, 2025 to April 9, 2025 .

**8.2** This represents Musharaka agreements entered into with Meezan Bank Limited and carrying profit at the rates Nil per annum (December 31, 2024:12.0% to 12.75% per annum ) with maturity on Nil (December 31, 2024:

**8.3** These are overdue placements and full provision has been made against these placements as at March 31, 2025.

## 9. INVESTMENTS

### 9.1 Investments by types

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Cost / amortized cost** | **Credit loss allowance / Provision for diminution** | **Surplus / (deficit)** | **Carrying value** | Cost / amortized cost | Credit loss allowance / Provision for diminution | Surplus / (deficit) | Carrying value |
| | ---------- Rupees in '000 ---------- | | | | ---------- Rupees in '000 ---------- | | | |
| **FVTPL** | | | | | | | | |
| **Federal Government securities** | | | | | | | | |
| -Market treasury bills | **54,147,936** | - | **(19,517)** | **54,128,419** | 35,690,468 | - | 72,668 | 35,763,136 |
| -Pakistan investment bonds | **32,347,587** | - | **(96,956)** | **32,250,631** | 20,906,802 | - | 63,890 | 20,970,692 |
| -'Ijarah Sukuk Bonds | **1,836,000** | - | **3,713** | **1,839,713** | - | - | - | - |
| **Mutual fund units** | **5,850,183** | - | **8,115** | **5,858,298** | 5,503,950 | - | 3,244,908 | 8,748,858 |
| **Non Government debt securities** | | | | | | | | |
| -Term finance certificates, 'participation term certificates,bond, debentures and | **8,092,634** | - | **(6,982)** | **8,085,652** | 9,911,968 | - | 13,900 | 9,925,868 |
| **Preference shares** | | | | | | | | |
| -Preference shares - Listed | **1,202,370** | - | **(8,514)** | **1,193,856** | 1,043,797 | - | (51,086) | 992,711 |
| -Preference shares - Unlisted | **558,284** | **(558,284)** | - | - | 558,284 | (558,284) | - | - |
| **Ordinary Shares** | | | | | | | | |
| - Listed Companies | **18,988,839** | - | **(1,132,817)** | **17,856,022** | 11,612,714 | - | 5,738,300 | 17,351,014 |
| **Foreign Securities** | | | | | | | | |
| -Foreign Government debt securities | **2,745,035** | - | - | **2,745,035** | 2,559,098 | - | - | 2,559,098 |
| | **125,768,867** | **(558,284)** | **(1,252,958)** | **123,957,625** | 87,787,081 | (558,284) | 9,082,580 | 96,311,377 |
| **FVOCI** | | | | | | | | |
| **Federal Government securities** | | | | | | | | |
| -Pakistan investment bonds | **2,851,722,209** | - | **23,225,002** | **2,874,947,211** | 2,739,200,656 | - | 33,084,223 | 2,772,284,879 |
| -Market treasury bills | **1,158,415,226** | - | **8,196,648** | **1,166,611,874** | 1,152,657,391 | - | 17,688,599 | 1,170,345,990 |
| -GOP ijarah sukuks | **34,627,032** | - | **646,499** | **35,273,531** | 31,090,981 | - | 587,221 | 31,678,202 |
| -GOP ijarah sukuks-Traded | **109,842,216** | - | **378,998** | **110,221,214** | 29,772,129 | - | 1,127,871 | 30,900,000 |
| -GOP ijarah sukuks-Discounted | **20,895,242** | - | **128,593** | **21,023,835** | 32,874,030 | - | 951,840 | 33,825,870 |
| -Foreign currency debt securities | **29,620,455** | **(6,455,319)** | **(2,804,886)** | **20,360,250** | 29,229,000 | (6,119,189) | (3,541,998) | 19,567,813 |
| **Ordinary Shares** | | | | | | | | |
| - Listed Companies | **43,445,060** | - | **38,130,587** | **81,575,647** | 44,928,949 | - | 42,792,188 | 87,721,137 |
| - Unlisted Companies | **2,107,198** | - | **235,170** | **2,342,368** | 2,107,198 | (573,855) | - | 1,533,343 |
| **Non Government debt securities** | | | | | | | | |
| -Term finance certificates, 'participation term certificates,bond, debentures and | **39,079,427** | **(6,948,196)** | **250,936** | **32,382,167** | 39,157,588 | (6,984,089) | 278,820 | 32,452,319 |
| **Mutual Fund units** | - | - | - | - | - | - | - | - |
| **Foreign securities** | | | | | | | | |
| -Equity securities-Listed | **463,295** | - | **49,041,715** | **49,505,010** | 463,294 | - | 52,106,188 | 52,569,482 |
| -Government debt securities | **1,330,722** | - | **3,119** | **1,333,841** | 3,100,284 | - | 143,329 | 3,243,613 |
| | **4,291,548,082** | **(13,403,515)** | **117,432,380** | **4,395,576,947** | 4,104,581,500 | (13,677,133) | 145,218,281 | 4,236,122,648 |
| **Amortised Cost** | | | | | | | | |
| **Federal Government securities** | | | | | | | | |
| -Market treasury bills | **305,848** | - | - | **305,848** | 59,594 | - | | 59,594 |
| -Pakistan investment bonds | **213,047,542** | - | - | **213,047,542** | 222,656,096 | - | - | 222,656,096 |
| - GOP Ijarah Sukuks | **19,049,170** | - | - | **19,049,170** | 14,373,995 | - | - | 14,373,995 |
| -Foreign currency debt securities | **7,238,603** | **(1,022,314)** | - | **6,216,289** | 7,104,331 | (817,022) | - | 6,287,309 |
| **Non Government debt securities** | | | | | | | | |
| -Term finance certificates, 'participation term certificates,bond, debentures and | **383,472** | **(383,472)** | - | - | 383,471 | (383,471) | - | - |
| **Foreign securities** | | | | | | | | |
| -Government debt securities | **37,059,789** | **(147,084)** | - | **36,912,705** | 37,707,456 | - | - | 37,707,456 |
| -Non-Government debt securities | **1,076** | - | - | **1,076** | 1,077 | - | - | 1,077 |
| | **277,085,500** | **(1,552,870)** | - | **275,532,630** | 282,286,020 | (1,200,493) | - | 281,085,527 |
| **Associates** | **1,847,554** | **(517,443)** | - | **1,330,111** | 1,832,737 | (503,013) | - | 1,329,724 |
| **Subsidiaries** | **1,245** | **(1,245)** | - | - | 1,245 | (1,245) | - | - |
| **Total investments** | **4,696,251,249** | **(16,033,357)** | **116,179,421** | **4,796,397,313** | 4,476,488,583 | (15,940,168) | 154,300,861 | 4,614,849,276 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|

**9.1.1 Investments given as collateral**

The book value of investments given as collateral against borrowings is as follows:

| | | |
|---|---|---|
| Pakistan Investment Bonds | **1,021,117,128** | 1,253,027,780 |
| Market Treasury Bills | **984,719,167** | 602,314,423 |
| | **2,005,836,295** | 1,855,342,203 |

**9.1.2 Associates**

| | March 31, 2025 (Un-audited) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | December 31, 2024 (Un-audited) | 3,712,459 | 303,419 | 155,217 | 13,937 | (19,097) |
| 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 | December 31, 2024 (Un-audited) | 972,627 | 68,342 | 9,483 | (9,491) | (9,491) |
| SG Allied Businesses Limited | 3,754,900 | 25.03 | Pakistan | December 31, | 1,526,314 | 328,513 | 7,485 | (1,394) | (1,394) |
| Nina Industries Limited | 4,906,000 | 20.27 | Pakistan | N/A | - | - | - | - | - |
| NBP Stock Fund | 31,347,444 | 4.236 | Pakistan | December 31, 2024 (Un-audited) | 36,221,848 | 712,439 | 11,779,312 | 11,419,378 | 11,419,378 |
| **Unlisted** | | | | | | | | | |
| Pakistan Emerging Venture Limited | 12,500,000 | 33.33 | 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 | 33.33 | Pakistan | N/A | - | - | - | - | - |
| Kamal Enterprises Limited * | 11,000 | 20.37 | Pakistan | N/A | - | - | - | - | - |
| Mehran Industries Limited * | 37,500 | 32.05 | Pakistan | N/A | - | - | - | - | - |
| Tharparkar Sugar Mills Limited * | 2,500,000 | 21.52 | Pakistan | N/A | - | - | - | - | - |
| Youth Investment Promotion Society * | 644,508 | 25 | Pakistan | N/A | - | - | - | - | - |
| Dadabhoy Energy Supply Company Limited | 9,900,000 | 23.11 | Pakistan | N/A | - | - | - | - | - |
| K-Agricole Limited * | 5,000 | 20 | Pakistan | N/A | - | - | - | - | - |
| Pakistan Mercantile Exchange Limited | 10,653,860 | 33.98 | Pakistan | December 31, 2024 (Un-audited) | 8,743,752 | 7,947,163 | 286,024 | 117,639 | 117,639 |
| Prudential Fund Management Limited * | 150,000 | 20 | Pakistan | N/A | - | - | - | - | - |

* Nil figure represent shares which have been acquired under different arrangements without any cost

**9.1.3 Subsidiaries**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Cast-N-Link Products Limited | 1,245,000 | 76.51 | Pakistan | N/A | - | - | - | - | - |

**9.2 Credit Allowance for diminution in value of investments**

| | (Un-audited) March 31,2025 | (Audited) December 31,2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| Opening balance | **15,940,168** | 20,050,373 |
| Impact of reclassification on adoption of IFRS 9 | **(573,853)** | (12,665,194) |
| Impact of ECL recongnised on adoption of IFRS 9 | **156,740** | 7,038,193 |
| | **15,523,055** | 14,423,372 |
| Charge for the period / year | **505,860** | 1,389,296 |
| Reversals for the period / year | **(545)** | (5,058,634) |
| Reversals on disposals | **-** | 2,221,688 |
| | **505,315** | (1,447,651) |
| Transfers - net | **-** | 155,435 |
| Others movement | **-** | 2,812,051 |
| Exchange adjustment | **4,987** | (3,040) |
| Closing Balance | **16,033,357** | 15,940,168 |

**9.3 Particulars of credit loss allowance against debt securities**

| Category of classification | | March 31, 2025 (Un-audited) | | December 31, 2024 ( Audited) | |
|---|---|---|---|---|---|
| | | Outstanding amount | Credit loss allowance Held | Outstanding amount | Credit loss allowance Held |
| | | ---------- (Rupees in '000) ---------- | | | |
| **Domestic** | | | | | |
| Performing | Stage 1 | **4,776,833** | **82,328** | 4,362,670 | 166,530 |
| Underperforming | Stage 2 | **2,000,000** | **159,545** | 2,864,333 | 110,692 |
| Non-Performing | Stage 3 | | | | |
| Loss | | **7,089,795** | **7,089,795** | 7,090,338 | 7,090,338 |
| | | **13,866,628** | **7,331,668** | 14,317,341 | 7,367,560 |
| **Overseas** | | | | | |
| Performing | Stage 1 | **-** | **-** | 2,559,098 | - |
| Underperforming | Stage 2 | **74,725,504** | **7,624,719** | 36,333,331 | 6,936,211 |
| | | **74,725,504** | **7,624,719** | 38,892,429 | 6,936,211 |
| | | **88,592,132** | **14,956,387** | 53,209,770 | 14,303,771 |

**9.4** The market value of securities classified at amortised cost as at March 31, 2025 amounted to Rs. 268,102 million (December 31, 2024: Rs. 272,292 million).

