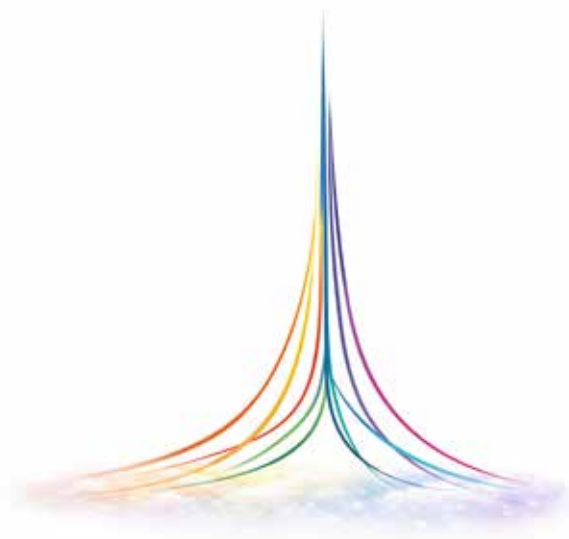


ALIGNED FOR IMPACT

ANNUAL REPORT | 2025





ALIGNED FOR IMPACT

The theme **“Aligned for Impact”** embodies the Bank’s unified vision to create meaningful, measurable, and lasting value. It reflects a collective commitment to align strategy, culture, and execution toward shared goals that drive sustainable growth and positive change.

In an evolving business landscape, alignment across all levels of the organization i.e. leadership, employees, partners, and stakeholders to ensures clarity of purpose and consistency in action. Every initiative undertaken is guided by a common objective to deliver impact that extends beyond financial performance, contributing to social progress, environmental responsibility, and inclusive development.

Through collaboration and innovation, BOP continues to strengthen its foundations, enhance operational excellence, and adapt to emerging opportunities. This alignment enables the Bank to remain resilient, agile, and forward-looking, ensuring that every effort contributes to a greater purpose for creating impact that matters.

THE BANK OF PUNJAB

Statement of Adherence with the International Integrated Reporting Framework:

The Bank's annual report has been prepared in line with recognized reporting standards and frameworks. The integrated report articulates the value generated by the Bank through its core business operations for all stakeholders. It provides a comprehensive overview of Bank's business model, strategic direction, both long-term and short-term, along with its approach to managing risks, capitalizing on opportunities, and adhering to governance principles and regulatory requirements. The report has been compiled in accordance with the criteria established by the joint committee of ICAP and ICMA for the Best Corporate Report Awards 2025, reflecting the Bank's commitment to transparency, accountability, and best reporting practices.

As one of the country's leading commercial Bank, the Bank of Punjab continues to play a vital role in advancing financial inclusion and fostering sustainable, balanced growth across all segments

of society. With majority shareholding by the Government of the Punjab, BOP not only focuses on its core commercial operations but also spearheads key initiatives of the Government aimed at poverty reduction and economic development. Currently, the Bank is handling various initiatives of GoPb which includes Kissan Card Scheme, Live Stock Card Scheme, Assan Karobar Scheme, Himmat Card, Rashan Card, Fan replacement and T cash etc. through its state of the art digital platform. Through its extensive network of online branches, BOP delivers modern, technology-enabled banking solutions to a diverse customer base, thereby positively influencing the lives of millions nationwide.

In pursuit of enhanced transparency and comprehensive disclosure, the Bank of Punjab has adopted International Integrated Reporting standards to present both financial and non-financial performance in a cohesive manner. Looking ahead, the Bank remains dedicated to continuously strengthening its reporting framework in line with evolving stakeholder expectations and regulatory requirements. This ongoing commitment underscores the Bank's focus on sustainable growth, responsible governance, and long-term value creation.

Scope and Boundary of BOP Annual Report 2025:

Integrated Reporting

CONTENTS

- Organizational Overview and Operating Environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Sustainability and Corporate Social Responsibility (CSR)
- Governance
- Analysis of the Financial Information
- Business Model
- IT Governance and Cybersecurity
- Stakeholders Relationship and Engagement
- Awards & Achievements
- Fair Treatment of Customers Framework & Consumer Grievance

SCOPE

- Integrated Reporting Framework
- Banking Companies Ordinance, 1962
- Companies Act, 2017
- Listed Companies (Code of Corporate Governance) Regulations, 2019

Financial Reporting

CONTENTS

- Standalone Financial Statements of BOP
- Consolidated Financial Statements of BOP Group

SCOPE

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board 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
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP)
- Requirements of The Bank of Punjab Act, 1989
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017

Reporting Period:

The annual report of BOP for year 2025 covers all financial and non-financial information about the Bank and its Group of companies for the period 01-01-2025 to 31-12-2025. However, any material event occurred after 31-12-2025 but before approval of Financial Statements by BOD as on 17-02-2026 have also been included in this report.

Assurance by External Auditors:

The Financial Statements of BOP for year 2025 have been audited

and assured by M/s A.F. Ferguson & Co., Chartered Accountants.

Materiality:

All information included in the annual report has been compiled and disclosed based on the principle of materiality, ensuring that only relevant and significant information is presented to accurately reflect the Bank's performance.

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THE BANK OF PUNJAB

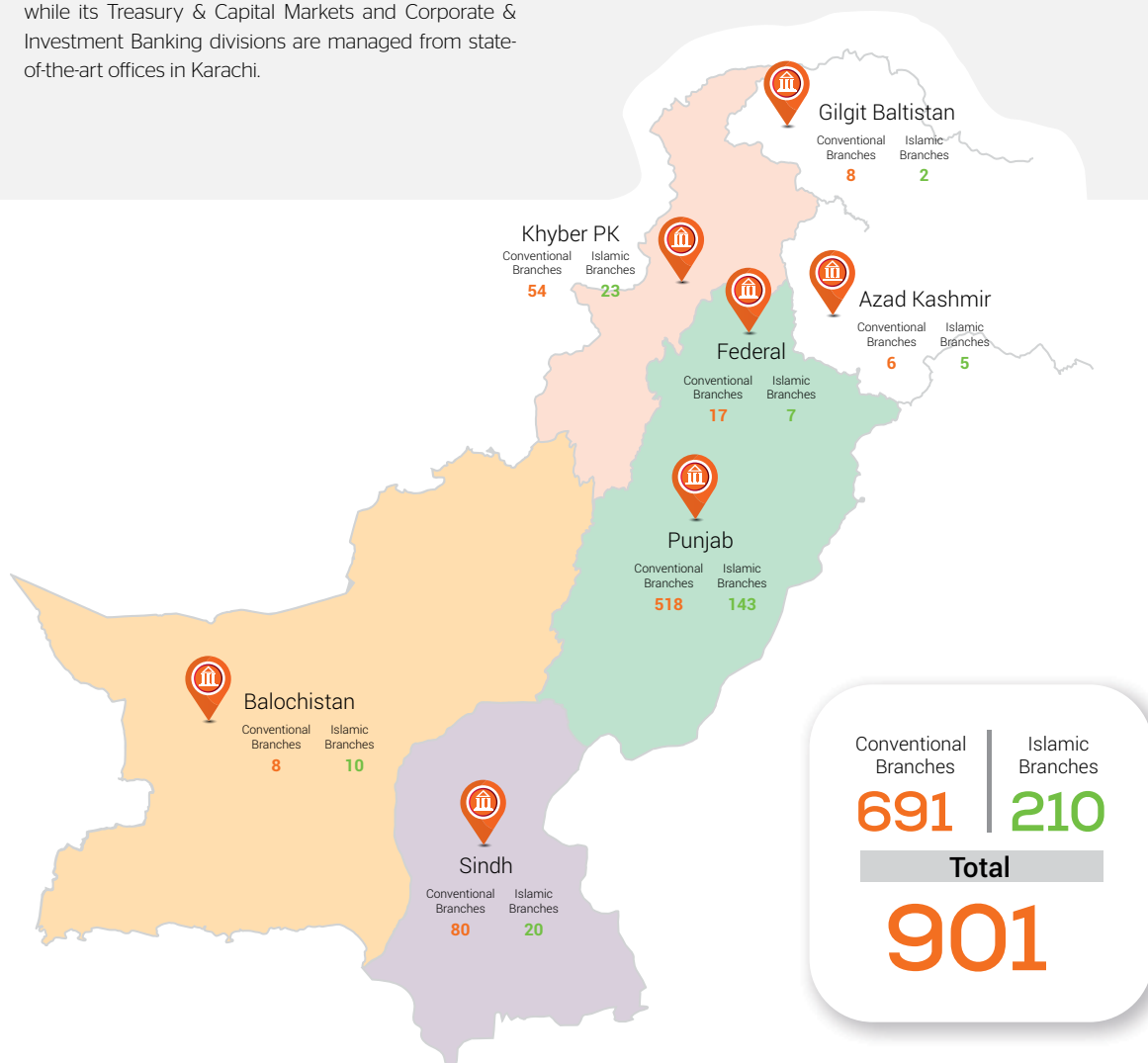
A BRIEF PROFILE

The Bank of Punjab was established in 1989 under The Bank of Punjab Act, 1989 by the Government of the Punjab. It was granted the status of a scheduled bank in 1994 by the State Bank of Pakistan (SBP). Today, the Bank operates an extensive network of 901 online branches across the country, complemented by an ATM network of 947 machines, providing round-the-clock banking services to its diverse customer base.

In addition to conventional banking, the Bank offers Islamic Banking services through 534 dedicated Islamic Banking Windows, catering to the needs of its valued clients. The Bank's Head Office is located in Lahore, while its Treasury & Capital Markets and Corporate & Investment Banking divisions are managed from state-of-the-art offices in Karachi.

As the second-largest public sector Bank in the country, the Bank remains fully compliant with the Prudential Regulations of the State Bank of Pakistan and all other applicable laws and regulatory frameworks.

Geographical breakdown of Bank's branch network as on December 31, 2025 is as under:



- Including 17 Sub-Branches and 534 Islamic banking windows

The Government of the Punjab (GOPb), as the majority shareholder and sponsor of the Bank, holds 57.47% of its shares. In its capacity as the majority shareholder, the Government of the Punjab appoints the Chairman of the Board. Further, in terms of section 10(3) of The Bank of Punjab Act, 1989, the Chairman shall preside over meetings of Board of Directors and has a casting vote, but he shall not exercise any executive authority or power. The President/CEO, is appointed by the Government of the Punjab. The President is the Chief Executive Officer of the Bank and shall, subject to any bye-laws made in this behalf, directs and controls, on behalf of the Board, the affairs of the Bank.

The Bank offers a comprehensive range of products and services designed to meet the evolving needs of its diverse clientele. It maintains a strong presence across multiple business segments, including Corporate & Investment Banking, Commercial Banking, SME, Agriculture, and Consumer Financing. The Bank's TAQWA Islamic Banking, launched in 2013, provides a full suite of Shariah-compliant products and services to its valued customers. In addition, the Bank offers modern digital and financial solutions such as Credit Cards, Branchless Banking, Mobile Banking, Internet Banking, and Cash Management services, ensuring convenience and accessibility for all clients.

The Bank of Punjab Group has following Subsidiaries/Associates:

Sr#	Name
1	Punjab Modaraba Services (Private) Limited, a wholly owned modaraba management company

Sr#	Name
2	First Punjab Modaraba, a modaraba company managed by Bank's wholly owned subsidiary PMSL
3	BOP Capital Securities (Private) Limited, a subsidiary company
4	BOP Exchange (Private) Limited, a wholly owned subsidiary of the Bank
5	Punjab Life Insurance Company (Associate)

The subsidiaries and associated companies are incorporated in Pakistan and operates in Pakistan only.

DETAIL OF PERCENTAGE SHAREHOLDING IN SUBSIDIARIES/ ASSOCIATES IS AS FOLLOWS:

Subsidiaries	2025	2024
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
BOP Capital Securities (Private) Limited	100.00%	100.00%
BOP Exchange (Private) Limited	100.00%	100.00%
Punjab Life Insurance Company (Associate)	9.50%	-





01.

ORGANIZATIONAL OVERVIEW AND OPERATING ENVIRONMENT

The Bank operates in a dynamic and highly competitive environment, strategically leveraging innovation to address evolving market needs and deliver sustainable value to its stakeholders.



VISION & MISSION STATEMENT

OUR VISION

"Your banking partner in creating value and
improving lives"





OUR MISSION

"Meet customer needs through innovative technology products/ services to drive business growth while promoting financial inclusion, diversity and prosperity across the nation with a motivated team through culture of excellence and empathy"



CORE VALUES "E-TIME".



Empathy



Teamwork



Innovation



Meritocracy



Excellence

to ensure best in class customer service

CREDIT RATING

BOP holds long term Credit rating of AA+ and A1+ for short term assigned by PACRA

Credit Rating By PACRA 2025

Long Term	AA+

Short Term	A1+

PACRA MAINTAINS
ENTITY RATING OF
THE BANK OF PUNJAB
TO "AA+"



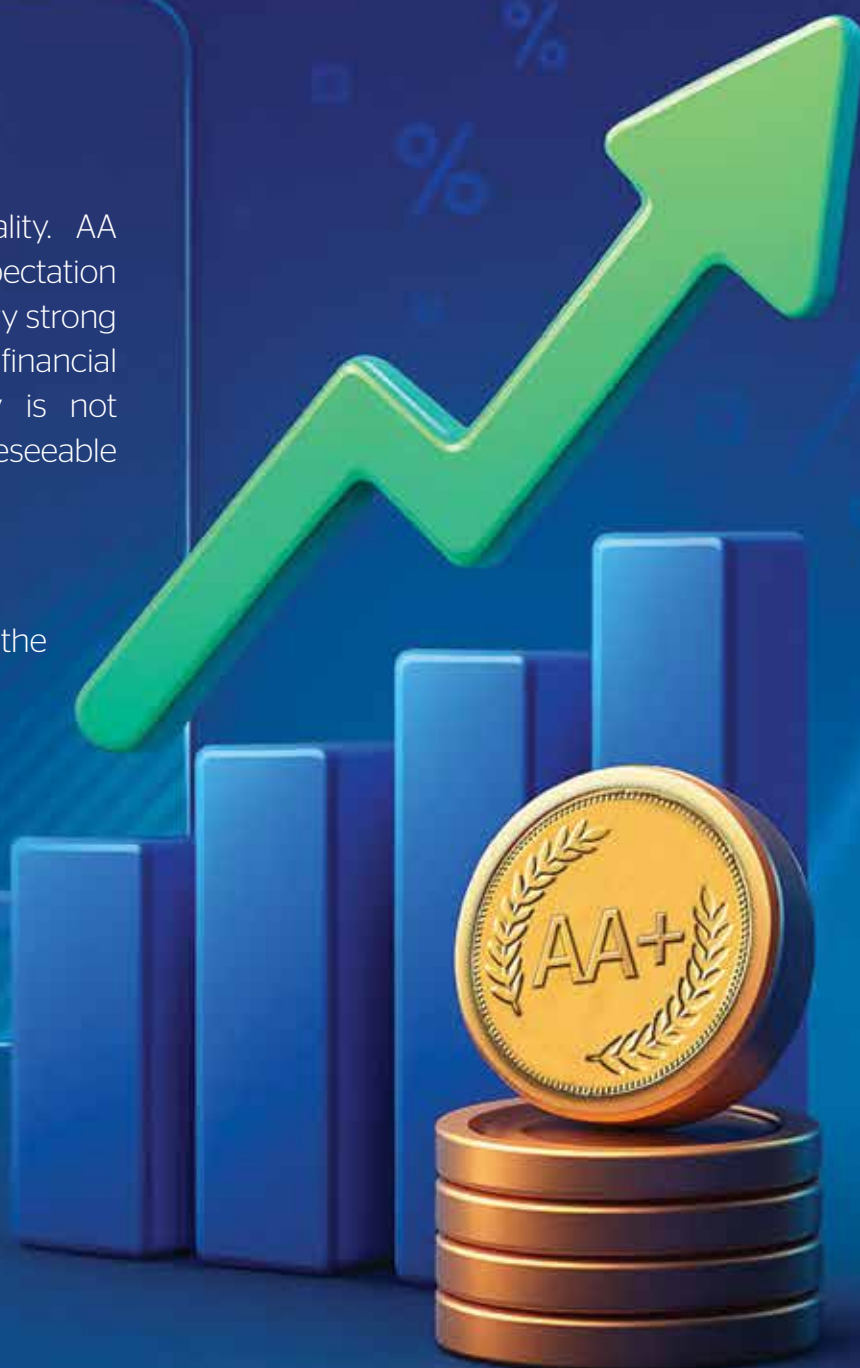
RATING DEFINITION

Long Term Rating

AA+: Very High Credit Quality. AA Ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable for foreseeable events.

Short Term Rating

A1+: Obligations supported by the highest capacity for timely repayment.



PRODUCTS & SERVICES

Details of some key conventional banking liability products are as under:

DEPOSIT PRODUCTS - CONVENTIONAL BANKING

Current Deposits

- BOP Tijarat Account
- BOP Life Current Account
- BOP Salary Plus Account
- BOP Youth Education Account
- BOP FCY Supreme Current Account
- BOP Current Account
- BOP Current Direct Pension Credit Account
- BOP Basic Banking Account
- BOP Asaan Current Account
- BOP Asaan Remittance Current Account
- BOP Kissan Dost Current Account
- BOP GID Business Current Account
- BOP FCY Current Account
- BOP@Work Current Account
- BOP Freelancer Digital Account
- BOP NAAZ Current Account
- BOP SACA Account

Saving Deposits

- PLS Saving Bank Account
- BOP Behtareen Munafa Account
- Corporate Premium Account
- BOP FCY Supreme Saving Account
- BOP Young Lions Saving Account
- BOP PLS Direct Pension Credit Account
- BOP Asaan Saving Account
- BOP PLS LG Account
- Kissan Dost Saving Account
- BOP FCY Saving Account
- BOP@Work Savings Account
- Corporate Premium Plus Account
- BOP NAAZ Savings Account
- BOP Mera Munafa Account
- BOP Mera Munafa Plus Account

Term Deposits

- BOP Bonus Munafa Term Deposit
- PLS Term Deposit
- Foreign Currency Term Deposit
- BOP Floating Term Deposit

BOP ROSHAN DIGITAL ACCOUNT

Roshan Digital Account is a major initiative of State Bank of Pakistan which provides banking solutions for millions of Non Resident Pakistanis. BOP offers Roshan Digital Account for Non-Resident and Resident Pakistanis (with declared assets held abroad) to invest in Pakistan with ease. Customer can open either Foreign Currency USD/ GBP/EUR or Pak Rupee denominated account, under Conventional Banking and Islamic Banking, with exciting investment opportunities i.e Naya Pakistan Certificates/ Islamic Naya Pakistan Certificate issued by government and Term deposit products/Riba Free Certificates of the Bank.

2008-2009. This product attracted a number of banks in Pakistan, especially those with large branch network and extensive clientele. At present, there are more than twenty banks involved in the business of bancassurance with different companies.

This business is managed by Life Insurance/Takaful Companies and falls under the purview of Securities and Exchange Commission of Pakistan (SECP) who has provided comprehensive guidelines for Bancassurance business which are mandatory to be followed by the banks & insurance companies. State Bank of Pakistan has also provided its Master Circular on Sale of Third Party Products and provided a comprehensive guideline to banks for determining the customers' suitability assessment/risk taking capacity.

BANCASSURANCE

"Bancassurance/Bancatakal" means distribution of insurance/takaful products of insurance/takaful companies through bank's distribution channels. The concept of bancassurance in Pakistan took birth in 2003 but this sector got encouragement during

The Bank of Punjab is in agency arrangements with three insurance companies i.e. M/s EFU Life Assurance Limited, State Life Insurance Corporation of Pakistan and M/s IGI Life Insurance Limited for marketing their below mentioned Bancassurance & Bancatakal plans through BOP Branch network.

BOP KHAAS BANKING

In order to increase the branch image of BOP and service excellence, KHAAS segment has been enhanced to cater individuals and entities. This segment provides exclusive service to high net worth customers with special features and benefits. Our specialized Priority Relationship Manager is dedicated to serve KHAAS customers. They are equipped with knowledge of Priority proposition to cater your banking needs.

Priority banking proposition is a customized Retail Banking proposition which target our preferred "KHAAS" customers.

Dedicated liability products named BOP KHAAS Account (Current, Saving & Monthly Saving) are available for delivery of differentiated services and products to priority segment. As a BOP KHAAS customer, you can avail following Premium Banking benefits.

Product	Individuals and Sole Proprietor	Partnership	Private Limited Co
Current account	PKR 2 Million or equivalent FCY	PKR 5 Million or equivalent FCY	PKR 7 Million or equivalent FCY
Saving account	PKR 3 Million or equivalent FCY	PKR 8 Million or equivalent FCY	PKR 10 Million or equivalent FCY

PRODUCTS & SERVICES

Conventional Assets Products:

Consumer	Agri & SME	Corporate
• Car Lease - CarGar • Apna Ghar House Financing • Apna Ghar Low Cost Housing Finance • Personal Loan • BOP Solar • Carvaan Fleet Financing • BOP Smart Advance Cash - Digital Personal Loan	• BOP Agri Kissan Dost Production Loan • BOP Agriculture Non Farm Loan • Bop Tractor & Agri Implements/ machinery Leasing • BOP Fleet Financing • BOP Shamsi Tawanai • Farm Mechanization • BOP Electronic warehouse receipt financing • Punjab Rozgar Scheme PRS • PMYB and ALS • Financing Facility for Storage of Agriculture Produce (FFSAP) • BOP Agri Kissan Dost Storage Finance • BOP Digital Financial for Agriculture (Non-Farm) • BOP Digital Financing for Agriculture (Farm sector) • CM Punjab Livestock Card • CM Punjab Kissan Card • Multi-year Adoption of Electronic Warehouse Receipt (EWR) and Commodity Trading System in the Punjab • Chief Minister Punjab Hi - Tech Farm Mechanization • BOP Business Asaan • BOP Apni Dokan • BOP Fori Sahulat • BOP Kamyab Karobar • BOP Shamsi Tawanai • BOP Supply Chain Finance • BOP e-Business Qarza • BOP SME Digital Finance • Carvaan Fleet Financing • BOP Clean Finance	• Project Finance • Debt Syndications and Consortium Financing • Corporate Finance • Long Term/Demand Finance • Working Capital Finance • Letter of Credit, Contracts and Export collection services • FE Loans, Pre and Post Shipment Export Financing • Import Financing • Bills Discounting • Letter of Guarantees • Cash Management Services and etc. • Housing & Construction Finance • Advisory Services • Hospital Finance • Employee Banking

Conventional Assets Products:

Consumer	Agri & SME	Corporate
	• Prime Minister Youth Business and Agriculture Loan Scheme • CM Punjab Asaan Karobar Finance Scheme • Export Finance Scheme • Running Finance • Cash Finance (Pledge) • Local Bill Discounting • Demand Finance / Term Finance for BMR / Business Expansion / CapEx • Import Letter of Credit (Sight) • Import Letter of Credit (Usance) • Inland Letter of Credit (Sight) • Inland Letter of Credit (Usance) • Finance Against Trust Receipt (FATR) • Finance against Imported Merchandise (FIM) • Finance against Packing Credit (FAPC) • Finance against Foreign Bill (FAFB) • Foreign Bill Discounting (FBP) • Letter of Guarantee • Lease of commercial vehicles	

SBP REFINANCE SCHEMES

- Export Finance Scheme
- Financing Facility for Storage of Agricultural Produce
- Long-term Financing Facility for Plant & Machinery
- Mark-up & Guarantee Facility for Rice Husking Mills in Sindh
- Refinance Scheme for Modernization of SMEs
- Refinance Scheme for Special Persons
- Refinance Scheme for Women Entrepreneurs
- Refinance Scheme for Working Capital Financing of SEs & low-end MEs
- BOP SME Asaan Finance Scheme (SAAF)

GOVERNMENT INITIATIVES

- Prime Minister Youth Business & Agriculture Loan Scheme
- Provision of Interest-Free Bikes to Students Scheme
- CM Punjab Assan Karobar Finance
- Mera Ghar - Mera Ashiana

RAAST - PAKISTAN FIRST INSTANT PAYMENT PORTAL

Raast is Pakistan's first instant payment platform which enables end-to-end digital payments between individuals, businesses and government entities. This is a payment gateway developed by State Bank of Pakistan (SBP). It enables the real-time transfer of money without any transaction fees.

Raast payments are made through an alias which is linked to the customers bank account number. A mobile number can become a customer's alias, on which payments are directly processed against their linked bank account. This eliminates the need for exchanging lengthy account numbers when making transactions.

TAQWA ISLAMIC BANKING PRODUCTS:

Liability Products:

- Basic Banking Accounts
- Current Accounts
- Profit and Loss Sharing Accounts
- Taqwa Rahat Corporate Account
- Taqwa Rahat Account
- Riba Free Certificates (PKR)
- Riba Free Certificates (Foreign Currency)- RFCs FCY
- Taqwa Asaan Current Account
- Taqwa Asaan Saving Account
- Taqwa Business Account
- Taqwa Meherbaan Certificate
- Taqwa Direct Pension Credit Account
- Taqwa Asaan Remittance Account
- Taqwa Committee Account
- Taqwa Kissan Dost Saving Account
- Taqwa Naaz Account
- Sadqa Jaari'ah Certificates - SJC's
- TAQWA BOP @ WORK
- TAQWA Rizq Account
- TAQWA KHAIR ACCOUNT

Asset Products:

- Murabahah Financing
- Musawamah Financing
- Diminishing Musharakah Financing
- Kafalah (Bank Guarantees)
- Ijarah
- Istisna
- Running Musharakah
- Taqwa Tijarah Finance
- Taqwa Salam Finance

DIGITAL BANKING & CASH MANAGEMENT SERVICES:

Digital Banking Initiatives:

- digiBOP

- BOP SMS Banking Services
- Digital Account Onboarding Portal
- Security of Digital Payments
- BOP Sadqah Jariyah
- BOP E-payment Gateway
- Whatsapp Banking
- Debit and Credit Cards
- BOP Lahore Qalandars Debit Card
- KISSAN Card Scheme
- BOP Contact Center
- Security Awareness

CASH MANAGEMENT INITIATIVES:

Some of the key initiatives are as under:

1. Customized Collection / Receivable Management
2. Payable Management
3. Over the Counter Payment Solutions
4. Hybrid Payment Solution
5. BOP-BIZ - Corporate Portal

Branchless Banking:

- CM Punjab Himmat Card
- Minority Card
- CM Punjab Rashan Card
- CM Mines and Minerals
- Neghban Ramzan Program
- The Wheat Subsidy Program
- Suthra Punjab Program
- BISP
- Punjab Payroll Forest Department
- Punjab Social Protection Authority & Punjab Human Capital Investment Program

BOP SME DIGITAL FINANCE

Industry's First Digital Lending Platform for both existing and new-to-bank SMEs. Designed to fuel growth through seamless, hassle-free digital solution. Leveraging AI, big data, and automation, it simplifies loan processing, boosts financial inclusion, and accelerates business expansion. Empower your SME journey with BOP's innovative digital financing.



THE BANK OF PUNJAB BOP

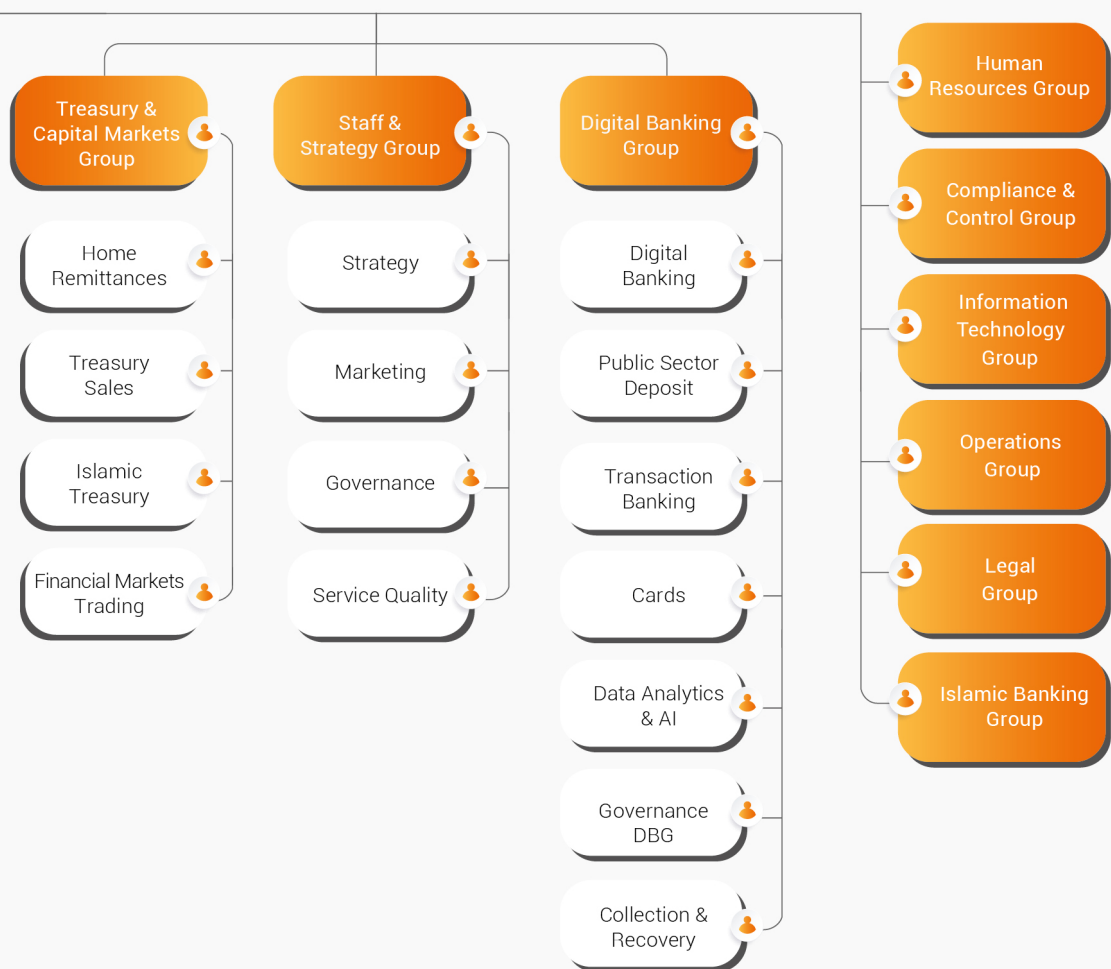
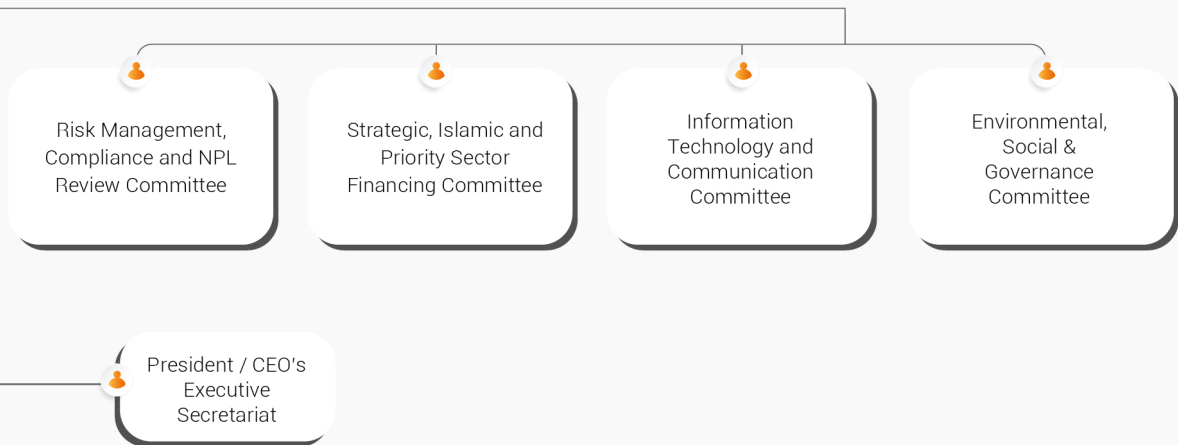


THE BANK OF PUNJAB

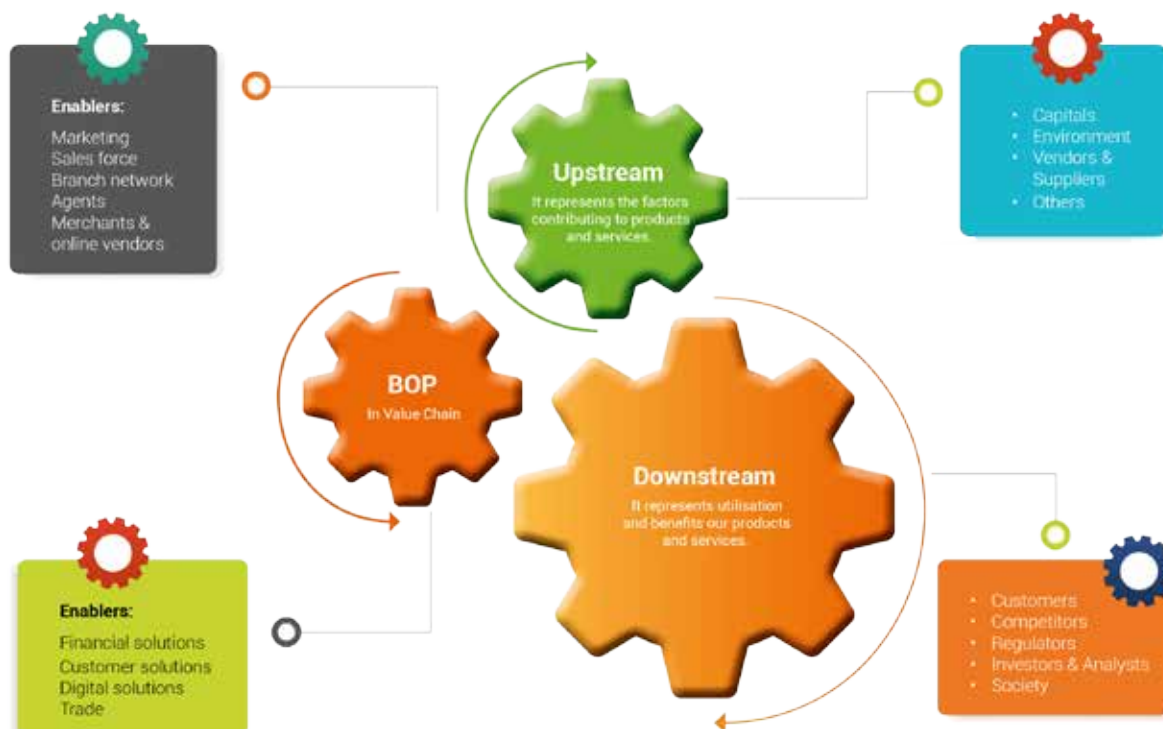
ORGANIZATIONAL STRUCTURE



* Dotted line Represent Administrative Reporting, Straight line Represents Direct Reporting



VALUE CHAIN



BOP IN VALUE CHAIN

Primary activities:

The Bank channels deposits and capital into productive and profitable lending and investment avenues besides providing customers beneficial return and state of the art services.

Supporting activities:

The Bank thrives to maintain a solid control environment envisaging precise policies and procedures with respect to banking operations. Key support functions include Strategy, Corporate Governance & Compliance, Human resource, Risk Management, Information Technology, Finance & Marketing.

UPSTREAM

Capitals: Human, Financial, Social, Manufactured and Intellectual

Environment: Political, Social, Legal, Technological and Natural

Vendors & Suppliers: Offering of various supplies and services

Others: Regulations under which Bank operates

DOWNSTREAM

Customers: Core of Bank's business and drive profitability. The Bank looks to enhance customer satisfaction through digitalization.

Competitors: The Bank constantly envision improvement in service quality standards to remain competitive and ahead of its peers.

Regulators: The Bank continuously endeavors its responsibility to ensure regulatory compliance

Investors & Analysts: The Bank maintains regular interaction and keep them updated with performance and actions taken in the normal course of business.

Others: The Bank concentrates to contribute to society through financial inclusion and its CSR initiatives.

Financial Capital

2025

Equity: Rs. 104.1 B
Subordinated debt: Rs. 30.80 B
Deposits: Rs. 2,052 B
CAR: 14.22%

2024

Equity: Rs. 92.5 B
Subordinated debt: Rs 30.8 B
Deposits: Rs. 1,710 B
CAR: 17.93%

Human Capital

2025

Total Staff Strength of 17,266
A blend of experienced and educated youth.
A transparent reward system linked with performance.
Training & Development programmes

2024

Total Staff Strength of 16,344
A blend of experienced and educated youth.
A transparent reward system linked with performance.
Training & Development program

Business Capital

2025

Branch Network: 901
ATMs: 947
Mobile Banking, Internet Banking, Cash Management, Branchless Banking

2024

Branch Network: 900
ATMs: 889
Mobile Banking, Internet Banking, Cash Management, Branchless Banking

Natural Capital

2025

Financing for renewable energy for staff
Green Banking Initiatives including paperless Banking, renewable energy use at Branches etc.

2024

Financing for renewable energy for staff
Green Banking Initiatives

Intellectual Capital

2025

Implementation of new release of Core Banking System
Strengthening the Digital Platforms to offer new Product

2024

Implementation of new Digitalization initiatives

Social Relationship

2025

No. of Accounts: 16.86 M
No. of Depositors: 12.77 M

2024

No. of Accounts: 7.28 M
No. of Depositors: 6.69 M

EXTERNAL ENVIRONMENT

Under the \$ 7 billion IMF EFF program, the structural reforms undertaken to reduce public debt and strengthen SBP FX reserves has led to economic stabilization. Investor confidence has improved with rating upgrades by S&P, Moody's, and Fitch. The Sovereign Eurobond spreads have narrowed back to historical levels of around 500 basis points, which will open the international credit markets for Pakistan, which is targeting new issuance in 2026. Similarly, the stock market has rallied with gains of over 47,000 points (60%YoY) to 125,627 points at the end of FY2025. Strong corporate results and improved macroeconomic indicators have further propelled the index beyond 150,000 in Aug 2025.

The fiscal year FY2025 ended on very positive data with Pakistan posting a surplus in the budget primary account and the current account balance. Inflation eased to 4.5% in FY2025, a marked decline from 23.4% in FY2024. Moderating international oil prices along with improved agricultural output and supply chain dynamics kept food and energy inflation subdued throughout the year. This created sufficient room for SBP to continue its monetary easing cycle, reducing the policy rate by 950 bps in FY2025.

GDP growth inched up to 2.7%, with pick up in manufacturing and exports. External account balances have remained favorable throughout FY2025, with current account balance recording first surplus of \$ 2.1 billion in the last fourteen years. This surplus was driven by record remittances growth of 26%YoY to \$ 38.3 billion, while export growth inched up 4%YoY. This has supported SBP FX reserves buildup, which increased to \$ 14.5 billion by June 2025.

For Pakistan, despite its minimal contribution to global greenhouse gas emissions, the costs associated with climate change are growing substantially. The country faces frequent economic shocks from climate-induced disasters. The Climate Risk Index (CRI), a long-standing annual climate impact related index, as well as the World Risk Report by the World Economic Forum have listed

Pakistan amongst the most susceptible countries to climate vulnerabilities. These climate related challenges add to existing structural economic issues, amplifying the need for resilience and adaptation strategies.

The IMF Board has approved an additional \$1.4 billion under the Resilience and Sustainability Facility for Pakistan. This funding is intended to help Pakistan strengthen its economy against the effects of climate change and natural disasters.

Floods 2025 have once again exposed the economic vulnerability to climate related changes, slowing down the accelerating growth momentum. Punjab, the breadbasket of Pakistan has been hit with worst floods in decades, washing away a sizeable portion of the Kharif crops. The impact has already started to unfold with perishables including wheat, onions and tomatoes experiencing sharp price hike across the country. Besides the inflationary impact, agricultural losses are also expected to slow down the growth momentum and widen the trade deficit. Reflecting these risks, the SBP in its September 2025 Monetary Policy meeting opted to keep the policy rate unchanged at 11% for the third consecutive meeting.

U.S. Trade Tariffs

In early Apr 2025, the United States imposed new trade tariffs aimed at addressing its trade imbalances and protect domestic industries. Broadly, the U.S. trade deficit surged to \$ 1.2 trillion in 2024, prompting the government to impose a 10% global tariff on all imports into the US. On top of this, President Trump has threatened additional tariffs on different countries with

China (30%), India (25%), and Brazil (50%) impacted the most. This will have significant implications in terms of the global economic outlook, with the IMF now projecting the global GDP to slowdown in 2025 to 3%, from 3.3% in 2024.

The US is Pakistan's largest export market and increase in tariffs to 19%, is a cause of significant risks to the economic outlook. However, at the same time relatively higher tariffs on competitors including Bangladesh (20%), Vietnam (20%) and India (25%) give opportunities for exporters to enhance market share.

On the positive side, the trade wars and slowdown in global GDP will have a positive impact on commodity markets, will energy, minerals and metals price expected to cool down in 2026. Brent crude, a key driver of Pakistan's inflation, has averaged around \$ 70 per barrel since Jan 2025, compared to \$ 81 in 2024.

Economic Outlook

The FY2026 macroeconomic outlook reflects resilience stemming from the steadfast gains made in the last two years. Economic growth has picked up gradually, inflation remains low and external account balances have improved. SBP expects the economy to be on a stronger footing to withstand the negative fallout of the Floods 2025 as compared to previous major flood events. Given the low inflation environment, moderate domestic demand and relatively benign global commodity price outlook, SBP has projected excessive inflationary and external account pressures to remain in check this time.

The government has set a GDP growth target for FY2026 at 4.2%, driven by a rebound in agriculture growth, targeted to grow at 4.5% as compared to 0.6% in FY2025. Industrial activities are expected to grow by 4.3%, supported by recovery in Large Scale Manufacturing of 3.5%. Services sector, the largest contributor to GDP growth

is expected to grow by 4%. In contrast, IMF has projected GDP to grow at a moderate pace of 3.6% in FY2026, while post floods, SBP has moderated its growth projections to lower end of its previous growth projection of 3.25% - 4.25%.