**10. ADVANCES**

| | Note | Performing | | Non Performing | | Total | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2025 (Un-audited) | December 31, 2024 ( Audited) | March 31, 2025 (Un-audited) | December 31, 2024 ( Audited) | March 31, 2025 (Un-audited) | December 31, 2024 ( Audited) |
| Loans, cash credits, running finances, etc. | | **1,191,699,877** | 1,237,052,063 | **206,857,596** | 254,201,092 | **1,398,557,473** | 1,491,253,155 |
| Islamic financing and related assets | | **130,449,451** | 144,913,723 | **1,985,998** | 1,985,434 | **132,435,449** | 146,899,157 |
| Net Investment in finance lease | 10.1 | **-** | 1,288 | **-** | 23,253 | **-** | 24,541 |
| Bills discounted and purchased | | **23,529,900** | 21,296,996 | **13,261,021** | 13,228,689 | **36,790,921** | 34,525,685 |
| Advances - gross | 10.2 | **1,345,679,228** | 1,403,264,070 | **222,104,615** | 269,438,468 | **1,567,783,843** | 1,672,702,538 |
| Credit loss allowance against advances | | | | | | | |
| -Stage 1 | | **20,587,439** | 19,751,831 | **-** | - | **20,587,439** | 19,751,831 |
| -Stage 2 | | **10,874,595** | 10,808,620 | **-** | - | **10,874,595** | 10,808,620 |
| -Stage 3 | | **25,342,238** | - | **211,380,563** | 226,013,550 | **236,722,801** | 226,013,550 |
| - General | | **13,965,932** | 11,501,411 | **-** | - | **13,965,932** | 11,501,411 |
| | 10.4 | **70,770,204** | 42,061,862 | **211,380,563** | 226,013,550 | **282,150,767** | 268,075,412 |
| Advances - net of provision | | **1,274,909,024** | 1,361,202,208 | **10,724,053** | 43,424,918 | **1,285,633,077** | 1,404,627,126 |
| | | | | | | | 118,994,049 |

**10.1 Net Investment in Finance Lease**

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 ( Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | Not later than one year | Later than one and less than five years | Over five years | Total | Not later than one year | Later than one and less than five years | Over five years | Total |
| | ---------- (Rupees in '000) ---------- | | | | | | | |
| Lease rentals receivable | - | - | - | - | 47,315 | - | - | 47,315 |
| Residual value | - | - | - | - | 1,335 | - | - | 1,335 |
| Minimum lease payments | - | - | - | - | 48,650 | - | - | 48,650 |
| Less: financial charges for future periods | - | - | - | - | 24,109 | - | - | 24,109 |
| Present value of minimum lease payments | - | - | - | - | 24,541 | - | - | 24,541 |

**10.1.1** 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 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 Nil (December 31, 2024: 10.15% to 11.42%) per annum.

| | | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **10.2** | **Particulars of advances (Gross)** | | |
| | In local currency | **1,435,683,502** | 1,385,518,032 |
| | In foreign currencies | **132,100,340** | 287,184,506 |
| | | **1,567,783,843** | 1,672,702,538 |

**10.3** Advances includes Rs.222,104 million (December 31, 2024: Rs. 269,438 million) which have been placed under non-performing / stage 3 status as detailed below:

| **Category of Classification** | **March 31, 2025 (Un-audited)** | | December 31, 2024 ( Audited) | |
|---|---|---|---|---|
| | **Non Performing Loans** | **Credit Loss Allowance** | Non Performing Loans | Credit Loss Allowance |
| | ---------- (Rupees in '000) ---------- | | | |
| **Domestic** | | | | |
| Other Assets Especially Mentioned | **3,911,967** | **2,228,764** | 2,441,119 | 1,257,677 |
| Substandard | **6,892,976** | **4,911,355** | 55,792,771 | 3,596,871 |
| Doubtful | **8,908,450** | **7,017,388** | 9,732,418 | 7,655,003 |
| Loss | **141,006,884** | **138,223,853** | 140,291,464 | 137,910,759 |
| | **160,720,276** | **152,381,360** | 208,257,772 | 150,420,310 |
| **Overseas** | | | | |
| Overdue by: | | | | |
| Upto 90 days | **-** | **-** | - | - |
| 91 to 180 days | **-** | **-** | - | - |
| 181 to 365 days | **387,299** | **193,650** | 385,067 | 192,534 |
| > 365 days | **60,997,040** | **58,805,553** | 60,795,629 | 58,684,587 |
| | **61,384,339** | **58,999,202** | 61,180,696 | 58,877,121 |
| **Total** | **222,104,615** | **211,380,563** | 269,438,468 | 209,297,430 |
| **Stage 3 as per IFRS 9** | **-** | **25,342,238** | | 16,716,120 |
| **Total** | **222,104,615** | **236,722,801** | 269,438,468 | 226,013,550 |

**10.4 Particulars of credit loss allowance against advances**

| | Note | March 31, 2025 (Un-audited) | | | | | | December 31, 2024 (Audited) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Stage 1** | **Stage 2** | **Stage 3** | **Specific Provision** | **General Provision** | **Total** | Stage 1 | Stage 2 | Stage 3 | Specific Provision | General Provision | Total |
| | | ---------- (Rupees in '000) ---------- | | | | | | ---------- (Rupees in '000) ---------- | | | | | |
| Opening 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 |
| Impact due to adoption of IFRS-9 | | **6,940** | **-** | **17,523,924** | **-** | **-** | **17,530,864** | 15,875,937 | 11,637,716 | 226,374,284 | (203,794,530) | (18,378,308) | 31,715,099 |
| | | **19,758,771** | **10,808,620** | **243,537,474** | **-** | **11,501,411** | **285,606,276** | 15,875,937 | 11,637,716 | 226,374,284 | - | 11,659,813 | 265,547,750 |
| Exchange adjustments | | **-** | **-** | **14,767** | **-** | **(30,716)** | **(15,949)** | - | - | (3,795,606) | - | 155,491 | (3,640,115) |
| Charge for the period / year | | **3,998,314** | **3,972,098** | **3,276,354** | **-** | **2,502,931** | **13,749,698** | 7,431,728 | 2,809,002 | 9,781,273 | - | 21,370 | 20,043,373 |
| Reversals | | **(2,930,398)** | **(3,991,815)** | **(1,202,713)** | **-** | **(7,695)** | **(8,132,621)** | (3,064,006) | (5,900,820) | (4,762,423) | - | (179,826) | (13,907,075) |
| | | **1,067,916** | **(19,717)** | **2,073,641** | **-** | **2,495,237** | **5,617,077** | 4,367,722 | (3,091,818) | 5,018,850 | - | (158,456) | 6,136,298 |
| Amounts written off | | **-** | **-** | **(12,852)** | **-** | **-** | **(12,852)** | - | - | (228,651) | - | - | (228,651) |
| Amounts charged off - agriculture financing | 10.5.5 | **-** | | **(145,980)** | **-** | **-** | **(145,980)** | - | - | (138,990) | - | - | (138,990) |
| Transfer to stage 1 | | **-** | | | **-** | **-** | **-** | - | | | - | - | - |
| Transfer to stage 2 | | **(223,529)** | **223,529** | | | | **-** | (453,966) | 2,568,844 | (2,114,878) | - | - | - |
| Transfer to stage 3 | | **(15,719)** | **(137,837)** | **153,556** | | | **-** | (37,862) | (306,122) | 343,984 | - | - | - |
| Other movement | | **-** | **-** | **(8,897,805)** | | | **(8,897,805)** | - | - | 554,557 | - | (155,437) | 399,120 |
| Closing balance | | **20,587,439** | **10,874,595** | **236,722,801** | **-** | **13,965,932** | **282,150,767** | 19,751,831 | 10,808,620 | 226,013,550 | - | 11,501,411 | 268,075,412 |

**10.5 Advances - Particlurs of credit loss allowance**

| | | March 31, 2025 (Un-audited) | | | | | | December 31, 2024 (Audited) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Stage 1** | **Stage 2** | **Stage 3** | **Specific Provision** | **General Provision** | **Total** | Stage 1 | Stage 2 | Stage 3 | Specific Provision | General Provision | Total |
| | | ---------- (Rupees in '000) ---------- | | | | | | ---------- (Rupees in '000) ---------- | | | | | |
| **10.5.1** | Opening 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 |
| | Impact due to adoption of IFRS-9 | **6,940** | **-** | **17,523,924** | **-** | **-** | **17,530,864** | 15,875,937 | 11,637,716 | 226,374,284 | (203,794,530) | (18,378,308) | 31,715,099 |
| | **Opening balance - restated** | **19,758,771** | **10,808,620** | **243,537,474** | **-** | **11,501,411** | **285,606,276** | 15,875,937 | 11,637,716 | 226,374,284 | - | 11,659,813 | 265,547,750 |
| | New Advances | **3,998,314** | **3,972,098** | **3,276,354** | **-** | **2,502,931** | **13,749,698** | 7,431,728 | 2,809,002 | 9,781,273 | - | 21,370 | 20,043,373 |
| | Exchange Adjustment | **-** | **-** | **14,767** | **-** | **(30,716)** | **(15,949)** | - | - | (3,795,606) | - | 155,491 | (3,640,115) |
| | Charge for the period | | | | | | **-** | - | - | - | - | - | - |
| | Advances derecognised or | **(2,930,398)** | **(3,991,815)** | **(1,202,713)** | **-** | **(7,695)** | **(8,132,621)** | (3,064,006) | (5,900,820) | (4,762,423) | - | (179,826) | (13,907,075) |
| | Transfer to stage 1 | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - |
| | Transfer to stage 2 | **(223,529)** | **223,529** | **-** | **-** | **-** | **-** | (453,966) | 2,568,844 | (2,114,878) | - | - | - |
| | Transfer to stage 3 | **(15,719)** | **(137,837)** | **153,556** | **-** | **-** | **-** | (37,862) | (306,122) | 343,984 | - | - | - |
| | Other Movement | | | **(8,897,805)** | | | **(8,897,805)** | | | 554,557 | | | 554,557 |
| | | **828,668** | **65,975** | **(6,655,840)** | **-** | **2,464,521** | **(3,296,677)** | 3,875,894 | (829,096) | 6,907 | - | (2,965) | 3,050,740 |
| | Amounts written off | **-** | **-** | **(12,852)** | **-** | **-** | **(12,852)** | - | - | (228,651) | - | | (228,651) |
| | Amounts charged off - agriculture financing | **-** | **-** | **(145,980)** | **-** | **-** | **(145,980)** | - | | (138,990) | - | | (138,990) |
| | Closing balance | **20,587,439** | **10,874,595** | **236,722,801** | **-** | **13,965,932** | **282,150,767** | 19,751,831 | 10,808,620 | 226,013,550 | - | 11,501,411 | 268,075,412 |

**10.5.2 Advances - Category of classification**

**Domestic**

| | | March 31, 2025 (Un-audited) | | |
|---|---|---|---|---|
| | | **Outstanding amount** | **Credit loss allowance Held** | **Net of Advances** |
| | | ----------(Rupees in '000)---------- | | |
| Performing | Stage 1 | **1,107,620,626** | **19,957,100** | **1,087,663,526** |
| Underperforming | Stage 2 | **160,008,196** | **10,705,962** | **149,302,234** |
| Non-Performing | Stage 3 | | | |
| Other Assets Especially Mentioned | | **3,911,967** | **2,228,764** | **1,683,203** |
| Substandard | | **6,892,976** | **4,911,355** | **1,981,620** |
| Doubtful | | **8,908,450** | **7,017,388** | **1,891,062** |
| Loss | | **141,006,883** | **138,431,065** | **2,575,818** |
| Stage 3 as per IFRS 9 | | **47,960,429** | **25,342,238** | **22,618,191** |
| General Provision | | **-** | **13,965,932** | **(13,965,932)** |
| | | **208,680,704** | **191,896,741** | **16,783,963** |
| Sub Total | | **1,476,309,525** | **222,559,803** | **1,253,749,722** |

**Overseas**

| | | March 31, 2025 (Un-audited) | | |
|---|---|---|---|---|
| | | **Outstanding amount** | **Credit loss allowance Held** | **Net of Advances** |
| | | ----------(Rupees in '000)---------- | | |
| Performing | Stage 1 | **22,110,197** | **630,339** | **21,479,858** |
| Underperforming | Stage 2 | **7,979,781** | **168,633** | **7,811,148** |
| IFRS 9 not applicable | | **-** | **-** | **-** |
| Non-Performing | Stage 3 | | | |
| Doubtful | | **387,299** | **193,650** | **193,650** |
| Loss | | **60,997,041** | **58,598,341** | **2,398,700** |
| | | **61,384,340** | **58,791,991** | **2,592,349** |
| Sub Total | | **91,474,318** | **59,590,963** | **31,883,355** |
| Total | | **1,567,783,843** | **282,150,766** | **1,285,633,077** |

**10.5.3** General provision includes provision amounting to Rs.52 million (December 31, 2024: Rs. 90 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.