Indicator	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Real						
GDP (PKR's bn)	83,651	105,143	114,692	125,702	140,787	156,273
GDP(US\$bn)	337	371	411	436	461	512
GDP Growth Rate	-0.2%	2.5%	2.7%	3.6%	4.0%	4.5%
Agri	2.2%	6.4%	0.6%	3.0%	3.5%	4.5%
Industrial	-3.9%	-1.4%	4.8%	3.5%	4.0%	4.5%
Services	0.0%	2.2%	2.9%	4.0%	4.5%	4.5%
External						
Exports (US\$bn)	27.9	31.0	32.3	33.0	36.0	38.0
Imports (US\$bn)	52.7	53.2	59.1	62.0	65.0	67.0
Remittances (US\$bn)	27.3	30.3	38.3	38.0	39.0	40.0
CAD/GDP	-1.0%	-0.6%	0.5%	-1.2%	-2.1%	-1.0%
Gross External Financing Needs (US\$bn)	23.9	21.4	16.4	19.3	19.8	31.4
Fiscal						
Budget Balance	-7.7%	-6.8%	-5.4%	-5.1%	-3.9%	-3.4%
Monetary						
CPI - Period Average	29.20%	23.40%	4.53%	6.00%	8.00%	6.50%
Policy Rate - End of Period	22.00%	20.50%	11.00%	11.00%	11.00%	11.00%
PRs/US \$ Parity - End Period	286	278	284	291	300	310

The International Monetary Fund's (IMF) Jul 2025 World Economic Outlook (WEO) projects a positive, but cautious, forecast for global growth. Global growth is projected to moderate to 3% in 2025 and 2026, slightly lower than 3.3% in 2024. This revised outlook reflects factors such as front-loading of trade activities in anticipation of new tariffs, lower-than-expected effective tariff rates, and improved financial conditions. However, the report also warns of persistent downside risks, including the potential for tariffs to increase again, continued policy uncertainty and commodity price volatility, all of which are made worse by ongoing geopolitical tensions.

Modest global demand amidst rising supply by the OPEC and OPEC+ have weighed on international oil prices, which have down trended during 2025. The Brent crude price outlook is projected to remain favorable, with World Bank forecasting average price of \$ 64 and \$ 60 per barrel in 2025 and 2026. Lower oil prices are expected to offset the pickup in imports resulting from growing economic activity and higher food and cotton imports. Consequently, current account deficit is expected to increase to 1% of GDP in FY2026.

The near term outlook is contingent on actual flood losses and the upcoming second and third review of the IMF EFF program. In Sep 2025, weekly SPI inflation reading has accelerated to 5%YoY driven by rising prices of wheat, vegetables and other perishable items. SBP has cautioned post flood inflation reading to remain above 7% in second half of FY2026. However, benign international commodity prices are expected to keep the inflation levels in check.

The second and third IMF EFF reviews (Sep 2025 and Mar 2026) remain on track, with most performance criteria already met. Although FBR revenue and provincial surpluses fell short of targets,

these were offset by higher SBP profit transfers, ensuring compliance with primary balance target. Successful program reviews will help in unlocking \$ 2 billion.

Easing global interest rates will make access to global financial markets more favorable, with the government initially planning a \$ 250 million Panda Bond issuance in FY2026. Multilateral support and continued SBP FX purchases from the interbank are expected to bolster FX reserves to \$ 17 billion by Jun 2026.

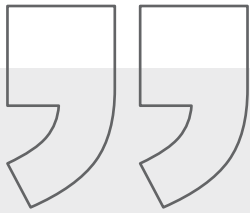
The banking sector's balance sheet expanded by 11% to Rs 59.5 trillion in H1CY25, led by 26% growth in investments, while advances contracted by 16.4%. Profitability strengthened, with after-tax profit rising 27% (vs. 1.1% in H1CY24), driving ROA to 1.3% and ROE to 21.3%. Improved net interest margins (4.7% vs. 4.4% in Jun 2024) reflected sharper repricing of funding costs after policy rate cuts. Looking ahead, sector performance is expected to remain steady, supported by low inflation, stable exchange rate, fiscal consolidation, and recent credit rating upgrades. Advances are likely to recover in H2CY25 amid easing financial conditions, seasonal demand, and a potential boost in textile exports to the U.S. due to lower tariffs. While recent floods may pressure agriculture borrowers and fiscal balances, the sector's resilience remains intact given limited agri exposure and strong capital buffers.

Over the medium term, sustained low international oil prices and the successful completion of the IMF program will be key to strengthening Pakistan's growth outlook. In the wake of recent floods, SBP is expected to maintain the policy rate at 11% for an extended period, until inflation remains firmly within its 5-7% target range.

OPERATING ENVIRONMENT AND BANK'S RESPONSE

External Environment

The Bank of Punjab's external environment, including political, economic, social, technological, legal and natural factors have an impact on business performance and achievement of strategic objectives. Impacts of all such factors and Bank's response have been disclosed in the Risks & Opportunities and SWOT analysis sections in annual report 2025.



In today's complex and evolving economic landscape, the banking sector is undergoing rapid transformation driven by accelerating digitization of end-to-end banking processes and an industry-wide focus on optimizing funding structures to enhance profitability. Banks are increasingly leveraging digital platforms, data analytics, and automation to improve customer acquisition, streamline operations, and drive growth in low-cost deposits—particularly current accounts—thereby strengthening net interest margins and long-term sustainability.

Within this context, the need for agile, forward-looking, and responsive human resource management has become more critical than ever. Internal organizational dynamics, evolving customer expectations, regulatory requirements, and competitive market pressures continue to reshape the industry, necessitating a more strategic approach to workforce planning, capability development,

Legislative and regulatory environment

The Bank of Punjab was established under The Bank of Punjab Act, 1989 and is primarily governed through Bye-laws established under The Bank of Punjab Act, 1989. Legal & regulatory environment also encompasses a comprehensive regulatory framework administered by State Bank of Pakistan and Securities & Exchange Commission of Pakistan being the regulators. Further, regulations set by FATF, IMF and other international bodies also impact the Bank.

and performance management. Human capital plays a pivotal role in enabling digital transformation, operational resilience, and disciplined execution of margin-enhancing strategies.

To remain competitive and resilient, the Bank's human capital strategy is focused on fostering innovation, productivity, and operational excellence, while enhancing organizational effectiveness and the ability to capitalize on emerging industry trends. This includes aligning talent development with digital banking initiatives, data-driven decision-making, and customer-centric service models that support sustainable growth in current accounts and other priority segments. Continuous evaluation of the Bank's existing capabilities, combined with a clearly defined roadmap for future workforce development, ensures readiness to support strategic objectives and evolving stakeholder expectations.



THE LEGITIMATE NEEDS, INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

Key Stakeholders	Interests	Interaction process	Industry Trend
 GoPb	Keep GoPb updated on all material development about the Bank Adherence to Regulations Maintain Growth trend	Representation at BOD level Frequent Presentations	Practices are aligned with other Public Sector Commercial Banks
 Shareholders	Maintain Growth Trend Dividend payouts Timely communication of price sensitive information	AGM EOGM Financial Reports Dissemination of critical information through PSX Corporate Briefing sessions	As per best industry practices
 Regulator	Ensure adherence to regulatory regime	Regulatory & Financial reporting On-site & Off-site surveillance	As per best industry practices
 Customers	Provision of best possible and competitive services Ensure security, secrecy and integrity of customer information	Formal visit Complaint management Updated information through website and other means	As per best industry practices
 Employees	Culture of merit and equal opportunity Career planning Best work environment	Regular communication Town Halls and Seminars Career counselling	As per best industry practices
 Suppliers/Service providers	Transparent process Timely payments	Open bidding process Grievance handling mechanism	As per best industry practices
 Society	Corporate Social Initiatives Green Banking	Through media and website	As per best industry practices



SWOT ANALYSIS

A SWOT analysis gauges the Bank's strengths, weaknesses, opportunities, and threats. This analysis helps management to focus on Bank's strengths in order to take lead of future business opportunities while remain cognizant of weaknesses and resist threats in order to potentially convert threats in to opportunities and ultimately strength of the Bank.

STRENGTHS



WEAKNESSES



OPPORTUNITIES



THREATS



STRENGTHS

- Strong Credit ratings (Long Term: AA+, Short term: A1+)
- Public Sector Risk Appetite with private sector Service Delivery
- Enhanced Digital Footprint
- Use of AI and Automation for Credit Decision Making
- Rapid Growth in Current Account
- Well-established Branch network
- Loyal, stable & diverse workforce
- Strong brand recognition across Punjab

WEAKNESSES

- Relatively High Cost to Income Ratio
- Digital Banking User Experience
- Limited International Presence
- Brand acceptability outside Punjab
- Slow speed to market due to PPRA and other govt. compliances

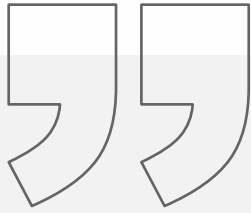
OPPORTUNITIES

- Increase Margin on deposits
- Increase share of wallet through cross-sell of products
- Increased recoveries from NPL portfolio
- Penetrating overseas market
- Penetrate untapped and emerging Market Segments such as Gen X, Gen Y, Gen Z
- Enhance Market Share of Islamic Banking

THREATS

- Global & domestic political and economic uncertainty
- Public Sector Deposits Concentration Risk
- Macroeconomic volatility and high interest rate
- High vulnerability of Consumer Risk due to Climate Change
- Increasing threats of Frauds and Cyber-security

COMPETITIVE LANDSCAPE & MARKET POSITIONING

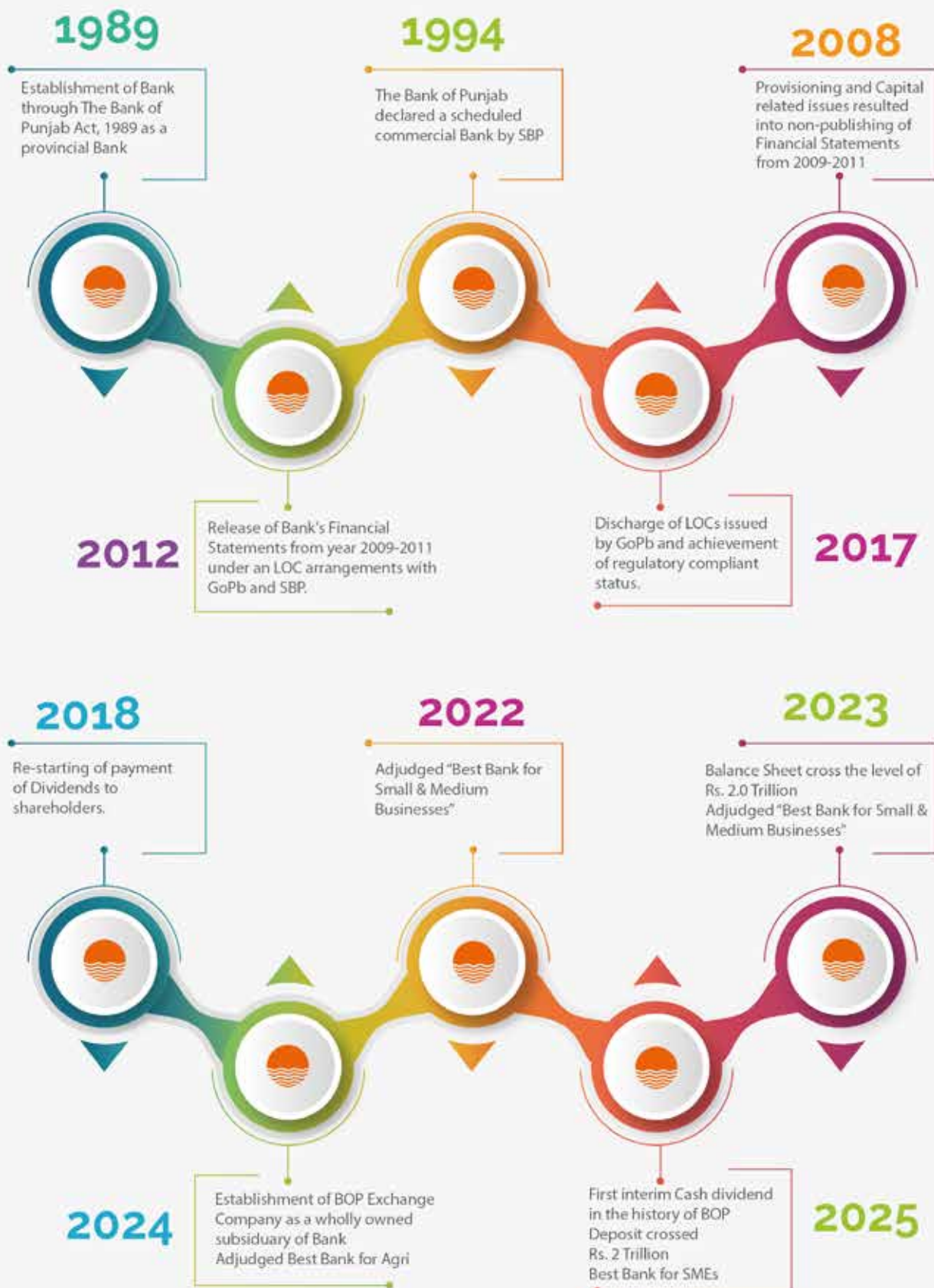


In line with its stated vision and brand promise, the Bank serves a broad spectrum of customers across all segments of the economic pyramid, ranging from high-income individuals and corporate groups to underserved and unbanked populations who previously lacked access to formal banking services. Over recent years, the Bank has undertaken significant strategic and operational initiatives to transform itself into a modern, inclusive financial institution with a strong national footprint, leveraging technology, outreach, and innovation to extend its reach and impact across the country.



HISTORICAL EVENTS

TIMELINE



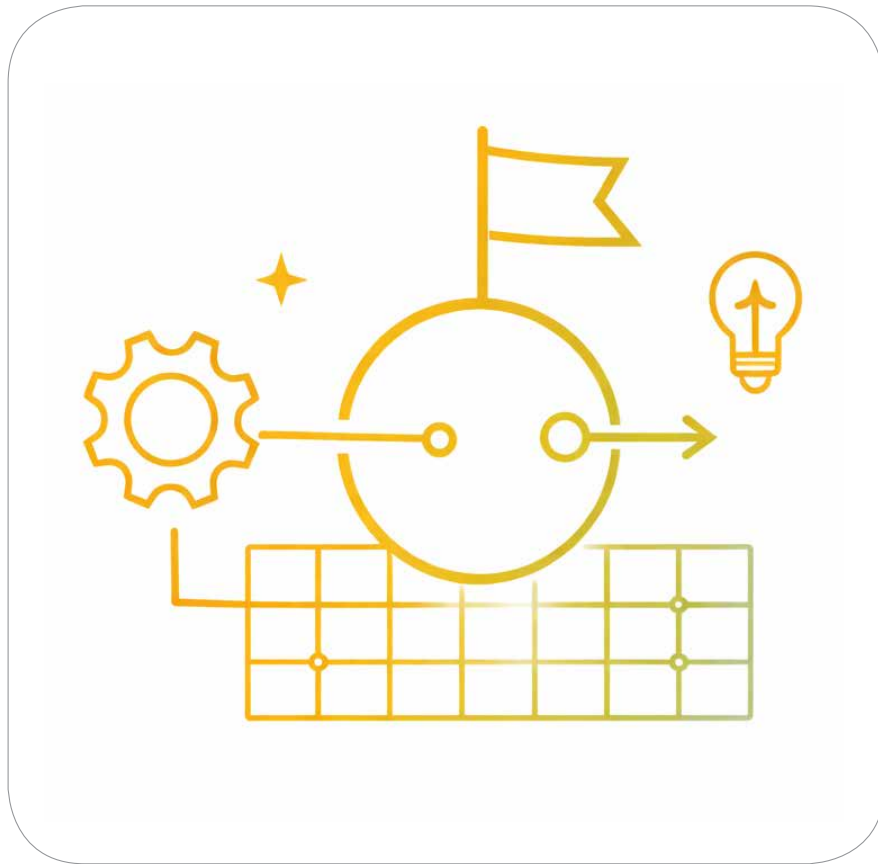
SIGNIFICANT FINANCIAL EVENTS 2025



02.

STRATEGY AND RESOURCE ALLOCATION

The Bank's strategy is centered on sustainable growth, innovation, and market expansion. It emphasizes the optimal allocation of resources toward high-impact initiatives that enhance operational efficiency, strengthen competitiveness, and drive long-term value creation for all stakeholders.



STRATEGY AND RESOURCE ALLOCATION

Short, medium and long-term strategic objectives and strategies in place to achieve desired objectives



Strategy On Market Development, Product & Service Development:

A dedicated Customer Experience (CX) function plays a significant role in institutionalizing customer-centricity at BOP. A comprehensive Customer Experience Strategy has been rolled out to drive consistent service standards, strengthen customer trust, and enhance satisfaction across all touchpoints. This strategy provides a structured roadmap for transforming interactions into lasting relationships and will focus on the following:



KEY PERFORMANCE INDICATORS



Following are Key Performance Indicators:

- Profitability
- Current Deposit Mix
- Islamic Deposit
- Digital Transaction Volume
- Number of Digital Transaction
- Cash Management Transactions
- Trade Volume
- Customer Satisfaction
- Recoveries
- Infection Ratio
- Remittance Volume
- Cost to Income Ratio

The linkage of strategic objectives with company's overall mission, vision and objectives:

The Bank of Punjab's Strategy represents a focused realignment of strategic objectives with the Bank's mission, vision, and long-term institutional goals. The strategy builds upon the progress of previous years, ensuring continuity in priorities while responding to evolving macroeconomic conditions, regulatory expectations, digital transformation, and changing customer needs.

The strategic direction is centered on resilience, innovation, and inclusivity, with a clear emphasis on strengthening the fundamentals of the balance sheet, enhancing customer trust, and positioning the Bank as a leading institution in both conventional and Islamic banking. This approach reinforces the Bank's role as a trusted financial institution, an enabler of

government initiatives, and a contributor to sustainable economic development.

Digital Excellence forms a core pillar of the Bank's strategy, with a focus on digitization of end-to-end customer journeys, automation of internal processes, enhancement of cybersecurity frameworks, and adoption of data-driven and AI-enabled solutions. These initiatives directly support the Bank's objective of improving operational efficiency, service quality, and accessibility, while maintaining strong governance and risk management standards.

Financial inclusion and priority sector lending remain central to the Bank's mission and strategic objectives. The strategy reinforces the Bank's leadership in SME, agriculture, and government-backed financing programs, including flagship initiatives such as CM Punjab Kissan Card, Asaan Karobar Card, Livestock Card, Apni Chat Apna Ghar, and other provincial and federal schemes. Through these programs, the Bank continues to align its business growth objectives with national and provincial development priorities, supporting underserved segments of the economy.

The strategy also demonstrates strong alignment with governance, compliance, and sustainability objectives. Strengthening internal controls, ensuring compliance with SBP regulatory requirements, embedding ESG considerations into financing and operational practices, and promoting environmentally responsible initiatives are integral components of the Bank's strategic framework. These measures support the Bank's vision of maintaining its reputation as a transparent, compliant, and socially responsible institution.

Human capital development is positioned as a strategic enabler in achieving the Bank's mission and vision. The Strategy aligns people, culture, and performance through structured learning frameworks, leadership development, Islamic banking capacity building, and a performance-driven culture, ensuring organizational capabilities remain aligned with the Bank's transformation agenda.

There have been no significant changes from prior years and also no significant event has occurred during the year 2025. Additionally, there have been no significant changes in objectives and strategies of the Bank from prior years

FORWARD LOOKING STATEMENT

Deposit Mix

30% Current Account Mix by
2028

Leverage Cash Management
and Trade Sales under CBG

Become the Preferred Choice for
Private Customers

Priority Sector Lending & Government Initiatives

Industry Leader in
Financial Inclusion

Continued focus on SBP
Priority Sectors

Enabler to Attract Foreign
Investment

Sustainability & ESG

Play Role in Reducing Pakistan's
Carbon Footprint

ESG Enabled
Lending

Continue to Rollout Green
Banking Products

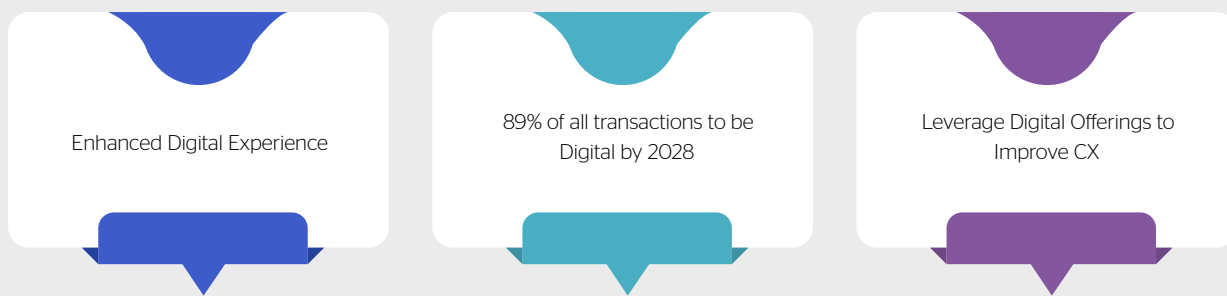
Risk Management & Cyber Security

Implement
State-of-the-art cyber security
frameworks

Continue to Implement Prudent
Lending Practices

Proactive approach to
managing NPLs

Digital Excellence



Projects Completed

SR.#	INITIATIVE	TIMELINE	STATUS
1	Successful Launch of CM Punjab Asaan Karobar Schemes	Q1	Completed
2	Successful Launch of Ramzan Negheban Scheme	Q1	Completed
3	Revise Performance Monitoring Scorecards to Align with Current Account, Trade and Cash Management Business Growth	Q2	Completed
4	Implementation Plan finalization of Mercer Job Evaluation Report & EY Workload assessment Report	Q3	Completed
5	Establishing Sales teams for Trade and Cash Management within Consumer Banking Group	Q3	Completed
6	Finalization & Initiation of Punjab Mass Transit Authority Project	Q3	Completed
7	Constitute/Assign a division with the responsibility for improving customer experience & instituting better customer service practices.	Q3	Completed
8	Integration with PPRA's E-Pad portal for collection of Bid Money/ Performance Bonds/ Guarantees - (Dependence on Government of Punjab & Federal Government Decisions)	Q3	Completed
9	Analyze Economic Impact of GoPb Initiatives	Q4	Completed
10	Alignment of Operations and Business Regions	Q4	Completed
11	Follow up on Chinese Investment Initiatives	Q4	Completed

Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant:

- Industry Trends
- Industry Growth CAGRs
- Internal Capabilities
- Performance Metrics

KEY ELEMENTS OF BOP BUSINESS MODEL

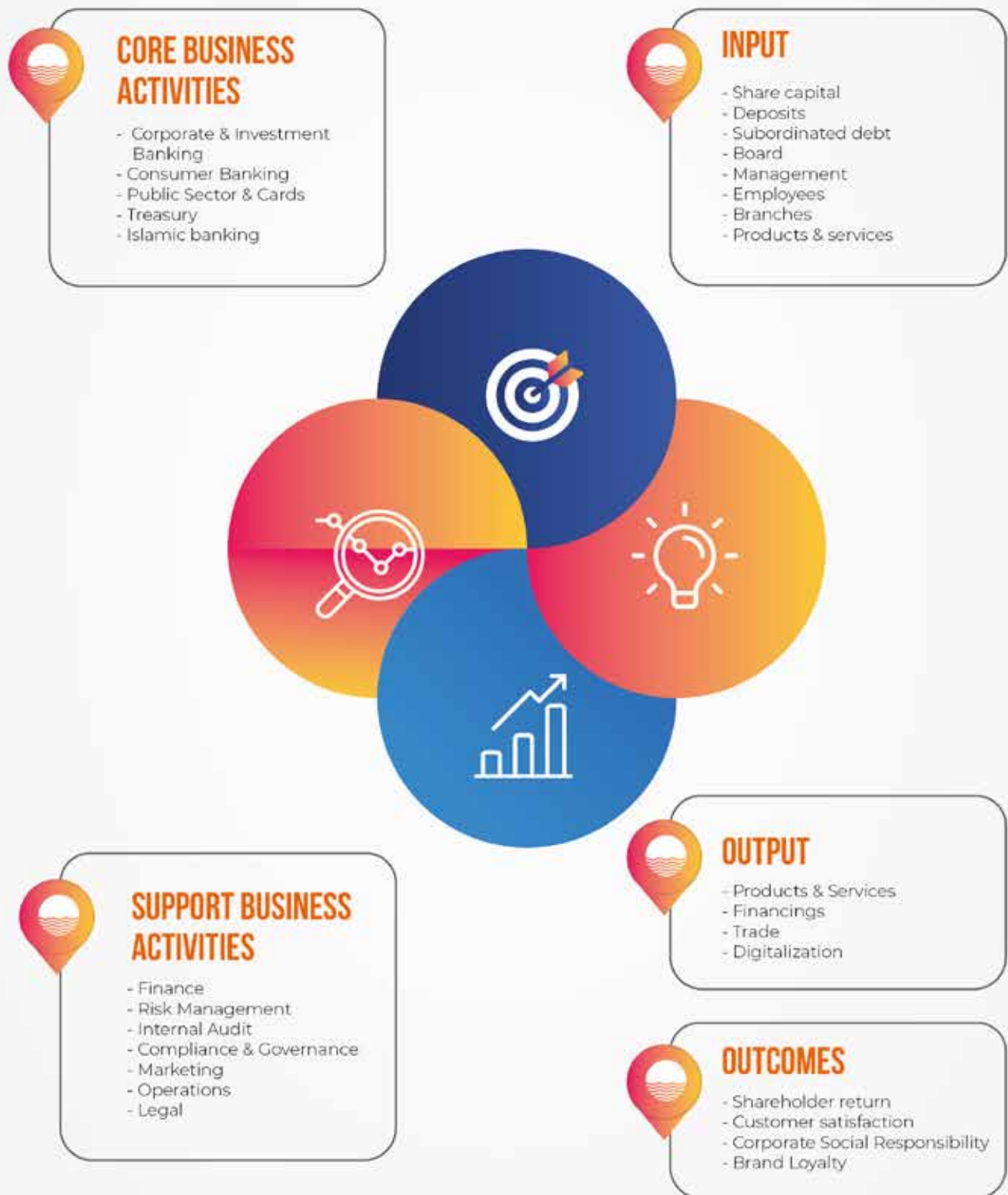
The Bank of Punjab is a financial services company incorporated in Pakistan and is listed on Pakistan Stock Exchange

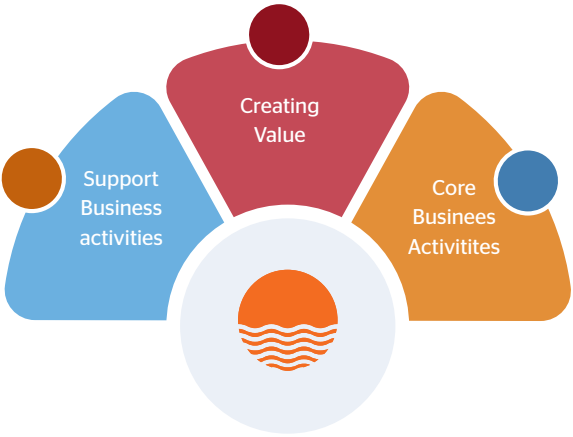
The majority shares of the Bank are owned by Government of the Punjab. The Bank is engaged in accepting deposits, providing financing to Individuals, Companies, Government, Public Sector Corporations, Small and Medium Sized Entities for smooth running of businesses. The Bank is also engaged in dealing with debt based financial instruments issued by Government of Pakistan and equity instruments. The Bank of Punjab Group consists of Modaraba, Exchange Company and brokerage companies.

The Bank operates under following business segments:



BOP BUSINESS MODEL



INPUTS		OUTPUTS & OUTCOMES
Financial Capital - Share capital Rs. 32.45 B - Deposits Rs. 2,052 B - Subordinated debt Rs. 30.82 B - No. of customers 12.77 M (including Branchless Banking)		Shareholder Return - Profit after tax Rs. 15.94 B - EPS Rs. 4.87 - Book value per share Rs. 31.832 - Dividend: 25% Cash Dividend - ROE 17.91% - ROA 0.60% - CAR 14.22% - LR 3.11%
Human Capital - Staff strength 17,266		Customer Satisfaction - Deposits Growth 20% - CASA Mix 59% - CA Mix 23%
Manufactured Capital - Branches 901 - ATMs 947 - POS terminals 17,629 - Property & Equipment Rs. 29.76 B - Intangibles Rs. 2.70 B - Products & services		Corporate Social Responsibility - Contribution - Job creation - Customer relation - Conducive work environment - Responsible & honest Communication
Intellectual Capital - Experienced Board - Competent Management - Strong Risk Management - Secured and Updated IT Infrastructure - Compliance Framework - Policies and Procedures - Brand Image - Secured Systems		External/Community - Compliance with laws & regulations - Timely tax payments - Compliant regulatory ratios - Regular correspondence with stakeholders
Natural capital - Green banking initiatives - Health & safety initiatives		

The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company

The Bank has established a comprehensive end-to-end digital loan processing system, enabling seamless, paperless credit journeys from origination to disbursement. This foundational capability reflects the Bank's broader strategy of leveraging technological innovation, strong market positioning, and institutional expertise to build sustainable competitive advantages and drive long-term value creation.

BOP has developed a robust and scalable digital ecosystem encompassing AI-enabled customer journeys, fully integrated digital products across mobile, web, and branch platforms, and advanced analytics for personalized service delivery. The Bank's architecture, coupled with Card Management System (CMS), fraud and risk management platforms, ensuring higher system uptime, accelerated innovation cycles, and enhanced strategic agility relative to industry peers.

The Bank's first-mover advantage in fintech integration further differentiates its digital leadership. BOP has established strategic partnerships with multiple fintechs under Electronic Money Institution (EMI) and Banking-as-a-Service (BaaS) frameworks, enabling innovative use cases and expanding its digital value proposition. Supported by a comprehensive debit and credit card portfolio—featuring Shariah-compliant offerings, eco-friendly credit cards, and PayPak initiatives—the Bank offers one of the most diversified product suites in the market, catering effectively to premium, SME, prepaid, and youth segments.

BOP's competitive strength is further reinforced by its market leadership in priority sector lending, particularly in SME and agriculture financing, where it holds the leading position nationwide. This leadership is underpinned by data-driven credit assessments, satellite-based analytics, and specialized delivery hubs that enhance efficiency and outreach. The Bank's role as the preferred financial partner for flagship Government of Punjab initiatives—such as the Kissan Card and Asaan Karobar Card—strengthens its institutional credibility, visibility, and sustained engagement with underserved segments.

Operational excellence is supported by a resilient technology infrastructure, an extensive branch network, and a high-availability mobile banking platform that collectively enhance reliability and customer confidence. These strengths are complemented by a loyal and diverse workforce, strong brand recognition across Punjab, and comprehensive risk management and cyber-security frameworks, including AI-driven threat detection, continuous monitoring, and in-house digital forensics capabilities, ensuring asset protection and ongoing regulatory compliance.

Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.

The Bank plans to deploy AI-driven analytics and automation across multiple functional areas. In information security and risk management, the strategy includes the implementation of AI-enabled continuous monitoring, threat hunting, penetration testing, digital forensics, and automated vulnerability assessments to strengthen cybersecurity and protect customer data.

These initiatives are complemented by automation of information security risk management processes and centralized policy enforcement to enhance institutional resilience.

Within compliance and governance, the Bank has identified the use of AI, machine learning, and robotic process automation (RPA) to digitize and automate compliance processes, improve monitoring, and strengthen assurance frameworks. The strategy includes the deployment of advanced RegTech solutions and AI-powered tools to enhance AML, CFT, TBML, and fraud monitoring capabilities, supporting regulatory compliance and risk mitigation.

From a strategic perspective, AI is aligned with the Bank's long-term objectives of cost efficiency, digital leadership, and financial inclusion. The use of automation and AI-enabled decision-making is intended to optimize internal processes, enhance scalability, and support digital banking initiatives, including simplified onboarding and improved access for underserved segments.

SIGNIFICANT CHANGES AND EVENTS

There have been no significant changes from prior years and also no significant event has occurred during the year 2025. Additionally, there have been no significant changes in objectives and strategies of the Bank from prior years.

STAKEHOLDERS RELATIONSHIP



The Bank's interaction process with its major stakeholders is as under:

1. Government of the Punjab

Government of the Punjab (GoPb) being majority shareholder of the Bank has presence on Bank's Board of Directors through appointment of nominee Directors and also Chairman of the Board as per BOP Act, 1989. The Bank is also providing various banking services to different departments of GoPb. The Finance Department of GoPb is updated on all key issues related to Bank on frequent basis.

2. Staff at BOP

The Bank has put in place a comprehensive Human Resource Policy and it is being ensured that pay for performance culture is promoted across organization. The management regularly interact with employees through communications vide email, social media platform and direct meetings. An effective grievance handling mechanism and Whistle blowing program has also been put in place to facilitate staff member. Further, People & Organizational Excellence Group also initiative one stop helpline to resolve staff member's problems in prompt manner.

3. Account Holders

The Bank ensure provision of personalized banking services to all its accountholders. The accountholders are being updated on Bank's product & services and status of their accounts through mobile banking/phone banking services. The Accountholders are provided statement of their accounts on regular basis. The Bank also maintain and update its website and social media platform for information of all accountholders.

4. Investors & Shareholders

The Bank maintain an updated investor information data on

its website. Further, periodical corporate briefing sessions are also arranged for information of all investors and shareholders. The Bank also arrange an interactive annual general meeting of shareholders and their all questions & queries are duly answered and addressed. All minority shareholders are encouraged through regular communications to attend AGM. Additionally, investor relationship page at BOP corporate website is kept updated. <https://www.bop.com.pk/Investor%20Information>.

5. General Public

The Bank is fully aware of its Corporate Social Responsibilities and all possible efforts are made to ensure welfare of common peoples. The general public is being updated about the affairs of the Bank through all available media platforms.

6. Regulators

The Bank also maintains close liaison with State Bank of Pakistan and Securities & Exchange Commission of Pakistan as regulators. The Bank ensure effective and timely compliance of all regulatory reporting and information requirements.

7. Analysts & Rating Agencies

A detailed corporate briefing session was held during 2024 wherein presentation was given to shareholders covering following:

- Regulatory Compliance
- Key Performance Highlights
- Historic Growth Trends
- Future Strategy

All questions of shareholders were duly addressed and appropriate system is in place to address investors compliant through Bank's complaint handling mechanism.

CORPORATE BRIEFING SESSION (CBS) & ANALYST BRIEFING SESSION – 2025

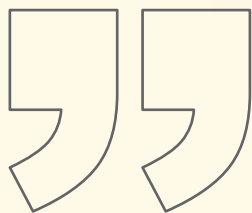
In compliance with the applicable regulations of the Pakistan Stock Exchange (PSX) and the prescribed Guidelines/ Procedures for holding Corporate Briefing Sessions (CBS), all listed companies are required to conduct at least one Corporate Briefing Session annually based on their Quarterly or Annual Financial Statements.

In this regard, the Corporate Briefing Session of The Bank of Punjab was held on September 16, 2025, at BOP Tower, Head Office, Lahore. The session was organized to present an overview of the Bank's financial performance for the year ended December 31, 2024, along with the half-yearly results for the period ended June 30, 2025 and to share the Bank's future outlook going forward.

To ensure wider participation and stakeholder engagement, the session was conducted in a hybrid format, allowing attendees to participate both physically and virtually via Zoom. The session was attended by significant number of shareholders, analysts, investors, brokers and other capital

market participants. A detailed presentation covering the Bank's financial performance, key developments and future outlook was delivered, followed by an extensive Question & Answer session. In accordance with PSX regulatory requirements, the video recording of the presentation was subsequently uploaded on the Bank's official website.

Subsequently, The Bank of Punjab conducted an Analyst Briefing Session on November 14, 2025, at Sky Tower, BOP Karachi, to apprise the market of the Bank's financial results for the third quarter of 2025. The session was attended by a considerable number of participants, both in person and via Zoom, including brokers, market analysts and research professionals. Following the detailed presentation on the Bank's financial results and future outlook, a comprehensive Question & Answer session was held, during which all queries raised by participants were addressed satisfactorily.



EXCELLENCE REWARDED

THE BANK OF PUNJAB

JOURNEY OF AWARDS 2025

● Disability Inclusion Champion Award (Best Bank) - 2025	● Pakistan's Best Transaction Bank - awarded by Euromoney
● Accessible Infrastructure Excellence Award - 2025	● Best SME Bank Pakistan - awarded by The Digital Banker
● Excellence in Employment of Persons with Disabilities (PWDs) Award - 2025	● Best Public Sector Islamic Retail Banking Window in Pakistan - 2025
● HR Rising Star of the Year	● Corporate Finance House of the Year - Fixed Income
● Best SME Partnership of the Year - 2025	● Best SME Bank in Pakistan - awarded by The Asian Banker
● Best SME Bank of the Year 2025 - awarded by Asian Banking & Finance	● Best Cash Management Bank in Pakistan - The Asian Banker
● Pakistan Domestic Sustainable Finance Initiative of the Year - 2025	● Best SME Lending Technology Initiative in Pakistan
● Best Bank for Cash Management - Pakistan, 2025 - The Digital Banker	● PBA Best Bank for SMEs - 2025
● Pakistan's Best Bank for SMEs 2025 - awarded by Euromoney	● PBA Best Bank for Women Inclusion - 2025
● Pakistan's Best Bank for ESG - 2025	● PBA Best Bank for Agriculture Inclusion - 2025
● Pakistan's Best Investment Bank for Financing - 2025	● Gold Award - Best Annual Report 2024 (awarded by SAFA in 2025)
● Digital Inclusion Award - Pakistan	● Outstanding Innovation in Corporate Payments - South Asia, 2025
● Inclusion and Diversity Award - Pakistan	● Tech Innovator - Commercial Banking Category, 2025 (SBP PWED 2025)
● Best Bank Stall - Agri Catalyst Award - 2025	● Top Financier - Commercial Banking Category, 2025 (SBP PWED 2025)
● Best Company for Creating Respectful Workplaces	



Disability Inclusion
Champion Award (Best
Bank) - 2025



Accessible
Infrastructure
Excellence Award -
2025



Excellence in
Employment of Persons
with Disabilities (PWDs)
Award - 2025



HR Rising Star of the
Year



Best SME Partnership of
the Year - 2025



Best SME Bank of the
Year 2025 - awarded
by Asian Banking &
Finance



Pakistan Domestic
Sustainable Finance
Initiative of the Year -
2025



Best Bank for Cash
Management -
Pakistan, 2025 - The
Digital Banker



Pakistan's Best Bank for
SMEs 2025 - awarded
by Euromoney



Pakistan's Best Bank for ESG – 2025



Pakistan's Best Investment Bank for Financing – 2025



Digital Inclusion Award – Pakistan



Inclusion and Diversity Award – Pakistan



Best Bank Stall - Agri Catalyst Award - 2025



Best Company for Creating Respectful Workplaces



Pakistan's Best Transaction Bank - awarded by Euromoney



Best SME Bank Pakistan – awarded by The Digital Banker



Best Public Sector Islamic Retail Banking Window in Pakistan – 2025



Corporate Finance House of the Year – Fixed Income



Best SME Bank in Pakistan – awarded by The Asian Banker



Best Cash Management Bank in Pakistan - The Asian Banker



Best SME Lending Technology Initiative in Pakistan



PBA Best Bank for SMEs – 2025



PBA Best Bank for Women Inclusion – 2025



PBA Best Bank for Agriculture Inclusion – 2025



Gold Award – Best Annual Report 2024 (awarded by SAFA in 2025)



Outstanding Innovation in Corporate Payments – South Asia, 2025



Tech Innovator – Commercial Banking Category, 2025 (SBP PWED 2025)



Top Financier – Commercial Banking Category, 2025 (SBP PWED 2025)

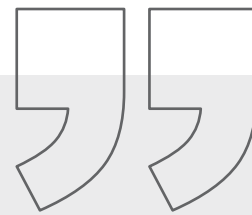
03.

RISK AND OPPORTUNITIES

The Bank proactively manages key risks, including market volatility, regulatory developments, and operational disruptions, through a robust risk management framework. Simultaneously, it capitalizes on opportunities arising from emerging technologies, untapped markets, and strategic partnerships to strengthen its competitive position and drive sustainable growth.



RISK AND OPPORTUNITIES



EMINENT RISKS

The Bank operates in an environment characterized by increasing complexity and uncertainty, where unforeseen events may result in adverse outcomes that could affect the achievement of strategic objectives. The risk landscape continues to evolve due to a combination of financial, non-financial, and sustainability-related factors. Accordingly, the Bank continuously identifies, assesses, and monitors emerging risks and opportunities, and undertakes timely corrective actions to safeguard its capital position and long-term value creation.

Key risks with the potential to materially impact Pakistan's banking sector include macroeconomic volatility, geopolitical developments, regulatory and legal changes, cybersecurity and technology-related threats, climate and sustainability risks.

INTERNAL RISKS

The Bank manages its internal risk profile through a comprehensive and well-established Operational Risk Management Framework, incorporating tools such as Key Risk Indicators (KRIs), Risk and Control Self-Assessments (RCSA), Operational Risk Assessment Program (ORAP), and a centralized loss event database, along with other industry-standard methodologies.

The Bank has implemented a robust Internal Capital Adequacy Assessment Process (ICAAP) covering its entire balance sheet, ensuring that material risks—including credit, market, liquidity, operational, and emerging risks—are adequately assessed and capitalized. To optimize the risk-return trade-off, the Bank has established a Board-approved Risk Appetite Framework, defining quantitative and qualitative limits across key risk categories.

Credit risk is actively managed through portfolio diversification, enhanced underwriting standards, sectoral monitoring, and proactive recovery strategies for non-performing loans (NPLs), thereby supporting capital preservation and asset quality. Liquidity and funding risks are mitigated through diversified funding sources, a stable deposit base, and prudent liquidity buffers.

In addition, the Bank has an approved Risk Management Policy (RMP) and a comprehensive Recovery Plan, which collectively enhance resilience under stress scenarios and support continuity of operations. Sustainability considerations, including climate-related operational risks, talent retention, and technology resilience, are increasingly embedded into internal risk assessments to ensure the long-term availability and quality of capitals.

EXTERNAL RISKS- MACROECONOMIC CONDITIONS OF PAKISTAN

Definition and potential impact: During 2025, macroeconomic indicators suggested a moderate uptick in growth, supported by structural adjustments, exports acceleration, and remittance flow thus creating a marginally improved environment for banking sector performance. Inflationary pressures eased which was also reflected by downward trajectory in policy rates, providing relief to borrowers and improving the affordability of credit. Continued fiscal discipline was vital in 2025 due to lower inflation expectations and support sustainable growth. For the banking sector, sustained macro stability is a critical precondition for improved credit demand and risk.

Mitigation strategy: The Bank of Punjab (BOP) maintains close and continuous monitoring of macroeconomic developments and their potential implications. A range of analytical reports, dashboards, and stress-testing outputs are regularly prepared for senior management committees and the Board, assessing the impact of economic conditions on credit, market, liquidity, operational, and capital risks.

The Asset and Liability Management Committee (ALCO) plays a central role in reviewing domestic and global economic trends, interest rate scenarios, and balance sheet sensitivities. ALCO regularly evaluates the impact of policy rate movements on profitability, investment portfolios, and capital adequacy. Stress testing and capital impact assessments are presented to support informed decision-making.

To manage interest rate and valuation risks associated with Government Securities and Bonds, the Bank actively reviews

and rebalances its investment portfolio in line with prevailing and expected interest rate environments. The Bank continues to maintain a strong capital adequacy position and conducts regular stress tests to ensure sufficient capital buffers under adverse scenarios.

GEOPOLITICAL RISK

Definition and potential impact: Geopolitical risk arises from regional and global political developments, trade disruptions, sanctions, and cross-border tensions. Given Pakistan's geographic location and interconnectedness with global markets, geopolitical developments may impact trade flows, foreign investment, currency stability, and overall market sentiment, with potential implications for credit quality and funding conditions.

Mitigation strategy: The Bank monitors geopolitical developments on an ongoing basis through internal assessments and external intelligence. The Risk Management Group (RMG) independently oversees and enforces country exposure limits, ensuring that cross-border exposures remain within approved risk appetite thresholds. Scenario analysis and stress testing are used to assess the potential impact of adverse geopolitical developments on the Bank's capital and liquidity position.

Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.

The Bank undertakes a comprehensive and forward-looking assessment of the principal risks and uncertainties that could materially affect its business model, financial performance, solvency, and liquidity position. These risks include, inter alia, credit risk, market and liquidity risk, operational risk, information technology and cyber risk, regulatory and legal risk, political and macroeconomic risk, and strategic risk. To manage these effectively, the Bank has implemented a Board-approved Risk Appetite Framework, which defines acceptable risk thresholds and provides a structured basis for risk-taking decisions across all business activities. This framework ensures alignment between the Bank's strategic objectives and its capacity to absorb risk under both normal and stressed conditions.

The Bank employs advanced risk measurement and monitoring tools to identify, quantify, and manage risks on an ongoing basis. These include Risk and Control Self-Assessments (RCSA), Operational Risk Assessment Program (ORAP), Key Risk Indicators (KRIs), and market risk metrics such as Duration and Price Value of a Basis Point (PVBP). For credit risk and impairment assessment, the Bank applies IFRS-compliant models, including Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), incorporating forward-looking macroeconomic factors for Expected

Credit Loss (ECL) estimation. The overall Risk Management Framework encompasses Enterprise Risk Management, Credit and Product Policies, Information Security, AML/CFT controls, and regulatory compliance, and is supported by regular stress testing and capital assessments. Collectively, these measures enable the Bank to proactively manage uncertainties, safeguard its balance sheet, and support sustainable growth while maintaining resilience against adverse internal and external developments.

Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting

The Bank strengthens its Risk Management Framework through regular reviews of its Risk related Policies and Procedures to ensure alignment with local and international regulatory standards and adherence to industry best practices. The Risk Management Group actively assesses these policies, introducing new controls, thresholds, early warning indicators, and limits to enhance risk management across all domains. This review encompasses the entire spectrum of risks at the entity level, spanning Credit, Market, Interest Rate, Liquidity, Operational, Technology, Information Security, Cross Border, Settlement, Compliance, Legal, Money Laundering (ML), Terrorist Financing, Proliferation Financing, and Reputational Risks, among others. The main areas covered include:

- Identification and assessment of risks.
- Implementation of mitigation measures.
- Continuous monitoring of risk factors.
- Enforcement of controls.
- Comprehensive reporting on risk exposure.

Some CY 2025 highlights include:

- NPL ratio of 4.77%;
- Capital adequacy ratio of 14.15%, which is in line with regulatory requirement of 11.5%.
- Leverage ratio of 3.11% which is in line with regulatory requirement of 3.0%.
- LCR is 201.83% which is higher in reference to regulatory requirement of 100.0%.
- NSFR is 169.88% which is higher in reference to regulatory requirement of 100.0%.

With a sustained focus on strengthening risk management practices and enhanced oversight aligned with Basel II/III requirements and SBP's IFRS-9 Application Guidelines, the Bank has continued to improve its credit quality while maintaining prudent balance sheet growth. Ongoing enhancements in credit governance and monitoring have enabled the Bank to balance growth objectives with disciplined risk-taking across its portfolios.

To further reinforce its risk management framework, the Bank continues to enhance portfolio exposure reporting, advanced analytics, and stress testing capabilities, including regular assessment of rating migrations, risk modelling, model validation, and calibration processes. In parallel, the Bank closely monitors domestic macroeconomic developments and evaluates their potential impact on asset quality, capital adequacy, and liquidity, allowing for timely adjustments to risk strategies where required.

In order to deliver enhanced and sustainable returns to stakeholders through efficient utilization of capital, the Bank has implemented a Risk-Adjusted Return on Capital (RAROC) framework to support risk-based decision-making. The Bank also remains committed to full compliance with SBP's Green Banking Guidelines and Environmental and Social Risk Management (ESRM) Manual, ensuring that sustainability considerations are increasingly embedded into its risk and business processes.

Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs

The Bank has strengthened its risk management framework to effectively identify, assess, and mitigate risks such as credit, market, liquidity, operational, and compliance risks. This enhancement involves the adoption of advanced risk assessment tools and the implementation of comprehensive risk mitigation strategies. In addition, the Bank has ensured that its risk management practices duly aligns with Board approved strategy. The steps taken by the Bank in risk management include the following:

1. Credit Risk	
How we performed during the year	- Credit-risk-weighted assets of 681.7 Billion. - NPL ratio of 4.8%; lower than last year's 6.4%. - Provision coverage ratio is 72.8% for the CY 2025 as compared to 83.5% CY 2024. - Top 10 largest funded performing obligors' exposure constituted 17.6% of gross loans as compared to 28.8% in CY' 2024. Credit Risk Management Committee of the Bank has the mandate to appropriately keep credit risk at acceptable levels and within the risk appetite of the Bank.
Risk Management Process	Measure the amount that could be lost in case of eventuality. Monitor Infection ratio, industry concentration, % watch list portfolio, WAORR, Expected Credit Loss, RWA analysis, Regulatory ratios and stress testing etc. Manage portfolio diversification / adherence to credit discipline / underwriting guidelines while ensuring improvement in overall portfolio credit quality.
2. Market Risk	
How we performed during the year	Market Risk of the Bank is well within defined limits (internal and regulatory) as per SBP Risk management guidelines, Bank's Investment Policy and Risk Management Policy.
Risk Management Process	Measures valuation and investment/risk policies for financial instruments in the trading book using measurement tools like Duration and PVBP etc. Monitoring is done using standard monitoring tools like mark to market, limit monitoring (both internal and regulatory) and advance Risk measurement tools like Value at Risk (VaR), Duration and Price Value Basis Point (PVBP) etc. Manage through daily risk reporting and all material risks highlighted on appropriate forums i.e. ALCO and Board's RMC & NPLRC on periodic basis.

3. Information Security Risk	
How we performed during the year	No material loss of confidential data or disruption of processes experienced due to information security breach during the year. The Bank has also enhanced its various IS control mechanisms.
Risk Management Process	Monitor through real time integrated logs of systems and network; identifying security events and incidents; assessment of security risks in applications and systems via Vulnerability Assessment and Penetration Testing; maintaining and continually updating information-risk register and reporting to concerned units and management. We have acquired threat intelligence from various providers and receive threat advisories from several sources. This intel is used to identify relevant risk by correlating with BOP technology infrastructure. Manage through risk reporting and treatment; ensuring that custodians of information assets fix the identified vulnerabilities. In addition, the Bank is using preventive technological controls for various threat vectors.
4. Reputational Risk	
How we performed during the year	No instance occurred which may cause/lead to impact on Banks' reputation.
Risk Management Process	Measure through number of complaints/red-flags received/media news/electronic and social media etc. Monitor through ensuring operational alignment with Bank's mission / strategic objectives and maintenance of stakeholders' confidence. Manage through reduction in overall number of complaints received & resolved within defined timeframe amicably under regulatory guidelines.
5. Legal Risk	
How we performed during the year	No instance occurred which places Bank into a Legal battle.
Risk Management Process	Measure through number of cases filed against BOP and cases filed by BOP. Decision in favor and against BOP is also a tool to measure legal risk. Monitor Bank monitors all filed cases against it on quarterly basis. Further, Bank also allocates Capital Charge as per annual exercise under ICAAP. Manage through a dedicated in-house legal unit, panel of advocates and adequate monitoring of different red-flag/alerts raised.
6. Liquidity and Funding Risk	
How we performed during the year	- LCR is 202% as compared to 191% CY` 2024</li> <li>NSFR is 170% as compared to 135% CY` 2024 - Gross Advances / Deposits (ADR) is 45% as compared to 48% CY` 2024
Risk Management Process	Measure using metrics related to Basel III liquidity ratios and internally approved triggers. Liquidity stress tests are carried out using contractual, behavioral and stressed conditions coupled with contingency funding facilities. Monitor ALCO oversee the Bank's liquidity and funding risk, stress-test management process and corrective actions. Manage Funding from customer deposits (retail & corporate), long-term funding through debt securities & sub-ordinated liabilities. Further, interbank borrowing (both call and secured), FX Swap, borrowing facilities from the State Bank of Pakistan to manage its liquidity risk during normal and liquidity crunch times.

7. Operational Risk	
How we performed during the year	Operational RWA stood at PKR 131.32 Billion for year CY` 2025 as compared to PKR 95.66 Billion in CY` 2024.
Risk Management Process	Measurement of Operational risk is done in light of SBP risk management guidelines in supplement with BOD approved policy by using above mentioned measurement tools. Further, Bank is using the Basic Indicator approach prescribed by the State Bank of Pakistan (SBP) to calculate Operational Risk Capital Charge and reports as per SBP's predefined frequencies. Monitor using key Risk indicators, thresholds, appetite and loss event database. Manage through escalation of issues & events for risk transparency across the organization. All employees are responsible for identifying and assessing risks. Further, ORMC is conducted on quarterly basis in which all operational risk updates/analysis are presented based on which all key actions are decided for improvement/implementation on bank wide basis.
8. Capital Risk	
How we performed during the year	CAR is 14.22% as compared to 17.93% CY` 2024</li> <li>Leverage is 3.11% as compared to 3.48% CY` 2024 Regulatory requirement is of 11.50% and 3.00% respectively.
Risk Management Process	Measure using core Tier 1 (CET1) and total capital adequacy ratios following the (Basel III- standardized approach). Leverage is measured through monitoring of Tier 1 capital against average total consolidated assets. Monitor through a process of forecasting capital to ensure our capital position is controlled as per Bank's internal planning while safeguarding its strategic objective and goals. Further, a long term road map is also in place to monitor target versus achievements with respect to balance sheet growth and Capital planning. Manage employing techniques based on the guidelines developed by the Basel Committee and the State Bank of Pakistan. The Bank also prepares an annual comprehensive ICAAP document, which is a detailed assessment of the Bank's risk profile, approaches to assessing and measuring various material risks, and capital planning under regular and stress scenarios.

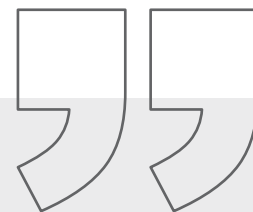


Board strategy to overcome liquidity problems and plans to meet operational losses

The Board's RMC and NPLRC regularly review comprehensive presentations covering key risk management parameters, the Bank's market and liquidity position, and capital projections. The Bank maintains adequate liquidity through a strong mix of cash holdings, balances with other banks, and investments in government securities, resulting in a robust liquidity profile supported by a high level of liquid assets to meet potential contingencies. The Bank has also approved an Operational Risk Appetite under which operational losses are monitored on a periodic basis, with focused recovery efforts undertaken to mitigate and recover losses arising from operational risk events.

There has been no default in payments during the year under review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



Adopting global best practices, evolving regulatory expectations and stakeholder priorities, the Bank has adopted a structured and comprehensive approach to identifying, assessing, and managing Environmental, Social, and Governance (ESG) factors that may influence the availability, quality, and affordability of bank's capital.

Sustainability-Related Risks and Opportunities

1. Governance

The Bank of Punjab ("the Bank") recognizes that sustainability-related risks and opportunities, including climate-related considerations are integral to the Bank's long-term financial resilience, capital adequacy, and value creation. Oversight of sustainability and ESG-related matters is embedded within the Bank's Risk Management Framework and supported through established policies, controls and oversight mechanisms.

The Bank's Compliance & Control Group provides enterprise-wide oversight to ensure alignment with evolving regulatory issued by the State Bank of Pakistan (SBP) from time to time basis. This governance structure supports informed decision-making, regulatory compliance, and effective risk management.

2. Strategy

2.1 Sustainability-Related Risks Impacting Capital

A. Climate-Related Risks

The Bank identifies climate change as a key source of both physical and transition risk with potential implications for asset quality, earnings stability, and capital adequacy.

Physical risks including extreme weather events, flooding, and resource scarcity, may adversely affect borrowers' operations, repayment capacity, and the valuation of collateral.

Transition risks arising from policy, legal, technological, and market changes associated with the transition to a low-carbon economy may impact bank's customers operating in carbon-intensive sectors potentially resulting in elevated credit risk and portfolio deterioration.

To address these risks, the Bank commenced environmental and social screening of its Corporate and Commercial credit portfolio during CY-2024 in accordance with SBP ESRM Implementation Manual requirements. Screening of the SME portfolio was initiated in the first quarter of 2025, strengthening the Bank's ability to identify and mitigate climate-related credit risks at an early stage.

B. Regulatory and Legal Risks

The evolving regulatory landscape relating to climate change, environmental protection, and sustainability-related disclosures presents compliance and legal risks. Non-compliance could result in regulatory sanctions, financial penalties, or reputational damage, potentially increasing the Bank's cost of capital and constraining access to funding.

To mitigate these risks, the Bank's Risk Management Group exercises robust monitoring at the enterprise level ensuring adherence to evolving regulatory frameworks and alignment with applicable environmental and sustainability standards.

C. Reputational and Market Risks

Heightened stakeholder expectations regarding responsible banking and ESG performance may exposes the Bank to reputational and market risks. Any perceived misalignment with sustainability expectations may adversely affect investor confidence, shareholder value, and demand for the Bank's products and services. Shifts in investor and customer preferences towards institutions demonstrating strong ESG credentials may also impact revenue generation and capital inflows.

To remain competitive and relevant, BOP is actively developing and offering green and sustainable products across both asset and liability portfolios, ensuring alignment with emerging market trends and stakeholder expectations.

2.2 Sustainability-Related Opportunities Impacting Capital

A. Green and Sustainable Finance

The Bank views the transition to a low-carbon and inclusive economy as a significant strategic opportunity. BOP has developed and offered a range of green, digital, and sustainability-linked financing solutions, including Kissan Card, Livestock Card, Asaan Karobar Card, E-Qarza, Digital Personal Loan, Digital Auto Loan, Zarkhez-e, Fan Replacement Financing, E-Taxi and E-Bike Financing, student loans, Green Credit Card, Skill Impact Bonds, two- and three-wheeler electric vehicle schemes, and Climate-Smart Karandaaz Digital Agriculture Loans.



These products support sustainable economic activity while enabling portfolio diversification and attracting investors with a focus on ESG-aligned assets, thereby enhancing the availability and quality of the Bank's capital.

B. Social and Community-Focused Financing

The Bank continues to expand financing initiatives that generate positive social outcomes including support for affordable housing, education, healthcare, financial inclusion, and skills development. These initiatives are expected to deliver stable, long-term returns and strengthen the resilience of the Bank's capital base.

In this regard, the Bank is in the process of issuing Pakistan's first-ever Skills Impact Bond (PSIB) in collaboration with the British Asian Trust (BAT) and the National Vocational & Technical Training Commission (NAVTTTC), aimed at financing vocational training and improving employment outcomes.

C. Access to Capital and Cost of Funding

A strong commitment to sustainability and ESG best practices supports the Bank's credit profile and may contribute to improved access to funding and a lower cost of capital. Institutional investors increasingly integrate ESG considerations into investment decisions.

During the period, BOP achieved a key milestone by becoming the first bank in Pakistan to successfully negotiate a EUR 50 million funded facility from Agence Française de Développement (AFD), France thereby reinforcing the Bank's access to international sustainable finance.

3. Risk Management

The Bank has integrated Environmental and Social Risk Management (ESRM) considerations into its overall risk management framework, consistent with SBP's ESRM Implementation Manual. This integration enhances the Bank's ability to identify, assess, monitor, and mitigate sustainability-related risks across its lending activities.

During CY-2025, the Bank screened more than 50% of its credit portfolio against SBP-prescribed ESRM annexures, strengthening credit quality, supporting capital preservation, and enhancing long-term financial performance.

4. Metrics and Targets

While the Bank continues to enhance its sustainability metrics and data capabilities, progress has been made in embedding ESRM screening across key portfolios and expanding green and sustainable financing offerings. These measures support improved portfolio resilience, enhanced risk-adjusted returns, and alignment with regulatory and investor expectations.

5. Forward-Looking Outlook

The Bank of Punjab remains committed to strengthening its sustainability framework in line with IFRS S1 and IFRS S2, while maintaining consistency with the TCFD recommendations. Through disciplined governance, proactive risk management, and responsible product innovation, the Bank aims to enhance the availability, quality, and affordability of its capital.

By aligning its strategy with global sustainability standards and national regulatory expectations, BOP is well positioned to navigate emerging risks, capture sustainability-related opportunities, attract responsible investment, and contribute to long-term economic, social, and environmental value creation.

Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).

Supply Chain Disruption Risk

The Bank of Punjab recognizes that Environmental, Social and Governance (ESG) related incidents may give rise to supply chain disruptions affecting the Bank's operations, reputation, and financial performance. Such risks may arise from natural disasters and climate-related events, regulatory and policy changes, labor-related issues, or sustainability challenges impacting the Bank's suppliers, service providers, strategic partners, and borrowers.

Consistent with IFRS S1 and the TCFD framework, the Bank shall embed the identification, assessment, and management of ESG-related supply chain risks within its broader risk management and operational resilience framework.

Key mitigation measures include:

Risk Identification and Data Collection: The Bank is in the process of formalizing Standard Operating Procedures (SoP's) for collecting data to support the assessment and quantification of physical and transition risks within its lending portfolio, with initial focus on large corporate borrowers.

Ongoing Risk Monitoring: ESG-related risks across the supply chain are subject to continuous monitoring through internal review mechanisms and where appropriate, third-party assessments.

Supplier and Partner Engagement: The Bank engages with suppliers and partners to promote alignment with ethical and governance standards and to enhance transparency and resilience.

Business Continuity Planning: Robust business continuity and contingency plans are maintained to ensure operational resilience and continuity of services in the event of disruptions.

Through these measures, the Bank aims to mitigate the potential financial and operational impacts of ESG-related supply chain disruptions and to support the long-term sustainability of its operations.

Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in the short, medium and long term and how they are managed and mitigated.

BOP integrates climate risk into our overall risk management framework by integrating ESRM policies & procedures in the bank's financial portfolio analysis, engaging in Green Banking practices to

simultaneously achieve Own Impact Reduction, Green Business Facilitation, and ESRM implementation. At BOP, we have diversified our portfolio by targeting the digital SME lending, Renewable Energy Financing, promoting financing for E-Vehicles, and Climate-Smart agriculture financing.

The sustainability-related risks are managed and mitigated through clearly defined governance structures, continuous risk identification and monitoring through implementation of ESRM procedural manual.

Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.

Governance

The Board of Directors oversees sustainability-related risks and opportunities, including climate-related matters, through a dedicated Board's ES&G Committee. Senior management through ESRM Steering Committee is responsible for implementing policies, integrating climate considerations into credit, portfolio, operational decisions and ensuring compliance with the SBP Green Banking Guidelines and the SBP ESRM Implementation Manual.

Strategy

a) Sustainability-Related Risks and Opportunities

In order to ensure compliance against IFRS S1 & S2 standards, the Bank shall identify climate-related physical risks (e.g. floods, heat stress, water scarcity) and transition risks (e.g. regulatory changes, sectoral shifts, and borrower transition challenges) that may affect borrowers' cash flows, collateral values, and credit quality.

Climate-related opportunities are capitalized through green and sustainable finance including renewable energy, energy efficiency, climate-resilient agriculture and SME financing aligned with the Pakistan Green Taxonomy. As a part of bank's approved strategy for CY-2025, the bank has issued its first ever Sustainability Report during 2025.

b) Impact on Business Model and Value Chain

Climate-related risks and opportunities primarily affect the Bank through its lending and financing activities, particularly exposure to climate-sensitive sectors and regions. Opportunities support portfolio diversification and alignment with national sustainability and development priorities.

c) Impact on Financial Performance, Position, and Cash Flows

- Short term (0-2 years): Higher compliance, monitoring, and risk management costs; potential credit volatility from climate events.
- Medium term (3-5 years): Portfolio rebalancing, investment in systems and data, and growth in green finance revenues.
- Long term (5+ years): Enhanced portfolio resilience and stable profitability if risks are managed; otherwise, potential asset quality deterioration and capital pressure.

Risk Management

Sustainability and climate-related risks are integrated into the Bank's Risk Management Framework. This includes:

- Environmental and climate risk screening at credit origination and review stages. During CY-2025 bank has screened more than 50% of the Bank's total outstanding loan portfolio.
- Portfolio-level monitoring and reporting of climate-sensitive and environmentally high-risk customers to SBP on quarterly basis;
- During CY 2025, a total of 10,018 staff members were trained on Green Banking (GB), Environmental and Social Risk Management (ESRM), Green Financing, Climate Smart Agriculture and Own Impact Reduction.
- On 9th April 2025, following a year of sustained efforts, BOP Learning & Development Center was awarded the WWF-Pakistan Green Office Certification in recognition of its commendable reduction in waste generation and energy consumption.
- A Paper Minimization Committee is already in place at the Bank level and has issued bank-wide paper reduction targets.

In addition, the Bank has assigned targets to relevant department for the conversion of branches and ATMs to solar energy. During CY-2025, bank has installed solar panels at 65 branches, 8 allied offices and 68 ATMs to reduce the banks carbon footprint.

Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.

The Gender Mainstreaming Policy integrates a gender perspective into the Bank's people practices, governance, and business strategy. The strategy focusses on two areas: increasing women's access to and use of financial products and services, and ensuring a safe, inclusive, and merit-based workplace for women. With zero tolerance for workplace harassment, the policy emphasizes on better hiring, retention, career advancement, mentoring, and work-life balance. To guarantee accountability, KPIs at the C-suite, regional, and branch levels incorporate gender diversity and women's financial inclusion goals. In terms of business, the Bank promotes financial literacy, internet access, women-centric deposit and lending options, and focused outreach in priority areas. A dedicated Group is in charge of implementation of the same, and senior management and the Board have strict control. The strategy as a whole presents gender inclusion as a quantifiable, performance-linked force behind responsible banking and sustainable growth

The Bank of Punjab has successfully integrated DE&I into its core institutional strategy as guided by State Bank of Pakistan (SBP) frameworks and strong Board oversight. Throughout 2025, the Bank demonstrated exceptional progress in gender parity, closing the year with 25% female representation and a 26% female hiring ratio. Furthermore, the Bank prioritized the professional growth of its female workforce supported by targeted onboarding programs and widespread gender sensitization training of all staff.

Simultaneously, BOP made significant strides in financial inclusion for Persons with Disability (PWDs). The Bank met its goal of establishing 20 fully accessible branches equipped with ramps, talking ATMs, and walking strips for the visually impaired. These locations are supported by PWD staff representation and specialized training for employees to ensure a seamless service experience. Through these disciplined efforts and policy-backed governance, BOP continues to lead the sector in building a more inclusive and sustainable banking ecosystem in Pakistan.

Staff Health & Safety:

In 2025, the Bank demonstrated its unwavering commitment to employee well-being by launching a comprehensive holistic health initiative. The Bank hosted multiple high-impact health awareness sessions featuring renowned medical specialists, ensuring inclusivity through live digital coverage for staff members unable to attend in person. These sessions addressed critical wellness topics, including Pinktober (Breast Cancer Awareness), Movember (Men's Health), heart and lung vitality, bone and joint health, and diabetes management. To complement these educational efforts with tangible benefits, BOP signed Memorandums of Understanding (MOUs) with top-tier hospitals, securing significant discounts on medical procedures and diagnostic services for employees. By bridging the gap between awareness and affordability, the Bank continues to foster a culture where the health and vitality of its workforce are treated as a top institutional priority.

Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (<https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/>)

To ensure that the Bank remains compliant to IFRS S1 and S2 implementation across the bank, BOP has issued its first ESG Report on voluntary basis.

Link of ESG report is given below.

<https://www.bop.com.pk/Documents/Publications/ESG%202024%20R%202%20revised.pdf>

Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR:

Social initiatives-financial inclusion, research and development initiatives, employment generation, community health and education, and health and safety of staff etc.

a) Corporate Social Responsibility, Human Capital and Community Development

In line with the Corporate Social Responsibility disclosure expectations of the Securities and Exchange Commission of Pakistan (SECP), the Bank of Punjab continued to advance its

social sustainability agenda during CY-2025 through structured initiatives focusing on human capital development, employee health and safety, environmental stewardship, and community engagement.

b) Human Resources and Employee Welfare:

The Bank strengthened workforce support and inclusion by establishing four dedicated Day Care Centers at the Bank level, which are fully operational in major cities including Lahore, Faisalabad, and Rawalpindi/Islamabad. Employee engagement and wellbeing were further promoted through initiatives such as the BOP Qalandars Cricket League, supporting teamwork, morale, and work-life balance. Key HR indicators monitored during the year included employee engagement levels, participation in welfare programs, and retention trends.

c) Health and Safety (H&S):

Employee health and safety remained a priority, with bank-wide awareness campaigns such as Pinktober for breast cancer awareness and Movember for men's health conducted during CY-2025. The Bank continued to monitor H&S performance through indicators such as participation in health awareness initiatives, workplace safety incidents, and occupational wellbeing measures.

d) Community and Environmental Investment:

The Bank contributed to environmental and community development through tree plantation drives at educational institutions and at BACHS Bedian Road, supporting urban greening and environmental awareness. In addition, the Bank sponsored the 28th Sustainable Development Conference (SDC) 2025, contributing to national dialogue on sustainability, research, and inclusive development. Community investment performance was monitored through indicators including outreach initiatives, participation levels, and alignment with national sustainability priorities.

These initiatives demonstrate the Bank's continued commitment to integrating social responsibility, employee wellbeing, and community development into its business strategy and performance management framework.

Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources;

Environmental Initiatives and Own Impact Reduction

In line with its sustainability objectives and commitment to climate change mitigation, the Bank of Punjab continues to reduce its environmental footprint by focusing on the principles of Reduce, Reuse, and Recycle (3Rs). During the year, the Bank expanded its renewable energy footprint through the installation of solar panels at 65 branches, 8 allied offices, and 68 ATMs, contributing to lower carbon emissions and reduced reliance on conventional energy

sources. Paper conservation remains a key priority, supported by e-statement awareness drives, the implementation of a Loan Origination System to minimize paper usage, and bank-wide paper reduction targets issued by the Paper Minimization Committee. The Bank has also adopted green procurement practices by sourcing paper from ISO 14001-certified vendors.

Environmental management efforts are further strengthened through the Green Office Program at the Learning & Development Centre (L&DC), BACHS, Bedian Road, Lahore, implemented in partnership with WWF-Pakistan, with defined KPIs for paper, water, fuel, electricity, and waste management. To improve indoor air quality and staff wellbeing, 1,561 air purifiers have been installed across Bank premises. In addition, organic waste is managed through composting pits established at the L&DC in collaboration with a certified waste management company. Collectively, these initiatives reflect the Bank's structured approach to reducing pollution, conserving natural resources, and embedding environmental responsibility into its operations.

Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs);

Technological Innovation and Sustainability

- The Bank of Punjab has embedded technology within its strategy to support climate change mitigation, resource efficiency, and financial inclusion. During the year, the Bank launched an Electric Vehicle (EV) Scooter Financing Program in partnership with the Government of Punjab promoting clean mobility and reduced carbon emissions. Digital financial inclusion initiatives were expanded through the Kissan Card for farmers and the Livestock Card, facilitating timely and efficient access to finance. The Bank also introduced Climate-Smart Agriculture financing and Zig-Zag technology financing for brick kilns to support environmentally sustainable production practices.
- Operational efficiency and reduction of environmental impact were advanced through the successful implementation of a Loan Origination System (LOS), enabling digital and paperless processing of Corporate and SME lending portfolios and the use of digital statistical scorecards for SME loan evaluation. A Sustainability movement was launched to encourage customers to opt for e-statements in place of paper-based statements. The Bank further strengthened its digital capabilities through collaboration with Fauree Tech Pvt. Limited to provide real-time, technology-driven solutions for SMEs, including advanced supply chain management tools and a 360-degree digital customer journey through the SME Digital Portal. In addition, digital services were on-boarded for dairy and livestock customers, incorporating geo-tagging of farms.
- With respect to resource management, the Bank initiated baseline data collection for electricity, fuel, and paper

consumption under Scope I and prioritized employee training on natural resource conservation and resource efficiency. To strengthen sustainability governance and reporting, the Bank signed an agreement with A.F. Ferguson & Co. (a member firm of the PwC network) for the implementation of IFRS S1 and IFRS S2. These initiatives reflect the Bank's structured approach to leveraging technological innovation to support sustainability objectives and responsible banking practices.

Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee.

The Board of the Bank of Punjab has formed an Environmental, Social & Governance Committee (ES&GC), which ensures that sustainability is addressed routinely at the Committee level, setting vision and providing guidance to Senior Management for implementation, with the approval of the Board. However, female director is not a member of the said Sub-Committee of the Board.

Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.

The Bank has issued its first ESG Report, which includes a comprehensive materiality assessment and alignment with the United Nations Sustainable Development Goals (UN SDGs). The report reflects the Bank's commitment to transparent and responsible sustainability disclosure.

The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).

Technological advancements have driven the bank to prioritize digital transformation, reallocating resources toward automation, cybersecurity, and data-driven operations. Simultaneously, growing sustainability requirements have led to increased focus and investment in ESG reporting, compliance, and responsible practices. The bank continues to promote innovation through dedicated programs, partnerships, and employee development, ensuring agility and competitiveness. While resource shortages, particularly in specialized technical skills and funding for large-scale projects, pose challenges, strategic planning, capacity building, and efficient resource management help sustain progress toward long-term goals.

04.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Bank demonstrates its commitment to sustainability by embedding environmentally responsible practices across its operations and continuously striving to minimize its ecological footprint.



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITIES

The Bank's Corporate Social Responsibility (CSR) Policy provides a structured and governance-led framework for delivering sustainable social impact aligned with the Bank's strategic objectives and the United Nations Sustainable Development Goals (SDGs). Since the adoption of its first formal CSR Policy, BOP has implemented more than 30 high-impact CSR initiatives, focusing on sustainable development, environmental conservation, financial literacy and inclusion, employee well-being, and strategic partnerships. The Policy emphasizes transparency, objective partner selection, prudent budget allocation, and robust risk management, with defined oversight by the Board of Directors to address conflicts of interest, related-party transactions, and concentration risks. Execution responsibility rests with the Marketing & Communications Department to ensure synergy between CSR initiatives and brand-building efforts, while structured monitoring, bi-annual reporting to the Board, and alignment with regulatory and Shariah guidelines reinforce accountability. The Bank's flagship "BOP Madadgar" program operates within this framework, further strengthening BOP's commitment to inclusive growth, stakeholder engagement, and responsible banking.

Highlights of the company's performance, policies, initiatives for CSR.

Corporate Social Responsibility (CSR) remains integral to The Bank of Punjab's commitment to sustainable and inclusive growth. During the year, BOP implemented a broad range of CSR initiatives aligned with the United Nations Sustainable Development Goals (SDGs), with a focus on education, healthcare, environmental sustainability, financial inclusion, and social protection. Key interventions included the provision of scholarships for deserving students, support to healthcare institutions, environmental conservation and tree plantation drives, promotion of disability inclusion and women

empowerment, and the expansion of branchless banking initiatives facilitating access to social welfare programs. Through strategic partnerships with public and private sector stakeholders, the Bank continued to generate long-term social value while reinforcing its role as a responsible, inclusive, and impact-driven financial institution.

CSR Initiatives 2025:

Education

- The Bank of Punjab signed an MOU with National University of Science & Technology (NUST) under which educational expenses of selected deserving students of the University were afforded by The Bank of Punjab. The 4th & last tranche Payment of PKR2,250,000/- was made to the University.
- In order to raise awareness regarding road safety and importance of wearing helmets by riders of two wheelers BOP branded helmets were procured, for PKR5,600,000/- and distributed amongst the general public at various cities in coordination with local district administration and police authorities.
- In order to raise awareness regarding road safety and importance of wearing helmets by riders of two wheelers while ensuring diversity and inclusivity BOP branded pink helmets were procured for female two wheeler riders at the cost of PKR560,000/-
- The Bank of Punjab sponsored a collaborative effort by Karandaaz Pakistan, NIBAF and Punjab Education Foundation in launching second phase of its Financial Literacy Supplementary Education Program with an amount of PKR5,000,000/-





HUMAN RESOURCE FUNCTION

At The Bank of Punjab, we recognize that our people are the cornerstone of our success. In 2025, the Human Resource function remained focused on implementing strategic initiatives aimed at enhancing the employee experience, fostering a culture of performance excellence, and strengthening collaboration across all levels of the organization.

Emphasis was also placed on promoting diversity, equity, and inclusion, ensuring that the Bank continues to provide a supportive and empowering workplace where every employee can thrive. Through continuous investment in talent development, leadership programs, and employee engagement, the Bank is building a high-performing workforce aligned with its long-term strategic vision and values.

a) Succession Planning

The Bank has implemented a structured Succession Planning Framework to ensure leadership continuity, business resilience, and long-term sustainability. The policy enables systematic identification, assessment, and development of internal talent for key and critical positions, reducing operational and leadership risks. Succession planning is governed through defined approval matrices with oversight by the Board of Directors and relevant Board committees, ensuring transparency and accountability. Merit, performance, competency, and potential form the basis of successor identification, supported by readiness assessments and targeted development plans. The

framework promotes diversity, ethical practices, and periodic reviews, reinforcing a strong leadership pipeline aligned with the Bank's strategic objectives and sound corporate governance principles.

b) Merit-based Recruitment

The Bank follows a transparent, structured, and merit-based recruitment framework to attract and induct qualified talent in alignment with its strategic objectives and governance standards. Recruitment decisions are made solely on the basis of competency, qualifications, experience, and job requirements, ensuring equal employment opportunities without discrimination. A robust approval and oversight mechanism, including Board and Board Committee involvement for key and senior positions, reinforces accountability and regulatory compliance. Multiple sourcing channels, objective assessment methodologies, and standardized interview processes support fairness and consistency in hiring. 2,386 employees joined the bank in 2025. Additionally, the bank emphasized batch hiring for youth, as well as the recruitment of female employees and individuals with disabilities (PWD). During the year, the Bank successfully onboarded 33 employees through the MTO Galaxy Batch and 29 employees through the Tech Batch. This batch hiring initiative was strategically designed to attract fresh, tech-savvy talent and strengthen the Bank's future-ready workforce. Our unique Return ship Program, offering career re-entry opportunities for professional women.



Succession
Planning



Merit-based
Recruitment



Performance-
based Appraisal
System



Promotion,
Reward, and
Motivation



Training &
Development



Gender and
Racial Diversity



People with
Disabilities (PWD)
Employment



Employee
Engagement &
Feedback



Employee
Engagement
Activities

c) Performance-based Appraisal System

The Bank has implemented a structured, performance-based appraisal system to align individual objectives with organizational goals and promote a performance-driven culture. The framework follows a continuous cycle of goal setting, monitoring, evaluation, and recognition, supported by clear and measurable KPIs using the Balanced Scorecard approach. Mid-year and annual reviews ensure objective assessment, constructive feedback, and accountability. Appraisal outcomes are linked to rewards, development initiatives, and Performance Improvement Plans, reinforcing merit, transparency, and sustainable performance.

d) Promotion, Reward, and Motivation

At BOP, performance is met with tangible recognition. Our bi-annual promotion cycle is anchored in transparency, utilizing external consultancy oversight and rigorous testing to ensure merit-based advancement. We complement this with a competitive rewards system and the annual BOP Awards to celebrate the milestones of our people. By prioritizing objective criteria and leadership readiness, we ensure our teams remain motivated and our leadership remains world-class.

e) Training & Development

The Bank of Punjab remains steadfast in its commitment to human capital appreciation through structured development frameworks. In 2025, our learning initiatives achieved a balanced dual focus: 89% of programs targeted professional, regulatory, and functional competencies, while others centered on leadership and personal evolution.

To ensure the efficacy of these investments, we employ rigorous post-training evaluations and feedback loops. A primary strategic focus was maintained on regulatory capacity-building; consequently, mandatory compliance-related sessions exceeded 12,297. This was supported by a robust internal infrastructure of 12,991 in-house sessions and 580 specialized programs led by external subject-matter experts. Furthermore, based on a comprehensive skill-gap and training-need analysis (TNA), the Bank deployed customized modules, resulting in 13,520 unique training interventions designed to strengthen cognitive and socio-emotional skills while mitigating internal biases to facilitate merit-based career progression.

f) Gender and Racial Diversity

Our commitment to diversity is further reflected in policies such as the Diversity & Inclusion Policy, Gender Mainstreaming Policy, and the Policy for People with Disabilities (PWD). During the year, BOP was recognized with all top 3 PWDs Inclusion Awards including Best Bank – Disability Inclusion Champion; Best Infrastructure – Accessible Infrastructure Excellence; and Best Employer – Excellence in Employment of PWDs. The Bank was also honored as “Best Company Creating Respectful Workplaces” at the 4th IFC-PBC Gender Diversity Awards 2025

and “Best Bank for Women Inclusion” at the Pakistan Banking Awards 2025.

g) Appointment of / quota for people with disability

In the year 2025, almost 99% of the Bank's branches have been equipped with ramps, 20 branches have been retrofitted to meet PWD accessibility standards, and 511 ATMs have been converted into “Talking ATMs”. The Bank's target is to convert its entire network of over 900 ATMs into talking ATMs by year-end. With regard to PWD hiring, the Bank's staff strength currently includes 143 employees with disabilities. PWDs employee receive a personal independence allowance of Rs. 5,000 per month. BOPs representation of PWD employees is already higher than comparable banks. The Bank ensures equal opportunity for PWDs and women in promotions, reaffirming that any discrimination would be unacceptable. In 2025, BOP secured top three awards in the PWD Finclusion category including the Disability Inclusion Champion Award, Accessible Infrastructure Excellence Awards, and Excellence in Empowerment of PWD Award.

h) Employee Engagement & Feedback

BOP recognizes employee engagement and continuous feedback as critical enablers of organizational performance, cultural alignment, and sustainable growth. A structured and inclusive approach has been adopted to actively listen to employees, assess engagement levels, and translate feedback into meaningful organizational improvements. Over the year, multiple engagement session have been organized including health and wellness sessions, Special days celebration, Pinktober, Movember, Annual Rewards Ceremony, BOP Cricket Tournament, BOP Family Gala, and Townhall Meeting.

The Bank is currently operating five daycare centers across Pakistan, providing reliable and compassionate support to working parents in Faisalabad, Rawalpindi, Lahore, and at the Head Office. Two additional daycare centers are scheduled to open in Peshawar and Multan, further strengthening this initiative. This expanding footprint builds on the Bank's milestone initiative launched in 2023, when the first-ever daycare facility was inaugurated to foster a truly family-friendly workplace. Collectively, these efforts demonstrate a sustained commitment to employee well-being, gender inclusion, and a supportive work environment.

GENDER PAY GAP

Gender pay gap statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended 2025:

i)	Mean Gender Pay Gap:	38.93%
ii)	Median Gender Pay Gap:	20.36%

INFORMATION TECHNOLOGY

Following the Board's vision, Bank has implemented the following Technology solutions during the year 2025 as part of strategic and GoPb initiatives:

Business Growth

- Enhanced the strength of enterprise solutions with well-timed version upgrades and automated customized business requirements that directly contributed to business growth through technology platforms.
- Delivered 164 major solutions and achieved 78% delivery of Strategic initiatives along-with 100% delivery of over-n-above initiatives from GoPb during strategy period.
- Secured industry recognition/awards for pioneering business segments.
- Rolled out end-to-end digital onboarding solutions for underserved customer segments for deposit and lending that reduced onboarding time by 40% through simplified and automated processes.
- Created a centralized resource allocation model, ensuring optimal use of budgets and talent. Achieved substantial cost saving in the areas of networking and efforts across solutions and platforms in build vs buy.

Operations Excellence

- Upgraded Datacenters at Primary and Secondary sites with stable and robust Hardware infrastructure along with Network Redundancy.

- Maintained 99.5% uptime of CBS and Branchless Banking (Wallet) production instances along with allied applications during the strategy period for branches and digital channels.
- Achieved 90% level of automation in the processes for customer onboarding, lending contracts, disbursement of funds and card issuance in bulk.
- Enhanced Human Resource capacity by 46% with major restructure in IT organization to improve efficiency and productivity in the areas of governance, operations, data and solutions delivery.
- Build centralized data repository on revised architecture, populated with multiple data streams from various sources to server all offices within the Bank for reporting and analytical views.
- Ongoing support to business operations.

Security & Regulatory Compliance

- Achieved 85% compliance on Enterprise Technology Governance and Risk Management Framework including other SBP, Internal and external audits.
- Achieved consecutive 4th recertification on latest PCI-DSS requirements from PCI Council to strengthen security posture and maintain status of certification.
- Participated and achieved 100% compliance on regulatory transformation initiatives to strengthen controls, data privacy and protection of customer sensitive information.



Notable Achievements in 2025

- RAAST
Merchant Service Provider (Person-to-Merchant)
- Branchless Banking and BISP
- Digital Finance for SME
- National E-KYC
- WhatsApp Banking

Oracle ERP Modules and Its Implementation in BOP

The Bank of Punjab (BOP) has implemented Oracle's comprehensive suite of Enterprise Resource Planning (ERP) modules to effectively meet its transactional and reporting requirements. These modules provide an integrated platform that supports various operational areas of the Bank, enabling process automation, improved efficiency, and enhanced control. The adoption of Oracle ERP has significantly streamlined operations by reducing manual interventions, eliminating redundancies, and optimizing resource utilization. Moreover, the system's advanced analytical capabilities allow the Bank to gain valuable insights into business performance, facilitating data-driven and timely decision-making.

The Oracle General Ledger (GL) module enables daily consolidation of branch and GL-wise data, ensuring seamless integration between the Core Banking System and the GL. It supports efficient management of the Chart of Accounts and assists in the preparation of both financial and regulatory reports, while maintaining year-to-date and period-end balances. The Oracle Payables module manages vendor relationships, invoice processing and payments along with centralized withholding tax management and cost center allocations, ensuring accuracy and compliance in financial transactions.

Through the Oracle Purchasing module, the Bank efficiently handles purchase orders, supplier management, and CWIP payments, with built-in functionality for applying sales tax and generating relevant reports. The Fixed Assets module facilitates the complete asset lifecycle—from creation and capitalization to depreciation, revaluation, and disposal—while also managing Non-Banking Assets (NBA) and ensuring accurate reporting. Similarly, the Inventory (Stationery) module supports the procurement, receipt, and distribution of stationery items, maintaining branch-wise requisitions and cost transfers.