**10.5.4** The SBP had 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. Bank has applied for further relaxation from SBP, however, response is awaited. 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 loan of a Public Sector Entity permanently.

**10.5.5** 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.

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **11. Property and equipment** | | | |
| Capital work-in-progress | 11.1 | **1,624,493** | 1,587,358 |
| Property and equipment | | **61,252,505** | 60,643,875 |
| **11.1 Capital work-in-progress** | | | |
| Civil works | | **1,555,033** | 1,500,429 |
| Equipment | | **10,727** | 10,727 |
| Advances to suppliers and contractors | | **58,733** | 76,202 |
| | | **1,624,493** | 1,587,358 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **11.2 Additions to Property and equipment** | | |
| The following additions have been made to Property and equipment during the period: | | |
| **Capital work-in-progress** | **130,880** | 1,587,358 |
| **Property and equipment** | | |
| Building on freehold land | **53,939** | 476,884 |
| Building on leasehold land | **4,721** | 143,559 |
| Furniture and fixtures | **314,785** | 1,049,012 |
| Computer and peripheral equipment | **833,689** | 2,617,150 |
| Electrical and office equipment | **238,628** | 1,004,568 |
| Vehicles | **231,261** | 187,486 |
| | **1,677,024** | 5,478,659 |
| Total | **1,807,904** | 7,066,017 |

**11.3 Disposal of Property and equipment**

The net book value of Property and equipment disposed off during the period is as follows:

| | | |
|---|---|---|
| Furniture and fixture | **348** | 1,750 |
| Computer and peripheral equipment | **88** | 184 |
| Electrical and office equipment | **75** | 576 |
| Vehicles | **17,081** | 39,740 |
| Total | **17,591** | 42,250 |

**12. RIGHT-OF-USE ASSETS**

| | March 31, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | **Buidlings** | **Others** | **Total** | Buidlings | Others | Total |
| | ---------- (Rupees in '000) ---------- | | | | | |
| At January 1, | | | | | | |
| Cost | **17,195,942** | **120,182** | **17,316,124** | 19,864,344 | - | 19,864,344 |
| Accumulated Depreciation | **(10,607,430)** | **(42,962)** | **(10,650,392)** | (12,528,443) | - | (12,528,443) |
| Net Carrying amount at January 1 | **6,588,513** | **77,220** | **6,665,733** | 7,335,901 | - | 7,335,901 |
| Additions during the period/year | **1,734,485** | **-** | **1,734,485** | 1,315,038 | 92,500 | 1,407,538 |
| Deletions during the period/year | **-** | **-** | **-** | 29,644 | - | 29,644 |
| Depreciation Charge for the period/yea | **653,745** | **12,721** | **666,467** | 2,093,188 | 24,264 | 2,117,452 |
| Net Carrying amount | **7,669,252** | **64,499** | **7,733,751** | 6,528,107 | 68,236 | 6,596,343 |

## 13. INTANGIBLE ASSETS

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| Capital work-in-progress - Software Implementation | **942,472** | 929,882 |
| Computer Software | **1,267,074** | 1,084,568 |
| Goodwill on NBP Fund Acquisition | **562,553** | 562,553 |
| | **2,772,099** | 2,577,003 |

### 13.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| Capital work-in-progress - net additions | **341,963** | 69,679 |
| Directly purchased | **305,950** | 15,586 |
| Total | **647,913** | 85,265 |

## 14. DEFERRED TAX ASSET/ (DEFERRED TAX LIABILITIES)

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| **Deductible temporary differences on** | | |
| Deductible temporary differences on | ---------- (Rupees in '000) ---------- | |
| - Tax losses carried forward | **10,705** | 10,705 |
| - Post retirement employee benefits | **7,877,246** | 7,544,995 |
| - Net credit loss allowance against investments | **4,492,483** | 4,148,213 |
| - Net credit loss allowance against loans and advances | **34,509,973** | 22,864,227 |
| - Net credit loss allowance against off-balance sheet obligations | **1,748,183** | 1,751,226 |
| - Excess of accounting book values over tax written down values of property and equipment | **1,683,184** | 1,493,052 |
| - Other credit loss allowance | **632,277** | 735,122 |
| - Provision against contingencies | **221,740** | 221,741 |
| - Net credit loss allowance against Balance with other banks | **1,795** | 8 |
| - Net credit loss allowance against Balance with other Central bank | **10,657** | 9,358 |
| - Net credit loss allowance against lending to financial institution | **(292)** | (292) |
| - Right-of-use assets | **935,909** | 890,496 |
| | **52,123,861** | 39,668,851 |
| **Taxable temporary differences on** | | |
| - Surplus on revaluation of Property and equipment | **(3,715,066)** | (3,673,192) |
| - Surplus/Deficit on revaluation of investments | **(61,064,838)** | (75,513,506) |
| - Surplus on revaluation of non-banking assets | **(116,737)** | (118,215) |
| - Exchange translation reserve | **(1,216,440)** | (1,169,112) |
| - Excess of accounting book value of leased assets | **-** | 42,817 |
| - Opening impact IFRS-9 | **(232,907)** | (232,907) |
| | **(66,345,988)** | (80,664,115) |
| | **(14,222,127)** | (40,995,264) |

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **15. OTHER ASSETS** | | | |
| Income / return / mark-up accrued in local currency | | **138,122,228** | 149,076,442 |
| Income / return / mark-up accrued in foreign currencies | | **10,271,792** | 11,134,215 |
| Advances, deposits, advance rent and other prepayments | | **41,621,208** | 42,689,543 |
| Advance taxation (payments less provisions) and Income tax refunds receivable | | **179,794** | 227,785 |
| 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 | | **1,135,530** | 1,153,069 |
| Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC) | | **208,423** | 208,423 |
| Mark to market gain on forward foreign exchange contracts | | **200,611** | - |
| Commission receivable on Government treasury transactions | | **8,592,132** | 5,291,790 |
| Stationery and stamps on hand | | **487,981** | 452,880 |
| 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 |
| Receivable against sale of shares | | **103,347** | 64,990 |
| Acceptances | | **13,935,811** | 9,580,543 |
| Receivable from Pakistan Stock Exchange | | **-** | 434,284 |
| Receivable from Customers | | **2,899,800** | 784,291 |
| Deferred fair value loss | 15.3 | **12,259,428** | 12,587,242 |
| Others | | **12,292,839** | 13,798,664 |
| | | **265,378,254** | 270,569,847 |
| Less: Provision held against other assets | 15.1 | **12,965,542** | 12,655,396 |
| Less: Credit loss allowance held against markup receivable | 15.2 | **1,099,574** | 1,225,858 |
| Other Assets (Net of credit loss allowance) | | **251,313,138** | 256,688,593 |
| Surplus on revaluation of non-banking assets acquired in satisfaction of claims | | **2,995,046** | 2,995,046 |
| **Other assets - total** | | **254,308,184** | 259,683,639 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **15.1 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 | **4,539,008** | 4,566,759 |
| Ex-MBL / NDFC - other assets | **760,941** | 760,941 |
| Assets Acquired from corporate and industrial restructuring corporation asset (CIRC) | **208,423** | 208,423 |
| Others | **5,470,615** | 5,132,719 |
| | **12,965,542** | 12,655,396 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **15.1.1 Movement in Provision held against other assets** | | |
| Opening balance | **12,655,396** | 12,495,413 |
| Charge for the period / year | **295,868** | (33,596) |
| Other movement | **14,278** | (17,939) |
| Closing balance | **12,965,542** | 12,655,396 |
| **15.2 Credit loss allowance held against mark-up receivable** | | |
| Opening balance | **1,225,858** | - |
| Impact of ECL recognition on adoption of IFRS-9 | **1,345** | 1,125,218 |
| Charge for the period | **(127,628)** | 100,640 |
| Closing balance | **1,099,574** | 1,225,858 |

**15.3** 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 2nd year's 10% of loss in these consolidated financial statements.

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| **16. BILLS PAYABLE** | | |
| In Pakistan | **16,418,498** | 25,878,780 |
| Outside Pakistan | **192,188** | 181,343 |
| | **16,610,686** | 26,060,123 |
| **17. BORROWINGS** | | |
| **Secured** | | |
| Borrowings from State Bank of Pakistan | | |
| Under Export Refinance Scheme | **24,733,926** | 25,676,900 |
| Financing Scheme for Renewable Energy | **1,325,152** | 1,393,611 |
| Refinance Facility for Modernization of SMEs | **122,513** | 135,466 |
| Financing Facility for storage of Agriculture Produce (FFSAP) | **324,330** | 365,850 |
| Under Long-Term Financing Facility (LTFF) | **13,542,497** | 13,716,223 |
| Temporary Economic Refinance Facility | **13,464,963** | 13,612,139 |
| Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE) | **123,418** | 99,514 |
| Export Refinance scheme for Bill Discounting | **2,282,141** | 21,131 |
| Refinance Facility for Combating Covid-19 | **21,131** | 2,207,230 |
| | **55,940,071** | 57,228,064 |
| Repurchase agreement borrowings | **2,005,836,295** | 1,855,342,203 |
| Bai Muajjal | **3,000,000** | - |
| | **2,064,776,366** | 1,912,570,267 |
| **Unsecured** | | |
| Call borrowings | **16,947,618** | 21,989,167 |
| Overdrawn nostro accounts | **56,743** | 197,488 |
| Bai Muajjal | **-** | 3,000,000 |
| Others | | |
| | **17,004,361** | 25,186,655 |
| | **2,081,780,727** | 1,937,756,922 |
| **17.1 Particulars of borrowings with respect to currencies** | | |
| In local currency | **2,064,833,109** | 1,918,267,755 |
| In foreign currencies | **16,947,618** | 19,489,167 |
| | **2,081,780,727** | 1,937,756,922 |

**17.2 Mark-up / interest rates and other terms are as follows:**

- The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up of 1.00 % to 16.00 % per annum (December 31, 2024: from 1.00 % to 16.00% per annum).
- Repurchase agreement borrowings carry mark-up ranging from 11.25% to 13% per annum (December 31, 2023: 12.00 % to 14.00% per annum) having maturities ranging from April 3, 2025 to April 18, 2025.
- Call borrowings carry interest ranging from 4.79 % to 7.85 % per annum (December 31, 2024: 4.44% to 14.10% per annum).

**17.3** 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.

**17.4** Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 5 Years and 1 Year respectively, are pledged as security under borrowing having carrying amount of Rs. 2,005,836 million (December 31, 2024: Rs.1,855,342 million).

## 18. DEPOSITS AND OTHER ACCOUNTS

| | March 31, 2025 (Un-audited) | | | December 31, 2024 ( Audited) | | |
|---|---|---|---|---|---|---|
| | **In local currency** | **In foreign currencies** | **Total** | In local currency | In foreign currencies | Total |
| | ---------- (Rupees in '000) ---------- | | | | | |
| **Customers** | | | | | | |
| Current deposits - remunerative | **856,714,694** | **-** | **856,714,694** | 925,418,336 | - | 925,418,336 |
| Current deposits - non- | **642,923,305** | **147,069,942** | **789,993,247** | 697,490,426 | 150,386,822 | 847,877,248 |
| Savings deposits | **938,641,876** | **182,799,118** | **1,121,440,994** | 920,944,729 | 166,983,905 | 1,087,928,634 |
| Term deposits | **507,739,932** | **268,091,620** | **775,831,552** | 508,608,226 | 259,883,774 | 768,492,000 |
| Others | **52,596,088** | **6,944** | **52,603,032** | 11,713,858 | 6,711 | 11,720,569 |
| | **2,998,615,895** | **597,967,624** | **3,596,583,519** | 3,064,175,575 | 577,261,212 | 3,641,436,787 |
| **Financial Institutions** | | | | | | |
| Current deposits - Remunerative | **2,348,566** | **-** | **2,348,566** | 169,952,266 | 836,653 | 170,788,919 |
| Current deposits - non -remunerative | **235,920,691** | **817,795** | **236,738,486** | 4,043,354 | - | 4,043,354 |
| Savings deposits | **34,991,747** | **-** | **34,991,747** | 32,044,776 | 4,214,835 | 36,259,611 |
| Term deposits | **10,533,433** | **8,950,768** | **19,484,201** | 8,683,690 | 3,999,936 | 12,683,626 |
| Others | **-** | **298** | **298** | | | |
| | **283,794,437** | **9,768,861** | **293,563,298** | 214,724,086 | 9,051,424 | 223,775,510 |
| | **3,282,410,332** | **607,736,485** | **3,890,146,817** | 3,278,899,661 | 586,312,636 | 3,865,212,297 |

**18.1** Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 120,192 million (December 31, 2024: Rs. 104,461 million).

## 19. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS

| | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (Rupees in '000) ---------- | |
| Outstanding amount at the start of the year/period | **8,585,682** | 8,891,000 |
| Additions during the year/period | **1,723,559** | 2,064,589 |
| Lease payments including interest | **(772,377)** | (3,310,780) |
| Interest expense | **288,209** | 1,050,289 |
| Exchange difference | **15,829** | (109,416) |
| Outstanding amount at the end of the year/period | **9,840,902** | 8,585,682 |
| **Liabilities Outstanding** | | |
| Less than one year | **1,794,916** | 1,720,059 |
| One to five years | **5,125,304** | 4,557,122 |
| Five to Ten Years | **2,138,661** | 1,581,913 |
| More than Ten Years | **782,021** | 726,588 |
| Total undiscounted lease liabilities | **9,840,902** | 8,585,682 |

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | (Rupees in '000) | |

## 20. OTHER LIABILITIES

| | | | |
|---|---|---|---|
| Mark-up / return / interest payable in local currency | | **111,051,446** | 198,479,773 |
| Mark-up / return / interest payable in foreign currencies | | **1,138,471** | 2,126,296 |
| Unearned commission and income on bills discounted | | **369,345** | 316,175 |
| Accrued expenses | | **15,471,623** | 15,598,804 |
| Advance payments | | **860,895** | 426,199 |
| Current taxation (provisions less payments) | | **41,561,390** | 14,338,206 |
| Unclaimed dividends | | **173,523** | 174,057 |
| Dividends payable | | **17,020,105** | - |
| Mark to market loss on forward foreign exchange contracts | | **-** | 379,658 |
| Branch adjustment account | | **974,919** | 3,772,016 |
| Payable to defined benefit plan: | | | |
| Pension fund | | **75,309,851** | 75,638,568 |
| Post retirement medical benefits | | **41,028,468** | 39,745,198 |
| Benevolent fund | | **1,844,197** | 1,882,384 |
| Gratuity scheme | | **5,400,788** | 5,333,423 |
| Compensated absences | | **10,203,470** | 10,227,411 |
| Staff welfare fund | | **409,138** | 394,102 |
| Liabilities relating to barter trade agreements | | **4,300,363** | 4,280,203 |
| Provision against contingencies | 20.1 | **5,737,162** | 5,343,606 |
| Credit loss allowance against off-balance sheet obligations | 20.2 | **10,618,117** | 1,726,164 |
| Payable to brokers | | **135,508** | 30,288 |
| PIBs short selling | | **491,661** | - |
| Payable to customers | | **918,613** | 857,521 |
| Acceptances | | **13,935,811** | 9,580,543 |
| Others | | **20,260,643** | 20,687,229 |
| | | **379,215,507** | 411,337,824 |

### 20.1 Provision against contingencies

| | | |
|---|---|---|
| Opening balance | **5,343,606** | 4,698,118 |
| Charge for the period / year | **108,674** | 426,424 |
| Other movement | **284,882** | 219,064 |
| Closing balance | **5,737,162** | 5,343,606 |

### 20.2 Credit loss allowance against off-balance sheet obligations

| | | |
|---|---|---|
| Opening balance | **1,726,164** | 627,494 |
| imapct of adoption of IFRS-9 | **2,155** | 4,049,283 |
| Charge for the period / year | **(8,007)** | (669,509) |
| Transfer out | **8,897,805** | (2,281,104) |
| Closing balance | **10,618,117** | 1,726,164 |

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **21. SURPLUS ON REVALUATION OF ASSETS** | | | |
| Surplus / (deficit) on revaluation of | | | |
| - Securities measured at FVOCI / AFS-Debt | 9.1 | **30,024,908** | 50,319,905 |
| - Securities measured at FVOCI / AFS-Equity | | **87,407,472** | 94,898,376 |
| - Property and Equipment | | **49,303,882** | 49,394,600 |
| - Non-banking assets acquired in satisfaction of claims | | **2,993,681** | 2,995,046 |
| - On securities of associates and joint venture | | **(91,277)** | (93,379) |
| | | **169,638,666** | 197,514,548 |
| Deferred tax on (surplus) / deficit on revaluation of: | | | |
| - Securities measured at FVOCI / AFS-Debt | | **(15,612,952)** | (26,166,351) |
| - Securities measured at FVOCI / AFS-Equity | | **(45,451,885)** | (49,347,156) |
| - Property and equipment | | **(3,726,607)** | (3,773,782) |
| - Non-banking assets acquired in satisfaction of claims | | **(118,215)** | (118,215) |
| | | **(64,909,659)** | (79,405,504) |
| | | **104,729,007** | 118,109,044 |
| **22. CONTINGENCIES AND COMMITMENTS** | | | |
| Guarantees | 22.1 | **509,492,548** | 513,080,260 |
| Commitments | 22.2 | **2,579,385,691** | 2,319,154,517 |
| Other contingent liabilities | 22.3 | **24,919,585** | 26,536,608 |
| | | **3,113,797,824** | 2,858,771,385 |
| **22.1 Guarantees:** | | | |
| Financial guarantees | | **470,507,306** | 461,985,681 |
| Performance guarantees | | **38,985,242** | 51,094,580 |
| | | **509,492,548** | 513,080,260 |
| **22.2 Commitments:** | | | |
| Documentary credits and short-term trade-related transactions | | | |
| - letters of credit | | **1,568,349,515** | 1,585,818,397 |
| Commitments in respect of: | | | |
| - forward foreign exchange contracts | 22.2.1 | **699,575,555** | 637,181,340 |
| - forward government securities transactions | 22.2.2 | **295,290,272** | 79,587,535 |
| - forward lending | 22.2.3 | **15,316,027** | 15,467,596 |
| Commitments for acquisition of: | | | |
| - operating Property and equipment | | **837,314** | 1,082,641 |
| Other commitments | 22.2.4 | **17,008** | 17,008 |
| | | **2,579,385,691** | 2,319,154,517 |
| **22.2.1 Commitments in respect of forward foreign exchange contracts** | | | |
| Purchase | | **459,970,534** | 419,040,101 |
| Sale | | **239,605,021** | 218,141,239 |
| | | **699,575,555** | 637,181,340 |

Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated condensed interim 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.

**22.2.2 Commitments in respect of forward government securities transactions**

| | | |
|---|---|---|
| Purchase | **275,348,331** | 74,167,535 |
| Sale | **19,941,940** | 5,420,000 |
| | **295,290,272** | 79,587,535 |

Commitments for outstanding forward government securities transactions are disclosed in these consolidated condensed interim financial statements at contracted rates.

| | **(Un-audited)** **March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|
| | **---------- (Rupees in '000) ----------** | |
| **22.2.3 Commitments in respect of forward lending** | | |
| Undrawn formal standby facilities, credit lines and other commitment to lend | **15,316,027** | 15,467,596 |

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.

| | | |
|---|---|---|
| **22.2.4 Other commitments** | | |
| Professional services to be received | **17,008** | 17,008 |
| **22.3 Other contingent liabilities** | | |
| **22.3.1** Claims against the Bank not acknowledged as debt | **24,919,585** | 26,536,608 |

Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2024: Rs. 1,597 million).

Moreover, these claims also represent counter claims by the borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, the management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome against the Bank is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

**22.3.2 Taxation**

As at March 31, 2025, the status of tax contingencies as disclosed in the annual audited consolidated financial statements for the year ended December 31, 2024 is same, except for the assessement for the tax year 2024 has been finalized wherein certain add backs were made by Taxation Officer which is being agitated at Appellate Forum.

**22.3.3 Contingencies in respect of employees benefits and related matters**

As at March 31,2025, the status of contingencies relating to employees benefit including pensionary benefits and related matters as disclosed in the annual audited consolidated financial statements of the bank for the year ended December 31,

| | Note | (Un-audited) Quarter ended March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |

## 23. MARK-UP / RETURN / INTEREST EARNED

| | | |
|---|---|---|
| Loans and advances | **51,956,556** | 56,366,101 |
| Investments | **159,616,408** | 215,275,819 |
| Lendings to financial institutions | **1,050,485** | 2,570,230 |
| Balances with banks | **631,726** | 869,921 |
| | **213,255,175** | 275,082,071 |

## 24. MARK-UP / RETURN / INTEREST EXPENSED

| | | |
|---|---|---|
| On: | | |
| Deposits | **73,560,913** | 115,419,124 |
| Borrowings | **1,474,316** | 1,891,891 |
| Cost of foreign currency swaps against foreign currency deposits | **1,838,153** | 3,667,439 |
| Finance Charges lease liability against right of use assets | **299,029** | 241,414 |
| Securities sold under repurchase agreements | **66,329,846** | 124,734,681 |
| | **143,502,258** | 245,954,549 |

## 25. FEE AND COMMISSION INCOME

| | | |
|---|---|---|
| Branch banking customer fees | **478,000** | 478,760 |
| Consumer finance related fees | **252,719** | 169,078 |
| Card related fees | **1,740,818** | 1,254,346 |
| Credit related fees | **110,400** | 73,036 |
| Investment banking fees | **110,296** | 39,084 |
| Commission on trade | **544,302** | 741,581 |
| Commission on guarantees | **544,399** | 349,988 |
| Commission on cash management | **11,210** | 12,573 |
| Commission on remittances including home remittances | **86,430** | 384,091 |
| Commission on bancassurance | **68,520** | 34,648 |
| Commission on government transactions | **3,551,943** | 2,021,195 |
| Management fee and sale load | **1,667,404** | 664,063 |
| Brokerage income | **29,438** | 25,681 |
| Others | **13,812** | 31,911 |
| | **9,209,691** | 6,280,035 |