The Oracle Property Manager module, implemented in line with IFRS-16 requirements, manages property and building leases, automates the booking of Right-of-Use assets and liabilities, and processes monthly markup and amortization expenses. It also centralizes rent payments and withholding tax deductions, ensuring compliance and transparency. Additionally, the Oracle Hyperion Planning and Budgeting module automates the entire planning and budgeting cycle, integrating seamlessly with Oracle EBS General Ledger, Fixed Assets, and other systems. It enables segment-wise budgeting, driver-based forecasting, and multi-version budget management, while Smart View integration allows controlled departmental inputs and real-time monitoring of budget activities.

Since its implementation in 2018, Oracle ERP has played a pivotal role in strengthening BOP's operational and financial management framework. The Bank continues to invest in capacity building by providing regular training to both functional and technical teams, ensuring optimal system utilization and alignment with evolving business and regulatory requirements.

INFORMATION & CYBER SECURITY

1. Information Security and Cybersecurity: Enhancing Digital Resilience

As we continue to advance in the digital era, we recognize the critical role of strong information security and cybersecurity practices in safeguarding the integrity of our operations. BOP remains committed to protecting its information assets while fostering trust and confidence among customers, investors, and other stakeholders. This disclosure highlights our ongoing efforts to address evolving cyber risks and maintain regulatory compliance, reinforcing our commitment to preserving digital trust. In response to the increasing sophistication of cyber threats, we remain focused on strengthening cybersecurity controls across the organization. Periodic evaluations and updates to the information security program and policies reflect our dedication to aligning with industry best practices, technological advancements, and applicable regulatory requirements, in support of our organizational vision.

2. Accountability and Compliance in Cyber Risk Management

The Board of Directors at BOP remains directly accountable for overseeing and evaluating the legal and regulatory implications of cyber risks. We recognize the critical importance of ensuring that cybersecurity measures comply with all applicable legal and regulatory requirements. In the event of any cyber breach or security incident, the Board is prepared to take immediate action to mitigate risks and enforce appropriate responses in line with legal obligations.

Our Board is fully engaged in regular reviews of cybersecurity risks and the actions required to address any breaches, including assessments of the impact on customers, stakeholders, and regulatory obligations, with timely and transparent communication to all affected parties. As part

of this governance framework, the Board also oversees the organization's artificial intelligence (AI) strategy, ensuring that the use of AI technologies is supported by risk management practices and aligned with applicable legal, regulatory, and ethical requirements. This integrated approach ensures that both cybersecurity and AI-related risks are managed responsibly and in line with evolving regulatory expectations.

3. Strategic Alignment with Cybersecurity Standards and Regulations

The bank has consistently updated its IT and IS governance practices to stay aligned with the evolving regulatory landscape and industry-specific cybersecurity standards. These practices are thorough, encompassing risk management, operational procedures, and compliance with global standards such as ISO 27001.

The information security policies and procedures are routinely evaluated and updated, with regular reporting to the Board and senior management. Our cybersecurity framework aims to ensure that security is integrated into every facet of our technology operations, from infrastructure management to application security, and that the evolving risks associated with cyber threats are effectively mitigated.

4. Dedicated Oversight by Board Committees

Bank has established a strong governance structure to oversee IT and cybersecurity risks. The Board has designated specific committees, including the Business Risk Management Committee (BRMC) and the IT and Cybersecurity Committee (IT&CC), with the responsibility to review and monitor cybersecurity risks and the effectiveness of related mitigation strategies.



These committees receive regular reports on the status of cybersecurity initiatives, vulnerabilities, and response efforts. Additionally, they work closely with management to ensure that cybersecurity is incorporated into the bank's overall risk management framework, with regular updates and feedback loops to ensure timely and effective actions in response to emerging threats.

5. Proactive Risk Identification and Incident Management

BOP has implemented a robust early warning system to proactively identify and assess cybersecurity risks before they escalate into incidents that could disrupt operations. This system leverages a combination of automated and manual monitoring tools, along with threat intelligence feeds, to detect new and emerging risks in near real time. The Governance, Risk, and Compliance (GRC) team is responsible for information security risk management, while the Security Operations Center (SOC) manages cyber incident response. Both teams work closely with the Chief Information Security Officer (CISO) office to address identified risks and incidents, ensuring clear and effective communication with relevant stakeholders.

In the event of a significant cyber incident, the system ensures timely notification of the Cyber Emergency Response Team (CERT) or relevant Board committees to support prompt and informed decision-making.

6. Strengthening Security through Independent Reviews

To strengthen the resilience of our cybersecurity posture, BOP conducts periodic independent security assessments of its technology environment, including comprehensive evaluations of third-party risks. These assessments are performed by accredited external auditors and cybersecurity specialists who review the effectiveness of existing security controls, identify potential vulnerabilities, and recommend enhancements.

The most recent comprehensive security assessment was completed in the third quarter of 2025, and the recommended improvements are currently being implemented. These assessments form a key element of the Company's ongoing commitment to strong cybersecurity practices and maintaining protection against an evolving threat landscape.

7. Ensuring Business Continuity and Resilience

Bank is fully prepared to respond to any IT failure or cyber breach with its detailed Business Continuity (BCP) and Disaster Recovery Plan (DRP). This plan ensures that critical business operations can continue with minimal disruption in the event of a significant cyber incident.

The DRP is supported by a resilient backup and recovery infrastructure, which is regularly validated through disaster recovery exercises. Additionally, we have cyber insurance in place that covers losses resulting from cybercrime, data breaches, and disruptions to digital banking services.

8. Leveraging the Industrial Revolution 4.0 for Enhanced Governance

We have made significant progress in adopting technologies associated with the Fourth Industrial Revolution, including Robotic Process Automation (RPA), Blockchain, Artificial Intelligence (AI), and Cloud Computing. These technologies are being utilized to improve transparency, increase operational efficiency, and strengthen cybersecurity capabilities.

Our digital transformation initiatives are closely aligned with cybersecurity objectives, ensuring that new technologies are implemented securely to safeguard customer data and organizational assets. Our security capabilities supported by tools such as SIEM, SOAR, XDR, breach and attack simulations, brand protection, and attack surface monitoring are further enhanced through advancements in AI, enabling improved transparency, reporting, and governance.

9. Building a Cyber-Resilient Culture

At BOP, we understand that cybersecurity is not solely a technological issue but a cultural one. As part of our ongoing efforts to mitigate cybersecurity risks, we have implemented a comprehensive training and awareness program for all employees.

This program includes regular training on identifying phishing attacks, best practices for data protection, and the latest cybersecurity threats. Specialized training is also provided to key IT and security personnel, ensuring they are equipped to respond to the latest cyber threats. Additionally, we continue to emphasize cybersecurity awareness through periodic campaigns, including during our annual Cybersecurity Awareness Month.

10. Building a Cyber-Resilient Future

As we look to the future, BOP is committed to further strengthening its cybersecurity framework and risk management practices. Key initiatives for the coming year include:

- Expanding the adoption of AI-enabled security tools
- Evolving the Cybersecurity Framework to align with the current cybersecurity and threat landscape
- Advancing the implementation of the Zero Trust security framework in selected segments
- Strengthening third-party risk management processes
- Enhancing the implementation of global security standards, such as ISO 27001

In closing, BOP remains committed to building a secure, resilient, and transparent digital ecosystem. This proactive approach, supported by continued investment in cybersecurity technologies and strategic initiatives, ensures that we are well-positioned to meet the challenges of the future while safeguarding our stakeholder's trust.

BUSINESS CONTINUITY PLAN

Our Bank is committed to operational excellence and reliability. To uphold this commitment, we have established a robust Business Continuity Plan (BCP) designed to empower the organization to navigate disruptions, be these of whether natural events, technical challenges, or cyber incidents. The aim for efficient and effective BCP is to handle these disruptions with confidence and agility.



Business Continuity Plan (BCP): Ensuring Seamless Operations

The primary objective of our BCP is to safeguard our key assets and ensure that essential business functions continue without interruption. It minimizes downtime and provides a structured roadmap for maintaining stability & continuity. The key benefits of the BCP plan include, but are not limited to:

- **Clarity & Direction:** Clearly defined roles and communication protocols to eliminate confusion during critical moments.
- **Employee Safety & Support:** Prioritizing the physical safety and emotional well-being of our team.
- **Preparedness:** Continuous training to ensure that all staff are ready and knowledgeable.

Disaster Recovery Plan:

Disaster Recovery Plan (DRP): Protecting Our Digital Foundation
Complementing the BCP, our Disaster Recovery Plan focuses specifically on our technological resilience. It ensures rapid restoration of IT infrastructure and data integrity, significantly reducing the financial impact of technical disruptions.

Together, these plans form a comprehensive shield for the Bank. They not only reduce risk and protect our reputation but also ensure that we sustain the trust of our customers by delivering consistent, uninterrupted service.

BCP & DRP Implementation - 2025 at a Glance

In 2025, a total of 172 incidents were recorded under the Business Continuity Plan (BCP), with the majority arising from network issues (60 incidents) and other various causes such as hardware problems (30 incidents), old equipment (01 incident), short circuits (19 incidents), power fluctuations (5 incidents), and law and order situations (24 incidents). Additionally, there were 20 incidents of natural disasters, particularly floods and rain, and 13 other miscellaneous events. There were no incidents recorded for database errors or configuration issues.

BCP drills were also a major focus throughout the year, with a comprehensive number of fire and robbery simulations conducted across various branches. A total of 929 branches / Regional Offices / Cash Processing centers conducted fire drills, and 909 branches / Regional Offices / Cash Processing centers participated in robbery drills. This included both Retail Banking Branches, Sub-Branches, Regional Offices, and Taqwa Islamic Banking branches.

Regarding BCP training, several courses on Business Continuity Planning were conducted by L&DD both in person and through Zoom sessions. A total of 306 participants were trained in 2025.

Overall, 2025 saw substantial efforts in disaster preparedness, training, and simulation drills, reinforcing the institution's resilience and readiness to manage potential disruptions.



05.

GOVERNANCE

The Bank is committed to the highest standards of corporate governance, ensuring transparency, accountability, and ethical conduct in all operations. Guided by a robust governance framework and effective oversight, the Bank upholds integrity, regulatory compliance, and sustainable value creation for all stakeholders.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Ghazanfar Abbas Jilani.....	Director
Dr. Muhammad Amjad Saqib.....	Director
Mr. Mujahid Sherdil	Director
Mr. Ali Farhan.....	Director
Mr. Mohammad Mudassir Amray	Director
Mr. Asif Reza Sana.....	Director
Mr. Muhammad Naeem Khan	Director
Mr. Zafar Masud	President & CEO
Mr. Kamran Hafeez	Secretary to the Board

BOARD AUDIT COMMITTEE

Mr. Mohammad Mudassir Amray	Chairman
Syed Ghazanfar Abbas Jilani	Member
Mr. Muhammad Naeem Khan.....	Member
Mr. Mujahid Sherdil	Member

RISK MANAGEMENT, COMPLIANCE AND NPL REVIEW COMMITTEE (RMC&NRC)

Syed Ghazanfar Abbas Jilani	Chairman
Mr. Mohammad Mudassir Amray	Member
Dr. Muhammad Amjad Saqib.....	Member
Mr. Muhammad Naeem Khan	Member

HUMAN RESOURCE, COMPENSATION, PERFORMANCE EVALUATION AND NOMINATION COMMITTEE (HRCPE&NC)

Mr. Asif Reza Sana	Chairman
Dr. Muhammad Amjad Saqib.....	Member
Syed Ghazanfar Abbas Jilani	Member
Mr. Mujahid Sherdil	Member

STRATEGY, ISLAMIC AND PRIORITY SECTOR FINANCING COMMITTEE (SI&PSFC)

Dr. Muhammad Amjad Saqib.....	Chairman
Mr. Asif Reza Sana.....	Member
Mr. Mujahid Sherdil.....	Member
Mr. Ali Farhan	Member

INFORMATION TECHNOLOGY AND COMMUNICATIONS COMMITTEE (ITCC)

Mr. Ali Farhan.....	Chairman
Mr. Mohammad Mudassir Amray	Member
Mr. Asif Reza Sana.....	Member
Syed Ghazanfar Abbas Jilani.....	Member

ENVIRONMENT, SOCIAL & GOVERNANCE COMMITTEE (ES&GC)

Mr. Muhammad Naeem Khan.....	Chairman
Mr. Mohammad Mudassir Amray	Member
Dr. Muhammad Amjad Saqib.....	Member
Mr. Ali Farhan	Member

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

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WEBSITE www.bop.com.pk

BOARD OF DIRECTORS – COMPOSITION, PERFORMANCE AND PROFILE

Board of Directors:

Syed Ghazanfar Abbas Jilani	Director
Dr. Muhammad Amjad Saqib	Director
Mr. Mujahid Sherdil	Director
Mr. Ali Farhan	Director
Mr. Mohammad Mudassir Amray	Director
Mr. Asif Reza Sana	Director
Mr. Muhammad Naeem Khan	Director
Mr. Zafar Masud	President & CEO
Mr. Kamran Hafeez	Secretary to the Board

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

The Bank of Punjab conducted its Annual Performance Evaluation of the Board for the year 2024 in compliance with the Listed Companies (Corporate Governance) Regulations, 2019 and the State Bank of Pakistan's Framework on Performance Evaluation of the Board of Directors (for Banks). The evaluation was carried out by M/s Pakistan Institute of Corporate Governance (PICG), an external independent evaluator.

The External Independent Evaluator identified the following key focus areas for further strengthening of governance practices:

- Promotion of diversity
- Enhancement of the effectiveness of the Management Information System (MIS)
- Development of a comprehensive Environmental & Social Management System (ESMS)
- Leveraging technology to build capacity through structured training programs

The Board Evaluation was conducted in two phases covering assessment of the Board as a whole, Board Committees, and individual Directors. Through this process, the Board reaffirmed its role in providing strategic insight and foresight to advance the Bank's progress. The Board's decisions reflect intellectual depth, analytical rigor and a balanced focus on risk, growth and long-term vision, enabling it to capitalize on opportunities aligned with the Bank's strategic objectives. The structured self-assessment allowed the Board to critically evaluate its effectiveness in setting strategic direction, devising controls and monitoring performance while considering both micro and macroeconomic factors. This process reinforces a culture of continuous improvement and learning, supporting the Board in effectively discharging its responsibilities and steering the Bank towards sustainable growth and long-term success.

PICG assessed the effectiveness of the Board using its Board Strategy Performance Index (BSPI), under which the Board achieved a score of 91% for the year 2024. The evaluation report was presented to and deliberated upon by the Board of Directors.

BRIEF PROFILE OF BOARD MEMBERS



MR. ZAFAR MASUD

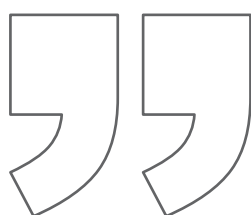
President & CEO

Zafar Masud is a development and social impact-focused banker, entrepreneur, public sector expert, and an author, with around 30 years of proven exceptional success stories in development finance, energy, corporate governance, and management.

He had served at top positions in multinational banks **within and outside Pakistan**, including American Express Bank, Citigroup, Dubai Islamic, and **Barclays (Regional Managing Director Southern Africa)**.

Mr. Masud was appointed as **Member of the Board of Directors of State Bank of Pakistan (SBP)** in March 2013, and a **Member** of the most prestigious and coveted **Constitutionally Independent Monetary Policy Committee** until he departed from the Board to join Government in August 2016. While on the SBP Board, he had served as the **Chairman** of the **Publications Review Sub-Committee**.

As **Director General of National Savings, Ministry of Finance (MoF), Government of Pakistan (GoP)** for two years (2016-18), he was instrumental in initiating the



organization's digital transformation with the support of the Gates Foundation, the **Foreign Commonwealth & Development Office (formerly DfID)** Government of the UK - **FCDO**, USAID, and the World Bank. During his tenure at National Savings, he successfully launched welfare products for Differently-abled Persons and Shuhadah's Families; set in motion the launch of Overseas Pakistanis Savings Certificates and Shariah Compliant Savings Schemes.

Between 2018 and 2020, he had the **honor of being the Founding CEO (Interim) for InfraZamin Pakistan (IZP) - a Private Infrastructure Development Group, UK (PIDG)** driven initiative - for setting up the first of its kind **credit enhancement company in Pakistan for social infrastructure financing**, working closely with **Securities & Exchange Commission of Pakistan (SECP)** in **framing the rules and regulations** for functioning of such entities into this critical arena of infrastructure financing in Pakistan.

He also rendered his services as **Director on the Boards** of major multinational, public and private sector entities, including **InfraZamin Pakistan, Port Qasim Authority, Quaid-e-Azam Thermal Power, Gadoon Textiles, Sindh Board of Investment**, and served as the member of the **IMF-motivated Task Force on State Owned Entities (SOE) Law**.

Since April 2020, Mr. Masud has been serving as **President and Chief Executive Officer of The Bank of Punjab**, the **second-largest public sector bank in Pakistan**. Under his leadership, the Bank has undertaken a far-reaching transformation aimed at embedding cutting-edge digital capabilities and strengthening governance, culture, and service excellence. **During his tenure, the Bank's deposits, advances, and profitability have more than doubled**, firmly positioning BOP on a trajectory toward top-tier status in the industry.

He is also the **Non-Executive Chairman of Oil & Gas Development Company**, Pakistan's largest listed entity by marketcap, and only one listed on the London Stock Exchange.

He's the elected **Chairman of Pakistan Banks Association**, and the **Member of Pakistan Airport Authority Board, National Institute of Banking & Finance Board, Curriculum Committee of Beaconhouse National University, Advisory Board School of Business Studies of Institute of Business Administration (IBA Karachi), The Institute of Directors - UK, the Executive Committee of the National Alumni Association of Insead - France, and the Milkar Technical Committee** - a mental health awareness initiative of **Mir Khalil ur Rehman Foundation and British Asian Trust**.

Member of **Prime Minister's Committee on Homegrown (Economic Transformational & Implementation) Plan for Economic Revival and Growth**.

As **Convener of one of Pakistan's largest wholesale interest-free microfinance loan programs** under the Ministry of Finance, he designed and executed a groundbreaking poverty-alleviation initiative that secured formal consent from both the International Monetary Fund and the World Bank—a rare achievement for a social-protection platform.

Spearheaded similar unprecedented financing programs in Agriculture, Livestock, SME, Women Entrepreneurship, and Low-Cost Housing, in Punjab, which grew into becoming **the largest financial inclusion initiatives ever** and the Bank of Punjab was decorated with all the prestigious accolades locally and internationally.

Mr. Masud has been the recipient of several prestigious honors. He was awarded **the highest civil award of Hungary** for his role in restoring historic subcontinental artwork by Hungarian artist August Schoefft. He was also conferred **the Prix d'Excellence for Leadership by the French Embassy**, recognizing his leadership contributions as an INSEAD Fontainebleau alumnus. More recently, he received **the Excellence Award from the Pakistan Chamber of Commerce USA, and Honorary Doctorate Degree from Greenwich University Karachi**, in acknowledgment of his impact-driven work in Pakistan's Banking and Financial sector.

He is an **MBA graduate of the IBA Karachi**, with **concentration in Banking**, and an **alumnus of INSEAD, Fontainebleau**, where he **qualified in Corporate Governance**.

Mr. Masud is an established thought leader and writer on finance, economic reform, and public-sector transformation. He is the author of two books:

1. **"Seat 1C: A Survivor's Tale of Hope, Resilience and Renewal"**, a globally resonant memoir based on his survival of the PK8303 air crash. The book is now being translated into multiple international languages and is widely recognized for its insights on crisis leadership and personal renewal.
2. **"Out of the Box: Structural Reforms for Pakistan"**, a compilation of his widely read policy writings offering pragmatic reform solutions for economic governance, public-sector restructuring, energy transition, and financial-sector modernization.

He co-authored a **pension-reform study by FCDO** for the Government of Khyber Pakhtunkhwa and was featured as one of **30 global transformative thinkers** in the **international best-seller book "Master Mentors - Volume 2"** by Scott J. Miller of FranklinCovey.

Mr. Masud maintains an active presence in public discourse and continues to contribute regularly to national & international media on finance, economics, policy reform, & leadership.

Mr. Masud has **dedicated website** (zafarmasud.com), and **active social media accounts - LinkedIn**: <https://www.linkedin.com/in/zafarmasud/>, **X (formerly Twitter)**: https://x.com/zafar_masud, and **Instagram**: https://www.instagram.com/zafar_masud/



SYED GHAZANFAR ABBAS JILANI

Director

Syed Ghazanfar Abbas Jilani joined Pakistan Audit and Accounts Service in 1984 and retired as Federal Secretary, Economic Affairs Division, Ministry of Finance in 2018. During his long and distinguished career he has held various senior positions in the Government and has diversified professional experience to his credit.

He remained posted in Pakistan and USA in various capacities having close interactions with donors like the World Bank, Asian Development Bank, Islamic Development Bank, Asian Infrastructure Investment Bank, United Nations Development Program, European Union and Bilateral Economic Development Partners.

He was on the Board of Directors of Pak-Arab Refinery Company, Pakistan International Airlines Company, Sui Southern Gas Company Limited, Government Holding Private Limited, National Highway Authority, National Engineering Services Pakistan, Pakistan Television and Islamabad Electric Supply Company.

His international exposure comprises as first Secretary in Pakistan's Mission to United Nations, delegate to the UN General Assembly and the focal person for Plenary Session to General Assembly. He held various positions as nominee of the Government of Pakistan i.e. i) Alternate Governor of the World Bank, Washington DC, ii) Alternate Governor of Asian Development Bank, Manila, iii) Asian Infrastructure Investment Bank, Beijing, iv) Alternate Governor and Director of Islamic Development Bank and member of Finance Committee, v) Director Pak-China Investment Company Limited and was Chairman of its Finance Committee.

He was leader of Pakistan's delegation to the Annual meeting of the Islamic Development Bank in Tunisia (2018), Asian Development Bank in Manila, Philippines (2018) and Asian Infrastructure Investment Bank at Mumbai, India (2018). Attended World Bank/IMF Spring Meeting in Washington DC and Annual Meetings of the World Bank/IMF in Bali, Indonesia.

He holds a Masters degree in Business Administration and Bachelors with Major in Economics from Government College Multan. He is also a director in Jilani Organic (Pvt) Limited.



DR. MUHAMMAD AMJAD SAQIB

Director

Originally hailing from Civil Service of Pakistan (DMG), Dr. Amjad Saqib is founder and Chairman of Akhuwat, the largest interestfree microfinance program in the world. This program has disbursed over Rs. 194 billion to around 5.7 million poor families in Pakistan and has launched Pakistan's first free 'Akhuwat College University' that is open to talent from impoverished families without regard to gender, religion, or politics.

He is also working as chairman Punjab Development Network (PDN) which is a network of more than 160 development and charity organizations, working for social and economic development especially in areas like clean drinking water and sanitation. He is Executive Director, Fountain house - an Institute of treatment and rehabilitation of mentally challenged people.

His areas of expertise include governance, poverty alleviation, microfinance and rural development. Because of his remarkable achievements in restoring human dignity to Pakistan's most vulnerable communities, including poor women and transgenders, through financial inclusion, education, health care, and provision of shelter and housing, Dr. Saqib has received worldwide recognition, including "Ramon Magsaysay Award 2021", popularly known as "Asia's Nobel Prize", the Islamic Economy Award by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Thomson Reuters in 2018. He is also recipient of Social Entrepreneur of the year award for 2018 by World Economic Forum (WEF) and Schwab Foundation and Commonwealth's 31st Point of Light award by Queen Elizabeth II in 2018. He has also been awarded Life Time Achievement Award, 2014 by Abu Dhabi Islamic Bank and Thomson Reuters, for his efforts to promote Islamic finance.

President of Pakistan bestowed on him Sitara-e-Imtiaz, one of the coveted civil awards of Pakistan. He is author of nine books and an acclaimed speaker who has spoken at UN, Harvard, Oxford and Cambridge.



MR. MUJAHID SHERDIL

Director

Mr. Mujahid Sherdil is an officer of Pakistan Administrative Service and is currently posted as Finance Secretary, Government of the Punjab. He joined Civil Service in year 2003 and held various senior positions at federal and provincial level including Secretary, Communication & Works; Secretary, Planning & Development; Deputy Commissioner, Islamabad; Director General, Punjab Disaster Management Authority; Chief Executive Officer, Infrastructure Development Authority of Punjab and Principal Staff Officer to the Prime Minister of Pakistan.

Mr. Mujahid is a versatile, highly adaptable professional and key problem solver with 20 years of proven track record to his credit, providing solutions to optimize operational performance across a broad range of areas with particular focus on national/provincial infrastructure development, financial management, public procurement and public administration. He maintains a reputation for setting high expectations, promotes individual/organizational goal attainment by applying expertise to key aspects for executing organizational goals.

He holds a degree in Master of Architecture from Washington University, St. Louis, MO., USA and Bachelors of Arts with major in Concentration in Mathematics and Pre-Architecture from Grinnell College, Iowa, USA.

Mr. Mujahid remained an outstanding tennis player during his educational career at Aitchison College, Lahore and Grinnell College, USA.



MR. ALI FARHAN

Director

Mr. Ali Farhan is a dynamic and accomplished professional with over 31 years of leadership experience in investment banking and real estate. His academic credentials include a Master's degree in Business Administration from Canadian School of Business Administration, with specialization in Finance and Marketing.

He has 15 years extensive banking experience in Askari Bank Limited, where he was entrusted with key responsibilities in financial management, trade operations and business development. He played a pivotal role in financial planning and analysis, ensuring compliance with regulatory standards and enhancing operational efficiency.

Mr. Ali Farhan is also the founder and CEO of Sukhera Associates, where he established a reputation for professionalism, integrity and excellence in property management and investment advisory. He is affiliated with the National and International Realtors Association and also represented Pakistan at the RE/MAX International Conference in Dubai, United Arab Emirates.



MR. MOHAMMAD MUDASSIR AMRAY

Director

Mudassir is a seasoned banker with well-rounded exposure of over 25 years in senior management roles with proven track record in six geographies (USA, Nigeria, Malaysia, Hong Kong, Singapore, and Pakistan) and multiple roles with local and international banks.

Mudassir held various senior positions, including:

1. Managing Director & Chief Executive Officer of Titan Trust Bank in Nigeria from 2019 to 2025.
2. Managing Director & Head of Global Capital Management for LATAM at Citibank New York
3. Managing Director & Group Head of Global Corporate & Investment Banking & Business SCO for Citibank Nigeria and Ghana
4. Head of Wholesale Banking at Al-Rajhi Bank in Malaysia
5. Director, Global Network Capital Management at Citibank in Hong Kong
6. Head of Islamic Banking for Asia Pacific at Citibank in Singapore
7. Country Business Head and Business SCO at Citibank in Pakistan
8. Regional Manager & Country Head Structured Finance for Bank Alfalah in Pakistan
9. Corporate Bank Head at United Bank Limited in Pakistan

Mudassir has strong focus on governance and processes and has a balanced approach towards risk and business.

He exhibits courage in taking tough decisions and had developed and adopted smart business strategies in different environments. He is also a director in Titan Trust Bank Nigeria.



MR. MUHAMMAD NAEEM KHAN

Director

Mr. Muhammad Naeem Khan is a senior Director level banking professional with diversified domestic and international Commercial and Investment banking background spanning over a period of 35 years. He started his banking career with United Bank Limited in 1974 and served in various senior level positions at National Bank of Oman, Bank of Credit and Commerce International, American Express Bank, Al Faysal Investment Bank. He also served as Chief Operating Officer of Escorts Investment Bank and Innovative Investment Bank (formerly Crescent Standard Investment Bank).

He represented Government College Lahore and Punjab University and played National Squash Championships in Pakistan representing Punjab. Represented Oman and Luxembourg in Squash in International Championships. Travelled widely in Europe and Asia.

He holds a Bachelor degree from Government College Lahore.



MR. ASIF REZA SANA

Director

Mr. Asif Reza Sana is a banker turned entrepreneur and businessman engaged in multiple governance roles at the corporate level. He is well experienced in restructuring banks and creating financial services brands with a differential. He is also a private equity, banking and finance advisor. His prior career has been with world leader multinationals in the disciplines of finance, general management and marketing. He currently also owns insurance, healthcare and consumer products businesses.

Mr. Sana made his professional career debut in marketing, working for the Irish Dairy Board in 1981; he was then hired by the leading chocolate manufacturing multinational, Mars Inc., in 1982. In 1988, he was headhunted by Philip Morris (PM) then the largest consumer products company in the world. After the collapse of the Soviet Bloc in 1989 he was made a member of the Philip Morris task force, based at the international headquarters in Switzerland. Main assignment of the taskforce was to pioneer establishments of PM businesses in the newly liberated markets of Central and Eastern Europe through mergers and acquisitions, licensing and joint ventures. In 1991 he was appointed to the coveted position of Group head of Philip Morris' legendary flagship brand, Marlboro. He was promoted to a leadership role of managing a profit centre in 1995, responsible for global pricing strategies, financial management across several countries and currencies with complex tax structures and a multinational workforce based in several countries.

On his return to Pakistan, he was appointed advisor to the board of directors of Union Bank in 2000. He conceived, negotiated and closed the acquisition of Emirates Bank in Pakistan and Meshraq Bank in Sri Lanka for Union Bank. He was elected a member of the board of directors of Union Bank and continued to work as the executive director as well as a member of the Management Committee, Alco, and In-Charge of the monthly business performance review of all country group heads. He assisted the

HR and Audit committees. The majority shareholders then gave him the sole mandate to implement an exit strategy. He searched, short listed, negotiated and closed the sale of Union Bank to Standard Chartered Bank at a landmark price of US \$ 485 million at the highest multiple in the banking industry of Pakistan at that time.

Subsequently, as an advisor to Askari bank he carried out the due diligence to determine the enterprise value of the bank. He steered the recapitalization plan of the bank. On the request of the new shareholders he joined the board of restructured Askari Bank as an independent director and served as the chairman of the audit committee for 6 years. He is currently appointed on the board of governors of Naya Pakistan Housing Authority and also serves on the boards of other public listed companies.

He is the founding trustee of a charity that rehabilitated radicalized youth in the main stream society through a boarding school and vocational training programme supported by the Government of Pakistan in Northern Areas. He is also on the Advisory board of Global Sustainability Network (GSN) of UK, a UN associated charity. He is an avid golfer, skier and sportsman.

BOARD COMMITTEES COMPOSITION AND TORs

BOARD AUDIT COMMITTEE (BAC)

Mr. Mohammad Mudassir Amray	Chairman
Syed Ghazanfar Abbas Jilani	Member
Mr. Muhammad Naeem Khan	Member
Mr. Mujahid Sherdil	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- Review of annual and interim financial statements of the Bank, prior to their approval by the Board, focusing on major judgmental areas, significant adjustments resulting from the audit, going concern assumption, any changes in accounting policies and practices, compliance with applicable accounting standards, compliance with Regulations and other statutory and regulatory requirements; and all related party transactions;
- Review of preliminary announcements of results prior to external communication and publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of management letter issued by external auditors and management's response thereto;
- Internal audit reports are provided to external auditors for the review and that auditors shall discuss any major findings in relation to the reports with the audit committee, which shall report matters of significance to the Board;
- Determination of appropriate measures to safeguard the Bank's assets;
- Coordination between the internal and external auditors of the Bank;
- External auditor (or a person involved in the audit of the bank) is not a close relative (i.e. Spouse, parents, dependents and non-dependent children) of the CEO, the CFO, the CIA, Company Secretary or a Director of the Bank;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Bank;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Review of summary of quarterly report on frauds/ forgeries/ dacoities;
- The systemic gaps, if any, that facilitated perpetration of fraud have been filled and actions being taken by the management to curb such incidents in the future. Identify the reasons for delay in detection and reporting to the senior management of the bank and SBP, if any;
- Monitor progress of investigations, court cases and recoveries position of cases of Rs. 0.5 million and above;
- Review the efficacy of remedial actions taken to prevent recurrence of frauds/ forgeries/ dacoities such as strengthening of internal controls, etc;
- Supervise the Whistle Blowing Unit;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording and the reporting structure are adequate and effective;
- Review of the Bank's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 and identification of significant violations thereof;
- Monitoring compliance with relevant applicable regulations and identification of significant violations thereof;
- Recommending to the Board the appointment of external auditors, their removal, audit fees and related matters;
- Consideration of any other issue or matter as may be assigned by the Board.

RISK MANAGEMENT, COMPLIANCE AND NPL REVIEW COMMITTEE (RMC&NRC)

Syed Ghazanfar Abbas Jilani	Chairman
Mr. Mohammad Mudassir Amray	Member
Dr. Muhammad Amjad Saqib	Member
Mr. Muhammad Naeem Khan	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- Monitoring and review of all material controls (financial, operational, compliance and risk management);
- Risk mitigation measures are robust and integrity of financial information;
- Appropriate extent of disclosure of Bank's risk framework and internal control system in Directors report;
- In addition to oversight and monitoring of ML/TF/ PF risks posed to the entity, also be responsible for ensuring that entity has implemented effective AML/ CFT controls (preventive measures) including Targeted Financial Sanctions (TFS) related to TF & PF, STR/CTR;
- The Board of Directors of the Bank has the ultimate responsibility of guiding and overseeing the design and implementation of enterprise wide Compliance Risk Management Program in the Bank. The CF should assist the Board / Committee in monitoring the Bank wide implementation of Compliance Program and the level of compliance risk that the Bank is faced with at any given point in time.
- Approve "Compliance Risk Strategy" (as part of Bank's overall risk strategy) and allied Policies of the Bank and oversee its implementation across the entity in letter and spirit;
- Establishment of a robust Compliance Function (CF) compatible with Bank's overall risk management strategy, risk profile and complexity of operations, with required authority, independence, financial resources and quality human resources.
- Approve an end to end compliance program that promotes and supports compliance risk management across the organization, at every hierarchal level of the Bank;
- Discuss compliance issues regularly, ensuring that adequate time and priority is provided in the Board agenda to deliberate compliance issues and that such issues are resolved effectively and expeditiously.
- Evaluate the effectiveness of Bank's overall management of compliance risk, at least annually; keeping in view the regulatory observations in onsite examinations, regulatory enforcement actions, internal assessments/feedback from Internal Audit Function (IAF), compliance reviews, as well as interactions with the Chief Compliance Officer (CCO).
- The Committee shall be responsible to, on advice of CEO, approve the appointment of CCO with sufficient experience, expertise, skills and qualifications to perform CCO's functions in an effective manner and related matter;
- Review the minutes of Compliance Committee of Management meetings to ascertain its effectiveness in managing compliance risk.
- Review the progress in implementing remedial actions taken with respect to instances of non-compliance or control weakness as identified by CF through its regular 'Compliance Reviews' and / or various other sources.
- Review and approve the "Internal Risk Assessment Report" of the Bank;
- Receive and review Bank's standardized report/MIS on the ML/ TF/ PF risks posed to the Bank and the effectiveness of available AML/ CFT controls (preventive measures), on a Quarterly basis;
- Make recommendations to the Board of Directors in ascertaining Bank's risk appetite, formulating strategy and policies for managing risks and establish adequate systems and controls to ensure that overall risk remain within acceptable level and the reward compensate for the risk taken, make recommendations to the Board of Directors for approval of any material exceptions to the Risk Management Policies and tolerances;
- Recommend to the Board the Bank's Credit Risk Strategy and Significant Policies relating to Credit Risk and its management which should be based on the Bank's overall Business Strategy.
- Recommend to the Board the bank's overall risk tolerance in relation to credit risk.
- Bank's overall credit risk exposure is maintained at prudent levels and consistent with the available capital.

- Top management as well as individuals responsible for credit risk management possess sound expertise and knowledge to accomplish the risk management function;
- Bank implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of credit risk;
- Appropriate plans and procedures for credit risk management are in place.
- Bank's overall market risk exposure is maintained at prudent levels and consistent with the available capital.
- The Bank implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of market risk.
- Adequate resources (technical as well as human) are devoted to market risk management;
- Devise policies and guidelines for identification, measurement, monitoring and control for all major risk categories;
- The Bank has clear, comprehensive and well documented policies and procedural guidelines relating to risk management and the relevant staff fully understands those policies;
- Reviewing and approving market risk limits, including triggers or stop losses for traded and accrual portfolios;
- Robustness of financial models, and the effectiveness of all systems used to calculate market risk, ensure that the Bank has robust Management information system relating to risk reporting;
- Review Policy for management of risks particularly in the areas of Credit, Market, Interest Rate, Liquidity, Operational, Technology, Information / Cyber Security, Shariah Compliance, Legal, Country, Financial Institutions, Conduct, Compliance, Money Laundering, Terrorism Financing, Proliferation Financing, and Reputational Risks;
- Review and recommend to the Board well defined and transparent write-off policy and review and recommend to the Board any write offs of irrecoverable / bad loans;
- There is an effective, integrated Operational Risk Management Framework which should incorporate a clearly defined organizational structure, with defined roles and responsibilities for all aspects of operational risk management/monitoring and appropriate tools that support the identification, assessment, control and reporting of key risks;
- Review and propose to the Board the delegation of adequate and appropriate powers down the line to ensure proper management and supervision of write offs of bad/irrecoverable loans/advances;
- Effective internal control and supervisory mechanism is in place for write offs of bad/irrecoverable loans/ advances;
- Review the report of NPLs and write offs and major rescheduling / restructurings on quarterly basis;
- While the ultimate accountability for Operational Risk Management rests with the Board, and the level of risk that the Bank accepts, together with the basis for managing those risks, is driven from the top down by those charged with overall responsibility for running the business;
- The Committee shall be responsible for oversight of the IFRS 9 implementation process;
- Constitute an IFRS 9 Project Steering Committee to administer the Project;
- Review and approve Bank's transition plan for IFRS 9 implementation;
- Review the progress against the transition plan on a Quarterly basis;
- Smooth implementation of IFRS 9 within the timelines stipulated by State Bank of Pakistan

HUMAN RESOURCE, COMPENSATION, PERFORMANCE EVALUATION AND NOMINATION COMMITTEE (HRCPE&NC)

Mr. Asif Reza Sana	Chairman
Dr. Muhammad Amjad Saqib	Member
Syed Ghazanfar Abbas Jilani	Member
Mr. Mujahid Sherdil	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- A fair, transparent and competitive remuneration mechanism be developed and put in place that encourages the culture of "pay for performance";
- Consideration and approval of policy framework for determining remuneration of directors;
- Recommending to the Board, the structure of compensation package of Executive Directors, President & CEO, Key Executives and any other employee or group of employees' institution-wide; recommendations will then be approved at appropriate level either by shareholders or by the Board of Directors according to legal and regulatory requirements;
- Approving the appointment, compensation package (including retirement benefits), promotion/demotion and renewal of the employment contracts of Key Executives (as defined in HR Policy except Chief Operating Officer or equivalent, Chief Financial Officer, Company Secretary and Head of Internal Audit);
- Bank wide remuneration policy should take into account all cadres of employees;
- Review the Remuneration Policy and remuneration setting mechanism at least once every three years; Key aspects of Remuneration Policy would be to develop separate structures of remuneration for Material Risk Controllers (MRCs) and Material Risk Takers (MRTs);
- Undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Group Chiefs / SEVP- G, Chief Financial Officer and Company Secretary;
- Consideration and approval on recommendations of the President & Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Group Chiefs / SEVP- G;
- Considering and making recommendations to the Board in respect of the Board's Sub-Committees and the Chairmanship of the Board's Sub-Committees;
- Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary;
- Additional disclosures on Governance and Remuneration in the Annual Financial Statements of the Bank are made as required by "Revised Guidelines on remuneration Practices" issued vide SBP's BPRD Circular No. 01 of 2017 dated 25.01.2017;
- Oversight of various Human Resource functions including but not limited to review of Bank's organizational structure, training and development, implementation of HR plans, HR MIS, succession planning of key executives etc.

STRATEGY, ISLAMIC AND PRIORITY SECTOR FINANCING COMMITTEE (SI & PSFC)

Dr. Muhammad Amjad Saqib	Chairman
Mr. Asif Reza Sana	Member
Mr. Mujahid Sherdil	Member
Mr. Ali Farhan	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- Review and recommend to the Board the 'Corporate Strategy' of the Bank;
- Review on an annual basis, the Annual Business Plan, Cash flow Projections, Forecasts and Strategic Plan presented by the Management of the Bank and recommend these for the approval of the Board of Directors;
- Making recommendations to the Board of Directors in introducing the necessary mechanisms and risk management systems to safeguard the interests of Investment Account Holders /Profit and Loss Sharing depositors;
- Appointment of Shariah Board to perform the functions as stipulated in the "Shariah Governance Framework for Islamic Banking Institutions" and to take appropriate measures for introducing and implementing an effective Shariah compliance framework;
- Recommending to the Board of Directors the approval of the TORs of the Shariah Board and fix remuneration of the Shariah Board members;
- Review the potential and competitive status of Taqwa Islamic Banking and suggest policy measures for its growth in line with its future vision;
- Review the quarterly accounts of Taqwa Islamic Banking along with comparative analysis of Islamic Banks / Islamic Banking Operations in Pakistan;
- Review the existing Islamic Banking lending and deposit products of the industry and suggest enhancement to such products and / or discuss characteristics of new products;
- Work for promotion of financial inclusion through Islamic Banking under guidelines of the State Bank of Pakistan;
- Oversee Bank's Performance in financing to 'Priority Sectors' i.e. Agriculture, Housing and SME Segments;
- Periodically review, at least on a half yearly basis, the Business Strategies and their outcome and future business plans;
- Periodically review, at least on a half yearly basis, performance of new initiatives, products etc. introduced for business growth;
- Periodically review, at least on a half yearly basis, portfolio growth trends, exposure concentrations and geographical distribution;
- Periodically review, at least on a half yearly basis, the performance versus internal and regulatory targets;
- Periodically review, at least on a half yearly basis, the measures taken for capacity building of staff through in-house and external training;
- Periodically review, at least on a half yearly basis, the use of technology to strengthen credit appraisal and monitoring;

INFORMATION TECHNOLOGY AND COMMUNICATIONS COMMITTEE (IT&CC)

Mr. Ali Farhan	Chairman
Mr. Mohammad Mudassir Amray	Member
Mr. Asif Reza Sana	Member
Syed Ghazanfar Abbas Jilani	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- To establish a comprehensive enterprise technology governance framework which defines the leadership, organizational structures and processes to ensure that the Bank's technology sustains and extends the enterprise's strategies and objectives; to make recommendations to the Board to this end;
- Review and approve an IT Governance Framework to ensure that Bank's IT supports and enables the achievement of corporate Strategies and objectives, the Committee shall be responsible to recommend to the Board the IT Governance Framework;
- Review and approve "IT Strategy" and "Digital Strategy" in line with the business strategy of the Bank and monitor and update the same on regular basis keeping in view potential opportunities and threats;
- Establish an efficient and effective IT organization structure in line with the IT governance framework, the Committee shall be responsible to make recommendations to the Board to this end;
- Technology risks are integrated with the enterprise risk management function to achieve security, reliability, resiliency, interoperability and recoverability of data/information and information assets; make recommendations to the Board in this regard;
- Review technology related policies and review the same periodically in light of major technological/ regulatory developments at least after every three (03) years; recommend to the Board the technology related policies.
- Review relevant policies of Digital and Branchless Banking before approval of the Board.
- Review digital products and trends prevalent in the industry along with comparative analysis with peer banks;
- Risk management strategies pertaining to Digital initiatives are designed and implemented to achieve resilience, mitigating risk avenues, and service disruptions.
- Maintenance of an independent and effective Technology Audit Function commensurate with the complexity of Bank's technology risk profile; make recommendations to the Board in this respect;
- Resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled; make recommendations to the Board to this end;
- Skills required for technology governance, service delivery, information security and risk management are sufficient and up to date; make recommendations to the Board in this regard;
- Approve and receive periodic updates on major technology related projects that may have significant impact on Bank's operations, earnings or capital, and shall also define the criteria for major projects; make recommendations to the Board in this respect;
- Risk management strategies are designed and implemented to achieve resilience, such as the ability to effectively respond to wide-scale disruptions, including Cyber Attacks and attacks on multiple critical infrastructure sectors;
- Technology procurements are aligned with the IT strategy and approved by the Board;
- Formulate a comprehensive policy on due-diligence and risk management of Cloud Service Provider; make recommendations to the Board for approval of this policy;
- Review and recommend to the Board Business Continuity Plan (BCP) based on a comprehensive BIA and risk assessment exercise;
- Reporting and advising to the Board on status of Digital initiatives, and programs;

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE (ES&GC)

Mr. Muhammad Naeem Khan	Chairman
Mr. Mohammad Mudassir Amray	Member
Dr. Muhammad Amjad Saqib	Member
Mr. Ali Farhan	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- To review and recommend to the Board the approval of Bank's Environmental & Social Risk Management Policy.
- Provide feedback on critical high- risk projects on E&S matters.
- Ensure sustainability is addressed routinely at the Committee level, setting vision and providing guidance to Senior Management for implementation, with the approval of the Board.
- Review internal audit reports and follow up on effectiveness of ESMS implementation, serious accidents / incident / fatality reports, senior grievances related to the Bank's operations.
- Ensure that Green Banking Office has access to and reports periodically to the Committee and the Board.
- The Committee shall review maximum exposure limits for industries / sectors that are more hazardous to the environment and / or society, for approval of the Board. The Committee may also review limits for different environment friendly projects / sectors and recommend the same for the approval of the Board.
- To Review the Corporate Social Responsibility (CSR) reporting on environmental and social related measures of the Bank.
- To propose Green Banking Policy for approval of the Board. The Green Banking Policy should include strategic references as to the role of the Bank in transformation towards a low carbon & climate resilient economy and specifically include policy statements on its Environmental Risk Assessment, Weighting and Management Processes (EnvRM), its positioning towards green credits and investments (Green Business Facilitation) and its activeness towards resource efficient operations (Own Impact Reduction).
- Reviewing the CSR reporting on environmental related measure of the Bank, for approval of the Board.



A STATEMENT OF HOW THE BOARD OPERATES, INCLUDING A HIGH-LEVEL STATEMENT OF WHICH TYPES OF DECISIONS ARE TO BE TAKEN BY THE BOARD AND WHICH ARE TO BE DELEGATED TO MANAGEMENT

The Board of Directors of The Bank of Punjab provides overall strategic leadership and exercises general superintendence and direction over the affairs and business of the Bank in accordance with Section 9 of the Bank of Punjab Act, 1989. The Board's primary focus is on policy formulation, strategic direction, oversight, and supervision rather than involvement in day-to-day operational matters. In this capacity, the Board plays a pivotal role in establishing the Bank's corporate culture and values, approving strategic objectives and business plans, setting the risk appetite, and ensuring the existence of robust governance, risk management, compliance, and internal control frameworks. The Board also ensures transparent and timely disclosure of financial and non-financial information and monitors performance against approved strategies and regulatory requirements.

The management of the Bank, led by the President & Chief Executive Officer (CEO), is entrusted with the day-to-day

administration and execution of the Bank's strategies and policies within the authority prescribed under Section 18 of the Bank of Punjab Act, 1989, which outlines the businesses the Bank is authorized to transact. The President & CEO, appointed by the Government of Punjab in accordance with the approved Bye-Laws, directs and controls the operational affairs of the Bank and ensures implementation of Board-approved policies, strategies, and decisions. Management is responsible for conducting the Bank's operations, managing its resources, maintaining compliance with applicable laws and regulatory requirements, and reporting regularly to the Board on performance, risk exposures, compliance matters, and material developments. This clear delineation between the Board's strategic oversight role and Management's operational responsibilities ensures effective governance, accountability, and alignment with the statutory framework under which the Bank operates.



SHARIAH BOARD

COMPOSITION AND PROFILE

Shariah Board of Taqwa Islamic Banking Group Bank of Punjab Comprises of following Members:

Mufti Muhammad Zahid	Chairperson
Mufti Muhammad Mushtaq Ahmed	Member
Mufti Rafey Ashraf Usmani	Member
Mufti Muhammad Umar Irfan	Resident Shariah Board Member (RSBM)

Mufti Muhammad Zahid

(Chairperson Shariah Board)

Mufti Muhammad Zahid is a renowned personality in the field of Shariah having a long association of 32 years while serving as a teacher in various branches of Islam & Arabic language, Vice President of Jamia Imdadia Faisalabad and member of its Dar-ul-Ifta since 1989.

Mufti Muhammad Zahid is working as General Secretary Centre for Islamic Economics, Faisalabad, Member Regional Focus Group on Islamic Banking State Bank of Pakistan, Member Shariah advisory cell International Islamic University Islamabad, Member Executive Committee International League of Islamic Literature (رابطة لأدب الإسلام العالمية) Pakistan Chapter, External Examiner for viva-voce of thesis of LLM (M. Phil), Faculty of Sharia & Law, International Islamic University, Islamabad, Member Board of Studies Faculty of Sharia & Law (Dep. Islamic Law) International Islamic University Islamabad, Member Ulama Board PIPS (Pak Institute for Peace studies), Member consultancy group Centre for Islamic Business Riphah International University, Chairman of the Shariah Supervisory Committee of Bank of Khyber, Chairman Shariah Board of Askari Bank Limited and Shariah Board Member of MCB-Arif Habib Islamic Fund.

Mufti Muhammad Zahid has authored various publications including (اسلامی بینکاری کی بنیادیں) (translation from English to Urdu of the work of Mufti Muhammad Taqi Usmani).

Mufti Muhammad Zahid holds Shahadh Al-Alamiyyah (شهادة لاعلمية) from Wifaq-ul-Madaris, Al- Arabiyyah Pakistan and Masters Degree in Arabic from International Islamic University, Islamabad.

Mufti Muhammad Mushtaq Ahmed

Member - Shariah Board

Mufti Muhammad Mushtaq Ahmed is a renowned Shariah scholar with proven experience of Islamic Banking and Finance. Mufti Mushtaq has preeminent academic background in Islamic Studies & Islamic Banking and he did his Doctorate (Phd) in Islamic studies/ Shariah with research topic of "Islamic Banking Practices - Shariah Perspective". He specialized in Fiqh, Iftaa and Shariah from Darul Iftaa Wal Irshaad Karachi Pakistan; he has distinction as Gold Medalist in M.A Islamic Studies (Shariah)/Aalimiyya from Jamia Darul Uloom, Karachi.

He is teaching Shariah and Islamic banking courses since 2006. He has delivered lectures in various national and international programs about Islamic Banking, his research papers on Islamic Banking and Finance and social issues have also been published in international research Journals.

Mufti Rafey Ashraf Usmani

Member - Shariah Board

Mufti Rafey Ashraf Usmani is an eminent Shariah Scholar. Mufti Rafey has strong academic background in Islamic Studies, Islamic Jurisprudence and Islamic Economics. He completed his religious qualifications including Takhassus-fi-Iftaa & Shahdat-ul-Aalimiyyah from Jamia Darul Uloom, Karachi.

Mufti Rafey has done his MS Islamic Banking and Finance from University of Management and Technology Lahore (UMT). He is visiting faculty member at different academic institutions including Jamia Ashrafiya Lahore, Jamia Usmania Lahore, Minhaj University Lahore and University of Management and Technology Lahore.

He has delivered several lectures at different forums and has written about more than three thousand Fatawas on different Islamic topics including Islamic Finance and family law.

Mufti Muhammad Umar Irfan

Resident Shariah Board Member

Mufti Muhammad Umar Irfan prominent Shariah scholar. Mufti Muhammad Umar Irfan has strong academic back ground in Islamic Studies, Islamic jurisprudence and Business and finance. He completed his religious qualification including Takhassus-fi-Iftaa from Jamia Islamia Imdadia Faisalabad & Shahdat-ul-Aalimiyyah from Wifaqul Madaris.

Mufti Umar has done his MBA Islamic Business and Finance Riphah International University Islamabad. He is teaching Shariah and Islamic banking & Finance courses since 2012. He has delivered lectures in various institutions including Jamia Arbiya Oloom Sharfia, Alburhan, and National Institute of Banking and Finance. He has written about more than Seven hundred Fatawas on different Islamic topics including Zakat, Hajj and Financial Issues.



MANAGEMENT



Zafar Masud
President / CEO



Asif Riaz
Group Chief Consumer Banking



Nadeem Amir
Chief Financial Officer



Ijaz ur Rehman Qureshi
Group Head Operations



Nofel Daud
Chief Digital Officer



Jawad Bin Shabbir
Chief Human Resources Officer



Raza Bashir
Chief of Staff and Strategy



Arslan Muhammad Iqbal
Chief Risk Officer



Umer Khan
Group Head Corporate & Investment Banking



Qasim Nadeem
Group Head Treasury & Capital Market



Faisal Ejaz Khan
Chief Information Officer



Ahmad Mansoor
Chief Compliance Officer



Syed Muhammad Rehan
Chief Internal Auditor



Umer Iqbal Sheikh
Group Head Islamic Banking



Hamza Khalid Randhawa
Chief Legal Officer



Kamran Hafeez
Secretary to the Board

MANAGEMENT AND ITS COMMITTEES

Name	Designation
Mr. Zafar Masud.....	President & CEO
Mr. Asif Riaz.....	Group Chief Consumer Banking
Mr. Nadeem Amir.....	Chief Financial Officer
Mr. Ijaz Ur Rehman Qureshi.....	Group Head Operations
Mr. Nofel Daud.....	Chief Digital Officer
Mr. Jawad Bin Shabbir.....	Chief Human Resources Officer
Mr. Raza Bashir.....	Chief of Staff & Strategy
Mr. Arslan Muhammad Iqbal.....	Chief Risk Officer
Mr. Umer Khan.....	Group Head Corporate & Investment Banking
Mr. Qasim Nadeem.....	Group Head Treasury & Capital Market
Mr. Faisal Ejaz Khan.....	Chief Information Officer
Mr. Ahmad Mansoor.....	Chief Compliance Officer
Mr. Syed Muhammad Rehan.....	Chief Internal Auditor
Mr. Umer Iqbal Sheikh.....	Group Head Islamic Banking
Mr. Hamza Randhawa.....	Chief Legal Officer

Key Management Committees

Type	Committee	Abbreviation	Purpose
Management	MANCOM Committee	MAN	A discussion forum, constituting of all Group Heads reporting directly to P&CEO, to review performance of the Bank and all its key functions vis-a-vis business strategy & targets. Further, to discuss issues critical for meeting Bank's objectives.
	Asset & Liability Committee	ALCO	This constitutes of members from Treasury, Risk, Finance and Business to devise comprehensive strategies and guidelines for measurement, monitoring and control of Market, Interest and Liquidity Risks. It also reviews and approve Bank's investment Strategy.
	Compliance Management	CCM	This comprises of all Group Heads reporting to P&CEO, to oversee of implementation of Bank's Compliance Program.
	Information Technology Committee	ITC	Has representation of IT, Business, Strategy, Finance and Operations to set IT direction and strategies for expansion of technology and related requirements in line with business requirements of the Bank.
	Property & Premises Committee	P&PC	To examine, review and approve purchasing, renting, upgradation and shifting etc. of Banks' premises. It consists of members from Business, ASG, Finance and Operations
	Marketing & Communications Committee	MCC	To approve annual Media Budget of the Bank along with periodic media and publicity campaigns. The committee has representation from Strategy function and relevant Group Head
	Fraud Risk Management Committee	FRMC	Oversee implementation of Fraud Risk Management Policy and take decisions on the investigative findings of internal & external frauds.
	Operational Risk Management Committee	ORMC	Comprises of members from Risk, Business, Strategy, Finance, Operations and HR to Ensure Implementation of Operational Risk Policy and review status of key risk indicators of the Bank.
	Credit Risk Management Committee	CRMC	Has representation of Business and Risk to Ensure Implementation of credit risk policy/strategy approved by BOD. Further, monitor credit risk on a bank wide basis and ensure compliance with limits approved by BOD.
	Service Quality Committee	SQC	To review & address major and recurring issues related to service delivery through branches.

Type	Committee	Abbreviation	Purpose
Management	Disciplinary Harassment & Grievance Committee	DHAGC	To investigate/address harassment at workplace and abusive conduct, provide all employees with a platform to address their Grievances & to investigate and address all matters where disciplinary action is warranted.
Steering	Environmental & Social Risk Management Committee	ESRM	Establish and oversee the bank-wide implementation of the ESRM framework, ensuring compliance with regulatory timelines and SBP guidelines & form a Working Committee to develop ESRM policies, transition plans, and automation processes. Review validations, consultant appointments, infrastructure upgrades, and monitor the implementation progress, providing periodic reports to the BRMC & BOD.
	Islamic Banking Transformation Steering Committee	IBTSC	To oversee and steer the Bank's transition to a fully Shariah-compliant Islamic banking model, ensuring strategic alignment, regulatory and Shariah compliance, and timely execution of the approved transformation roadmap.
	Steering Committee International Banking	SCIB	The International Banking Committee will monitor, evaluate and lead the process of establishing International Banking Operations for The Bank of Punjab
Approval	Non-Banking Assets	NBA	To ensure effective management and/or disposal of Bank's NBAs.
	Charity Committee	CHAR	To approve distribution of charity funds of Islamic Banking Group, as per charity policy of the Bank.

BOARD REMUNERATION POLICY

KEY HIGHLIGHTS:

The Board of Directors have approved Board's Remuneration Policy-2020 of the Bank for attending the Board and its Committee(s) meetings along with subsequent amendments in Compliance of State Bank of Pakistan BPRD Circular 05 of 2021 dated November 22, 2021.

The salient features of the policy are as under:

1. The Policy ensures a comprehensive and transparent remuneration structure for the Chairman and other Directors.
2. This Policy has been formulated with clear mandate and charter having annual view frequency keeping in view the ownership structure, governance mechanism, risk profile, scope of operations and performance of the bank.
3. The Policy aims to set out the methodology for the determination of scale of the remuneration to be paid to the Directors and Chairman other than President/CEO for attending the Board and its Committee(s) meetings.
4. The Policy is applicable to Non-Executive/Independent Directors, President/Executive Director and the Chairman of the Board.
5. The terms & conditions of the Chairman shall be presented to the shareholders for approval in the Annual General Meeting on pre or post facto basis.
6. The Bank shall facilitate the directors for travelling, boarding & lodging relating to the Board and Committee(s) meetings.
7. No consultancy or allied work shall be awarded to a director or to the firm(s), institution(s), or company(ies) etc., in which he individually and/or in concert with other directors of the Bank hold substantial interest.
8. Proper disclosure of remuneration and other benefits facilities provided to the Board of Directors shall be made in the Annual Financial Statements of the Bank.
9. The Board members shall be accountable for their conduct according to the scope of their responsibilities and Annual Performance Evaluation of the Board as a whole and its Committees will be carried out. Based on the evaluation of performance scale of remuneration may be reviewed/adjusted.
10. A Director shall be remunerated for any additional work assigned by the Board of Directors. The remuneration of a Director performing extra services shall not exceed 20% of the remuneration already set for him / her. In any case, remuneration paid to a Director for performing once such extra service / additional work should not exceed Rs.59,000/- (net of applicable taxes), and the total payments made to one director for performing extra services should not exceed 20% of the total amount paid to a director for attending Board/ SubCommittee meeting in a year.
11. A director shall be remunerated additionally up to 20% of the remuneration set for him for holding the position of Chairman of the Board and Committee for attending Board and Sub-Committee meetings other than President & CEO.
12. The remuneration of Board members for attending Board & Sub-Committee meetings and "Special Invitation" shall be Rs. 295,000/- (net of taxes).



CODE OF CONDUCT - BOARD OF DIRECTORS

All the Directors of the Bank are expected to read and understand the "Code of Conduct" and uphold the standards and policies contained therein by ensuring compliance.

Duties, Power and responsibilities

All the Directors confirm to the best of their knowledge and belief that as Director of the Bank of Punjab, they are fully aware of their duties, powers and responsibilities under the relevant Law(s).

Compliance with Rules & Regulations

All the Directors shall ensure compliance with the requirements/ instructions embodied in all the regulatory enactments, rules & regulations, code of corporate governance and standards.

Integrity, Honesty, Confidentiality and Reputation

All the Directors shall set up a high standard of integrity and display prudent attitude in discharge of their duties. A minimum standard of acceptance would be:

- i) Business decisions to be based on professional judgment and prudence.
- ii) Professionally tailored and viable strategies shall be followed in pursuit of achieving the Bank's overall objectives.
- iii) A good working atmosphere shall be created in ensuring fair dealings, congenial relationship, co-operation and harmony.
- iv) Customers' friendly culture shall be promoted by observing the following norms of business ethics.
 - Business needs of the customers shall be given top priority.
 - Business affairs of the customers shall be maintained confidential.
 - Banker-Customer relationship shall not be maintained with those involved in drug trafficking, crimes and terrorist activities.

Ethics and Disclosure

Every Director shall confirm to the best of their knowledge and belief that:

- i) He is not a director of more than Five (5) listed companies, including the Bank of Punjab.
- ii) He is not a director of any other financial institution.
- iii) He is a registered tax payer and not in default of payment of any taxes and/or in default of any loan to a banking company, a DFI

or an NBFI or, being a member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.

- iv) He does not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.
- v) He has sufficient means to discharge his financial obligations.
- vi) He and his spouse are not engaged in the business of stock brokerage (unless specifically exempted by SECP).

Conflict of Interest

All the Directors shall not engage in any business transactions which might conflict with the interests of the Bank. They shall not accept any gifts, favors or invitation offered by any client, person or Organization with whom the Bank has a business relationship that creates a conflict between the individual's personal interests and the interests of the Bank.

Insider Trading

Directors shall not deal directly or indirectly in the securities of the bank whether on their own account or their relative's account, if they are in possession of any unpublished price sensitive information concerning the Bank. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

Where any director or his/her spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares of the Bank, he/she shall immediately notify the Company Secretary in writing. Such director shall also deliver a written record of the price, number of shares, form of share certificates, (i.e. whether physical or electronic within the Central Depository System), and nature of transaction to the Company Secretary within two days of effecting the transaction. Further, no director shall, directly or indirectly, deal in the shares of the Bank, in any manner, during the closed period. (*)

(*) Closed period is determined prior to the announcement of interim/final results and any business decision, which may materially affect the market price of shares.

Evaluation of the Board

The performance of the overall Board, its Committees and individual Board Members shall be evaluated on annual basis as per mechanism prescribed by the regulator and approved by the Board.

CODE OF CONDUCT AND BUSINESS PRACTICES

INTRODUCTION

BOP presents henceforth The Code of Conduct & Business Practices that provide detailed guidelines for the employees to cohere their business dealings and behavioral practices by the highest standards of ethical and professional conduct. The Bank places a strong emphasis on core values to ensure a thriving workplace culture with diversity, inclusion and equal opportunity. The Bank is committed to ensure meritocracy and transparency as the fundamental principles guiding its policies, procedures and practices. Employee rewards will also be linked to a transparent and a merit-based performance-driven culture of the organization.

The objective of this Code is to bring in line the standard of working of an employee with the basic principles of integrity, meritocracy, accountability, empathy, and excellence.

- **Empathy** is a fundamental principle, requiring all employees to attentively listen and understand the concerns of internal and external stakeholders of the Bank.
- **Teamwork** is highly encouraged to optimize task allocation, minimize stress, and enhance productivity.
- **Innovation** is crucial for adapting to ongoing transformations and improving services, and processes.
- **Meritocracy** is promoted, encouraging employees to follow rules of fairness, equal opportunity employment, and non-discrimination in operational/regulatory/strategic decision-making.
- **Excellence** is a cornerstone, with employees ethically bound to maintain professionalism and exceptional performance when interacting with all stakeholders.

All employees of the Bank of Punjab, (hereinafter called "Bank/BOP"), are required to follow the Code of Conduct & Business Practices.

1. Abidance of Laws, Internal Policies, Rules & Regulations:

All employees shall conform to and abide by the Bank rules and obey all lawful/Legal orders and directives which may from time to time, be given by any person or persons under whose jurisdiction, superintendence, or control they may, for the time being, be placed. Employee must at all times ensure to comply with and observe all applicable laws, regulations, and Bank policies, wherever they operate. The Bank does not allow any illintentioned action or activity on the part of employee that promotes unfair labor practices in the workplace.

2. Unlawful activities & Political participation:

- 2.1 All employees stand firmly against supporting the activities of any Group or individual that unlawfully threatens public order and safety. They shall not be an office bearer of any political party, take part in, subscribe in aid of, or assist in any way, any political movement in or outside of Pakistan against the country. They shall not express views detrimental to the ideology, sovereignty, or integrity of Pakistan.
- 2.2 No employee shall canvass or otherwise interfere or use his/her/their influence in connection with or take part in any election as a candidate to a legislative/local body or issue an address to the electorate or in any manner announce or allowed to be announced publicly as a candidate or prospective candidate whether in Pakistan or elsewhere. Employees may, however, exercise their right to vote.



3. Outside Pressure:

No employee shall bring or attempt to bring political or other pressure/influence directly or indirectly to bear on the authorities / supervisors / line management and/or any other employee of the Bank or indulge in derogatory pamphleteering, contribute, or write letters to the newspapers, anonymously or in his/her/their name with an intent to induce the authority/ superior officers to act in a manner inconsistent with rules, in respect of any matter relating to appointment, promotion, transfer, punishment, retirement or for any other conditions of service of employment.

4. Conflict of Interest:

Employees shall avoid all such circumstances in which there is personal interest conflict or which may appear to be in conflict, with the interest of the Bank or its customers. Employees are ethically, morally, and legally responsible for upholding a clear demarcation between their interests and their obligations to the Bank or the Bank's customers. Employees shall not engage in transactions, negotiations, or contracts on behalf of the Bank with entities in which the employee or their close relatives have a vested interest except for deposit mobilization on an arms' length basis. Furthermore, employees are not allowed to accept outside employment, consultancy roles, directorships, or partnerships or handle any situation that may potentially conflict with their role at the Bank without prior approval of the competent authority and Non Objection Certificate(NOC) from the Bank. P&OEG and CCG will scrutinize employee requests and ensure that request highlights no conflict of interest. Employees instead of trying to resolve any conflict of interest on their own should immediately raise critical conflicts to the line management/Competent Authority and P&OEG for an appropriate resolution.

5. Personal Gain, Gifts and Inducements:

Employees shall not use his/her/their employment status to seek personal gain from those doing business or seeking to do business with BOP, nor accept such gain if offered, they shall not accept any gift, favor, entertainment, or other benefit the size or frequency of which exceeds normal business contacts from a constituent or a subordinate employee of the Bank or from persons likely to have dealings with the Bank and candidates for employment in the Bank.

Employees shall not accept any benefit from the estate of, or a trust created by a customer, or from an estate or trust of which a Bank's Company or business unit is an executor, administrator, or trustee. Excessive or improper gifting or hospitality in contradiction to BOP Gift Policy is strictly prohibited which may influence objectivity, judgment, integrity, and decision making, lead towards favoritism, and compromise the Bank's interest.

6. Confidentiality:

All employees shall maintain the privacy and confidentiality of all the information acquired during professional activities and refrain from disclosing the same unless otherwise required by

statutory authorities of law after consultation with approving authorities, if required in case of any ambiguity about disclosure. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefit of any individual(s). Inside information about the Bank's customers/affairs shall not be used by them for their gain, or for that of others either directly or indirectly.

7. Accountability, Reporting & Transparency:

The employee will maintain all books, data information, and records with scrupulous integrity reflecting in accurate and timely information, and will ensure that the business transaction is reported and documented correctly according to the approved business practice, all employees shall ensure facts are not misinterpreted, misleading, misused or tampered.

Employees shall not exhibit misconduct, unjust, unfair, corrupt, malicious, fraudulent, or criminal activity/move while dealing with the public, customers, investors, and/or another employee of the Bank. All the employees shall be accountable for his/her/their actions, behaviors, performance, decisions, and consequences and shall be subject to DA/investigation/legal proceedings in case of violation of the set rules.

If an employee receives any kind of demand or request (including summons notices from courts) for information pertaining to the Bank from an outside party (including regulators, law enforcement agencies, and parties to litigation), employee must seek guidance from the senior line management, before proceeding further to acting in response to the request.

It is an ethical and moral responsibility of employee to immediately bring to the notice of P&OEG and/or Legal Group in case of any FIR/complaint raised against the employee.

8. Data Security & Password Sharing:

Employees must not disclose confidential data/information including but not limited to critical reports, financial data, system password, customer or employee's personal information and/or any other data/information that could be used for hacking/encryption/phishing, etc. All employees to ensure meticulous compliance with the IT security policy of the Bank and communication from time to time.

9. Use of Bank-Provided Assets & Employment Facilities:

All employees shall, as personal responsibility, safeguard both the tangible and intangible assets of BOP and its customer(s) that are under their personal control and shall not use Bank assets for their personal benefits except where permitted by BOP. They shall not use any Bank facilities including a car or telephone to promote trade union activities, carry weapons into Bank premises unless so authorized by the management, carry on trade union activities during office hours, or subject Bank officials to physical harassment or abuse.

10. Insider trading:

No employee shall indulge in "insider trading" as per the Securities Act 2015. In case any staff found involved in violation of the instructions he/she/they shall be dealt with, by the Bank's Disciplinary Action Policy.

11. Professionalism:

Employees shall serve the Bank honestly and faithfully and shall strictly serve the Bank's affairs and the affairs of its constituents with 'Duty of Care'. They shall remain committed to promoting the interest and goodwill of the Bank and shall show courtesy and attention in all transactions/correspondence with officers of the Government, State Bank of Pakistan, other Banks and Financial Institutions, other Establishments dealing with the Bank, the Bank's constituents and the general public.

12. Disclosures:

12.1 Disclosure of interest in invention:

Employees shall disclose and assign to BOP all interest in any invention, improvement, discovery, or work of authorship that he/she/they may make or conceive and which may arise out of his/her/their employment with BOP. If his/her/their employment is terminated, all rights to property and information generated or obtained as part of his/her/their employment relationship shall remain the exclusive property of BOP.

12.2 Close blood relative:

The Bank of Punjab offers equal opportunity of employment, however, there are certain criteria and limitations associated with it, that must be followed vigorously by all the employees of the Bank. It is the ethical, moral and legal responsibility of every employee to disclose close relatives (as defined by the Bank in the policy), employed in BOP at the time of recruitment and/or update the record, if such a situation arises during employment. Existing employees must also disclose close relatives through defined/proper channels and must be placed under different segments/ reporting lines.

12.3 Change in personal circumstances:

Employees shall inform People & Organizational Excellence Group of any changes in personal circumstances relating but not limited to their employment or benefits, marital status and children.

13. Use of Social Media & Communication Tools:

Employees shall be truthful in all advertising and promotional efforts and shall publish only accurate information about the Bank's operations under valid authority. Employees must abide by the basic principles of communication as inscribed in the employee communication policy of the Bank.

13.1 Public Speaking / Public Appearance:

Employees of the Bank are advised to be prudent and specific while delivering verbal or written speech at public forums, where allowed. The employee must CODE OF CONDUCT AND BUSINESS PRACTICES Page 5 of 10 ensure that the speech is in the best interest of the Bank and does not involve false/misleading/deceptive information and/or disclosure of the

Bank's confidential information. Public comments (verbal or written) made in a private capacity shall not be attributed as official comments of the Bank.

Employee must not be a spokesperson of the Bank unless specifically assigned the duty. No public forum should be used to write work-related information. Internal communication channels will only be used by employees for work-related communications.

13.2 Rumors / Misleading Information:

The employee must ensure accurate and correct information flow of internal and external business activities that are made public.

13.3 Avoiding Offensive Material:

The employee of the Bank shall never use the Bank's system to transmit electronic images or text containing ethnic slurs, social epithets, content of sexual nature or anything that might be construed as harassing, offensive, or insulting to others.

14. Anti-Money Laundering /Anti-Bribery and Anti-Corruption:

14.1 Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT)/Countering Proliferation Financing (CPF):

No employee shall engage in Money Laundering and will be extremely vigilant in protecting BOP from being misused by anyone to launder money by strictly complying with AML/CFT/CPF & "Know your customer" (KYC) policies & procedures.

All the employees must abide by the AML/CFT/CPF regulations issued by the State Bank of Pakistan and updated from time to time.

It is the responsibility of all employees to have accurate and up-to-date knowledge of regulations set by SBP to combat financial crimes. Any relationship/ dealing with Proscribed Listed Entities and Individuals is prohibited. Employees are ethically and morally responsible not to indulge in and report immediately any suspicious financial crime to the competent authority. Employees must refrain from corruption, including bribery and/or any illicit financial activity. Employees found guilty and/or involved in any illicit financial crime or activity will be subject to legal consequences, judicial proceedings and/or disciplinary action.

The Bank reserves the right to take strict action against violation of rules and regulations for combating financial crime by employees and no waiver shall be granted to any employee found guilty of financial crime. Employees are strictly prohibited from disclosing the fact to the customer or any other quarter that an STR or related information is being or has been reported to FMU, except if required by law.

14.2 Know Your Customer (KYC)/Customer Due Diligence (CDD):

Employees of the Bank are responsible to adhere with the KYC/CDD guidelines provided in AML/CFT/CPF policy. Employees must adhere to the policies and procedures of the Bank / SBP regulations / Law and order while dealing with customers/clients. Employees must act according to the operational and regulatory requirements and be aware of the character and actions of customers, vendors, and counterparties. Employees must be prudent while establishing

business/banking relationships with those customers, clients, individuals, businesses, and entities. Employees should conduct maximum caution and follow the principles of KYC/CDD and Fair Treatment to Customers (FTC).

14.3 Fair Dealing and Mis-Selling:

Marketing materials, sales information, and advisory activities to the customers should always be based on the principles of fairness, objectivity and transparency. Employees must not perform deliberate or negligent sale of products or services in circumstances where the contract is either misrepresented, or the product or service is unsuitable for the customer's needs and risk inclination.

Employee shall not make any misrepresentation or make misleading statement to the prospective customers/third party(ies) on policy benefits (either bank's product or a third party product/policy on behalf of the bank) and returns available under the policy which may amount to misleading/ mis-selling or being deceptive under the relevant provisions of the Bank's policy, under the relevant law or the regulation/ instructions issued by the Regulators from time to time and in respect of the market conduct.

Employee shall always ensure compliance with the bank's policy, /SECP/SBP's rules & regulations while selling any Bank's product or a third party product like Bancaassurance /bancatakaful, etc. In case employee has been involved in any unfair practice or mis-selling of a product or any unlawful activity, he/she/they shall be subject to disciplinary action or any other action/proceedings under the relevant law which the Bank may think appropriate.

- 14.4 The Bank reserves the right to take strict action against violation of rules and regulations, internal policy and procedure and involvement in corruption, parallel Banking, fraudulent activity, misconduct, tax evasion, facilitation, irregularities, financial malpractices, frauds and forgeries, tempering theft of pledges, improper conduct or wrongdoing, money laundering including financing of terrorism and proliferation, proscribed persons/organization and sanctions person facilitation & or any unlawful activity.

15. Work Environment & Discipline:

15.1 Ethics and courtesy:

All employees will respect colleagues and work as a team. They shall at all times be courteous and not let any personal differences affect their work. They will treat every customer of the Bank with respect and courtesy.

15.2 Diversity & Inclusion:

All employees are strictly advised to adhere the bank's diversity and inclusion policies and guidelines in their personal and professional dealings where applicable. Employees will be accountable for discriminating on the grounds of age, ethnicity, gender, gender identity, language differences, nationality or national origin, family or marital status, physical, mental and development abilities, race, religion or belief, sexual orientation, skin color, social or economic class, education, work and behavioral styles, political affiliation, military service, caste, and other characteristics that make our employees unique.

15.3 Zero Tolerance to Workplace Violence:

No employee of the Bank shall practice or exhibit violence or pull pranks or practical jokes that include but are not limited to shouting, beating, spitting, abusive language, swearing, aggression, intimidation, threatening, harassment, verbal or physical assault, vandalism, torture and/or any kind of violence or disruptive action that creates dissonance with the workplace culture and law. Employees who practice violence in the workplace shall be subject to strict disciplinary action. Employees are also not allowed to share immoral or unethical jokes with other employees inside or outside the Bank, through the BOP email server computer or cell phones.

15.4 Punctuality / Absence from Work:

Employees shall make sure, of good attendance and punctuality and demonstrate a consistently good record in this area. For any absence during working hours, he/she/they will obtain written permission from his/her/their immediate supervisor. He/she/they shall not absent himself/herself from his/her/their duties, without having first obtained the permission of the Competent Authority. In case of emergency, if it is not possible to obtain prior permission, necessary permission confirmation will be obtained from line management within 24 hours.

15.5 Dress Code:

Employees shall maintain a standard of personal hygiene and dress appropriately for attendance at work. Their appearance must inspire confidence and convey a sense of professionalism. All staff shall be responsible for keeping the formal attire during working hours. In case an employee is observed in informal/funky casual/inappropriate attire, the Management reserves the right to take necessary action.

15.6 Learning & Professional Development:

Employee must make dedicated efforts to improve/enhance their personal and professional capabilities, behaviors, competencies and skill sets in respective areas through continuous training, professional education, certifications, diplomas, focus groups and/or any other medium of learning, complying with the internal/external/regulatory requirements.

15.7 Workplace Harassment / Bullying / Racism / Gender Sensitization:

Employees shall not indulge in any kind of harassment or intimidation whether committed by or against any senior/junior, co-worker, customer, vendor or visitor.

They shall not use language, written or spoken in intra-office communication(s) or communication (s) with employee(s)/ individual(s) inside or outside the office that may contain any statement or material that is offensive to employee(s)/ individual(s) connected with the Bank. They shall never use the Bank's system to transmit electronic images or text containing ethnic slurs, social epithets or anything that might be construed as harassing, offensive or insulting to others.

Employees shall not indulge in any sexual advance, request for sexual favors, or other verbal or written communication or physical conduct of a sexual nature or sexually demanding attitudes, causing interference with work performance or creating an intimidating, hostile, or offensive work environment. Strict action shall be taken against employees as per the Prevention from Harassment Policy of the Bank and relevant Act.

15.8 Use of Drugs and Weapons:

15.8.1 Employees are to meet their responsibilities to fellow employees, customers, and investors. They shall help in maintaining a healthy and productive work environment and shall not engage in the selling, manufacturing, distributing, or using of any illegal substance or being under the influence of illegal drugs/alcohol while on the job.

15.8.2 Smoking is allowed only in designated areas.

15.8.3 Employees shall ensure strict adherence to all health and safety policies as may be implemented from time to time by the Bank.

16. Bank Reputation:

All employees of BOP are strictly advised not to be involved in any activity that negatively affects the Bank's reputation.

17. Whistle-Blowing Program:

Employees must raise concerns & suspicions, in confidence, about any actual, contemplated, operational, or potential instances of illegal activity or misconduct complying with the Whistle-Blowing Program. Failure to do so will result in the employee being deemed a party to the irregularity. The comprehensive reporting process is outlined in the Whistle-blowing Program of the Bank.

18. Treasury Functions & dealership:

All employees posted at Treasury Functions shall abide by the SBP instructions circulated vide DMMD circular No. 08 of 2014 regarding the Code of Conduct for Treasuries of Banks, DFIs & PDs and time-to-time revisions in instructions by the SBP.

19. Personal Dealing:

All employees shall also not indulge in any of the following activities except with the prior permission of the Competent Authority;

19.1 Borrowing and Lending:

Lend money in his/her/their private capacity to the bank's customer/vendor or have personal dealings with them for the purchase or sale of bills of exchange, Government paper, or any other securities.

Borrow money from or in any way place themselves under pecuniary obligation to broker or money-lender or a subordinate employee of the Bank or any firm or person having dealings with the Bank, except consumer loans obtained from other financial institutions

19.2 Buying & selling:

Buy or sell stock, shares, or securities, of any description without funds to meet the full cost in the case of purchase or scripts for delivery in the case of sale. However, he/she/they can make a bona-fide investment of his/her/their funds in such stocks, shares, and securities as he/she/they may wish to buy.

19.3 Guarantee:

Employee must refrain from providing guarantee in his/her/their private capacity with respect to the pecuniary obligation of another person or agree to indemnify in such capacity another person from loss except immediate family members/dependents.

20. Moonlighting & Employment outside the Bank:

All Employees shall not indulge in any of the following activities except with the prior permission of the Competent Authority except in case of owned/inherited real estate or agriculture property;

20.1 Act as an agent for an insurance company or any other 3rd Party, otherwise than as an agent for or on behalf of the Bank.

20.2 Employees shall refrain from investment in the shares of companies owned by the Bank's Customers unless listed on the stock exchange.

20.3 Employees, who have financial (or otherwise) any interest or indulgence in any kind of personal or family business, must declare in advance to line management and seek No Objection Certificate.

20.4 Be connected with the formation or management of a joint stock company.

20.5 Engage in any other commercial business or pursuit either on his/her/their account as an agent for another or others.

20.6 Accept or seek any outside employment or office whether stipendiary or honorary.

20.7 Undertake part-time work for a private or public body or private person for a fee thereof.

20.8 Open or maintain a Business Account with any Bank or Banker of any description including BOP.

21. Environmental, Social, and Governance (ESG) Framework:

Employees are responsible for contributing towards the ESG framework of the Bank by deliberately and ethically implementing and practicing eco-friendly initiatives, and processes within the Bank to reduce environmental impact. Employees must ensure that work standards and procedures under their supervision or in surroundings comply with the Energy Management System and laws and regulations of ESG.

22. Violation/Non-Compliance of the Code:

Adherence to the Code of Conduct is mandatory for all the Employees of the Bank of Punjab. Nevertheless, if an employee violates/breaches the code, the Bank reserves the right to take strict Disciplinary Action which may include, amongst other things suspension or termination of services.

It is the responsibility of every employee to diligently read and sign off Code of Conduct each year and confirm HRG.



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF THE BANK OF PUNJAB

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AND PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) and Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) (both herein referred to as 'Codes') prepared by the Board of Directors of The Bank of Punjab (the Bank) for the year ended December 31, 2025 to comply with the requirements of regulation 36 of the Regulations and provisions of the Rules.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Codes as applicable to the Bank for the year ended December 31, 2025.

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Further, we highlight below instances of non-compliance with the requirement(s) of the Codes as reflected in the Statement of Compliance:

Sr. No.	Reference	Description
1	Regulation 7	It is mandatory that the Board shall have at least one female director. However, there was no female director holding the office of director during the current year.
2	Regulation 9(2)	It is mandatory that the Chairman shall be elected subject to the terms and conditions and responsibilities provided under section 192 of the Companies Act, 2017 and these Regulations. However, The Bank of Punjab Act, 1989, provides specific provision related to the stated regulation.
3	Rule 8(1)	The performance evaluation of members of the Board including the Chairman and the Chief Executive shall be undertaken annually by the Government for which the Government shall enter into performance contract with each member of the Board at the time of its appointment. Though the Government has not performed such performance evaluation directly, however, the Bank has arranged external evaluation of the Board during the year.