## 26. (LOSS) / GAIN ON SECURITIES - NET

| | | | |
|---|---|---|---|
| Realised | 26.1 | **1,152,539** | 2,749,911 |
| Unrealised - Measured at FVPL | 9.1 | **(1,252,959)** | 1,665,176 |
| Unrealized - Short selling | | **-** | 9,131 |
| | | **(100,420)** | 4,424,218 |

### 26.1 Realized gain / (loss) on

| | | |
|---|---|---|
| Federal Government Securities | **824,163** | 1,882,955 |
| Shares | **226,737** | 866,956 |
| Ijarah Sukuks | **101,639** | - |
| | **1,152,539** | 2,749,911 |

### 26.2 Net gain / loss on financial assets / liabilities measured at FVTPL:

| | | |
|---|---|---|
| Designated upon initial recognition | **(1,249,290)** | (33,691) |
| Mandatorily measured at FVTPL | **(3,669)** | 1,698,867 |
| | **(1,252,959)** | 1,665,176 |

| | | (Un-audited) Quarter ended | |
|---|---|---|---|
| | | **March 31, 2025** | March 31, 2024 |
| | | ---------- (Rupees in '000) ---------- | |
| **27.** | **OTHER INCOME** | | |
| | Rent on property | **26,537** | 11,374 |
| | Gain on sale of Property and equipment - net | **10,311** | 1,354 |
| | Insurance Claim | **68,491** | - |
| | Swift share allocation | **22,256** | - |
| | Others | **266,859** | 57,904 |
| | | **394,454** | 70,632 |
| **28.** | **OPERATING EXPENSES** | | |
| | **Total compensation expenses** | **19,350,474** | 14,631,931 |
| | **Property expense** | | |
| | Rent and taxes | **230,795** | 348,258 |
| | Insurance | **26,371** | 9,877 |
| | Utilities cost | **589,340** | 580,241 |
| | Security (including guards) | **1,084,195** | 978,149 |
| | Repair and maintenance (including janitorial charges) | **474,069** | 357,343 |
| | Depreciation | **185,938** | 119,733 |
| | Depreciation on non banking assets | **17,539** | 4,479 |
| | Depreciation on right of use assets | **487,314** | 518,653 |
| | | **3,095,561** | 2,916,732 |
| | **Information technology expenses** | | |
| | Software maintenance | **660,292** | 716,087 |
| | Hardware maintenance | **35,279** | 40,457 |
| | Depreciation | **406,349** | 127,017 |
| | Amortisation | **145,868** | 122,762 |
| | Network charges | **306,322** | 214,988 |
| | IT Manage Services | **442,019** | 117,998 |
| | | **1,996,129** | 1,339,309 |
| | **Other operating expenses** | | |
| | Directors' fees and reimbursement of other expenses | **14,848** | 25,064 |
| | Directors' fees and reimbursement of other expenses - subsidiaries | **7,140** | 5,940 |
| | Fees and allowances to Shariah Board | **5,306** | 4,266 |
| | Legal and professional charges | **302,488** | 436,738 |
| | Outsourced services costs | **402,393** | 214,313 |
| | Travelling and conveyance | **312,296** | 339,943 |
| | NIFT clearing charges | **61,856** | 50,818 |
| | Depreciation | **441,712** | 382,708 |
| | Training and development | **40,192** | 15,112 |
| | Postage and courier charges | **91,155** | 38,689 |
| | Communication | **449,879** | 203,582 |
| | Stationery and printing | **372,771** | 303,928 |
| | Marketing, advertisement and publicity | **412,709** | 132,342 |
| | Donations | **1,698** | 5,509 |
| | Auditors' Remuneration | **70,539** | 69,638 |
| | Financial charges on leased assets | **49,918** | 31,707 |
| | Insurance | **199,529** | 189,960 |
| | Entertainment | **114,696** | 96,313 |
| | Clearing, verification and license fee charges | **86,653** | 69,273 |
| | Vehicle Expenses | **97,231** | 63,817 |
| | Repairs and maintenance | **381,871** | 310,958 |
| | Brokerage | **67,159** | 30,795 |
| | Loss on Sale of Fixed Asset | **1,354** | 33,935 |
| | Deposit premium expense | **405,511** | 348,216 |
| | WWF | **15,906** | - |
| | Others | **358,020** | 178,323 |
| | | **4,764,830** | 3,581,888 |
| | | **29,206,993** | 22,469,860 |

| | Note | (Un-audited) Quarter ended March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |

## 29. OTHER CHARGES

| | | | |
|---|---|---|---|
| Penalties imposed by State Bank of Pakistan | | **11,790** | 10,891 |
| | | **11,790** | 10,891 |

## 30. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

| | | | |
|---|---|---|---|
| Credit loss allowance for diminution in value of investments | 9.2 | **505,315** | 117,447 |
| Credit loss allowance against loans and advances | 10.4 | **5,617,077** | 340,400 |
| Provision held against other assets | 15.1.1 | **295,868** | (15,014) |
| Credit loss allowance against balances with other banks | 7. | **1** | |
| Credit loss allowance against balances with other centeral bank | | **2,499** | |
| Credit loss allowance against against markup receivable | 15.2 | **(127,628)** | 134,584 |
| Credit loss allowance against against contingencies | 20.1 | **108,674** | 19,351 |
| Credit loss allowance against against off balance Sheet | 20.2 | **(8,007)** | 130,722 |
| | | **6,393,799** | 727,490 |

## 31. TAXATION

| | | |
|---|---|---|
| Current | | |
| For the year | **27,871,550** | 10,723,750 |
| Prior years | **-** | - |
| | **27,871,550** | 10,723,750 |
| Deferred | | |
| For the year | **(2,888,971)** | (115,469) |
| Prior years | **-** | - |
| | **(2,888,971)** | (115,469) |
| | **24,982,579** | 10,608,281 |

## 32. EARNINGS PER SHARE - BASIC AND DILUTED

| | | |
|---|---|---|
| Profit for the period (Rupees in 000's) | **21,883,603** | 9,708,340 |
| Weighted average number of ordinary shares (000's) | **2,127,513** | 2,127,513 |
| Earnings per share - basic and diluted (Rupees) | **10.29** | 4.56 |

**32.1** Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

| | Note | (Un-audited) Quarter ended March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |

## 33. CASH AND CASH EQUIVALENT

| | | | |
|---|---|---|---|
| Cash and balances with treasury banks | 6. | **307,818,849** | 407,851,774 |
| Balances with other banks | 7. | **49,806,032** | 30,001,453 |
| Call / clean money lendings | 8. | **-** | 9,723 |
| Call borrowings | 17. | **(16,947,618)** | (19,861,821) |
| Overdrawn nostro accounts | 17. | **(56,743)** | (571,868) |
| | | **340,620,521** | 417,429,261 |

## 34. FAIR VALUE MEASUREMENTS

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

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

### 34.1 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 analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

| | March 31, 2025 (Un-audited) | | | | |
|---|---|---|---|---|---|
| | 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 | 1,220,740,293 | - | 1,220,740,293 | - | 1,220,740,293 |
| - Pakistan Investment Bonds | 2,907,197,842 | - | 2,907,197,842 | - | 2,907,197,842 |
| - Ijarah Sukuks | 166,518,580 | 131,245,049 | 35,273,531 | - | 166,518,580 |
| - Foreign Currency Debt securities | 20,360,250 | - | 20,360,250 | - | 20,360,250 |
| **Ordinary Shares** | | | | | |
| - Listed Companies | 99,431,669 | 99,431,669 | - | - | 99,431,669 |
| **Preference shares** | | | | | |
| - Listed | 1,193,856 | 1,193,856 | - | - | 1,193,856 |
| **Non-Government debt securities** | | | | | |
| - Term Finance Certificates and Sukuk Bonds | 40,467,819 | 14,963,755 | 25,504,064 | - | 40,467,819 |
| **Mutual Fund units** | 5,858,298 | - | 5,858,298 | - | 5,858,298 |
| **Foreign Securities** | | | | | |
| - Government debt securities | 1,333,841 | - | 1,333,841 | | 1,333,841 |
| - Equity Securties - Listed | 49,505,010 | 49,505,010 | - | - | 49,505,010 |
| | 4,512,607,456 | 296,339,339 | 4,216,268,118 | - | 4,512,607,456 |
| **Financial assets - disclosed but not measured at fair value** | | | | | |
| **Investments** | | | | | |
| **Federal Government Securities** | | | | | |
| - Market Treasury Bills | 305,848 | - | 305,848 | - | 305,848 |
| - Pakistan Investment Bonds | 213,047,542 | - | 266,917,186 | - | 266,917,186 |
| - Ijarah Sukuks | 19,049,170 | - | 13,820,100 | - | 13,820,100 |
| - Foreign Currency Debt securities | 6,216,289 | - | 7,013,350 | - | 7,013,350 |
| **Non-Government debt securities** | | | | | |
| - Term Finance Certificates and Sukuk Bonds | - | | - | | - |
| **Foreign Securities** | | | | | |
| - Government debt securities | 36,912,705 | - | 37,243,083 | - | 37,243,083 |
| - Non-Government debt securities | 1,076 | - | 1,080 | - | 1,080 |
| | 275,532,630 | - | 325,300,647 | - | 325,300,647 |
| | 4,788,140,086 | 296,339,339 | 4,541,568,765 | - | 4,837,908,103 |

**Off-balance sheet financial instruments - measured at fair value**

**Commitments**

| | | | | | |
|---|---|---|---|---|---|
| Foreign exchange contracts purchase and sale | **699,575,555** | - | - | - | - |
| Forward government securities transactions | **295,290,272** | - | **23,201** | - | **23,201** |

| | December 31, 2024 ( Audited) | | | | |
|---|---|---|---|---|---|
| | 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 | 1,206,109,126 | - | 1,206,109,126 | - | 1,206,109,126 |
| - Pakistan Investment Bonds | 2,793,255,571 | - | 2,793,255,571 | - | 2,793,255,571 |
| - Ijarah Sukuks | 94,070,035 | 64,725,870 | 29,344,165 | - | 94,070,035 |
| - 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** | 4,328,566,645 | 244,466,158 | 4,084,100,487 | - | 4,328,566,645 |

| | December 31, 2024 ( Audited) | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| | (Rupees in '000) | | | | |
| **Financial assets - disclosed but not measured at fair value** | | | | | |
| **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 |
| Advances | | - | - | - | - |
| Other assets | | - | - | - | - |
| | 281,085,527 | - | 281,085,527 | - | 281,085,527 |
| | 4,609,652,172 | 244,466,158 | 4,365,186,014 | - | 4,609,652,172 |

**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) |

**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 and Forward Government securities transactions | The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations. |
| Property and equipment 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 condensed interim financial statements. |

**34.2 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:

| | **March 31, 2025 (Un-audited)** | | | | |
|---|---|---|---|---|---|
| | **Carrying Value** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | **(Rupees in '000)** | | | | |
| Land and building | **54,325,490** | **-** | **-** | **54,325,490** | **54,325,490** |
| Non-banking assets acquired in satisfaction of claim | **4,130,576** | **-** | **-** | **4,130,576** | **4,130,576** |
| | **58,456,066** | **-** | **-** | **58,456,066** | **58,456,066** |

| | December 31, 2024 ( Audited) | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| | (Rupees in '000) | | | | |
| Land and building | 54,416,216 | - | - | 54,416,216 | 54,416,216 |
| Non-banking assets acquired in satisfaction of claim | 4,148,115 | - | - | 4,148,115 | 4,148,115 |
| | 58,564,331 | - | - | 58,564,331 | 58,564,331 |