A. F. Ferguson & Co.,
Chartered Accountants

Lahore

Date: March 05, 2026

UDIN: CR202510092nsK2oeAfY

STATEMENT OF COMPLIANCE

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

Name of Bank: The Bank of Punjab
Name of the line Ministry: Finance Department (Government of Punjab)
For the year ended: December 31, 2025

- I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) issued for the purpose of establishing a framework of good governance, whereby a public sector Bank is managed in compliance with the best practices of public sector governance. In case where there is inconsistency with the Regulations, the provisions of the Rules shall prevail.
- II. The Bank has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)																						
			Tick the relevant box																								
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																								
2.	The Board has at least one-third of its total members as independent directors. As at December 31, 2025, the Board includes: <table><tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr><tr><td rowspan="3">Independent Directors</td><td>- Mr. Mohammad Mudassir Amray</td><td>30-12-2021</td></tr><tr><td>- Mr. Asif Reza Sana</td><td>30-12-2021</td></tr><tr><td>- Mr. Mohammad Naeem Khan</td><td>17-02-2022</td></tr><tr><td>Executive Director</td><td>- Mr. Zafar Masud</td><td>16-04-2020</td></tr><tr><td rowspan="4">Non-Executive Directors</td><td>- Syed Ghazanfar Abbas Jilani</td><td>28-05-2020</td></tr><tr><td>- Dr. Muhammad Amjad Saqib</td><td>03-03-2016</td></tr><tr><td>- Mr. Mujahid Sherdil</td><td>08-03-2023</td></tr><tr><td>- Mr. Ali Farhan</td><td>15-10-2025</td></tr></table>	Category	Names	Date of Appointment	Independent Directors	- Mr. Mohammad Mudassir Amray	30-12-2021	- Mr. Asif Reza Sana	30-12-2021	- Mr. Mohammad Naeem Khan	17-02-2022	Executive Director	- Mr. Zafar Masud	16-04-2020	Non-Executive Directors	- Syed Ghazanfar Abbas Jilani	28-05-2020	- Dr. Muhammad Amjad Saqib	03-03-2016	- Mr. Mujahid Sherdil	08-03-2023	- Mr. Ali Farhan	15-10-2025	3(2)	✓		
Category	Names	Date of Appointment																									
Independent Directors	- Mr. Mohammad Mudassir Amray	30-12-2021																									
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	- Mr. Ali Farhan	15-10-2025																									
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																								
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Companies Act, 2017 (the Act).	3(7)	✓																								
5.	The chairman of the Board is working separately from the chief executive of the Bank.	4(1)	✓		The Chairman of the Board appointed by the Government of Punjab (GoPb) was de-notified by GoPb in January 2024. Chairman of the Board is elected, for each meeting, by the Board of Directors, at the start of the Board meeting.																						
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓																								

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)
			Tick the relevant box		
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)	✓		
8.	(a) The Bank has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures, including posting the same on the Bank's website (www.bop.com.pk). (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓		
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓		
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓		
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Bank.	5(5)(b) (vi)	✓		
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓		
13.	The Board has ensured compliance with the law as well as the Bank's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓		
14.	The Board has developed a vision or mission statement and corporate strategy of the Bank.	5(6)	✓		
15.	The Board has developed significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓		
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Bank as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	✓		
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓		

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)																				
			Tick the relevant box																						
18.	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓		The Bank follows instructions of SBP as promulgated vide BPRD Circular No. 05 of 2021 dated November 22, 2021 titled 'Corporate Governance Regulatory Framework' (CGRF).																				
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)	✓																						
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																						
21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) The Board has prepared half yearly accounts and undertaken limited scope review by the auditors. (c)The Board has placed the annual financial statements on the Bank's website.	10	✓ ✓ ✓																						
22.	All the Board members underwent an orientation course arranged by the Bank to apprise them of the material developments and information as specified in the Rules.	11	✓		Formal orientation course and relevant documentation in writing are provided to all directors at the time of appointment to familiarize them with their roles and responsibilities. Thereafter, material developments and relevant information is shared on a timely basis to all directors.																				
23.	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the Board members. (d) The committees were chaired by the following non-executive directors:	12	✓ ✓ ✓ ✓		The roles and responsibilities of the Procurement Committee are being currently performed by the Board directly.																				
<table><tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr><tr><td>Board Audit Committee</td><td>4</td><td>Mr. Mohammad Mudassir Amray</td></tr><tr><td>Risk Management, Compliance and NPL Review Committee</td><td>4</td><td>Syed Ghazanfar Abbas Jilani</td></tr><tr><td>Human Resource, Compensation, Performance Evaluation and Nomination Committee</td><td>4</td><td>Mr. Asif Reza Sana</td></tr><tr><td>Strategy, Islamic and Priority Sectors' Financing Committee</td><td>4</td><td>Dr. Muhammad Amjad Saqib</td></tr><tr><td>Information, Technology and Communication Committee</td><td>4</td><td>Mr. Ali Farhan</td></tr><tr><td>Environmental, Social & Governance Committee</td><td>4</td><td>Mr. Muhammad Naeem Khan</td></tr></table>		Committee	Number of Members	Name of Chair		Board Audit Committee	4	Mr. Mohammad Mudassir Amray	Risk Management, Compliance and NPL Review Committee	4	Syed Ghazanfar Abbas Jilani	Human Resource, Compensation, Performance Evaluation and Nomination Committee	4	Mr. Asif Reza Sana	Strategy, Islamic and Priority Sectors' Financing Committee	4	Dr. Muhammad Amjad Saqib	Information, Technology and Communication Committee	4	Mr. Ali Farhan	Environmental, Social & Governance Committee	4	Mr. Muhammad Naeem Khan		
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Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)																	
			Tick the relevant box																			
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓																			
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																			
26.	The Bank has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																			
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																			
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Bank except those disclosed to the Bank.	18	✓																			
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The Annual Report of the Bank contains criteria and details of remuneration of each director.	19	✓ ✓																			
30.	The financial statements of the Bank were duly endorsed by the Chief Executive and Chief Financial Officer before consideration and approval of the audit committee and the Board.	20	✓																			
31.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members as at December 31, 2025: <table border="1"><thead><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr></thead><tbody><tr><td>Mr. Mohammad Mudassir Amray</td><td></td><td>Banking</td></tr><tr><td>Mr. Muhammad Naeem Khan</td><td>Independent Directors</td><td>Senior Retired Banker & Agriculturist.</td></tr><tr><td>Syed Ghazanfar Abbas Jilani</td><td rowspan="2">Non - Executive Directors</td><td>Retired Federal Secretary, GoP</td></tr><tr><td>Mr. Mujahid Sherdil</td><td>Presently, Finance Secretary, GoPb</td></tr><tr><td colspan="3">The chief executive and chairman of the Board are not members of the Audit Committee.</td></tr></tbody></table>	Name of Member	Category	Professional Background	Mr. Mohammad Mudassir Amray		Banking	Mr. Muhammad Naeem Khan	Independent Directors	Senior Retired Banker & Agriculturist.	Syed Ghazanfar Abbas Jilani	Non - Executive Directors	Retired Federal Secretary, GoP	Mr. Mujahid Sherdil	Presently, Finance Secretary, GoPb	The chief executive and chairman of the Board are not members of the Audit Committee.			21 (1) 21(2)	✓ ✓		
Name of Member	Category	Professional Background																				
Mr. Mohammad Mudassir Amray		Banking																				
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The chief executive and chairman of the Board are not members of the Audit Committee.																						

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)
			Tick the relevant box		
32.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed. (b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives. (c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	21(3)	✓ ✓ ✓		
33.	The audit committee shall appoint a secretary of the Committee, who shall circulate minutes of its meetings to the all members, directors and the chief financial officer, within fourteen days of the meeting.	21(9)	✓		In the instance of BOD meeting being held on the same date as Board Audit Committee, the Chairman invariably presents a synopsis of BAC meeting to the Board. Further, synopsis of BAC minutes are also shared with Board members before the Board meeting.
34.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	✓ ✓ ✓		
35.	The external auditors of the Bank have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓		
36.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓		

Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

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

Sr. No.	Rule / sub-rule no.	Reasons for non-compliance	Future Course of Action
1	8(1)	The performance Evaluation of members of the Board including the Chairman and the chief executive shall be undertaken annually by the Government for which the Government shall enter into performance contract with each member of the Board at the time of its appointment	Services of M/s. Pakistan Institute of Corporate Governance (PICG) were hired for independent Board Evaluation. PICG performed independent Evaluation of the Board and Directors for the year 2024. The report of Board Evaluation was presented to the Board and shared with GoPb.

CERTAIN ADDITIONAL DISCLOSURE, REQUIRED UNDER THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) Regulations, 2019 (The Regulations)

1. The total number of directors are as follows:

- a. Male : 08
- b. Female : 0

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

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

4. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose.

5. The Board has arranged Director's Training Program for the following:

- a) Mr. Ali Farhan - Director - The Bank of Punjab
- b) Mr. Rizwan Hameed - Head, Corporate & Investment Banking Group
- c) Mr. Maqsood Ahmad - Divisional Head, Risk Management Group
- d) Mr. Malik Barolia - Head, Treasury & Capital Markets Group.
- e) Ms. Afadia Shoaib Khan - Divisional Head, Risk Management Group
- f) Mr. Kamran Hafeez - Secretary to the Board
- g) Mr. Asif Riaz - Group Head, Consumer Banking Group
- h) Mr. Asim Jehangir Seth - Head, BOP Exchange
- i) Mr. Ghulam Ali - Head, Consumer Banking Group
- j) Mr. Jawad Bin Shabbir - Chief Human Resources Officer
- k) Mr. Raza Bashir - Chief of Staff & Strategy
- l) Mr. Salman Ahmed Khan - Head, Consumer Banking Group
- m) Mr. Ahmad Mansoor - Chief Compliance Officer
- n) Mr. Ahsen Ashfaq Khawaja - Head, Consumer Banking Group
- o) Mr. Mazhar Ali - Divisional Head, Risk Management Group

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

a) Board Audit Committee (BAC):

Sr. No.	Names of Director	Status
1	Mr. Mohammad Mudassir Amray	Chairman
2	Syed Ghazanfar Abbas Jilani	Member
3	Mr. Muhammad Naeem Khan	Member
4	Mr. Mujahid Sherdil	Member

b) Risk Management, Compliance and NPL Review Committee (RMC&NPLRC):

Sr. No.	Names of Director	Status
1	Syed Ghazanfar Abbas Jilani	Chairman
2	Mr. Mohammad Mudassir Amray	Member
3	Dr. Muhammad Amjad Saqib	Member
4	Mr. Muhammad Naeem Khan	Member

c) Human Resource, Compensation, Performance Evaluation and Nomination Committee (HRCPE&NC):

Sr. No.	Names of Director	Status
1	Mr. Asif Reza Sana	Chairman
2	Dr. Muhammad Amjad Saqib	Member
3	Syed Ghazanfar Abbas Jilani	Member
4	Mr. Mujahid Sherdil	Member

d) Strategy, Islamic and Priority Sectors' Financing Committee (SI&PSFC):

Sr. No.	Names of Director	Status
1	Dr. Muhammad Amjad Saqib	Chairman
2	Mr. Asif Reza Sana	Member
3	Mr. Mujahid Sherdil	Member
4	Mr. Ali Farhan	Member

e) Information Technology and Communication Committee (ITCC):

Sr. No.	Names of Director	Status
1	Mr. Ali Farhan	Chairman
2	Mr. Mohammad Mudassir Amray	Member
3	Mr. Asif Reza Sana	Member
4	Syed Ghazanfar Abbas Jilani	Member

f) Environmental, Social & Governance Committee:

Sr. No.	Name of Committees	Frequency of Meeting
1	Mr. Mohammad Naeem Khan	Chairman
2	Mr. Mohammad Mudassir Amray	Member
3	Dr. Muhammad Amjad Saqib	Member
4	Mr. Ali Farhan	Member

Pursuant to the SECP's Notification (S.R.O. (I)/2024) dated June 12, 2024 (amended up to March 20, 2025), introducing a new Regulation 10A and amendments to Regulations 10 and 35, the Bank has continued to strengthen its oversight of environmental, social and governance matters. During the previous year, a dedicated Environmental, Social & Governance Committee was constituted, reporting to the Board. The Committee is assigned responsibilities with respect to Diversity, Equity and Inclusion (DE&I) and sustainability-related risks and opportunities. The management is in the process of complying with the requirements pertaining to sustainability and climate-related risks and opportunities.

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

Sr. No.	Name of Committees	Frequency of Meeting
1	Board Audit Committee (BAC)	Quarterly
2	Risk Management Compliance & NPL Review Committee (RMC&NPLRC)	Quarterly
3	Human Resource, Compensation, Performance Evaluation and Nomination Committee (HRCPE&NC)	Quarterly
4	Strategy, Islamic and Priority Sectors' Financing Committee (SI&PSFC)	Quarterly
5	Information, Technology and Communication Committee (ITCC)	Quarterly
6	Environmental, Social & Governance Committee	Bi-Annually

8. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or directors of the Bank.
9. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
10. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the following non-compliance(s):
- As per regulation 7, it is mandatory that the Board shall have at least one female director. It is expected that a female director may be elected under section 10(1)(b) or nominated by the GoPb under section 10(1)(c) of The Bank of Punjab Act, 1989 respectively, to ensure compliance with Code of Corporate Governance.
 - As per regulation 9(2), The Chairman shall be elected subject to such terms & conditions and responsibilities as provided under Section 192 of the Act and these Regulations. However, The Bank of Punjab Act, 1989, provides specific provision related to the stated regulation.

As per The Bank of Punjab Act, 1989, sections 10(2) and 10(3), the Chairman of the Board shall be nominated by the Government from amongst official Directors. Further, in terms of Section 10(3), the Chairman shall preside over the meetings of the Board and shall have a casting vote, but he shall not exercise any executive authority or powers.

The Chairman of the Board appointed by the Government of Punjab (GoPb) was de-notified by GoPb in January 2024. Chairman of the Board is elected, for each meeting, by the Board of Directors, at the start of the relevant Board meeting.



ZAFAR MASUD
President & CEO



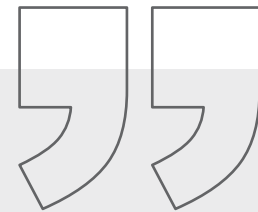
MUHAMMAD NAEEM KHAN
Independent Director

For & on behalf of Board



SYED GHANZAFAR ABBAS JILANI
Director / Chairman

STATEMENT OF INTERNAL CONTROLS



The Management of the Bank of Punjab (the "Bank") is responsible for establishing Internal Control System for ensuring effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Bank's internal control system is implemented through its policies, procedures, circulars and instructions issued from time to time. Internal Controls are continuously reviewed, refined and improved with the changes in laws & regulations, new risks emanating from bank's customers, products, geography and channels as well as operating environment. Accordingly, Bank has developed the required policies and procedural manuals defining adequate controls to manage risks effectively. Internal controls also require continuous improvements to align with the changing environment and needs of the business for which policies and manuals are updated regularly. The Bank continues to place importance on the increasing use of automation, including IT/ Technology based controls, to further enhance its evolving control environment.

The Bank's governance structure from implementation and monitoring of internal controls comprises three lines of defense in line with applicable regulations and best practices for financial institutions. First line of defense consists of businesses and Operations functions that are responsible for implementing controls in all activities & transactions handled by the Bank. They ensure that business risks are properly identified and mitigated, control breaches are identified in a timely manner and effective corrective actions are implemented.

Second line of defense consists of Compliance & Control Group, Risk Management and other Support functions; they are mandated to ensure that policies & procedures are adequately designed and that the implementation is regularly monitored to mitigate risks faced by the Bank. For a collaborative review of controls and associated risks, management has formulated committees consisting of senior management from all functions i.e., Compliance Committee of Management (CCM), Operational Risk Management Committee (ORMC) & Fraud Risk Management Committee (FRMC), which oversee the management of operational, regulatory & related financial risks. All significant and material findings identified by the internal/ external auditors and regulators are addressed on priority by concerned functions under oversight of these management committees. Moreover, the Board's Risk Management, Compliance & NPL Review Committee have an oversight responsibility to monitor all significant and material issues related to internal control system of the bank.

Internal Audit Function (IAF) acts as the third line of defense, independent from the line management, and is entrusted with the mandate for unbiased review of internal controls. IAF evaluates, validates, monitors and contributes to ongoing effectiveness of control systems as part of its scope. It

periodically reports significant findings, directly to the Board Audit Committee (BAC). The IAF is also entrusted with the responsibility of assessing adequacy and effectiveness of control activities and ensure compliance with all the prescribed policies and procedures.

In compliance with SBP's directives, the Bank had completed all stages of SBP roadmap on Internal Control over Financial Reporting (ICFR). The SBP had granted exemption to the Bank from the requirement of submission of Long Form Report (LFR) by the External Auditors. Consequently, the annual assessment of ICFR is performed by the Internal Audit Function and the Bank prepares Annual Assessment Report, on efficacy of ICFR duly endorsed by the Board Audit Committee (BAC).

Internal Controls System evolves continuously, and this statement is based on the management's self-assessment towards various aspects of prevalent state of Internal Controls regime. The Bank's System of Internal Controls is designed to minimize and manage risks, it can only provide reasonable assurance, and not absolute assurance, against material misstatement or loss amid evolving internal and external environment. The system of internal control followed by the Bank is considered to be adequate in design and is being effectively implemented and continuously monitored.

ZAFAR MASUD
President/CEO

ECONOMIC REVIEW

The overall macroeconomic environment improved significantly in 2025, underpinned by reforms under the IMF EFF program and the decline in international energy prices. The reforms targeted under the IMF program have led to significant reduction of the large fiscal and trade deficits, resulting in upgrade in Pakistan's sovereign credit ratings and strengthening of SBP FX Reserves.

SBP foreign exchange reserves surged to a four-year high of \$15.9 billion by mid-December 2025, supporting the broad stability of the Pak Rupee against the US Dollar. This was largely due to the record increase in remittances to \$38 billion in FY2025 and the decline in global energy prices, which led to the current account surplus of 0.5 percent of GDP in FY2025. Similarly, the fiscal deficit fell to a nine-year low of 5.4%, while primary balance recorded a surplus of 2.4% of GDP in FY2025.

Headline CPI Inflation eased to 4.5% in FY2025, down from 23.4% in FY2024, supported by lower international Brent crude prices and a favorable base effect. The impact of flood damages on food prices was contained in comparison to the 2022 floods, keeping inflation within the medium term range of 5 - 7 percent by year end. The moderating inflation levels provided the State Bank of Pakistan (SBP) with the necessary cushion to reduce the interest rate to 10.5 percent in December 2025, bringing total rate cuts to 250 basis points in 2025. Looking ahead, the SBP is likely to continue with its easing stance as inflation remains within the medium term range, before inflation exceeds the upper bound of 7 percent towards the end of H1 2026.

Pakistan's economic growth maintained a positive trajectory through 2025, with GDP growth improving to 3% in FY2025, while ongoing fiscal consolidation efforts supported in achieving a primary surplus of 2.4 percent of GDP, in line with IMF program benchmarks. Despite the flood damages, the economy demonstrated structural resilience, as the government's rapid rehabilitation efforts and stable external accounts prevented a broader fiscal crisis. The Q1 FY2026 GDP growth improved to a four year high of 3.7%, led by industrial sector growth of 9.4%, while agriculture and services sector grew by 2.9% and 2.4% respectively.

Improving macroeconomic indicators reinforced investor confidence in the domestic economy, driving the benchmark KSE 100 index up by 51% in 2025 to close at a record high level of 174,054. Back-to-back double digit growth in the last three years has positioned the Pakistan Stock Exchange as the top performing global stock market. Maintaining this momentum into 2026 remains contingent upon continued macroeconomic consolidation and the successful implementation of the IMF program reforms.

The domestic banking sector remained the cornerstone of the national economy, demonstrating robust profitability and adaptability in a declining interest rate environment. As yields on government securities compressed, the industry has started to emphasize private sector credit lending and low-cost deposit mobilization. As of November 2025, banking sector deposits recorded a growth of 17% to Rs35.4 trillion, while investments growth accelerated by 26% to Rs36.7 trillion. Profitability of the sector remained robust, with Profit After Tax increasing by 13 percent year-on-year to Rs556 billion while Return on Assets (ROA) and Return on Equity (ROE) held steady at 1.3% and 21.5% respectively as of September 2025.

Looking ahead to 2026, steadfast implementation of reforms under the IMF program, in tandem with prudent fiscal management and policy measures will ensure that Pakistan is able to navigate economic uncertainty and external sector headwinds. The outlook for both the economy and the banking sector remains positive, driven by industrial sector growth and a higher private sector credit off-take. The sector's profitability growth is expected to maintain the momentum supported by increased margins on private sector credit compared to investments in conventional government bonds. Overall, the role of banking sector will remain pivotal in facilitating the economy to remain robust in the face of unprecedented risks.



PRESIDENT / CEO'S REVIEW

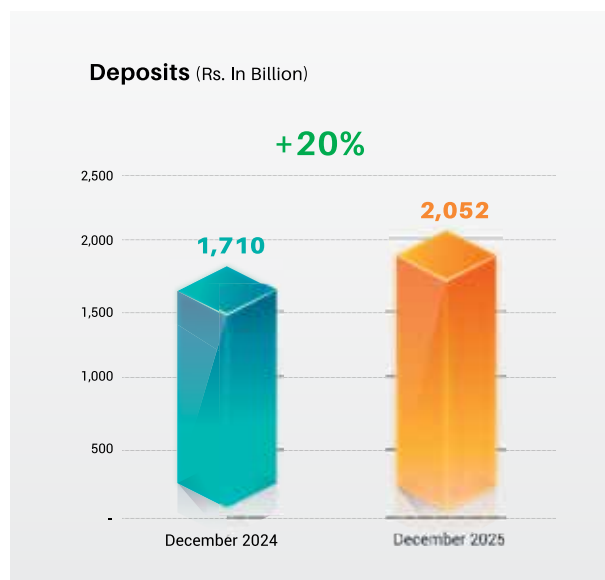
I am pleased to present the Bank of Punjab's Annual Report for the financial year ended December 31, 2025. This report reflects the Bank's strong financial performance and resilience in an evolving economic environment and an increasingly competitive banking landscape. It underscores our commitment to sustainable growth, operational excellence, and value creation for all stakeholders.



The overall macroeconomic environment improved significantly in 2025, underpinned by reforms under the IMF EFF program and the decline in international energy prices. SBP foreign exchange reserves surged to a four-year high of \$15.9 billion by mid-December 2025, supporting the broad stability of the Pak Rupee against the US Dollar. Headline CPI Inflation eased to 4.5% in FY2025, down from 23.4% in FY2024, supported by lower international Brent crude prices and a favorable base effect. The impact of flood damages on food prices was contained in comparison to the 2022 floods, keeping inflation within the medium term range of 5 - 7 percent by year end. The moderating inflation levels provided the State Bank of Pakistan (SBP) with the necessary cushion to reduce the interest rate to 10.5 percent in December 2025, bringing total rate cuts to 250 basis points in 2025. Looking ahead, the earlier easing stance faces immediate headwinds as the escalating Middle East conflict and disruptions in the Strait of Hormuz have triggered a sharp spike in global energy prices and freight costs, likely pushing domestic inflation above earlier anticipated level.

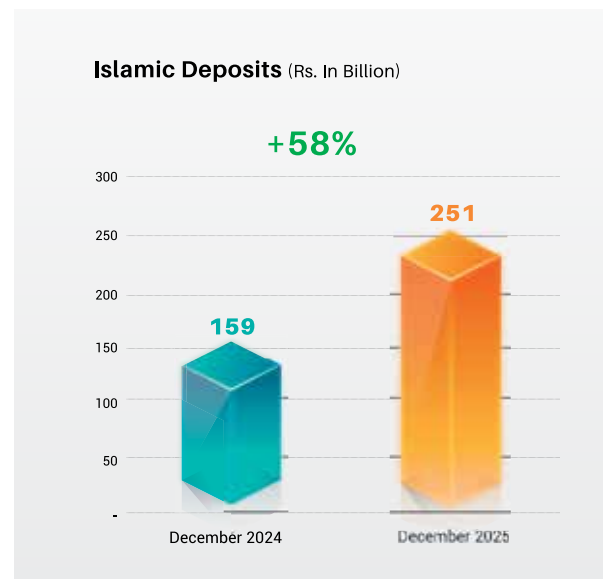
Business Growth and Operational Performance

The Bank delivered a landmark performance in 2025, reflecting the strength of its strategy, disciplined execution, and continued focus on innovation and financial resilience. Amid evolving economic conditions, the Bank implemented a comprehensive strategic framework to strengthen its capital base, expand its nationwide footprint, and ensure full compliance with the regulatory requirements of the State Bank of Pakistan (SBP). This forward-looking approach, supported by prudent risk management and a diversified business model, positioned the Bank among the fastest-growing financial institutions in the country.



A major milestone was achieved as total deposits surpassed Rs. 2 trillion, underscoring strong customer trust, effective deposit mobilization, and sustained business growth. Strategic expansion through an extensive branch network enhanced accessibility and service outreach, while the Taqwa Islamic Banking network recorded exceptional progress with 58% year-on-year growth and a 120% increase in Islamic current deposits. The establishment of 276 new Islamic Banking Windows during the year further

strengthened the Bank's presence in the Islamic finance sector and aligned with the SBP's roadmap for full-scale conversion to Islamic banking. A detailed implementation plan has been developed to guide this transformation, positioning the Bank as a frontrunner in this industry-wide transition.



Concomitantly, the Bank achieved record profitability, driven by robust balance sheet growth, improved asset quality, and enhanced digital capabilities. Operating profit before provisions nearly doubled to Rs. 40.74 billion while pre-tax profit reached Rs. 35.80 billion, reflecting a 46% year-on-year increase. The Bank maintained strong revenue momentum across all segments, primarily driven by a significant 84% year-over-year growth in net interest income, which reached Rs. 81.10 billion. Furthermore, non-markup income (excluding gains) grew by 23%, reflecting robust performance in fee-based and service-driven revenue streams.



Operational efficiency improved significantly, with the cost-to-income ratio improving to 59.65%, driven by digital transformation,

process automation, and data-driven decision-making. The Bank's focus on technology, cybersecurity, and governance ensured sustainable growth and resilience in a dynamic operating environment.

Reflecting the Bank's exceptional performance and strong financial position, the Board of Directors declared a final cash dividend of Rs. 1.50 per share, in addition to the interim dividend of Rs. 1.00 per share already paid during the year. This results in the highest-ever total cash payout of Rs. 2.50 per share, highlighting the Bank's consistent profitability, sound capital management, and enduring commitment to delivering sustainable returns and long-term value to its shareholders.

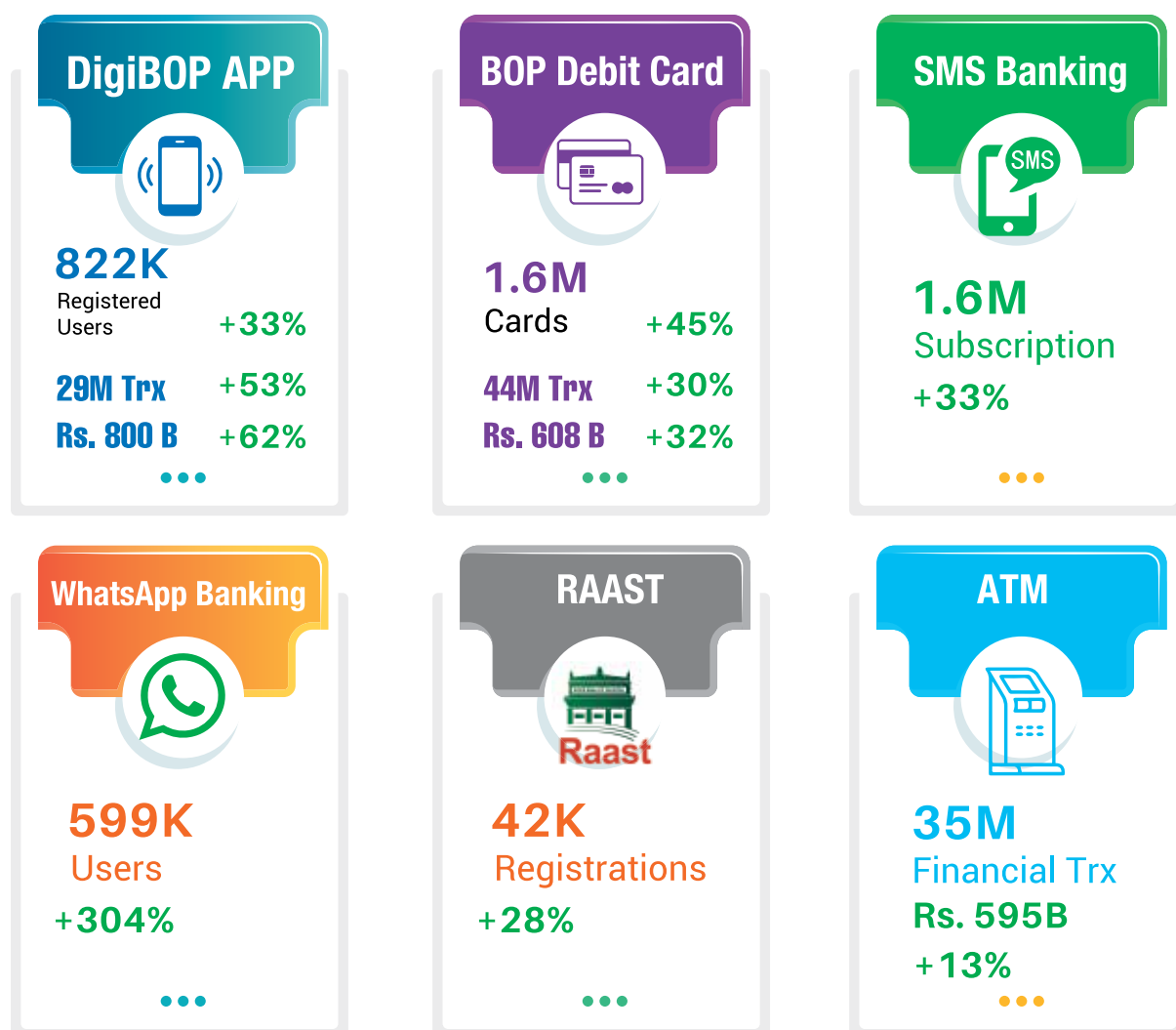
Digital Transformation and Customer Excellence

Recognizing the strategic importance of digital transformation and the rising demand for secure, seamless banking experiences, the Bank continued to make significant investments in its digital infrastructure. The upgraded digital banking suite now provides a comprehensive range of services through mobile and internet banking platforms, ensuring that customers enjoy convenient, reliable, and efficient access to financial solutions.

The Bank's flagship digital platform, DigiBOP, recorded remarkable growth with 822K registered users, reflecting a 33% YoY increase. During the year, 29 million transactions amounting to over Rs. 800 billion were processed through DigiBOP, underscoring the growing customer preference for digital channels. The introduction of WhatsApp Banking further enhanced the Bank's digital ecosystem, attracting 599K subscriptions, a substantial 304% YoY growth, enabling customers to conduct secure transactions and access essential banking services through an intuitive and accessible channel.

Complementing these digital initiatives, the Bank's Debit Card portfolio expanded to 1.6 million cards, marking a 45% YoY increase. Debit card transactions reached 44 million, amounting to Rs. 608 billion, reflecting a 32% YoY growth. Additionally, SMS Banking subscriptions stood at 1.6 million, while ATM transactions totaled 35 million, amounting to Rs. 595 billion, further demonstrating the Bank's strong digital engagement and customer adoption across multiple channels.

The Bank also strengthened its branchless banking platform to support large-scale government initiatives, including the Benazir Income Support Program (BISP), under which 3.5 million wallets were added during 2025. Through this platform, the Bank has played a vital role in ensuring transparent and efficient fund



disbursement to beneficiaries under various Government of the Punjab programs. These efforts highlight the Bank's commitment to advancing financial inclusion, promoting digital accessibility, and contributing to national socio-economic development.

Digital transactions accounted for over 78% of total transaction volumes, marking a record level of digital adoption and demonstrating the continued success of initiatives focused on enhancing customer convenience and promoting digital banking channels.

Product Innovation and Sectoral Development

The Bank's Credit Card, launched a few years ago, has achieved remarkable market success and earned recognition from industry stakeholders for its innovative features and customer-centric design. The Bank is playing a pivotal role in the Punjab Government's initiatives of Kissan Card, Himmat Card, Rashan Card, Fan replacement and T cash in addition to disbursement of funds to flood victims. End to end digital rollout of Asaan Karobar Card with over 44 billion disbursements to more than 104,000 SME borrowers is a landmark achievement. This landmark program has significantly transformed Pakistan's SME sector while setting new benchmarks for the banking industry. The Bank is also facilitating disbursement of financial assistance, under Provincial and Federal Government initiatives, to millions of people through its Branchless Banking Operations.

Funding Growth and Financial Resilience

To optimize the deposit mix and strengthen margins, the Bank implemented a comprehensive strategy focused on network expansion, service excellence, and innovation. Enhanced customer engagement, supported by a modernized branch network and superior service standards, played a pivotal role in attracting private-sector deposits. This approach resulted in robust growth in low-cost Current and Savings Account (CASA) deposits, where current deposits increased to 23% of total deposits which also exceeds yearly targets, thereby improving the cost of funds and further reinforcing the Bank's financial stability.

The Bank also recorded a marked improvement in asset quality, driven by effective credit risk management and sustained recovery efforts. Non-Performing Loans (NPLs) declined significantly over the period, leading to reduced provisioning requirements and improved portfolio performance. The successful revitalization of a substantial portion of the NPL portfolio over the past three years underscores the Bank's prudent risk management practices, financial resilience, and commitment to sustainable profitability.

Sustained Financial Performance and Market Leadership

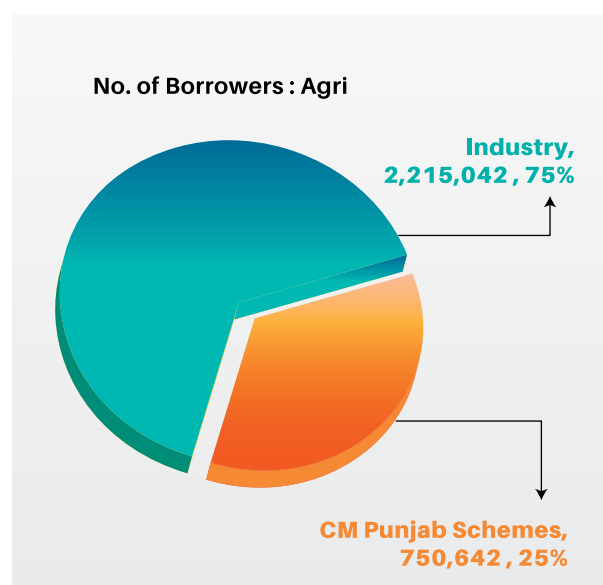
Through prudent financial management, strategic marketing, and operational excellence, the Bank successfully achieved all key financial objectives outlined in its Strategic Business Plan. Strong deposit mobilization, complemented by robust growth in the loan portfolio, resulted in the maintenance of an impressive Advances-to-Deposit Ratio (ADR).

The Bank further strengthened its leadership position in the SME and Agricultural sectors, reflecting its continued commitment to driving economic growth and supporting priority segments of the national economy. This performance underscores the Bank's strategic foresight, disciplined execution, and sustained focus on delivering long-term value to shareholders and stakeholders alike.

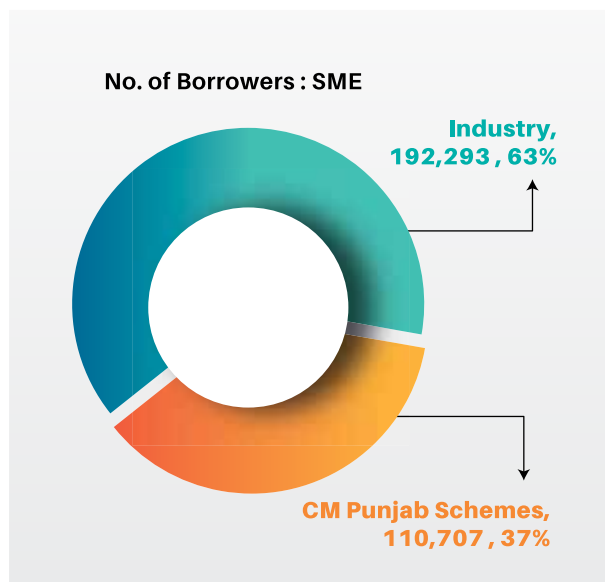
Driving Inclusive Growth through Priority Sector Lending under CM Punjab Initiatives

The Bank extended support to the Government of the Punjab under the Chief Minister's initiatives to expand credit access for underprivileged segments in priority sectors including agriculture, small businesses, and housing. Through these partnerships, the Bank played a pivotal role in implementing digitally enabled, subsidy-linked, and risk-shared credit programs that have significantly deepened financial inclusion across the province.

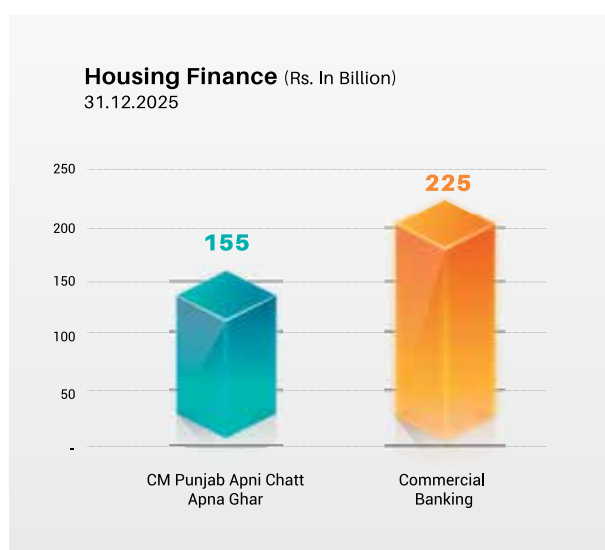
In just over a year, the Chief Minister Punjab's Kissan Card and Livestock Card schemes captured 6% of national outstanding agriculture credit and 25% of total borrowers. This unprecedented



achievement for a single provincial initiative, competing with banks operating nationwide, demonstrates how targeted, technology-driven credit delivery can scale faster than traditional banking channels and formalize smallholder finance. The average ticket size remained at Rs. 0.1 million compared to the industry average of Rs. 0.4 million, reflecting outreach to small and marginal farmers.



Similarly, under the Chief Minister Punjab's Asaan Karobar Scheme launched in January 2025, the Bank facilitated access to finance for micro and small enterprises, helping the program capture 11% of national SME outstanding credit and 37% of total SME borrowers. The initiative's simplified digital onboarding, risk-sharing mechanisms, and standardized products have dismantled long-standing access barriers, enabling small businesses to integrate into the formal credit ecosystem. The average ticket size of Rs. 0.9 million, against the industry average of Rs. 3.6 million, highlights its focus on inclusivity and scale.



In the housing sector, the Bank partnered with the Government of Punjab under the Chief Minister Punjab's Apni Chhat Apna

Ghar Program, implemented through RCDP, NRSP, and Akhuwat Microfinance. The program added 121,430 new borrowers to the home financing sector, with a portfolio of Rs. 155 billion as of December 31, 2025, compared to Rs. 225 billion for all commercial banks combined. This success illustrates how blended finance structures and MFI-led delivery models can expand affordable home ownership more effectively than conventional bank-led housing finance.

Through these collaborative efforts, the Bank has contributed to bringing hundreds of thousands of new clients into the formal economy. The initiatives have delivered the full access-to-finance impact envisioned at launch, setting a new benchmark for inclusive, sustainable, and digitally driven growth in priority sector lending.

Brand Excellence and Industry Recognition

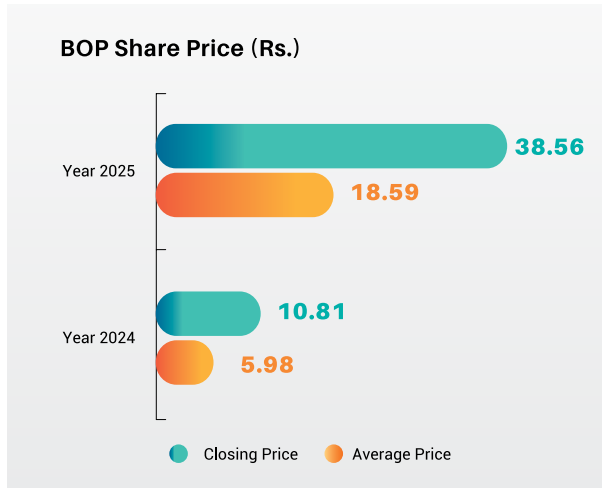
The Bank's outstanding performance and strategic achievements have been recognized both locally and internationally, reaffirming its position as a leading and progressive financial institution. During the year, the Bank received multiple prestigious accolades, including the - Pakistan Banking Association Awards for "Best Bank for SMEs 2025, Best Bank for Agriculture 2025" and "Best Bank for Women Inclusion." These honors reflect the Bank's unwavering commitment to promoting financial inclusion, empowering underserved communities, and supporting key sectors that drive national economic growth.



The recognition also underscores the Bank's continued focus on innovation, customer-centric solutions, and sustainable business practices. By aligning its strategic priorities with national development goals, the Bank has strengthened its reputation as a trusted partner in advancing inclusive finance and fostering long-term socio-economic progress. These achievements serve as a testament to the Bank's vision, operational excellence, and dedication to delivering value to all stakeholders.

Value Creation for Stakeholders:

Above narrated exceptional financial performance and excellence achieved in all areas of operations has established BOP as one of the industry leader in terms of trade volume and market value of scrips at Pakistan Stock Exchange. Owing to outstanding performance, the Bank has been able to payout interim cash dividend first time in its history coupled with aggregate Rs. 2.50 of total cash dividend for the year 2025.



Future Outlook

The accomplishments of 2025 reflect the unwavering dedication, resilience, and collective commitment of the entire Bank team. These achievements have laid a robust foundation for sustained growth, driven by innovation, strategic foresight, and an enduring focus on delivering excellence to our customers and stakeholders.

The Bank extends its sincere appreciation to the Government of Punjab, the Board of Directors, and the State Bank of Pakistan for their continued guidance and support. We also express our gratitude to our valued depositors, customers, and shareholders for their trust and confidence, which remain central to the Bank's success and progress.

The exceptional performance of the Bank is a direct result of the professionalism, integrity, and dedication of its employees. Their tireless efforts continue to strengthen the Bank's position as a leading financial institution. Looking ahead, the Bank remains steadfast in its commitment to achieving new milestones, fostering sustainable growth, and creating enduring value for all stakeholders, with continued focus on excellence, innovation, service excellence and collective growth to achieve our shared goals.

ZAFAR MASUD
President/CEO

DIRECTORS' REPORT

For the year ended December 31, 2025

The Board of Directors is pleased to present the 36th Annual Report of The Bank of Punjab together with the audited Financial Statements and Auditors' Report thereon for the year ended December 31, 2025.

Performance at a Glance

Building on the strong foundation laid in previous years, the Bank successfully navigated squeezing margins, intensified competition, global economic certainty, and evolving regulatory environment including the implementation of IFRS 9, while maintaining prudent risk management and a disciplined approach to cost optimization.

During the year, the Bank further advanced its digital transformation agenda, making significant investments in technology, cybersecurity, and data-driven innovation to enhance customer experience and operational efficiency. These strategic initiatives, supported by a diversified business model and a robust governance framework, enabled the Bank to deliver its highest-ever pre-tax profit of Rs. 35.80 billion in 2025, reflecting an exceptional 46% year-on-year growth. Operating profit before provisions also registered a remarkable increase of 99%, reaching Rs. 40.74 billion. In recognition of the Bank's strong financial performance, the Board has declared a final cash dividend of Rs. 1.50 per share, in addition to the first-ever interim cash dividend of Rs. 1.00 per share already paid for the year 2025. This

results in the highest-ever aggregate cash payout of Rs. 250 per share for the year, reaffirming the Bank's commitment to delivering sustainable value to its shareholders. This achievement marks another significant milestone, with the Bank recording one of the highest profit levels and dividend payouts in its history.

As at December 31, 2025, the Bank's total deposits surpassed the Rs. 2 trillion mark, achieving another significant milestone that reflects strong customer confidence and effective deposit mobilization strategies. A key driver of this growth was a 34% increase in current deposits, which rose to Rs. 476 billion, underscoring the Bank's continued success in strengthening its low-cost funding base.

At year-end, the Bank's investments and lending to financial institutions, and gross advances, stood at Rs. 1,773 billion and Rs. 926 billion, respectively, representing year-on-year growth of 33% and 12%.

Revenue growth remained robust across all business segments. Net interest income increased significantly to Rs. 81.10 billion, registering a strong 84% year-on-year growth. Non-markup income, excluding capital gains, also recorded an impressive 23% increase. The Bank maintained strong cost discipline and operational efficiency, driven by a strategic focus on optimizing the composition of current and savings deposits, reducing funding costs, and leveraging technology to improve operational excellence. Consequently, the cost-to-income ratio improved to 59.65% during the year. With sustained efficiency gains and prudent financial management, the Bank remains well-positioned to further improve its cost-to-income ratio while maintaining steady growth momentum in the years ahead. During the year, the Bank also deepened its commitment towards Environmental, Social and Governance (ESG), Gender Balances, Special Persons inclusion etc., principles by embedding sustainability considerations into business practices.

During the year, the Bank reaffirmed its position as a strategic partner of the Government of Punjab (GoPb), actively contributing to the province's development and social welfare agenda and played an instrumental role in implementing various public welfare initiatives. The efforts underscored Bank's dedication to expanding financial inclusion, supporting entrepreneurship and agriculture, and fostering long-term, inclusive economic growth.

During the year, The Bank of Punjab also successfully delivered a range of key Federal Government-led initiatives, reinforcing its role as a reliable implementation partner for national priority programs. The Bank extended financing under Business & Agriculture Loan Schemes of the Federal Government which supported SME productivity and competitiveness. The Bank also participated and is now leading from the front in the Federal Government digital lending initiatives under a fully digital agricultural financing program designed to expand access to formal, collateral-free credit for small and marginalized farmers. In addition, BOP continued to meet and overachieve in its mandatory agricultural credit targets under the SBP's indicative targets for Agricultural disbursement, outstanding

and number of borrowers, contributing to the Federal Government's broader objectives of financial inclusion & sustainable economic growth.

Financial Highlights 2025

The profit before and after taxation for the year ended December 31, 2025 together with appropriations is as under:

	Rs. In Million
Profit Before Tax	35,795
Taxation - net	19,857
Profit After Taxation	15,938
Un-appropriated profit brought forward	34,497
Other comprehensive (loss) / income-net of tax	(147)
Profit available for appropriation	50,288
Transfer to statutory reserve	(3,188)
Transfer of surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	1,770
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	151
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	1
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	318
Transactions with owners, recorded directly in equity:	
Final cash dividend - December 31, 2024 declared subsequent to year end at 18% per share	(5,889)
Interim cash dividend declared at 10% per share - 2025	(3,272)
Unappropriated Profit Carried Forward	40,180
Earnings per Share (Rs.)	4.87

Capital Adequacy and Minimum Capital Requirements

As on December 31, 2025, paid-up capital (net of losses) amounted to Rs. 34.67 billion and the Bank stands compliant with SBP's minimum capital requirement of Rs. 10.0 billion. Further, the Bank's Capital Adequacy Ratio (CAR) remained at 14.22% with a comfortable margin over regulatory requirement of 11.50%.

Internal Controls

The Board of Directors of the Bank has overall responsibility for ensuring existence of an adequate and effective system of internal controls that is designed to manage the Bank's risks within an acceptable risk profile. The Board is pleased to endorse the Statement on Internal Controls made by the Management, which is included in the annual report.

Bank's Board of Directors:

As on December 31, 2025, the Bank's Board of Directors consists of 08 members with 03 independent directors.

SR.#	NAME OF DIRECTORS	STATUS	
1	Syed Ghazanfar Abbas Jilani	Director	Non-Executive
2	Dr. Muhammad Amjad Saqib	Director	Non-Executive
3	Mr. Mujahid Sherdil	Director	Non-Executive
4	Mr. Ali Farhan	Director	Non-Executive
5	Mr. Mohammad Mudassir Amray	Director	Independent
6	Mr. Asif Reza Sana	Director	Independent
7	Mr. Muhammad Naeem Khan	Director	Independent
8	Mr. Zafar Masud	Director/ President & CEO	Executive

As of December 31, 2025, there are following 06 Committees of Board of Directors:

1. Board Audit Committee
2. Risk Management, Compliance & NPL Review Committee
3. Human Resource, Compensation, Performance Evaluation & Nomination Committee
4. Strategy, Islamic & Priority Sector Financing Committee
5. Information Technology & Communications Committee
6. Environmental, Social & Governance Committee

Board of Directors' and Board Committees' Attendance during year 2025:

Sr#	Name of Director	Board of Directors		Sub-Committees of Board of Directors														To- tal
				BAC		RMC & NRC		HRC & NC		SI&PSFC		ITCC		ES&GC		ROITPC***		
		Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended	
1	Dr. Muhammad Amjad Saqib	M	9	M	2	M	6	M	8	C	4	C & S	2	M	3	M	1	35
2	Syed Ghazanfar Abbas Jilani	M	9	M	4	C	6	M	8	S & M	4	M	4	C	3	C	1	39
3	Mr. Mohammad Mudassir Amray*	M	5	C	3	S & M	4	-	-	S	1	M	3	M	1	-	-	17
4	Mr. Asif Reza Sana*	M	5	S	1	S	2	C	5	M	3	M	3	M	1	-	-	20
5	Mr. Muhammad Naeem Khan*	M	7	M	4	M	6	M	2	S & M	4	M	4	C	2	-	-	29
6	Mr. Mujahid Sherdil	M	2	M	-	-	-	M	-	M	-	-	-	-	-	-	-	2
7	Ali Farhan**	M	1	S	1	S	1	S	1	S	1	C	1	M	1	-	-	7
8	Mr. Zafar Masud	P/ CEO	9	-	-	P/ CEO	6	P/ CEO	8	P/ CEO	4	P/ CEO	4	P/ CEO	3	P/ CEO	1	35
Total Number of Meetings held during 2025			9		4		6		8		4		4		3		1	184

C	Chairman	BAC	Board Audit Committee	SI&PSFC	Strategy, Islamic & Priority Sector Financing Committee
M	Member	RMC & NRC	Risk Management, Compliance & NPL Review Committee	ITCC	Information Technology & Communications Committee
S	Special Invitation	HRCPE & NC	Human Resource, Compensation, Performance Evaluation & Nomination Committee	ES&GC	Environmental, Social & Governance Committee
				ROITPC	Review Of Islamic Training Plan - 2026 Committee

*Elected directors rejoined on 17-04-2025-Gopb letter dated 17-04-2025 and SECP letter dated 25-03-205

**Mr. Ali Farhan has been nominated by Gopb on 14-07-2025 and FPT Clearance on 15-10-2025

*** The Review of Islamic Training Plan-2026 Committee was constituted in the 321stBOD meeting dated 03-06-2025 and was subsequently abolished on 31-12-2025

Statement of compliance with Corporate and Financial Reporting Framework

The Directors are pleased to give the following statement in respect of Code of Corporate Governance:

- The financial statements, together with notes thereon have been prepared in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017. These Statements present fair state of affairs, the result of its operations, cash flows and changes in equity and comprehensive income. Proper books of account of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting and Financial Reporting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed in the Annual Accounts. The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- All the statutory liabilities, if any, have been adequately disclosed in the financial statements.
- Directors' remuneration policy is disclosed at page No. 92 of the Annual Report.
- Risk Management Framework has been appropriately disclosed at page No. 46 of the Annual Report.
- Value of investment of Staff Provident Fund and Gratuity Fund, based on latest audited accounts is Rs. 4.3 billion & Rs. 2.1 billion, respectively.
- Statement showing pattern of shareholding as on December 31, 2025 is disclosed at page No. 424 of the Annual Report.
- Statement showing key operating and financial data for the last six years is disclosed at page No. 140 of the Annual Report.
- Statement of compliance with code of corporate governance is presented at page No. 101 of the Annual Report.
- Statement on Corporate Social Responsibility is given at Page No. 58 of the Annual Report.
- There has been no interest of directors in any significant contract / arrangement during the year.

- Related party transactions have been disclosed at page No. 253 of the Annual Report.
- Sustainability related Risks have been disclosed at page No. 51 of the Annual report
- Gender Diversity, Inclusion and Equity related disclosures have been made at page No. 61 of the Annual report.

Credit Rating

While acknowledging the improved risk profile of the Bank, M/s Pakistan Credit Rating Agency (PACRA) has maintained Bank's Long-term Entity Rating at "AA+", while the Short-term Entity Rating has been maintained at "A1+."

As per standard rating scale and definition "AA+" long term rating denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments, not significantly vulnerable to foreseeable events. Similarly, "A1+" short term rating denotes obligations supported by the highest capacity for timely repayment.

Subsidiaries & Associate

The detail of Bank's subsidiaries & associates are as follows:

Rs. In Million			
Sr#	Name	Current Period Total Assets	Comparative Period Total Assets
1	Punjab Modaraba Services (Private) Limited	134.307	52,454
2	First Punjab Modaraba	1,703.504	1,975.578
3	Punjab Capital Securities (Private) Limited	444.070	345.824
4	BOP Exchange (Pvt) Ltd	1,324.092	1,143.139
5	Punjab Life Insurance Company (Associate)	3,006.953	-

Outlook for the year 2026

The Board remains confident that, through the effectiveness of its role in guiding and overseeing the achievement of the Bank's objectives, and supported by a clear strategic direction, robust governance, and a resilient financial foundation, BOP is well positioned to sustain its growth momentum through 2026 and beyond. The Board endorses the Bank's plan for expansion and technological upgradation, reflecting its commitment to sustained progress and innovation. The Bank will continue to leverage its strengths in digital transformation, customer focused innovation, and prudent financial management to deliver enduring value to all stakeholders. The Board of Directors remains firmly committed to upholding the highest standards of ethics, integrity, and transparency across all operations. It ensures that ethical conduct remains central to the Bank's culture, decision-making, and stakeholder relationships.

For the year 2026, the Bank's strategic priorities will focus on accelerating balance sheet growth, enhancing profitability through diversified income streams, and strengthening capital adequacy to support future expansion. The transition toward a fully Shariah compliant banking model will remain a central focus, with dedicated efforts to expand Islamic banking operations, product offerings, and branch conversions in line with SBP's roadmap. The Board of Directors will continue to closely follow up on the Bank's risk management activities, including regular stress testing to assess potential losses and capital adequacy. Ongoing oversight will ensure the Bank sustains strong capital, liquidity, and profitability to withstand adverse conditions. The Board remains committed to proactive monitoring and timely actions to protect performance and shareholder interests.

In addition, the Bank will intensify its investment in digital infrastructure, data analytics, and AI driven solutions to improve operational efficiency, risk management, and customer engagement. Emphasis will also be placed on sustainability and ESG integration, ensuring that growth is both responsible and inclusive. With these strategic initiatives, BOP aims to reinforce its position as a leading, forward looking financial institution, driving innovation, financial inclusion, and sustainable economic development across Pakistan.

Auditors

The retiring auditors' M/s A.F. Ferguson & Co. Chartered Accountants, being eligible, have offered themselves for reappointment for the year ending December 31, 2026. The Board of Directors, on the suggestions of Board Audit Committee, recommended the above firm as statutory auditors of the Bank for year 2026.

Acknowledgement

The Board conveys its deep appreciation for the invaluable support and guidance provided by the State Bank of Pakistan and the Government of the Punjab, which have played a pivotal role in the Bank's sustained growth and stability. The Board also extends heartfelt thanks to the shareholders and customers for their continued trust, confidence, and loyalty, which remain the cornerstone of the Bank's success.

The Board further acknowledges the dedication, professionalism and commitment of the management and staff, whose collective efforts and performance have been instrumental in achieving the Bank's strategic objectives and delivering another year of strong results.

For and on behalf of the Board



President / CEO



Chairman

ڈائریکٹرز رپورٹ

برائے سال 31 دسمبر 2025

تمام کاروباری شعبوں میں آمدنی میں مضبوط نمو برقرار رہی۔ خالص سودی آمدنی نمایاں طور پر بڑھ کر 81.10 ارب روپے تک پہنچ گئی، جو کہ 84 فیصد سال بہ سال اضافہ ظاہر کرتی ہے۔ نان مارک اپ آمدنی (کمپنیل گینز کے بغیر) میں بھی 23 فیصد اضافہ ریکارڈ کیا گیا۔ بینک نے اخراجات پر سخت نظم و ضبط اور عملی کارکردگی میں بہتری برقرار رکھی، جو کرنٹ اور سیولنگ ڈپازٹس کے بہتر امتزاج، فنڈنگ لاگت میں کمی، اور ٹیکنالوجی کے مؤثر استعمال کے ذریعے حاصل کی گئی۔ نتیجتاً، کاسٹ ٹو انکم ریٹوش سال کے دوران بہتر ہو کر 59.65 فیصد تک آگئی۔ مؤثر مالی نظم و نسق اور مسلسل بہتری کے باعث، بینک مستقبل میں بھی اس تناسب کو مزید بہتر بنانے اور پائیدار ترقی کے تسلسل کو برقرار رکھنے کی مضبوط پوزیشن میں ہے۔ سال کے دوران، بینک نے ماحولیاتی، سماجی اور گورننس اصولوں، صنفی توازن اور خصوصی افراد کی شمولیت کے حوالے سے اپنے عزم کو مزید مستحکم کیا، اور پائیداری کے تقاضوں کو اپنے کاروباری طریقہ کار میں شامل کیا۔

بینک نے حکومت پنجاب کے ایک اسٹریٹجک شراکت دار کے طور پر اپنی حیثیت کو مزید مضبوط کیا، صوبے کی ترقی اور سماجی بہبود کے ایجنڈے میں فعال کردار ادا کیا، اور مختلف عوامی فلاحی منصوبوں کے نفاذ میں کلیدی کردار ادا کیا۔ ان کوششوں نے مالی شمولیت کے فروغ، کاروباری سرگرمیوں اور زرعی شعبے کی معاونت، اور طویل المدتی جامع معاشی ترقی کے فروغ کے لیے بینک کے عزم کو اجاگر کیا۔

اسی سال، بینک آف پنجاب نے وفاقی حکومت کی قیادت میں متعدد اہم اقدامات کا میاں سے مکمل کیے، جس سے قومی ترجیحی پروگراموں کے ایک قابل اعتماد نفاذی شراکت دار کے طور پر بینک کا کردار مزید مستحکم ہوا۔ بینک نے وفاقی حکومت کی بزنس اور ایگریکلچر لون اسکیم کے تحت فنڈنگ فراہم کی، جس سے ایس ایم ایز کی پیداواری صلاحیت اور مسابقت میں اضافہ ہوا۔ بینک نے وفاقی حکومت کے ڈیجیٹل لینڈنگ پروگرام میں بھی فعال شرکت کی اور اب ڈیجیٹل زرعی فنڈنگ پروگرام میں قائدانہ کردار ادا کر رہا ہے، جو چھوٹے اور پسماندہ کسانوں کے لیے بغیر ضمانت کے باضابطہ قرضوں تک رسائی کو وسعت دینے کے لیے تیار کیا گیا ہے۔

مزید برآں، بینک نے اسٹیٹ بینک آف پاکستان کے زرعی قرضہ جات کے اشاریاتی اہداف کے تحت زرعی تقسیم، بٹایا جات، اور قرض لینے والوں کی تعداد میں اپنے اہداف کو نہ صرف پورا کیا بلکہ ان سے بڑھ کر کارکردگی دکھائی، جس سے وفاقی حکومت کے مالی شمولیت اور پائیدار معاشی ترقی کے وسیع تر مقاصد کے حصول میں مؤثر کردار ادا کیا گیا۔

بورڈ آف ڈائریکٹرز مسرت کے ساتھ بینک آف پنجاب کی 36 ویں سالانہ رپورٹ بمعہ آڈٹ شدہ مالی بیانات اور آڈیٹرز کی رپورٹ برائے سال ختم شدہ 31 دسمبر 2025 پیش کرتا ہے۔

کارکردگی کا اجمالی جائزہ

گزشتہ برسوں میں قائم کی گئی مضبوط بنیادوں پر استوار ہوتے ہوئے، بینک نے کم ہوتے منافع کے مارجن، بڑھتی ہوئی مسابقت، عالمی معاشی غیر یقینی صورتحال اور بدلتے ہوئے ریگولیٹری تقاضوں، بشمول آئی ایف آر ایس 9 کے نفاذ، کے باوجود مضبوط رسک منجمنٹ اور اخراجات میں نظم و ضبط برقرار رکھا۔

سال کے دوران، بینک نے اپنی ڈیجیٹل ارتقاء کے ایجنڈے کو مزید تقویت دی اور ٹیکنالوجی، سائبر سیکیورٹی اور ڈیٹا پرائیویسی جہت میں نمایاں سرمایہ کاری کی، تاکہ صارفین کے تجربے اور عملی کارکردگی میں بہتری لائی جاسکے۔ ان اقدامات، متنوع کاروباری ماڈل اور مضبوط گورننس فریم ورک کے امتزاج نے بینک کو سال 2025 میں اپنی تاریخ کا بلند ترین قبل از ٹیکس منافع 35.80 ارب روپے حاصل کرنے کے قابل بنایا، جو کہ 46 فیصد سال بہ سال اضافہ ظاہر کرتا ہے۔ پروڈیوزر سے قبل آپرینگ منافع میں بھی 99 فیصد اضافہ ریکارڈ کیا گیا اور یہ 40.74 ارب روپے تک پہنچ گیا۔

بینک کی شاندار مالی کارکردگی کے اعتراف میں، بورڈ نے فی شیئر 1.50 روپے کا حتمی نقد منافع جوڑ کیا ہے، جو کہ سال کے دوران پہلے سے ادا کیے گئے فی شیئر 1.00 روپے کے عبوری نقد منافع کے علاوہ ہے۔ اس طرح سال 2025 کے لیے فی شیئر 2.50 روپے کا مجموعی نقد منافع بینک کی تاریخ کا بلند ترین منافع ہے، جو شیئر ہولڈرز کو پائیدار قدر فراہم کرنے کے بینک کے عزم کی عکاسی کرتا ہے۔ یہ کامیابی بینک کی تاریخ میں منافع اور ڈیویڈنڈ کی بلند ترین سطحوں کی نمائندگی کرتی ہے۔

31 دسمبر 2025 تک، بینک کے کل ڈپازٹس 2 کھرب روپے کی حد عبور کر گئے، جو صارفین کے پختہ اعتماد اور مؤثر ڈپازٹ موبلائزیشن حکمت عملیوں کا مظہر ہے۔ اس نمو کا ایک نمایاں عنصر کرنٹ ڈپازٹس میں 34 فیصد اضافہ تھا، جو بڑھ کر 476 ارب روپے تک پہنچ گئے، جس سے بینک کی کم لاگت فنڈنگ بیس کو مزید مستحکم بنانے میں کامیابی حاصل ہوئی۔ سال کے اختتام پر بینک کی سرمایہ کاری اور قرضہ جات بالترتیب 1,773 ارب روپے اور 926 ارب روپے تک پہنچ گئے، جو کہ 33 فیصد اور 12 فیصد سال بہ سال اضافہ ظاہر کرتے ہیں۔

سال 2025 کی مالی کارکردگی

سال 2025 کے لیے ٹیکس سے قبل اور بعد از ٹیکس منافع بمعہ منافع کی تقسیم کی تفصیل درج ذیل ہے

رقوم:	(ملین روپے میں)
ٹیکس سے قبل منافع:	35,795
ٹیکس - ٹیسٹ:	19,857
ٹیکس کے بعد منافع:	15,938
گزشتہ سال کا غیر تقسیم شدہ منافع:	34,497
دیگر جامع (نقصان)/آمدنی - ٹیکس کے بعد:	(147)
تقسیم کے لیے دستیاب منافع:	50,288
قانونی ریزرو میں منتقلی:	(3,188)

ایف وی اوی آئی کے تحت ایکویٹی سرمایہ کاری کی دوبارہ تخمینہ کاری کے اضافی منافع سے غیر تقسیم شدہ منافع میں منتقلی:

جائیداد آلات کی دوبارہ تخمینہ کاری کے اضافی منافع سے غیر بینکاری اثاثہ جات کی دوبارہ تخمینہ کاری کے اضافی منافع سے غیر تقسیم شدہ منافع میں منتقلی - ٹیکس کے بعد:

بینکاری اثاثہ جات کی فروخت پر دوبارہ تخمینہ کاری کے اضافی منافع سے غیر تقسیم شدہ منافع میں منتقلی:

مالکان کے ساتھ براہ راست ایکویٹی میں ریکارڈ شدہ لین دین

حتمی نقد منافع - 31 دسمبر 2024 (سال کے اختتام کے بعد

اعلان شدہ) فی شیئر 18 فیصد:

عبوری نقد منافع - 2025 فی شیئر 10 فیصد:

غیر تقسیم شدہ منافع برائے اگلا سال:

فی شیئر آمدنی (روپے میں):

کمپنیل ایڈیکوئیٹی ریشہ اور کم از کم سرمایہ جاتی تقاضے

- 31 دسمبر 2025 تک بینک کا ادا شدہ سرمایہ (خساروں کے بعد خالص) 34.67 ارب روپے رہا، اور بینک اسٹیٹ بینک آف پاکستان کے مقرر کردہ کم از کم سرمایہ جاتی تقاضے یعنی 10.0 ارب روپے کی مکمل تعمیل کر رہا ہے۔ مزید برآں، بینک کی کمپنیل ایڈیکوئیٹی ریشہ 14.22 فیصد رہی، جو کہ ریگولیٹری تقاضے 11.50 فیصد سے نمایاں طور پر زیادہ ہے، جس سے بینک کی مضبوط مالی پوزیشن اور مستحکم رسک مینجمنٹ فریم ورک کی عکاسی ہوتی ہے۔

اندرونی کنٹرولز

بینک کے ڈائریکٹرز کا بورڈ اس امر کی مجموعی ذمہ داری کا حامل ہے کہ بینک میں ایک مؤثر، جامع اور مناسب داخلی کنٹرولز کا نظام قائم اور برقرار رکھا جائے، جو بینک کے خطرات کو ایک قابل قبول رسک پروفائل کے اندر منظم کرنے کے لیے وضع کیا گیا ہو۔ بورڈ کو اطمینان ہے کہ بینک کا نظام داخلی کنٹرولز مؤثر طور پر کام کر رہا ہے اور بینک کے آپریشنز، مالیاتی رپورٹنگ اور تعمیل کے تقاضوں کی شفافیت کو یقینی بناتا ہے۔

بورڈ اس موقع پر مینجمنٹ کی جانب سے جاری کردہ داخلی کنٹرولز کے بیان کی توثیق کرتا ہے، جو اس سالانہ رپورٹ کا حصہ ہے اور بینک کے مضبوط گورننس ڈھانچے اور شفافیت کے عزم کی نمائندگی کرتا ہے۔

بورڈ آف ڈائریکٹرز

31 دسمبر 2025 کو، بینک کے بورڈ آف ڈائریکٹرز میں کل 08 اراکین شامل ہیں، جن میں سے 03 انڈیپنڈنٹ ڈائریکٹرز ہیں۔

نمبر شمار ڈائریکٹرز کے نام حیثیت

1	سید غففر عباس جیلانی	ڈائریکٹر - نان ایگزیکٹو
2	ڈاکٹر محمد امجد عاقب	ڈائریکٹر - نان ایگزیکٹو
3	جناب مجاہد شیردل	ڈائریکٹر - نان ایگزیکٹو
4	جناب علی فرحان	ڈائریکٹر - نان ایگزیکٹو
5	جناب محمد ثامرے	ڈائریکٹر - انڈیپنڈنٹ
6	جناب آصف رضا ثناء	ڈائریکٹر - انڈیپنڈنٹ
7	جناب محمد فہیم خان	ڈائریکٹر - انڈیپنڈنٹ
8	جناب ظفر مسعود	ڈائریکٹر/صدر و چیف ایگزیکٹو آفیسر

31 دسمبر 2025 کو، بورڈ آف ڈائریکٹرز کے تحت درج ذیل 06 کمیشنیاں فعال طور پر کام کر رہی ہیں، جو بینک کے: گورننس، رسک مینجمنٹ، انسانی وسائل، اور پائیداری کے امور میں مؤثر نگرانی کو یقینی بناتی ہیں:

بورڈ آڈٹ کمیٹی

- رسک مینجمنٹ، کمپلائنس اور نان پرفارمنگ لوئر ریویو کمیٹی۔
- ہیومن ریسورس، معاوضہ، کارکردگی کے جائزے اور نامزدگی کی کمیٹی۔
- اسٹریٹجی، اسلامی بینکنگ اور ترجیحی شعبہ جاتی فنانسنگ کمیٹی۔
- انفارمیشن ٹیکنالوجی اور کمیونیکیشنز کمیٹی۔
- ماحولیاتی، سماجی اور گورننس کمیٹی۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی حاضری برائے سال 2025:

سیریل نمبر	ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز														مجموعی			
		بورڈ آف ڈائریکٹرز کی ذیلی کمیٹیاں																	
		رکن	حاضری	BAC	RMC & NRC	HRCPE & NC	SIA&PSC	ITCC	ES&GC	ROITPC ***	رکن	حاضری	رکن	حاضری					
1	ڈاکٹر محمد اسجد ڈاٹ	M	9	M	2	M	6	M	8	M	4	C & S	2	M	3	M	1	M	35
2	سید حفیظ عباس چیلان	M	9	M	4	M	6	C	4	M	8	S & M	4	M	3	C	1	C	39
3	جناب محمد مندر امرے*	M	5	C	3	C	4	S & M	-	-	1	S	3	M	1	M	-	-	17
4	جناب آصف رضا لڑاء*	M	5	S	1	S	2	S	5	C	3	M	3	M	1	M	-	-	20
5	جناب محمد نعیم خان*	M	7	M	4	M	6	M	2	M	4	S & M	4	M	4	C	-	-	29
6	جناب مجاہد شریڈل	M	2	M	-	-	-	M	-	M	-	M	-	-	-	-	-	-	2
7	جناب علی فرحان**	M	1	S	1	S	1	S	1	S	1	C	1	M	1	M	1	-	7
8	جناب ظفر مسعود	P/CEO	9	-	-	P/CEO	6	P/CEO	8	P/CEO	4	P/CEO	4	P/CEO	3	P/CEO	1	P/CEO	35
184	سال 2025 کے دوران منعقد ہونے والی کل میٹنگز کی تعداد	9	4	6	8	4	3	1	1	3	4	3	4	3	1	3	1	1	184

بورڈ آف ڈائریکٹرز	BAC
ریسک مینجمنٹ کمیٹی	RMC & NRC
پروڈکشن اور مارکیٹنگ کمیٹی	HRCPE & NC

اسٹریٹجی، ایسٹیمٹنگ اور انویسٹمنٹ کمیٹی	SI&PSFC
انٹرایکشن ٹیکنالوجی اور کمیونیکیشن کمیٹی	ITCC
ماحولیاتی، سماجی اور گورننس کمیٹی	ES&GC
اسلامک ٹریننگ پلان 2026 کے جائزے کی کمیٹی	ROITPC

پیرامیٹر	C
رکن	M
خصوصی دعوت	S

* منتخب ڈائریکٹر نے 17-04-2025 کو دیوانہ شمولیت اختیار کی۔ حکومت پنجاب (GoPb) کا خط مورخہ 17-04-2025 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کا خط مورخہ 25-03-2025۔
** مسٹر علی فرحان کو حکومت پنجاب (GoPb) کی جانب سے 14-07-2025 کو نامہ کیا گیا، جبکہ ایف پی ٹی (Fit and Proper Test) کنٹینٹس 15-10-2025 کو حاصل ہوئے۔
*** اسلامک ٹریننگ پلان 2026 کے جائزے کی کمیٹی 03-06-2025 کو منعقدہ 321 ویں بورڈ آف ڈائریکٹرز (BOD) میٹنگ میں تشکیل دی گئی تھی اور بعد ازاں 31-12-2025 کو تحلیل کر دی گئی۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے ساتھ قیام کا بیان

- ڈائریکٹرز کی معاوضہ پالیسی سالانہ رپورٹ کے صفحہ نمبر 92 پر ظاہر کی گئی ہے۔
- ریسک مینجمنٹ فریم ورک کی تفصیلات سالانہ رپورٹ کے صفحہ نمبر 46 پر شامل ہیں۔
- اسٹاف پروویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایہ کاری کی مالیت، تازہ ترین آڈٹ شدہ اکاؤنٹس کے مطابق، بالترتیب 4.3 ارب روپے اور 2.1 ارب روپے ہے۔
- 31 دسمبر 2025 تک شیئر ہولڈنگ کے پٹرین کا بیان سالانہ رپورٹ کے صفحہ نمبر 424 پر ظاہر کیا گیا ہے۔
- گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا بیان سالانہ رپورٹ کے صفحہ نمبر 140 پر شامل ہے۔
- کارپوریٹ گورننس کے ضابطہ اخلاق کے ساتھ قیام کا بیان سالانہ رپورٹ کے صفحہ نمبر 101 پر پیش کیا گیا ہے۔
- کارپوریٹ سماجی ذمہ داری سے متعلق بیان سالانہ رپورٹ کے صفحہ نمبر 58 پر دیا گیا ہے۔
- سال کے دوران کسی بھی اہم معاہدے یا انتظام میں ڈائریکٹرز کا کوئی ذاتی فائدہ شامل نہیں رہا۔
- متعلقہ فریقوں کے ساتھ لین دین سالانہ رپورٹ کے صفحہ نمبر 253 پر ظاہر کیے گئے ہیں۔
- پائیداری سے متعلق خطرات سالانہ رپورٹ کے صفحہ نمبر 51 پر ظاہر کیے گئے ہیں۔
- ڈائریکٹرز کو یہ بیان پیش کرتے ہوئے خوش محسوس ہو رہی ہے جو کارپوریٹ گورننس کے ضابطہ اخلاق کے حوالے سے درج ذیل نکات پر مشتمل ہے۔
- بینک کے مالیاتی بیانات بعد وضاحتی نوٹس کو بینکنگ کمینیز آرڈیننس 1962 اور کمینیز ایکٹ 2017 کے مطابق تیار کیا گیا ہے۔ یہ بیانات بینک کی مالی حالت، آپریشنز کے نتائج، نقد بہاؤ، ایکویٹی میں تبدیلیوں اور جامع آمدنی کی منصفانہ عکاسی کرتے ہیں۔ بینک کی اکاؤنٹس کی کتب مناسب طور پر برقرار رکھی گئی ہیں۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر اپنایا گیا ہے اور اکاؤنٹنگ تحجیمے معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں۔
- بین الاقوامی اکاؤنٹنگ اور مالیاتی رپورٹنگ معیارات اور اسلامی مالیاتی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، کی مکمل پیروی کی گئی ہے، اور کسی بھی انحراف کو سالانہ مالیاتی بیانات میں مناسب طور پر ظاہر کیا گیا ہے۔ اندرونی کنٹرول کا نظام مضبوط ڈیزائن کا حامل ہے اور مؤثر طور پر نافذ مانیا گیا ہے۔
- بینک کی بطور جاری کاروبار اپنی سرگرمیاں جاری رکھنے کی صلاحیت پر کوئی قابل ذکر شک و شبہ نہیں ہے۔
- کارپوریٹ گورننس کی بہترین روایات سے کسی قسم کی مادی انحراف نہیں ہوئی، جیسا کہ لسٹنگ ریگولیشنز میں بیان کیا گیا ہے۔
- تمام قانونی واجبات، اگر کوئی ہوں، مالیاتی بیانات میں مناسب طور پر ظاہر کیے گئے ہیں۔

• صنفی تنوع، شمولیت اور مساوات سے متعلق انکشافات سالانہ رپورٹ کے صفحہ نمبر 61 پر شامل ہیں۔

کریڈٹ ریٹنگ

بینک کے بہتر ہوتے ہوئے خطراتی پروفائل کو تسلیم کرتے ہوئے، پاکستان کریڈٹ ریٹنگ ایجنسی نے بینک کی طویل المدتی ادارہ جاتی ریٹنگ کو ”ڈبل اے پلس“ پر برقرار رکھا ہے، جبکہ مختصر المدتی ادارہ جاتی ریٹنگ کو ”اے ون پلس“ برقرار رکھا گیا ہے۔ معیاری ریٹنگ اسکیل اور تعریف کے مطابق، ”ڈبل اے پلس“ طویل المدتی ریٹنگ انتہائی کم کریڈٹ رسک کی نشاندہی کرتی ہے۔ یہ ظاہر کرتی ہے کہ ادارہ اپنی مالی ذمہ داریوں کی بروقت ادائیگی کی انتہائی مضبوط صلاحیت رکھتا ہے اور متوقع خطرات سے نمایاں طور پر متاثر نہیں ہوتا۔ اسی طرح، ”اے ون پلس“ مختصر المدتی ریٹنگ ان ذمہ داریوں کی نمائندگی کرتی ہے جو بروقت ادائیگی کی اعلیٰ ترین صلاحیت سے معاونت یافتہ ہیں۔

ذیلی ادارے اور وابستہ کمپنیاں

کمپنیاں بینک کے ذیلی اداروں اور وابستہ کمپنیوں کی تفصیلات درج ذیل ہیں

نمبر شمار	نام	(رقم بلین روپے میں)	
		موجودہ مدت کے کل اثاثے	موازنہ مدت کے کل اثاثے
1	پنجاب مضاربہ سروسز (پرائیویٹ) لمیٹڈ	134.307	52.454
2	فرسٹ پنجاب مضاربہ	1,703.504	1,975.578
3	پنجاب کیمپنل سکیورٹیز (پرائیویٹ) لمیٹڈ	444.070	345.824
4	بی او پی ایچ (پرائیویٹ) لمیٹڈ	1,324.092	1,143.139
5	پنجاب لائف انشورنس کمپنی (وابستہ ادارہ)	3,006.953	-

سال 2026 کے لیے آڈٹ ٹک

بورڈ کو مکمل یقین ہے کہ بینک کے مقاصد کے حصول میں رہنمائی اور نگرانی کے اپنے مؤثر کردار، واضح حکمت عملی، مضبوط گورننس، اور مستحکم مالی بنیاد کے ذریعے، بینک آف پنجاب سال 2026 اور اس کے بعد بھی اپنی ترقی کے تسلسل کو برقرار رکھنے کے لیے بہترین پوزیشن میں ہے۔ بورڈ نے بینک کے توسیع اور تکنیکی ترقی کے منصوبے کی توثیق کی ہے، جو پائیدار ترقی اور جدت کے لیے بینک کے عزم کی عکاسی کرتا ہے۔ بینک اپنی ڈیجیٹل تبدیلی، صارف مرکوز جدت، اور محتاط مالی نظم و نسق کی صلاحیتوں سے فائدہ اٹھاتے ہوئے تمام اسٹیک ہولڈرز کے لیے دیر پا قدر پیدا کرنے کے لیے پرعزم ہے۔

ڈائریکٹرز کا بورڈ بینک کی تمام سرگرمیوں میں اعلیٰ اخلاقی معیار، دیانت داری، اور شفافیت کو برقرار رکھنے کے لیے پرعزم ہے۔ یہ یقینی بناتا ہے کہ اخلاقی طریقہ عمل بینک کی ثقافت، فیصلہ سازی، اور اسٹیک ہولڈرز کے تعلقات کا بنیادی حصہ رہے۔

سال 2026 کے لیے بینک کی اسٹریٹجک ترجیحات میں بیلنس شیٹ کی ترقی میں تیزی لانا،

متنوع آمدنی کے ذرائع کے ذریعے منافع میں اضافہ، اور مستقبل کی توسیع کے لیے سرمایہ کی مضبوطی شامل ہوگی۔ بینک کو مکمل طور پر شریعت کے مطابق بینکاری ماڈل کی طرف منتقلی پر خصوصی توجہ حاصل رہے گی، جس کے تحت اسلامی بینکاری آپریشنز، مصنوعات، اور برانچ کنورژن کو اسٹیٹ بینک آف پاکستان کے روڈ میپ کے مطابق وسعت دی جائے گی۔

ڈائریکٹرز کا بورڈ بینک کی رسک مینجمنٹ سرگرمیوں کی قریبی نگرانی جاری رکھے گا، جس میں ممکنہ نقصانات اور کیمپنل ایڈیکوئیسی ریسٹو کا جائزہ لینے کے لیے باقاعدہ اسٹریٹجک ٹیسٹنگ شامل ہوگی۔ مسلسل نگرانی کے ذریعے یہ یقینی بنایا جائے گا کہ بینک سرمایہ، لیکویڈیٹی، اور منافع کے مضبوط معیار کو برقرار رکھے تاکہ کسی بھی ناموافق حالات کا سامنا کیا جاسکے۔ بورڈ کارکردگی اور شیئر ہولڈرز کے مفادات کے تحفظ کے لیے بروقت اور فعال اقدامات کے لیے پرعزم ہے۔

مزید برآں، بینک ڈیجیٹل انفراسٹرکچر، ڈیٹا اینالیٹکس، اور مصنوعی ذہانت پر مبنی حلوں میں سرمایہ کاری کو مزید بڑھائے گا تاکہ عملی کارکردگی، رسک مینجمنٹ، اور صارف کے ساتھ تعلقات کو بہتر بنایا جاسکے۔ پائیداری اور انضمام پر بھی خصوصی توجہ دی جائے گی تاکہ ترقی ذمہ دارانہ اور جامع ہو۔ ان اسٹریٹجک اقدامات کے ذریعے، بینک آف پنجاب پاکستان بھر میں جدت، مالی شمولیت، اور پائیدار معاشی ترقی کو فروغ دیتے ہوئے ایک سرکردہ اور مستقبل بین مالیاتی ادارے کے طور پر اپنی پوزیشن کو مزید مستحکم کرنے کا ارادہ رکھتا ہے۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، جو دوبارہ تقرری کے اہل ہیں، نے سال 2026 کے لیے اپنی خدمات دوبارہ پیش کی ہیں۔ ڈائریکٹرز کے بورڈ نے بورڈ آڈٹ کمیٹی کی سفارش پر مذکورہ فرم کو سال 2026 کے لیے بینک کے قانونی آڈیٹرز کے طور پر تجویز کیا ہے۔

انتہا رکھ

بورڈ اسٹیٹ بینک آف پاکستان اور حکومت پنجاب کی جانب سے فراہم کی گئی قیمتی معاونت اور رہنمائی پر دلی تشکر کا اظہار کرتا ہے، جنہوں نے بینک کی پائیدار ترقی اور استحکام میں کلیدی کردار ادا کیا ہے۔

بورڈ اپنے شیئر ہولڈرز اور صارفین کا بھی تہدول سے شکریہ ادا کرتا ہے جن کے اعتماد، یقین اور وفاداری نے ہمیشہ بینک کی کامیابی کی بنیاد فراہم کی ہے۔

مزید برآں، بورڈ بینک کے انتظامیہ اور عملے کی محنت، پیشہ ورانہ مہارت، اور عزم کو سراہتا ہے، جن کی اجتماعی کاوشوں اور کارکردگی نے بینک کو اپنے اسٹریٹجک مقاصد کے حصول اور ایک اور کامیاب سال کے نتائج حاصل کرنے میں نمایاں کردار ادا کیا ہے۔

بورڈ کی جانب سے

Asif Hameed

صدر/چیف ایگزیکٹو آفیسر

Asim Farooq

چیرمین



REVIEW REPORT BY CHAIRMAN OF AUDIT COMMITTEE

The Board Audit Committee (“the Committee”) comprises four non-executive directors and is chaired by Mr. Mohammad Mudassir Amray, Independent Director. The Committee operates under its approved terms of reference and in accordance with the Listed Companies (Code of Corporate Governance) Rules & Regulations, 2019 and applicable banking laws and regulations.

SR.#	NAME OF DIRECTORS / MEMBERS	STATUS
1	Mr. Mohammad Mudassir Amray	Chairman
2	Syed Ghazanfar Abbas Jilani	Member
3	Mr. Muhammad Naeem Khan	Member
4	Mr. Mujahid Sherdil	Member

Note: Profiles of members of Audit Committee are set out in relevant section of the Annual Report.

During the year ended 31 December 2025, four meetings of the Committee were held. The Chief Financial Officer, Chief Internal Auditor, representatives of external auditors and senior management attended the meetings by invitation, as required. The Committee also met the Head of Internal Audit and external auditors separately without the presence of management.

Financial Reporting Oversight

The Committee reviewed the quarterly and annual financial statements prior to submission to the Board and discussed significant accounting estimates and judgments with management and external auditors, including:

- impairment provisioning and Expected Credit Loss assumptions
- going concern and liquidity assessment
- valuation of investments and fair value measurements
- related party transactions
- regulatory and accounting compliance

Based on the reviews performed and explanations obtained, the Committee is satisfied that appropriate accounting policies have been applied consistently and the financial statements present a true and fair view of the Bank's financial position and performance.

Internal Control Environment

The Committee reviewed the adequacy and effectiveness of internal controls over financial reporting, operations, compliance and information systems on the basis of internal audit reports, compliance reviews, management representations and discussions with external auditors.

During the year, certain control observations and operational matters were identified through the Bank's monitoring and audit processes. These were reviewed by the Committee and management implemented corrective actions and strengthening measures. The Committee continues to monitor completion and sustainability of remediation actions. The Committee also reviewed the Bank's statement on internal control systems prior to the endorsement by the Board.

Nothing has come to the Committee's attention which would indicate a material breakdown of the overall control framework.

Internal Audit

The Committee approved the internal audit plan, reviewed its coverage and resources, and confirms that the Internal Audit function remains independent with direct access to the Committee.

Significant audit observations were discussed with management and follow-up reviews are being performed to ensure timely closure of agreed actions. Further, the Committee ensured access to internal audit reports is provided to the external auditors.

External Audit

The Committee assessed the independence, scope and work performed by the external auditors and held direct meetings with them without the presence of management. No unresolved disagreements with management were reported.

The Committee reviewed the management letter and monitored implementation of corrective actions. The appointment and remuneration of the external auditors has been recommended to the Board.

Compliance, Irregularities and Whistleblowing

The Committee reviewed reports relating to compliance matters, irregularities and incidents reported during the year and monitored management actions taken to investigate, rectify and prevent recurrence. Where applicable, recoveries and disciplinary actions were pursued in accordance with established procedures.

The whistleblowing mechanism remained operational and matters reported through the channel were addressed appropriately.

Overall Assessment

Based on the reviews performed and information provided to it, the Committee is of the opinion that:

- the annual report including financial statements are fair, balanced and understandable
- the system of internal control is adequate for the Bank's operations and is being continuously strengthened
- the internal audit function is independent and effective
- the external audit process was objective and robust
- the Bank has complied with applicable statutory and regulatory requirements in all material respects
- Statement of Compliance with the Code of Corporate Governance' has been reviewed to be accurate prior to approval of the Board.

The Committee will continue to monitor the Bank's control environment and risk management framework.

For and on behalf of the Board Audit Committee



Mr. Mohammad Mudassir Amray
Chairman

REPORT OF SHARIAH BOARD

Taqwa Islamic Banking The Bank of Punjab (TIB BOP)

(For The Financial Year 2025)



Alhamdulillah TIB BOP has completed another year of successful banking operations. The Shariah Board (SB) hereby presents its opinion on the affairs of TIB BOP operations. The Board of Directors (BOD) and the management is committed to provide an effective and comprehensive Shariah Governed environment to regulate the overall functions of the bank. During the year, Shariah Board convened various SB meetings to discuss different matters referred to the Shariah Board including Internal/External Shariah audit reports, Shariah compliance review reports, SCD activities report, different policies and procedures, new products/ renewals of existing products, transaction structuring, business and marketing material.

SHARIAH COMPLIANCE:

- TIB BOP is equipped with a team of qualified personnel in its Shariah Compliance Department (SCD), working under the supervision and guidance of the Shariah Board. The prime objective of this function is to ensure Shariah Compliance at various levels and take corrective measures.
- The main modes of financing used for the bank's financing activities during the year consist of Murabaha, Ijarah, Diminishing Musharakah, Istisna, Tijarah, Musawamah, and Running Musharakah.
- The Shariah Board supervised and analyzed various products, concepts, transactions, processes and their Shariah Compliance as an ongoing process to ensure that the transactions are valid and in conformity with Shariah injunctions.
- The Internal Shariah audit unit evaluates the adherence to Shariah guidelines by the Bank. During the year, Shariah Audit of various TIB BOP branches/departments was conducted that enabled the Bank to improve the Shariah control environment. To strengthen and broaden the functions of Shariah control, the Shariah Compliance Department (SCD) of the bank under the supervision of RSBM, facilitated the customers by conducting several industry visits in order to understand the customers' need and to offer the best suitable products, and formulating customized process flows, Shariah Structuring for syndicate financing after assessment of customers' business models. As a part of the departmental responsibilities, SCD also reviewed the process of profit distribution to the depositors on a monthly

basis. During the course of on-site visit of branches, SCD also guided staff regarding day to day operations while dealing with general banking customers.