## 35. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

| | For the three months period ended March 31, 2025 (Un-audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate and Investment Banking Group | Treasury | International, Financial Institution and Remittance | Aitemaad and Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Profit and loss account** | | | | | | | | | | |
| Net mark-up / return / interest | (52,181,439) | 12,786,947 | 2,513,234 | 96,935,992 | 802,142 | 7,584,327 | 1,311,714 | 69,752,917 | - | 69,752,917 |
| Inter segment revenue - net | 70,718,912 | (9,040,167) | 4,337,565 | (65,125,144) | - | (3,565,775) | 2,674,609 | - | - | - |
| Non mark-up / return / interest income | 6,003,285 | 131,022 | 1,633,889 | 2,965,102 | 508,747 | 74,820 | 1,630,421 | 12,947,286 | - | 12,947,286 |
| Total Income | 24,540,759 | 3,877,802 | 8,484,688 | 34,775,950 | 1,310,889 | 4,093,372 | 5,616,744 | 82,700,203 | - | 82,700,203 |
| Segment direct expenses | 11,265,508 | 123,348 | 335,661 | 123,567 | 1,872,398 | 1,021,645 | 1,117,989 | 15,860,114 | - | 15,860,114 |
| Inter segment expense allocation | - | - | - | - | - | - | 13,358,669 | 13,358,669 | - | 13,358,669 |
| Total expenses | 11,265,508 | 123,348 | 335,661 | 123,567 | 1,872,398 | 1,021,645 | 14,476,657 | 29,218,783 | - | 29,218,783 |
| Credit loss allowance | 329,903 | 1,411,586 | 1,372,778 | 1 | 338,435 | 737,782 | 2,203,312 | 6,393,799 | - | 6,393,799 |
| Profit / (loss) before taxation | 12,945,347 | 2,342,868 | 6,776,249 | 34,652,382 | (899,944) | 2,333,945 | (11,063,225) | 47,087,621 | - | 47,087,621 |

| | As at March 31, 2025 (Un-audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate and Investment Banking Group | Treasury | International, Financial Institution and Remittance | Aitemaad and Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Statement of financial position** | | | | | | | | | | |
| Cash and balances with treasury | 87,141,400 | 6,529,320 | 388,182 | 194,672,627 | 42,877,540 | 23,250,664 | 2,765,149 | 357,624,881 | - | 357,624,882 |
| Investments | - | - | 17,482,440 | 4,509,769,941 | 64,859,525 | 198,611,174 | 5,674,220 | 4,796,397,313 | - | 4,796,397,313 |
| Net inter segment lending | 2,685,820,091 | - | - | - | - | - | 413,458,807 | 3,099,278,899 | (3,099,278,899) | - |
| Lendings to financial institutions | - | - | - | 73,522,788 | - | - | - | 73,522,788 | - | 73,522,789 |
| Advances - performing | 260,626,953 | 210,397,161 | 677,626,916 | - | 68,765,371 | 130,449,451 | (2,186,624) | 1,345,679,228 | - | 1,345,679,228 |
| Advances - non-performing | 4,807,591 | 29,324,123 | 25,344,700 | - | 61,253,882 | 1,985,998 | 99,388,321 | 222,104,615 | - | 222,104,615 |
| Credit allowance against against Advances | (5,640,119) | (31,566,771) | (62,393,598) | - | (76,517,780) | (3,425,385) | (102,607,113) | (282,150,766) | - | (282,150,767) |
| Advances - Net | 259,794,424 | 208,154,514 | 640,578,018 | - | 53,501,473 | 129,010,064 | (5,405,417) | 1,285,633,077 | - | 1,285,633,077 |
| Others | 42,559,876 | 3,165,943 | 27,626,023 | 90,293,310 | 6,677,026 | 10,265,595 | 147,103,280 | 327,691,032 | - | 327,691,032 |
| **Total Assets** | 3,075,315,792 | 217,849,777 | 686,074,662 | 4,868,258,666 | 167,915,565 | 361,137,498 | 563,596,040 | 9,940,147,990 | (3,099,278,899) | 6,840,869,092 |
| Borrowings | - | 6,569,139 | 52,370,933 | 2,005,893,037 | 16,947,618 | - | - | 2,081,780,727 | - | 2,081,780,727 |
| Deposits and other accounts | 2,973,339,897 | - | 532,643,614 | - | 120,191,677 | 260,268,644 | 3,702,985 | 3,890,146,817 | - | 3,890,146,817 |
| Net inter segment borrowing | - | 203,739,716 | 73,454,640 | 2,695,886,289 | 30,395,067 | 95,803,187 | - | 3,099,278,898 | (3,099,278,898) | - |
| Others | 101,975,895 | 7,540,922 | 27,604,213 | 26,978,034 | 3,182,970 | 4,044,407 | 248,562,781 | 419,889,222 | - | 419,889,222 |
| **Total liabilities** | 3,075,315,792 | 217,849,777 | 686,073,400 | 4,728,757,360 | 170,717,332 | 360,116,238 | 252,265,766 | 9,491,095,665 | (3,099,278,898) | 6,391,816,766 |
| Equity | - | - | 1,262 | 139,501,306 | (2,801,767) | 1,021,259 | 311,330,274 | 449,052,328 | - | 449,052,327 |
| **Total equity and liabilities** | 3,075,315,792 | 217,849,777 | 686,074,662 | 4,868,258,666 | 167,915,565 | 361,137,498 | 563,596,040 | 9,940,147,992 | (3,099,278,898) | 6,840,869,093 |
| **Contingencies and commitments** | - | 80,382,128 | 1,965,573,008 | 1,010,181,854 | 18,747,249 | | 38,913,585 | 3,113,797,824 | - | 3,113,797,824 |

| | For the three months period ended March 31, 2024 (Un-audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate and Investment Banking Group | Treasury | International, Financial Institution and Remittance | Aitemaad and Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Profit and loss account** | | | | | | | | | | |
| Net mark-up / return / interest | (90,200,934) | 9,243,938 | 251,229 | 105,644,993 | 3,056,778 | - | 1,131,519 | 29,127,522 | - | 29,127,522 |
| Inter segment revenue - net | 123,260,264 | (10,704,447) | 1,576,071 | (120,246,452) | - | - | 6,114,565 | - | - | - |
| Non mark-up / return / interest income | 4,183,351 | 126,492 | 1,558,709 | 7,249,888 | 214,454 | - | 1,174,397 | 14,507,291 | - | 14,507,291 |
| Total Income | 37,242,681 | (1,334,018) | 3,386,009 | (7,351,571) | 3,271,231 | - | 8,420,481 | 43,634,813 | - | 43,634,813 |
| Segment direct expenses | 9,921,106 | 103,111 | 309,598 | 90,929 | 2,322,734 | - | 1,415,588 | 14,163,066 | - | 14,163,066 |
| Inter segment expense allocation | - | - | - | - | - | - | 8,317,685 | 8,317,685 | - | 8,317,685 |
| Total expenses | 9,921,106 | 103,111 | 309,598 | 90,929 | 2,322,734 | | 9,733,273 | 22,480,751 | - | 22,480,751 |
| Credit loss allowance | 51,861 | 579,507 | 550,665 | - | (121,579) | - | (332,964) | 727,490 | - | 727,490 |
| Profit / (loss) before taxation | 27,269,715 | (2,016,637) | 2,525,745 | (7,442,499) | 1,070,076 | - | (979,828) | 20,426,572 | - | 20,426,572 |

| | As at December 31, 2024 (Audited) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail Banking Group | Inclusive Development Group | Corporate and Investment Banking Group | Treasury | International, Financial Institution and Remittance | Aitemaad and Islamic Banking | Head Office / Others | Sub total | Eliminations | Total |
| | (Rupees in '000) | | | | | | | | | |
| **Statement of financial position** | | | | | | | | | | |
| Cash and balances with treasury | 104,543,937 | 12,700,078 | 323,160 | 180,215,699 | 44,644,915 | 28,290,145 | 2,714,299 | 373,432,233 | - | 373,432,233 |
| Investments | - | - | 17,474,258 | 4,401,774,189 | 66,807,281 | 123,905,109 | 4,888,440 | 4,614,849,277 | - | 4,614,849,277 |
| 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 |
| Advances - non-performing | 4,049,155 | 77,623,629 | 25,693,942 | - | 61,298,054 | 1,985,434 | 98,788,254 | 269,438,468 | - | 269,438,468 |
| Provision against advances | (5,322,616) | (30,305,806) | (71,341,462) | - | (59,115,382) | (2,677,968) | (99,312,179) | (268,075,412) | - | (268,075,412) |
| Advances - net | 254,189,395 | 349,845,334 | 589,277,729 | - | 71,073,723 | 144,221,189 | (3,980,245) | 1,404,627,126 | - | 1,404,627,126 |
| Others | 35,950,181 | 4,380,238 | 32,592,996 | 95,122,683 | 9,494,764 | 6,998,746 | 146,548,609 | 331,088,217 | - | 331,088,217 |
| **Total Assets** | 3,048,805,087 | 366,925,650 | 654,880,483 | 4,677,112,571 | 192,020,683 | 333,415,189 | 536,023,477 | 9,809,183,141 | (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 | 3,834,172 | 3,865,212,298 | - | 3,865,212,298 |
| 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 | 233,146,425 | 486,978,893 | - | 486,978,893 |
| **Total liabilities** | 3,048,805,087 | 366,925,650 | 654,877,719 | 4,510,869,641 | 195,421,311 | 330,802,332 | 237,432,660 | 9,345,134,401 | (3,055,186,288) | 6,289,948,113 |
| Equity | - | - | 2,764 | 166,242,930 | (3,400,628) | 2,612,857 | 298,590,817 | 464,048,740 | - | 464,048,742 |
| **Total equity and liabilities** | 3,048,805,087 | 366,925,650 | 654,880,483 | 4,677,112,571 | 192,020,683 | 333,415,189 | 536,023,477 | 9,809,183,141 | (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 | 782,378,053 | - | 2,858,771,385 |

## 36. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, joint venture, employee benefit plans and its directors and key management personnel. The details of investment in joint venture and associates and their provisions are stated in note 9 of the consolidated condensed interim financial statement of the Group.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with 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 period, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

| | As at March 31, 2025 (Un-audited) | | | | | | | | As at December 31, 2024 (Audited) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Directors** | **Key manage-ment personnel** | **Associates** | **Pension Fund (Current)** | **Pension Fund (Fixed Deposit)** | **Pension Fund (N.I.D.A A/c)** | **Provident Fund** | **Other related parties** | Directors | Key manage-ment personnel | Associates | Joint venture | Pension Fund (Current) | Pension Fund (Fixed Deposit) | Pension Fund (N.I.D.A A/c) | Provident Fund | Other related parties |
| | (Rupees in '000) | | | | | | | | | | | | | | | | |
| **Balances with other banks** | | | | | | | | | | | | | | | | | |
| In current accounts | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **14,187** | - | - | - | - | - | - | - | - | 279,616 |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **14,187** | - | - | - | - | - | - | - | - | 279,616 |
| **Investments** | | | | | | | | | | | | | | | | | |
| Opening balance | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **100** | - | - | - | - | - | - | - | - | 4,921,177 |
| Investment made during the period / year | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - | - | - | - |
| Investment redeemed / disposed off during the period / year | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - | - | - | - |
| Transfer in / (out) - net | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **1,190,129** | - | - | - | - | - | - | - | - | (4,921,077) |
| Closing balance | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **1,190,229** | - | - | - | - | - | - | - | - | 100 |
| Credit loss allowance for diminution in value of investments | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | - | - | - | - | - | - | - | - | 100 |
| **Advances** | | | | | | | | | | | | | | | | | |
| Opening balance | **-** | **258,612** | **183,172** | **-** | **-** | **-** | **-** | **-** | - | 265,788 | 2,540,453 | - | - | - | - | - | - |
| Addition during the period / year | **-** | **8,393** | **-** | **-** | **-** | **-** | **-** | **-** | - | 75,194 | - | - | - | - | - | - | - |
| Repaid during the period / year | **-** | **(14,470)** | **-** | **-** | **-** | **-** | **-** | **-** | - | (99,509) | (2,357,281) | - | - | - | - | - | - |
| Transfer in / (out) - net* | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **23,125,356** | - | 17,139 | - | | - | - | - | - | - |
| Closing balance | **-** | **252,535** | **183,172** | **-** | **-** | **-** | **-** | **23,125,356** | - | 258,612 | 183,172 | - | - | - | - | - | - |
| Credit loss allowance held against advances | **-** | **-** | **183,172** | **-** | **-** | **-** | **-** | **-** | - | - | 183,172 | - | - | - | - | | - |
| **Other Assets** | | | | | | | | | | | | | | | | | |
| Interest / mark-up accrued | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - | - | - | - |
| Other receivable | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | | | | | | | | |
| Commission paid in advance | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | | | | | | | | 4,582 |
| Rent and utility receivable | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | 8,370 | - | - | - | - | - | - |
| Dividend receivable | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | | - | - | | | | | |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | 8,370 | - | - | - | - | - | 4,582 |
| Credit loss allowance against other assets | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | | - | - | - | | - | - | - |
| **Borrowings** | | | | | | | | | | | | | | | | | |
| Opening balance | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **575,442** | - | - | - | - | - | - | - | - | 546,209 |
| Borrowings during the period / year | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(573,189)** | - | - | - | - | - | - | - | - | 29,232 |
| Settled during the period / year | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - | - | - | - |
| Closing balance | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **2,253** | - | - | - | - | - | - | - | - | 575,441 |
| **Deposits and other accounts** | | | | | | | | | | | | | | | | | |
| Opening balance | **21,088** | **96,414** | **77,968** | **87,283** | **-** | **268,614** | **14,199,204** | **4,528,343** | 3,630 | 72,801 | 145,790 | - | 100 | 378,978 | 13,563,087 | 9,245,132 | 9,245,132 |
| Received during the period / year | **3,127** | **363,855** | **-** | **15,217,161** | **-** | **7,858,110** | **221,181** | **34,295,861** | 37,179 | 1,270,799 | - | - | 36,502,461 | 6,363,285 | 3,417,472 | 120,594,671 | 120,594,671 |
| Withdrawn during the period / year | **(3,359)** | **(349,530)** | **(9,002)** | **(15,285,904)** | **-** | **(6,696,268)** | **(303,070)** | **(36,266,639)** | (19,721) | (1,244,645) | (67,822) | - | (36,415,278) | (6,473,650) | (2,781,356) | (124,055,441) | (124,055,441) |
| Transfer in / (out) - net* | **-** | **465** | **-** | **-** | **-** | **-** | **-** | **55,018** | - | (2,542) | - | - | - | - | - | (1,256,020) | (1,256,020) |
| Closing balance | **20,855** | **111,204** | **68,966** | **18,541** | **-** | **1,430,456** | **14,117,315** | **2,612,583** | 21,088 | 96,413 | 77,968 | - | 87,283 | 268,613 | 14,199,203 | 4,528,342 | 4,528,342 |
| **Other Liabilities** | | | | | | | | | | | | | | | | | |
| Interest / mark-up payable | **210** | **1.456** | **4.454** | **-** | **-** | **28.960** | **-** | **-** | 418 | 2,491 | 8,759 | - | - | - | 73,809 | - | - |
| Other liabilities | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - | - | - | - |
| | **210** | **1,456** | **4,454** | **-** | **-** | **28,960** | **-** | **-** | 418 | 2,491 | 8,759 | - | - | - | 73,809 | - | - |
| **Contingencies and commitme** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - | - | - | - | - | - | - | - | - |

* Transfer in / (out) - net due to retirement / appointment of directors and changes in key management personnel.

| | For the three months period ended March 31, 2025 (Un-audited) | | | | | | | For the three months period ended March 31, 2024 (Un-audited) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Directors** | **Key manage-ment personnel** | **Associates** | **Joint venture** | **Pension Fund** | **Provident Fund** | **Others** | Directors | Key manage-ment personnel | Associates | Joint venture | Pension Fund | Provident Fund | Others |
| | (Rupees in '000) | | | | | | | | | | | | | |
| **Income** | | | | | | | | | | | | | | |
| Mark-up / return / interest earned | - | **1,783** | **-** | **-** | **-** | **125,074** | - | - | - | - | - | - | 99,426 |
| Dividend income | - | **-** | **2,219** | **-** | **-** | **68,657** | - | - | - | - | - | - | 29,700 |
| Rent income / lighting and power and bank charges | - | **-** | **1,851** | **-** | **-** | **5,257** | - | - | 1,816 | - | - | - | 5,257 |
| **Expense** | | | | | | | | | | | | | | |
| Mark-up / return / interest paid | **978** | **3,103** | **4,137** | **102,653** | **466,082** | **501,365** | 407 | 3,723 | 50,307 | 7,564 | 38,382 | 506,887 | 271,220 |
| Expenses paid to company in which Director of the bank was interested as CEO and director | - | **-** | **-** | **-** | **-** | **247,500** | - | - | - | - | - | - | 484,697 |
| Remuneration to key management executives including charge for defined benefit plan | - | **212,797** | **-** | **-** | **-** | **-** | - | 165,131 | - | - | - | - | - |
| Directors' fee & other allowances | **14,848** | **-** | **-** | **-** | **-** | **-** | 25,064 | - | - | - | - | - | - |

**36 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 services to Government–related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 3,552 million (March 31, 2024: Rs. 2,031 million) for the three months ended March 31, 2025. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government–related entities amounted to Rs 624,914 million (December 31, 2024: Rs. 620,914 million), Rs.1,896,515 million (December 31, 2024: Rs. 1,864,349 million) and Rs. 1,773,880 million (December 31, 2024: Rs.1,798,996 million) respectively and income earned on advances and profit paid on deposits amounted to Rs 16,955 million (March 31, 2024: Rs. 19,249 million) and Rs. 69,283 million (March 31, 2024 Rs. 46,010 million) respectively.

## 37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | ---------- (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 | **356,502,217** | 359,001,823 |
| Eligible Additional Tier 1 (ADT 1) Capital | **-** | - |
| Total Eligible Tier 1 Capital | **356,502,217** | 359,001,823 |
| Eligible Tier 2 Capital | **116,374,431** | 127,884,327 |
| Total Eligible Capital (Tier 1 + Tier 2) | **472,876,648** | 486,886,150 |
| Risk Weighted Assets (RWAs): | | |
| Credit Risk | **1,161,671,236** | 1,219,662,457 |
| Market Risk | **147,900,304** | 148,427,279 |
| Operational Risk | **367,891,513** | 367,891,513 |
| Total | **1,677,463,053** | 1,735,981,249 |
| Common Equity Tier 1 Capital Adequacy Ratio | **21.25%** | 20.68% |
| Tier 1 Capital Adequacy Ratio | **21.25%** | 20.68% |
| Total Capital Adequacy Ratio | **28.19%** | 28.05% |
| **Leverage Ratio (LR):** | | |
| Tier-1 Capital | **356,502,217** | 359,001,823 |
| Total Exposure | **9,141,841,558** | 9,129,797,793 |
| Leverage Ratio | **3.90%** | 3.93% |
| **Liquidity Coverage Ratio (LCR):** | | |
| Total High Quality Liquid Assets | **2,547,859,717** | 2,474,264,138 |
| Total Net Cash Outflow | **1,196,478,864** | 1,200,642,088 |
| Liquidity Coverage Ratio | **213%** | 206% |
| **Net Stable Funding Ratio (NSFR):** | | |
| Total Available Stable Funding | **3,602,580,971** | 3,776,992,766 |
| Total Required Stable Funding | **2,019,098,829** | 2,176,376,949 |
| Net Stable Funding Ratio | **178%** | 174% |

**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)** | 28.19% | 27.10% |
| **Leverage Ratio** | 3.90% | 3.70% |

## 38. ISLAMIC BANKING BUSINESS

The bank is operating 207 (December 31, 2024: 207) Islamic banking branches and 279 (December 31, 2024: 251) Islamic banking windows as at March 31, 2025.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2025 is as foll

| | Note | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|---|
| | | **--------- (Rupees in '000) ---------** | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | | **23,222,298** | 28,240,319 |
| Balances with other banks | | **28,365** | 49,826 |
| Due from financial institutions | 38.1 | **-** | 30,000,000 |
| Investments | 38.2 | **198,611,174** | 123,905,109 |
| Islamic financing and related assets - net | 38.3 | **129,010,064** | 144,221,215 |
| Property and equipment | | **129,830** | 125,580 |
| Right of use assets | | **597,875** | 582,812 |
| Due from Head Office | 38.4 | **-** | - |
| Other assets | | **9,537,890** | 6,290,354 |
| **Total Assets** | | **361,137,496** | 333,415,215 |
| **LIABILITIES** | | | |
| Bills payable | | **410,959** | 1,397,301 |
| Deposits and other accounts | 38.5 | **260,268,643** | 309,438,083 |
| Due to Head Office | | **78,609,013** | 2,883,224 |
| Lease liability | | **837,169** | 814,024 |
| Other liabilities | | **2,796,279** | 2,846,597 |
| | | **342,922,063** | 317,379,229 |
| **NET ASSETS** | | **18,215,433** | 16,035,986 |
| **REPRESENTED BY** | | | |
| Islamic Banking Fund | | **14,864,000** | 8,531,000 |
| Surlpus on revaluation of assets | | **1,021,259** | 2,612,858 |
| Unremitted profit | 38.6 | **2,330,174** | 4,892,128 |
| | | **18,215,433** | 16,035,986 |
| **CONTINGENCIES AND COMMITMENTS** | 38.7 | | |

The profit and loss account of the Bank's Islamic banking operations for the three months ended March 31, 2025 is as follows:

| | Note | **(Un-audited) Quarter ended** | |
|---|---|---|---|
| | | **March 31, 2025** | March 31, 2024 |
| | | **--------- (Rupees in '000) ---------** | |
| Profit / return earned | 38.8 | **10,952,979** | 5,665,996 |
| Profit / return expensed | 38.9 | **6,934,428** | 3,750,712 |
| Net profit / return | | **4,018,551** | 1,915,284 |
| **Other income** | | | |
| Fee and commission income | | **74,240** | 84,991 |
| Foreign exchange income | | **(3,758)** | 45,613 |
| Gain / (loss) on securities | | **4,331** | - |
| Other income | | **6** | 1,545 |
| Total other income | | **74,819** | 132,149 |
| Total income | | **4,093,370** | 2,047,433 |
| **Other expenses** | | | |
| Operating expenses | | **1,021,544** | 820,438 |
| Other charges | | **100** | - |
| | | **1,021,644** | 820,438 |
| Profit before credit loss allowance | | **3,071,726** | 1,226,995 |
| Credit loss allowance and write offs - net | | **737,808** | 87,338 |
| Profit before taxation | | **2,333,918** | 1,139,657 |
| Taxation | | **-** | - |
| Profit after taxation | | **2,333,918** | 1,139,657 |

| | March 31, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | **In local currency** | **In foreign currencies** | **Total** | In local currency | In foreign currencies | Total |
| **38.1 Due from Financial Institutions** | ---------- **(Rupees in '000)** ---------- | | | | | |
| Call Money Placement | - | - | - | 30,000,000 | - | 30,000,000 |
| | - | - | - | 30,000,000 | - | 30,000,000 |

**38.2 Investments by segments:**

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Cost / amortized cost** | **Credit loss allowance for** | **Surplus / (deficit)** | **Carrying value** | Cost / amortized cost | Credit loss allowance for diminution | Surplus / (deficit) | Carrying value |
| | ---------- **(Rupees in '000)** ---------- | | | | | | | |
| - **Debt Instruments** | | | | | | | | |
| **Classified / Measured at amortised cost** | | | | | | | | |
| Federal Government securities | | | | | | | | |
| - GOP Ijarah Sukuks | **19,049,182** | **-** | **-** | **19,049,182** | 14,057,627 | - | - | 14,057,627 |
| Non Government debt securities | | | | | | | | |
| -Sukuks | **130,807** | **(130,807)** | **-** | **-** | 130,807 | (130,807) | - | - |
| | **19,179,989** | **(130,807)** | **-** | **19,049,182** | 14,188,434 | (130,807) | - | 14,057,627 |
| **Provincial Government Securities** | **-** | **-** | **-** | **-** | - | - | - | - |
| **Shares:** | | | | | | | | |
| -Listed Companies | **-** | **-** | **-** | **-** | - | - | - | - |
| -Unlisted Companies | **-** | **-** | **-** | **-** | - | - | - | - |
| | **-** | **-** | **-** | **-** | - | - | - | - |
| **Classified / Measured at FVOCI** | | | | | | | | |
| Federal Government securities | | | | | | | | |
| -GOP Ijarah Sukuks | **154,878,390** | **-** | **771,188** | **155,649,578** | 83,155,034 | - | 2,334,037 | 85,489,071 |
| Non Government debt securities | | | | | | | | |
| - Sukuk | **22,334,067** | **(515,892)** | **250,071** | **22,068,246** | 22,784,066 | (550,572) | 278,821 | 22,512,315 |
| | **177,212,457** | **(515,892)** | **1,021,259** | **177,717,824** | 105,939,100 | (550,572) | 2,612,858 | 108,001,386 |
| **Classified / Measured at FVPL** | | | | | | | | |
| Non Government debt securities | | | | | | | | |
| -Sukuks | **1,833,234** | **-** | **3,974** | **1,837,208** | 1,832,366 | - | 868 | 1,833,234 |
| | **1,833,234** | **-** | **3,974** | **1,837,208** | 1,832,366 | - | 868 | 1,833,234 |
| Mutual Funds Units | **6,603** | **-** | **357** | **6,960** | 12,536 | - | 326 | 12,862 |
| | **6,603** | **-** | **357** | **6,960** | 12,536 | - | 326 | 12,862 |
| **Total Investments** | **198,232,283** | **(646,699)** | **1,025,590** | **198,611,174** | 121,972,436 | (681,379) | 2,614,052 | 123,905,109 |

**38.2.1 Particulars of credit loss allowance**

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | Stage 1 | Stage 2 | Stage 3 | Total |
| | ---------- **(Rupees in '000)** ---------- | | | | | | | |
| Non Government debt securities | **16,498** | **163,917** | **466,284** | **646,699** | 99,880 | 110,692 | 470,807 | 681,379 |

| | Note | **(Un-audited) March 31, 2025** | (Audited) December 31, 2024 |
|---|---|---|---|
| **38.3 Islamic financing and related assets** | | -------- **(Rupees in '000)** ------- | |
| Ijarah | **38.3.1** | **8,361** | 8,436 |
| Murabaha | | **1,056,228** | 1,050,778 |
| Musawama | | **58,044** | 7,443 |
| Running Musharaka | | **80,385,880** | 104,490,555 |
| Diminishing Musharaka | | **14,286,581** | 14,530,164 |
| Other Islamic Modes (Wakala tul Istismar) | | **8,500,000** | 8,500,000 |
| Advance for Murabaha | | **112,360** | 378,000 |
| Advance for Diminishing Musharaka | | **1,321,339** | 1,320,707 |
| Advance for Istisna | | **22,633,188** | 12,797,450 |
| Inventories against Istisna | | **4,073,468** | 3,815,624 |
| Gross Islamic financing and related assets | | **132,435,449** | 146,899,157 |
| Less: Credit loss allowance against Islamic financings | | | |
| Stage 1 | | **(1,221,338)** | (664,490) |
| Stage 2 | | **(218,165)** | (28,044) |
| Stage 3 | | **(1,985,882)** | (1,985,408) |
| | | **(3,425,385)** | (2,677,942) |
| Islamic financing and related assets - net of credit loss allowance | | **129,010,064** | 144,221,215 |

**38.3.1 Ijarah**

| | March 31, 2025 (Un-audited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cost | | | Depreciation | | | Book Value as at Mar 31, 2025 |
| | As at Jan 01, 2025 | Additions / (deletions/ adjustment) | As at Mar 31, 2025 | As at Jan 01, 2025 | Charge/ Adjustment for the Quarter | As at Mar 31, 2025 | |
| | ----------Rupees in 000 ----------' | | | | | | |
| Plant & Machinery | **55,484** | **-** | **55,409** | **47,048** | **-** | **47,048** | **8,361** |
| | | **(75)** | | | **-** | | |
| Vehicles | **2,645** | **-** | **2,645** | **2,645** | **-** | **2,645** | **-** |
| Total | **58,129** | **(75)** | **58,054** | **49,693** | **-** | **49,693** | **8,361** |

| | December 31, 2024 (Audited) | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cost | | | Accumulated Depreciation | | | Book Value as at Dec 31, 2024 |
| | As at Jan 01, 2024 | Additions / (deletions/ adjustment) | As at Dec 31, 2024 | As at Jan 01, 2024 | Charge/ Adjustment for the year | As at Dec 31, 2024 | |
| | ----------Rupees in 000 ----------' | | | | | | |
| Plant & Machinery | 59,828 | | 55,484 | 47,449 | | 47,048 | 8,436 |
| | | (4,344) | | | (401) | | |
| Vehicles | 6,000 | | 2,645 | 4,630 | 1,371 | 2,645 | - |
| | - | (3,355) | - | - | (3,356) | - | - |
| Total | 65,828 | | 58,129 | 52,079 | 1,371 | 49,693 | 8,436 |
| | | (7,699) | | | (3,757) | | |

**Future Ijarah payments receivable**

| | March 31, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | Not later than 1 year | Later than 1 year & less than | 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 receiv | **475** | **-** | **-** | **475** | 475 | - | - | 475 |

**38.4 Due from Head Office**

Due from Head Office Rs.Nil (Rs.Nil)

**38.5 Deposits**

| | March 31, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|---|---|---|---|---|---|---|
| | In Local Currency | In Foreign currencies | Total | In Local Currency | In Foreign currencies | Total |
| | ----------Rupees in 000 ----------' | | | | | |
| **Customers** | | | | | | |
| Current deposits | **30,990,685** | **232,030** | **31,222,715** | 40,619,109 | 215,067 | 40,834,176 |
| Savings deposits | **104,367,048** | **-** | **104,367,048** | 80,198,997 | - | 80,198,997 |
| Term deposits | **17,450,297** | **-** | **17,450,297** | 17,145,145 | - | 17,145,145 |
| Others | **3,843,365** | | **3,843,365** | 4,800,439 | | 4,800,439 |
| | **156,651,395** | **232,030** | **156,883,425** | 142,763,690 | 215,067 | 142,978,757 |
| **Financial Institutions** | | | | | | |
| Current deposits | **77,743,763** | **-** | **77,743,763** | 136,864,262 | - | 136,864,262 |
| Savings deposits | **25,012,722** | **-** | **25,012,722** | 28,979,564 | - | 28,979,564 |
| Term deposits | **628,733** | **-** | **628,733** | 615,500 | - | 615,500 |
| | **103,385,218** | **-** | **103,385,218** | 166,459,326 | - | 166,459,326 |
| | **260,036,613** | **232,030** | **260,268,643** | 309,223,016 | 215,067 | 309,438,083 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|---|---|
| | -------- (Rupees in '000) -------- | |

**38.6 Islamic Banking Business Unremitted Profit**

| | | |
|---|---|---|
| Opening balance | **4,892,128** | 3,529,477 |
| Less: Impact of adoption of IFRS 9 | **-** | (1,440,726) |
| Add: Islamic banking profit for the period | **2,333,918** | 6,332,854 |
| Less: Transferred / remitted to Head Office | **(4,895,872)** | (3,529,477) |
| Closing balance | **2,330,174** | 4,892,128 |

**38.7 CONTINGENCIES AND COMMITMENTS**

| | | |
|---|---|---|
| -Guarantees | - | - |
| -Commitments | - | - |
| -Other contingent liabilities | - | - |
| | - | - |

| | (Un-audited) Quarter ended | |
|---|---|---|
| | **March 31, 2025** | March 31, 2024 |
| | -------- (Rupees in '000) -------- | |

**38.8 Profit / Return Earned of Financing, Investments and Placement**

| | | |
|---|---|---|
| Profit earned on: | | |
| Financing | **4,978,448** | 3,202,371 |
| Investments | **5,964,004** | 2,463,206 |
| Placements | **10,527** | 419 |
| | **10,952,979** | 5,665,996 |

**38.9 Profit on Deposits and other Dues Expensed**

| | | |
|---|---|---|
| Deposits and other accounts | **3,333,456** | 3,032,058 |
| Others (General Account) | **3,565,775** | 688,271 |
| Amortisation of lease liability against - ROUA | **35,197** | 30,383 |
| | **6,934,428** | 3,750,712 |

**39 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 46 during the period and 31 as at March 31, 2025)**

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

**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,

**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

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

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

**Avenues/sectors of economy/business where Modaraba based deposits have been deployed.**

| | **March 31, 2025** | December 31, 2024 |
|---|---|---|
| **Sector** | **Percentage** | |
| Fertilizer | **0.00%** | 0.00% |
| Textile | **1.42%** | 1.56% |
| Fuel & energy | **10.01%** | 11.14% |
| Leasing/Modarbas | **0.01%** | 0.01% |
| Sugar | **5.68%** | 2.48% |
| Cement | **1.38%** | 1.64% |
| Gas | **0.17%** | 0.19% |
| Financial | **0.57%** | 10.67% |
| Federal Government | **52.59%** | 32.52% |
| Real Estate | **0.96%** | 1.08% |
| Agriculture | **0.40%** | 0.46% |
| Commodity Operations | **23.03%** | 34.54% |
| Others | **3.78%** | 3.71% |
| **Total** | **100%** | 100% |

**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

| | March 31, 2025 |
|---|---|
| **Mudarib Share** | **Rupees in '000** |
| Gross Distributable Income | 8,135,145 |
| Mudarib (Bank) share of profit before Hiba | 3,570,580 |
| Mudarib Share in %age | 43.89% |
| | |
| **Hiba from Mudarib Share** | |
| Mudarib (Bank) share of profit before Hiba | 3,570,580 |
| Hiba from bank's share to depositors | 1,832,304 |
| Hiba from bank's share to depositors in %age | 51.32% |

**Profit rates**

During the three months ended March 31, 2025 the average profit rate earned by NBP Aitemaad Islamic Banking Group is 13.29 % and the profit distributed to the depositors is 10.79%.

**39 GENERAL**

**39.1** Figures have been rounded off to the nearest thousand rupees.

**40. DATE OF AUTHORIZATION FOR ISSUE**

The unconsolidated condensed interim financial statements were authorized for issue on April 25, 2025 by the Board of Directors of the Bank.

| Chairman | President / CEO | Chief Financial Officer | Director | Director |
|---|---|---|---|---|

NBP

**Head Office**
NBP Building. I.I. Chundrigar Road. Karachi. Pakistan

**Telephone Numbers**
Phone:+91-21-99220100 (30 lines)
Phone:+91-21-99062000 (60 lines)

**NBP Call Centre**
UAN: 111-627-627

**Website**
www.nbp.com.pk