PRODUCTS AND POLICIES:

During the year, Shariah Board reviewed and approved various SOPs, policies, and products. These included the SOP for conversion of conventional banking branches into Islamic Banking branches, the Profit and Loss Distribution Policy Framework, Islamic Treasury and Investment Policy, the CM Punjab Assan Karobar Finance Scheme, and other financing and liability related products.

SHARIAH OPINION:

After review of reports of the Shariah Compliance Department, Internal and External Shariah Audit, we are of the opinion that:

TIB BOP operations are overall satisfactory as per details given below:

- TIB BOP has by and large complied with Shariah rules and principles in the light of Fatawa, rulings and guidelines issued by Shariah Board.
- TIB BOP has by and large complied with directives, regulations, instructions and guidelines related to Shariah compliance issued by SBP.
- TIB BOP has a satisfactory mechanism in place to ensure Shariah compliance in its overall operations.
- TIB BOP has a proper system in place to ensure that any earnings realized from the sources or by the means which are prohibited by Shariah have been credited to the charity account and are being properly utilized. Detail of the charity fund is available in the statement of financial position of TIB BOP.
- TIB BOP has an acceptable system of profit/loss distribution and pool management. Profit is being properly distributed to all Mudarabah based accounts according to Mudarabah principles.
- Bank's BoD and management are cognizant of the importance of Shariah compliance in the products and processes of the bank. In this spirit, the bank is continuously

focusing on enhancing the Islamic Banking knowledge and skill set of the staff. Islamic Banking Training Unit and SCD with the coordination of Learning & Development Centre of the Bank has imparted training on Islamic banking products.

- The Shariah Board has been provided with adequate resources enabling it to discharge its duties effectively.

RECOMMENDATIONS:

Research & Development

The Shariah Board praises the Bank's dedication to innovative, Shariah-compliant products, as mandated by SBP's Shariah Governance Framework to meet business needs. To elevate PD-led Research & Development (R&D) and drive growth, we encourage equipping PD with additional qualified, experienced staff. This will enable pioneering innovations and strengthen the Bank's competitive position.

IT System

It's imperative to have adequate system support and required tools for seamless execution of conversion processes as well as to conduct comprehensive pre and post-entry conversion evaluations. This may only be achieved with strong collaboration of IT department. This support is also necessary to address the potential issues related to conversion process.

Staff/Human Resource related Matters

To ensure the effective implementation of the Bank's Conversion Plan, it is recommended that Shariah experts may be engaged across the Bank's key departments, including Credit Administration (CAD), Treasury, and Financing Business Units, with particular emphasis on the Shariah Compliance Department, Policy & procedural department and Internal Shariah Audit Unit. Their integration will reinforce Shariah governance and provide assurance that all operations are consistently aligned with the principles of Islamic banking.

Awareness Sessions

In recent years, the bank's role has been remarkably appreciated in boosting awareness of Islamic Banking among customers and the general public with the collaboration of SBP. Organizing of such awareness sessions and interactive training programs are vital for customers, general public and particularly bank staff. Considering SBP directives and the transition process, special focus needs to be enhanced in this particular area.

Staff Training

Capacity Building and employee training play a crucial role in the success of any organization, particularly during times of transition or change. It is imperative to prioritize this area with focused attention and prompt initiative. This will truly help in empowering staff to navigate changes effectively, ensuring a smoother transition.

The Shariah Board of TIB BOP is satisfied with the overall performance of Taqwa Islamic Banking - The Bank of Punjab and we expect that the management of the bank will continue adherence to the instructions issued by SBP and the Shariah Board of the bank that will further strengthen Shariah Compliance culture at TIB BOP

والله سبحانه وتعالى اعلم



Mufti Rafey Ashraf Usmani
Member Shariah Board



Mufti Muhammad Umar Irfan
Resident Member Shariah Board



Mufti Muhammad Mushtaq Ahmed
Member Shariah Board



Mufti Muhammad Zahid
Chairperson Shariah Board

Date: 26-Jan-2025

شریعہ بورڈ رپورٹ

تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب (برائے مالی سال - 2025ء)

میں کنورژن، پرافٹ اینڈ لاس ڈسٹریبیوشن فریم ورک، اسلامک ٹریڈری اینڈ انویسٹمنٹ پالیسی، سی ایم پنجاب آسان کاروبار فائننس سکیم اور دیگر فائننسنگ اور لائیکٹیٹی کی متعلقہ پراڈکٹس شامل ہیں۔

شرعی آراء:

شرعیہ کمپلائنس ڈیپارٹمنٹ، اندرونی ویرونی شریعہ آڈٹ رپورٹس کا معائنہ کرنے کے بعد ہماری رائے یہ ہے کہ "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" کے آپریٹنگ بحیثیت مجموعی تسلی بخش ہیں جسکی تفصیل درج ذیل ہے:

- "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" نے مجموعی طور پر فتاویٰ، احکامات اور شرعیہ بورڈ کی جانب سے دی جانے والی ہدایات کی روشنی میں شرعی اصول و ضوابط کی پاسداری کی ہے۔
- "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" "اسٹیٹ بینک آف پاکستان" کے شرعیہ کمپلائنس سے متعلق جاری کردہ احکامات، قواعد و ضوابط، ہدایات اور رہنما اصولوں پر بحیثیت مجموعی کاربند رہا ہے۔
- "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" میں آپریٹنگ کو شرعیہ کمپلائنس بنانے کیلئے تسلی بخش نظام موجود ہے۔
- ممنوعہ ذرائع سے حاصل ہونے والی آمدن کو خیراتی اکاؤنٹ میں منتقل کرنے اور اسکے مؤثر استعمال کو یقینی بنانے کیلئے "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" میں ایک مؤثر نظام موجود ہے۔ خیراتی رقم کی تفصیل بینک کی "سالانہ مالیاتی رپورٹ" میں موجود ہے۔
- "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" میں نفع و نقصان کو تقسیم کرنے اور پول میجمنٹ کا ایک قابل قبول نظام موجود ہے۔ عقد مضاربہ کی بنیاد پر قائم تمام کھاتوں کو مضاربہ کے اصولوں کے مطابق مناسب طریقہ سے نفع تقسیم کیا جا رہا ہے۔
- بینک کے بورڈ آف ڈائریکٹرز اور میجمنٹ بینک کی پراڈکٹس اور پراسسز کو شرعیہ کمپلائنس کرنے میں سنجیدہ ہے۔ اسی وجہ سے بینک اسلامی بینکاری سے متعلق عملہ کی صلاحیتوں کی بہتری کی طرف مسلسل متوجہ ہے۔ "اسلامک بینکنگ ٹریننگ یونٹ" اور "شرعیہ کمپلائنس ڈیپارٹمنٹ" نے بینک کے "لرننگ اینڈ ڈیولپمنٹ ڈیپارٹمنٹ" کے تعاون سے اسلامک بینکنگ کی پراڈکٹس کی ٹریننگ کا انعقاد کروایا ہے۔
- شرعیہ بورڈ کو مناسب وسائل مہیا کیے گئے ہیں تاکہ وہ اپنی ذمہ داریوں کو احسن اور مؤثر طریقہ سے سرانجام دے سکے۔

سفارشات:

ریسرچ اینڈ ڈیولپمنٹ:

- شرعیہ بورڈ نے بینک کے جدید اور شرعی اصولوں سے ہم آہنگ پراڈکٹس تیار کرنے کے عزم کو سراہا جو کہ برنس کی ضروریات کو پوری کرتی ہوں، جیسا کہ اسٹیٹ بینک کا شرعیہ گورننس فریم ورک اس بات کا متقاضی ہے۔ پراڈکٹ ڈیولپمنٹ ڈیپارٹمنٹ

الحمد للہ "تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب" نے آپریٹنگ کا ایک اور سال کامیابی سے مکمل کر لیا ہے شرعیہ بورڈ "تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب" کے آپریٹنگ کے متعلق ذیل میں اپنی رائے پیش کرتا ہے۔ بورڈ آف ڈائریکٹرز اور میجمنٹ، بینک کے مجموعی کاموں کو منظم کرنے کے لیے ایک موثر، جامع اور شرعی اصولوں سے ہم آہنگ ماحول مہیا کرنے کے لیے پرعزم ہیں۔ رواں سال شرعیہ بورڈ نے مختلف امور پر تبادلہ خیال کرنے کے لئے متعدد میٹنگز کیں ان میں داخلہ/خارجہ شرعیہ آڈٹ رپورٹس، شرعیہ کمپلائنس رپورٹس، شرعیہ کمپلائنس ڈیپارٹمنٹ ایکٹیویٹیز رپورٹ، مختلف پالیسیز، پروسیجرز، نئی پراڈکٹس، موجودہ پراڈکٹس کی تجدید، لین دین کا نظام، برنس، مارکیٹنگ کا مواد شامل تھا۔

شرعیہ کمپلائنس:

- "شرعیہ کمپلائنس ڈیپارٹمنٹ - تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" با صلاحیت افراد پر مشتمل ہے، جو شرعیہ بورڈ کی نگرانی اور رہنمائی میں کام کر رہا ہے، اس ڈیپارٹمنٹ کا بنیادی مقصد مختلف مراحل پر شرعی احکامات کی تعمیل کو یقینی بنانا اور اصلاحی اقدامات کرنا ہے۔
- رواں سال بینک نے فائننسنگ کیلئے بالخصوص مراہجہ، مسادہ اجارہ، شرکت متناقصہ، استصناع، تجارت اور رنگ مشارکہ کی پراڈکٹس اختیار کیں۔
- شرعیہ بورڈ نے مختلف پراڈکٹس، عقود، اور معاملات کی شریعت سے مطابقت کو برقرار رکھنے کیلئے نگرانی کا عمل مسلسل جاری رکھا تاکہ تمام معاملات شریعت کی اصولوں کے مطابق سرانجام پاتے رہیں۔
- "انٹرنل شرعیہ آڈٹ ڈیپارٹمنٹ" بینک کے معاملات میں شرعی اصولوں کی پابندی کو جانچتا ہے۔ انٹرنل شرعیہ آڈٹ ڈیپارٹمنٹ نے رواں سال "تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب" کی برانچز اور ڈیپارٹمنٹس کا آڈٹ کیا، جس کے نتیجے میں بینک کے شرعیہ کنٹرول کے ماحول کو بہتر بنانے میں مدد ملی۔
- شرعی کنٹرول کے نظام کو مزید موثر اور وسیع بنانے کے لیے، بینک کے "شرعیہ کمپلائنس ڈیپارٹمنٹ" نے ریزیڈنٹ شرعیہ بورڈ ممبر کی زیر نگرانی، کسٹمر کے برنس ماڈل اور اس کی ضرورت کو سمجھنے کے لئے کئی صنعتی یونٹس کے دورے کئے تاکہ کسٹمر کی ضرورت کے پیش نظر مناسب پراڈکٹس تجویز کی جائے اور اس کے مطابق پراسس فلوز اور سنڈیکیٹ فائننسنگ کا شرعیہ اسٹریکچر ترتیب دیا جائے۔ "شرعیہ کمپلائنس ڈیپارٹمنٹ" نے دیگر ذمہ داریوں کے ساتھ کھاتہ داروں کو نفع کی تقسیم کے نظام کو ماہانہ بنیادوں پر جانچا ہے، برانچوں کی جانچ کے دوران "شرعیہ کمپلائنس ڈیپارٹمنٹ" نے عملے کو سٹریٹس کے ساتھ روزمرہ معاملات کے متعلق رہنمائی فراہم کی ہے۔

پراڈکٹس اور پالیسی:

- دوران سال شرعیہ بورڈ نے متعدد ایس او پیز، پالیسیز اور پراڈکٹس کا جائزہ لیا اور ان کی منظوری دی۔ ان میں ایس او پیز برائے کنٹینٹل برانچز کی اسلامک برانچز

اسٹاف ٹریننگ:

پیشہ ورانہ قابلیت کا بڑھانا اور ملازمین کی ٹریننگ کسی ادارے کی کامیابی میں، خصوصاً تبدیلی یا کنورژن کے مرحلے میں انتہائی اہمیت کی حامل ہے۔ یہ بات انتہائی اہم ہے کہ اسٹاف کی ٹریننگ کے معاملات پر ترجیحی بنیادوں پر مزید توجہ دی جائے اور فوری عملی اقدامات کیے جائیں۔ ان اقدامات سے عملے کو کنورژن کے معاملات سے بطریق احسن نمٹنے اور کنورژن کا مرحلہ آسانی سے طے کرنے میں حقیقی معنوں میں مدد ملے گی۔

"تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب" کا شریعہ بورڈ بینک ہذا کی کارکردگی اور امور سے بحیثیت مجموعی مطمئن ہے اور امید کرتا ہے کہ "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" کی انتظامیہ شریعہ بورڈ اور "اسٹیٹ بینک آف پاکستان" کی جاری کردہ ہدایات پر عملدرآمد کرتی رہے گی، جو کہ "تقویٰ اسلامک بینکنگ دی بینک آف پنجاب" کے شریعہ کمپلائنس ماحول کی مزید مضبوطی کا سبب بنے گا۔

واللہ سبحانہ و تعالیٰ اعلم



مفتی رافع اشرف عثمانی
شریعہ بورڈ ممبر



مفتی محمد عرفان
ریزیڈنٹ شریعہ بورڈ ممبر



مفتی محمد زاہد
چیئر مین شریعہ بورڈ



مفتی محمد شفیق احمد
شریعہ بورڈ ممبر

تاریخ اجراء: 26 جنوری 2026ء

کے ذریعے ہونے والی ریسرچ اینڈ ڈیولپمنٹ (R&D) کو مزید بڑھانا اور ترقی دینے کیلئے، ہم اس بات کی حوصلہ افزائی کرتے ہیں کہ پی ڈی میں اہل اور تجربہ کار افراد کا اضافہ کیا جائے۔ یہ بات بینک کے لیے جدت و تنوع میں قائمانہ حیثیت برقرار رکھنے میں معاون ثابت ہوگی۔

آئی ٹی سسٹم

• کنورژن سے پہلے اور بعد کی جامع جانچ پڑتال کرنے کے لیے سسٹم کی مناسب سپورٹ اور مطلوبہ سہولیات کا ہونا ناگزیر ہے۔ ایسا اسی وقت ممکن ہے جب آئی ٹی پارٹنرمنٹ کی مسلسل معاونت موجود ہو۔ یہ معاونت کنورژن سے متعلق پیش آنے والے ممکنہ مسائل سے نمٹنے کے لیے بھی ضروری ہے۔

اسٹاف/ایچ آر کے متعلق معاملات:

• کنورژن پلان کے کامیاب نفاذ کے لیے یہ تجویز دی جاتی ہے کہ بینک کے تمام کلیدی ڈیپارٹمنٹس بشمول کیڈ (CAD)، ٹریڈری، فنانسنگ برنس یونٹس، اور بالخصوص شریعہ کمپلائنس ڈیپارٹمنٹ، پالیسی اینڈ پروسیجر ڈیپارٹمنٹ اور انٹرنل شریعہ آڈٹ یونٹ میں شریعہ کے ماہرین کو شامل کیا جائے۔ ان ماہرین کی شمولیت شریعہ گورننس کے لاگو کرنے، اور اس بات کی یقین دہانی میں مددگار ثابت ہوگی کہ تمام آپریشن اسلامک بینکنگ کے اصولوں سے تسلسل کے ساتھ ہم آہنگ ہیں۔

عوامی آگاہی سیمینار:

• حالیہ سالوں میں اسٹیٹ بینک کے اشتراک سے صارفین اور عوام الناس میں اسلامی بینکاری کے متعلق آگاہی بڑھانے کے حوالے سے بینک کا کردار قابل ذکر حد تک سراہا گیا ہے۔ اس قسم کے آگاہی سیمینار اور تربیتی پروگرام صارفین، عوام الناس اور خاص طور پر بینک کے عملے کے لیے انتہائی اہم ہیں۔ اسٹیٹ بینک کی ہدایات اور بینک کی کنورژن کے پیش نظر اس امر پر خصوصی توجہ درکار ہے۔

FAIR TREATMENT OF CUSTOMERS FRAMEWORK & CONSUMER GRIEVANCE

The Bank has established a centralized and independent Complaint Management Unit (CMU), segregated from business functions, to ensure objective, fair, and transparent handling of customer complaints. The CMU functions as a key governance mechanism, coordinating closely with business and support functions while maintaining independence in oversight and closure.

CMU is responsible for the design, implementation, and continuous enhancement of a comprehensive end-to-end complaint management process, ensuring that all complaints are acknowledged, investigated, and resolved within the regulatory and internally prescribed turnaround times, subject to timely receipt of information from relevant stakeholders. This framework is aligned with SBP's Fair Treatment of Customers (FTC) principles, emphasizing transparency, accountability, and consistency.

Beyond complaint resolution, CMU conducts systematic qualitative and quantitative analysis of complaint data to identify recurring issues, process inefficiencies, and potential conduct or operational risks. Findings from these analyses are escalated to relevant forums and translated into corrective and preventive action plans, supporting root-cause remediation, strengthening internal controls, and driving continuous improvement in service quality across the Bank.

To reinforce compliance with SBP Consumer Protection requirements and Mohtasib expectations, the Bank has implemented the following strategic measures:

Regulatory Timeliness and Monitoring: Robust tracking, escalation, and exception-management mechanisms to ensure adherence to SBP-mandated timelines and internal service standards, supported by periodic management review.

Standardization and Policy Alignment: Harmonized complaint handling procedures aligned with SBP regulations, Banking Mohtasib precedents, and internal policies to ensure consistent treatment of customers.

Capacity Building and Awareness: Ongoing training programs for relevant staff to strengthen understanding of consumer protection obligations, complaint handling protocols, and regulatory expectations.

Proactive Stakeholder Coordination: Structured engagement with internal stakeholders to facilitate timely resolution and mitigate potential service or compliance risks.

Preventive and Data-Driven Controls: Utilization of complaint trend analysis to inform policy refinements, process enhancements, and preventive risk mitigation measures.

These initiatives have enabled the Bank to maintain strong compliance with regulatory requirements while reinforcing its commitment to fair customer outcomes, transparency, and service excellence.

In addition, the Bank has instituted a formal Quality Assurance (QA) framework for complaint closures, which serves as a critical control to ensure accuracy, consistency, and regulatory compliance. QA reviews are conducted on a minimum of 50% of overall complaints, with 100% QA coverage for complaints categorized as "Sensitive Customer Complaints" and "Fraud-related", in line with heightened regulatory and reputational risk considerations.

Looking ahead to 2026, the Bank will continue to enhance its complaints management framework with a focus on further reducing resolution turnaround times, and strengthening alignment with evolving SBP Consumer Protection guidelines and Banking Mohtasib expectations, while maintaining a customer-centric and compliant service culture.

During the year 2025, total number of complaints received were 103,558.

The Complaint Types as per SBP's Business Conduct & Fair Treatment of Consumers Regulatory Framework (BC&FRF) and average TATs are detailed hereunder:

Product /service Area	Average Time taken to resolve a complaint
Account Maintenance	6WD
Mobile Banking/SMS Banking/Mobile App	4WD
ATM/Debit Card	8WD
Branchless/Agent Banking	4WD
Personal Loan	5WD
E-banking	6WD
Branch Level Issues	6WD
Home Loan	6WD
Utility Bills	4WD

*WD = Working Days

DISTRICT WISE SUMMARY OF BRANCHES AS OF 31 DECEMBER, 2025

Sr. No.	District Name	Conventional	Islamic	Total
1	Abbottabad	1	1	2
2	Astore	1		1
3	Attock	9		9
4	Badin	2		2
5	Bagh		1	1
6	Bahawalnagar	8	4	12
7	Bahawalpur	10	6	16
8	Bajaur Agency	1	1	2
9	Bannu	1	1	2
10	Batagram		1	1
11	Bhakkar	4	2	6
12	Bhimber	1	1	2
13	Bunner	1	1	2
14	Chakwal	11	1	12
15	Charsadda	3		3
16	Chiniot	4	1	5
17	Chitral	2	1	3
18	D.G.Khan	15	2	17
19	D.I.Khan	5	1	6
20	Dadu	1	1	2
21	Diamar	1		1
22	Faisalabad	31	7	38
23	Ghizer	1		1
24	Ghotki	1		1
25	Gilgit	3	1	4
26	Gujranwala	33	6	39
27	Gujrat	39	4	43
28	Gwadar	1		1
29	Hafizabad	4	1	5

DISTRICT WISE SUMMARY OF BRANCHES AS OF 31 DECEMBER, 2025

Sr. No.	District Name	Conventional	Islamic	Total
30	Haripur	1		1
31	Hunza	1		1
32	Hyderabad	4	2	6
33	Islamabad	17	7	24
34	Jacobabad	1		1
35	Jhang	8	3	11
36	Jhelum	9	2	11
37	Karachi	60	11	71
38	Karak		1	1
39	Kashmore	1		1
40	Kasur	15	2	17
41	Kech(Turbat)		1	1
42	Khairpur	1	1	2
43	Khanewal	4	4	8
44	Khushab	4	1	5
45	Khuzdar	1		1
46	Khyber Agency	1		1
47	Killa Abdullah	1		1
48	Killa Saifullah	1	2	3
49	Kohat	2	1	3
50	Kotli	1	1	2
51	Kurram Agency	1		1
52	Lahore	87	33	120
53	Lakki Marwat		1	1
54	Larkana	1	1	2
55	Layyah	6	2	8
56	Lodhran	4	1	5
57	Loralai	1	1	2
58	Lower Dir	2	1	3

DISTRICT WISE SUMMARY OF BRANCHES AS OF 31 DECEMBER, 2025

Sr. No.	District Name	Conventional	Islamic	Total
59	Mahmand Agency	2		2
60	Malakand	1	2	3
61	Mandi Bahauddin	12	1	13
62	Mansehra		1	1
63	Mardan	4	1	5
64	Mianwali	6	2	8
65	Mirpur	3		3
66	Mirpur Khas	2		2
67	Multan	17	10	27
68	Muzaffarabad	1	1	2
69	Muzaffargarh	15		15
70	Nankana Sahib	6	1	7
71	Narowal	16	2	18
72	Naushro Feroze	1	1	2
73	Nowshera	3	1	4
74	Okara	12	7	19
75	Pakpattan	8	2	10
76	Peshawar	12	2	14
77	Pishin		1	1
78	Quetta	2	3	5
79	Rahim Yar Khan	7	4	11
80	Rajan Pur	10	1	11
81	Rawalpindi	30	12	42
82	Rawlakot (Poonch)		1	1
83	Sahiwal	9	6	15
84	Sakardu	1	1	2
85	Sanghar	1	1	2
86	Sargodha	12	3	15
87	Shaheed Benazirabad	1	1	2

DISTRICT WISE SUMMARY OF BRANCHES AS OF 31 DECEMBER, 2025

Sr. No.	District Name	Conventional	Islamic	Total
88	Shangla		1	1
89	Sheikhupura	11	1	12
90	Shikarpur	1		1
91	Sialkot	28	2	30
92	Sibi		1	1
93	Sukkur	1	1	2
94	Swabi	1	1	2
95	Swat	9	2	11
96	Tando Allahyar	1		1
97	Tank	1		1
98	Toba Tek Singh	6	5	11
99	Upper Dir		1	1
100	Vehari	8	2	10
101	Zhob	1		1
102	Ziarat		1	1
	Grand Total	691	210	901



06.

ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

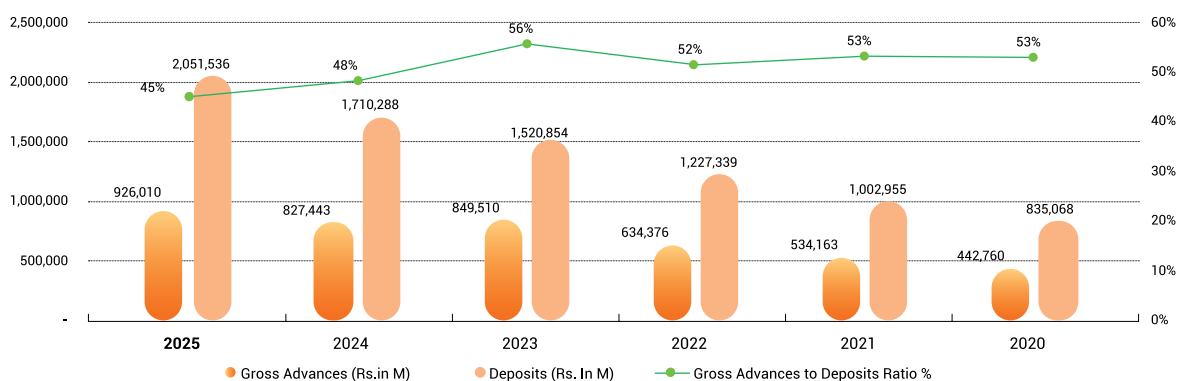
The Bank regularly analyzes financial data to assess performance, identify trends, and inform strategic decisions.



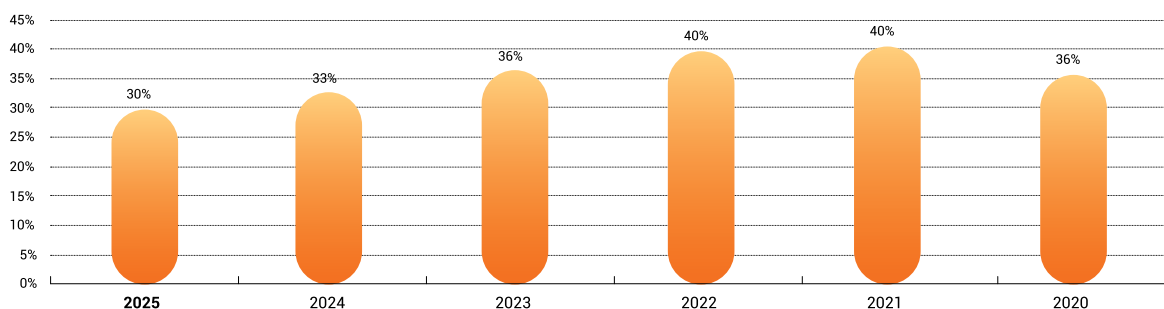
STATEMENT OF FINANCIAL PERFORMANCE

	2025	2024	2023	2022	2021	2020
Rupees in million						
ASSETS						
Cash and balances with treasury banks	111,747	100,773	100,894	73,203	71,319	69,272
Balances with other banks	5,443	3,261	8,283	4,814	8,718	2,398
Lendings to financial institutions	223,418	14,769	144,961	69,819	30,980	16,087
Investments - net	1,549,511	1,320,916	913,191	638,259	531,683	567,789
Advances - net	881,424	777,397	806,387	589,581	484,405	391,161
Property and equipment	29,762	28,555	20,789	18,237	11,940	8,557
ROU assets	13,146	12,866	12,424	12,102	7,892	6,256
Intangible assets	2,702	2,472	2,091	1,768	1,101	689
Deferred tax assets - net	7,607	9,051	10,243	14,555	13,696	7,774
Other assets - net	126,924	109,919	196,916	59,551	35,218	25,465
	2,951,684	2,379,979	2,216,180	1,481,890	1,196,952	1,095,446
LIABILITIES						
Bills payable	9,139	7,637	5,508	6,324	10,109	4,169
Borrowings	624,808	409,006	453,966	80,820	71,323	154,841
Deposits and other accounts	2,051,536	1,710,288	1,520,854	1,227,339	1,002,955	835,068
Lease liabilities	18,267	17,101	15,727	14,353	9,480	7,298
Subordinated debts	30,813	30,820	30,205	17,204	7,789	6,792
Other liabilities	112,981	112,596	109,166	70,798	40,463	35,017
	2,847,544	2,287,448	2,135,425	1,416,838	1,142,119	1,043,185
NET ASSETS	104,139	92,531	80,755	65,052	54,833	52,262
REPRESENTED BY						
Share capital - net	32,453	32,453	32,453	29,478	26,174	26,174
Reserves	20,814	17,627	14,952	12,684	10,517	8,029
Surplus / (Deficit) on revaluation of assets - net of tax	10,693	7,954	1,829	(2,323)	(1,369)	5,955
Unappropriated profit / (Accumulated Losses)	40,180	34,497	31,522	25,213	19,511	12,103
	104,139	92,531	80,755	65,052	54,833	52,262

SIX YEAR ADVANCES & DEPOSIT



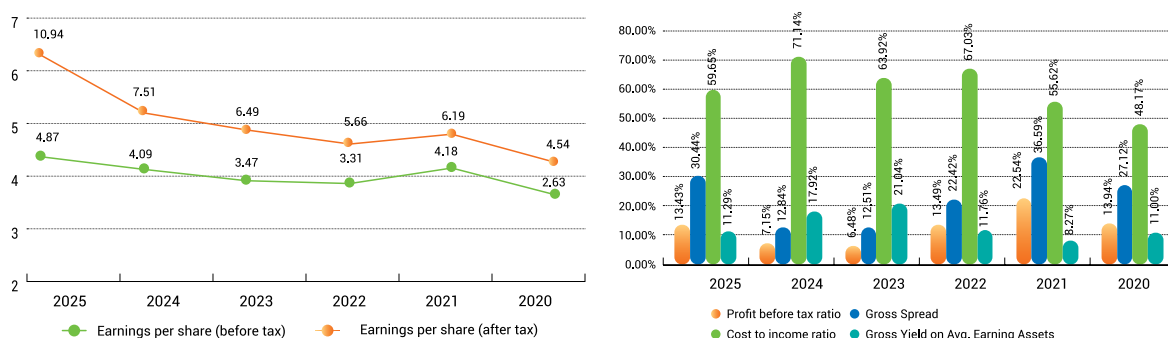
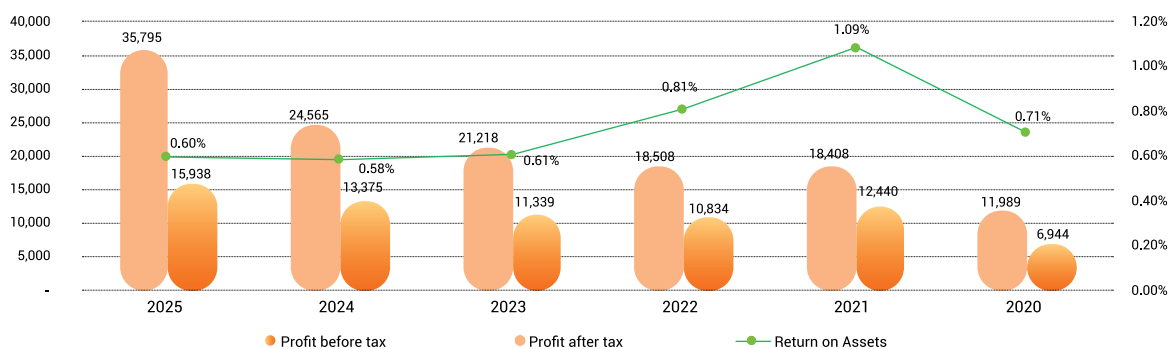
ADVANCES CONCENTRATION LEVEL IN ASSETS



STATEMENT OF PROFIT & LOSS ACCOUNT

	2025	2024	2023	2022	2021	2020
Rupees in million						
Mark-up / return / interest earned	266,451	343,791	327,194	137,168	81,651	86,019
Mark-up / return / interest expensed	185,347	299,634	286,248	106,410	51,775	62,694
Net mark-up / interest income	81,104	44,157	40,946	30,758	29,876	23,325
NON MARK-UP / INTEREST INCOME						
Fee and commission income	13,576	11,374	7,429	7,332	5,103	3,732
Dividend income	335	354	568	708	377	137
Foreign exchange income	2,225	857	298	1,887	577	328
Gain on securities - net	4,027	11,763	5,255	343	1,786	8,466
Net gain / (loss) on derecognition of financial assets measured at amortised cost	(1,072)	1,148	-	-	-	-
Other income - net	772	1,193	4,168	306	61	382
Total non-markup / interest income	19,864	26,689	17,718	10,576	7,904	13,046
Total income	100,968	70,846	58,663	41,335	37,780	36,371
NON MARK-UP / INTEREST EXPENSES						
Operating expenses	59,196	49,900	37,120	27,374	20,637	16,880
Workers welfare fund	964	491	324	289	363	335
Other charges	68	7	55	43	13	304
Total non-markup / interest expenses	60,227	50,398	37,498	27,705	21,014	17,519
Profit before credit loss allowance / provision	40,741	20,448	21,165	13,630	16,766	18,852
Charge / (reversal) of credit loss allowance / provision and write offs - net	4,946	(4,117)	(53)	(4,878)	(1,642)	6,862
PROFIT BEFORE TAXATION	35,795	24,565	21,218	18,508	18,408	11,989
Taxation - net	19,857	11,89	9,879	7,673	5,968	5,046
PROFIT AFTER TAXATION	15,938	13,375	11,339	10,834	12,440	6,944
Basic earnings per share	4.87	4.09	3.47	3.31	4.18	2.63
Diluted earnings per share	4.87	4.09	3.47	3.31	4.18	2.63

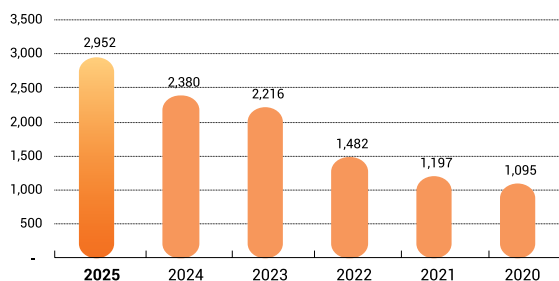
SIX YEAR PROFIT ANALYSIS



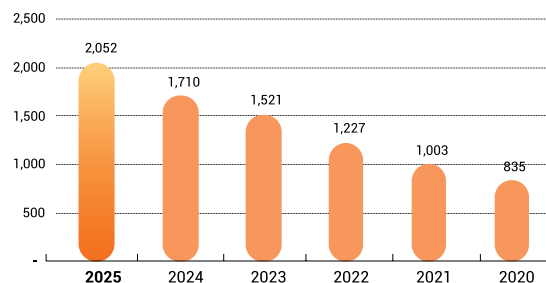
ANALYSIS OF THE FINANCIAL PERFORMANCE

(Rs. in Billion)

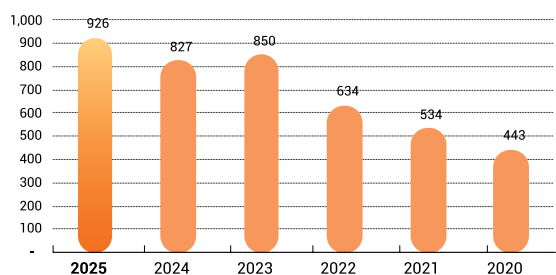
TOTAL ASSETS - CAGR 23%



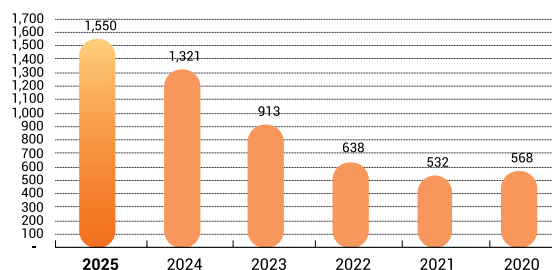
DEPOSITS - CAGR 20%



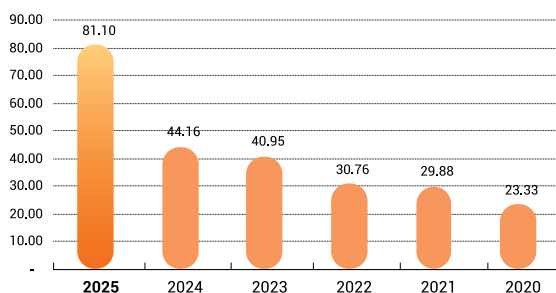
GROSS ADVANCES - CAGR 14%



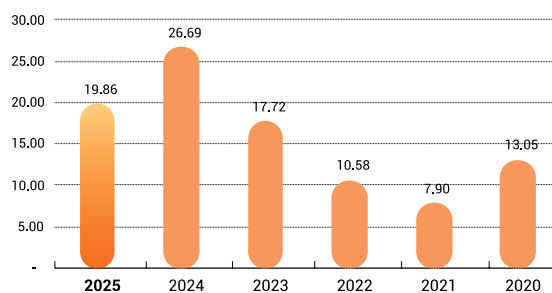
INVESTMENTS - NET - CAGR 27%



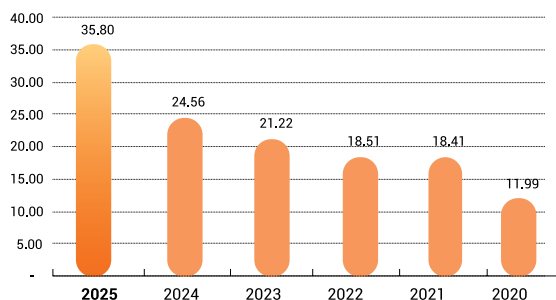
NET INTEREST MARGIN - CAGR 20%



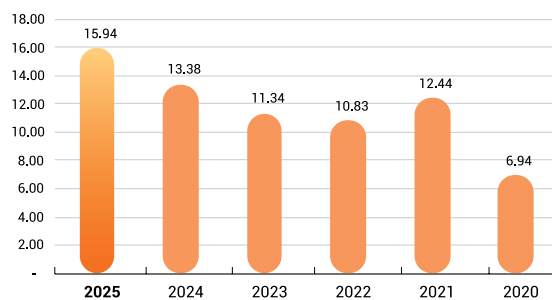
NON MARKUP INCOME - CAGR 31%



PROFIT BEFORE TAX - CAGR 21%



PROFIT AFTER TAX - CAGR 14%



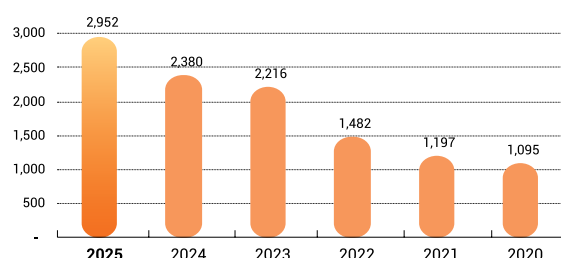
SIX YEARS PERFORMANCE REVIEW

Statement of Financial Position

TOTAL ASSETS

As of December 31, 2025, Bank's Total Assets stood at Rs. 2,952 Billion as against Rs. 1,095 Billion as of December 31, 2020 registering a CAGR of 23%. This increase in Bank's assets is mainly due to significant growth in Deposits & Borrowing and resultant growth in Advances and Investments. In order to enhance its footprints in different regions of the country to increase share of wallet, the Bank continued to expand its Branch Network over last six years. As at December 31, 2025, Bank's Branch Network stood at 901 as against 636 Branches as of December 31, 2020.

TOTAL ASSETS - CAGR 23%

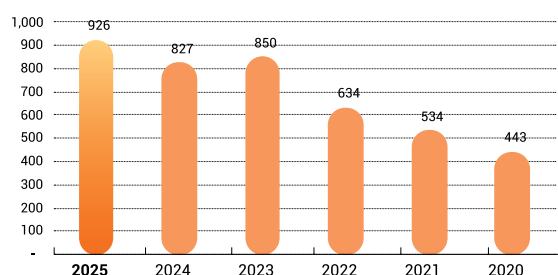


GROSS ADVANCES

As of December 31, 2025, the Bank's Gross Advances stood at Rs. 926 billion, compared to Rs. 443 billion as of December 31, 2020, reflecting a CAGR of 14%. In addition to the expansion of the Corporate and Commercial portfolio, the Bank placed strategic emphasis on the SME, Agriculture, Consumer, and Retail Finance segments. To support this focus, several new products were introduced, designed to meet the specific requirements of diverse customer segments.

During the year 2025, the Bank's digital lending products registered substantial growth, particularly in the Kissan Card, Livestock Card, and Karobar Card segments, further strengthening its outreach to the agricultural and small business sectors through digital channels.

GROSS ADVANCES - CAGR 14%



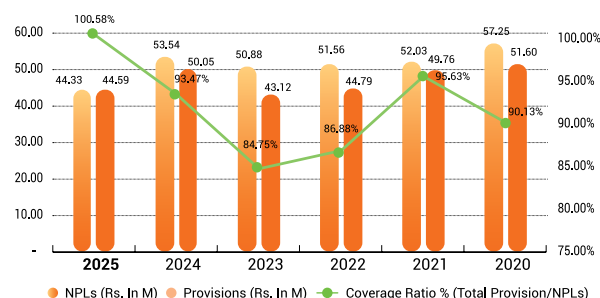
The Lending portfolio under Taqwa Islamic Banking also recorded substantial growth during the period. The Gross Advances to Deposits ratio was 45% as of December 31, 2025, compared to 53% as of December 31, 2020.

NPLs

The Bank continued its focused efforts toward the recovery of its legacy Non-Performing Loans (NPLs) portfolio during the year. Active pursuit of cases at various legal forums contributed to meaningful recoveries and regularization of accounts. As of December 31, 2025, the NPL ratio further improved to 4.8%, compared to 12.9% as of December 31, 2020.

Despite robust growth in the Advances portfolio, the Bank effectively contained the formation of new NPLs amid a challenging economic environment. The Bank remains fully compliant with provisioning requirements in accordance with the Prudential Regulations of the State Bank of Pakistan (SBP) and IFRS 9.

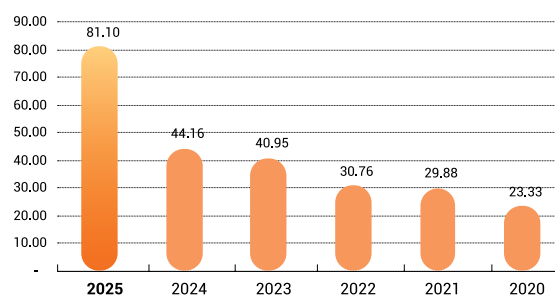
NON PERFORMING LOANS



NET INVESTMENTS

The Bank's Investment portfolio continued to demonstrate strong growth during the year, reflecting prudent balance sheet management and a focus on maintaining a sound risk profile. Consistent with the Bank's strategic direction, a major portion of Investments remained concentrated in Government Securities, ensuring stability and liquidity. As of December 31, 2025, the Bank's net Investments stood at Rs. 1,550 billion, compared to Rs. 568 billion as of December 31, 2020, representing a robust CAGR of 27%.

NET INTEREST MARGIN - CAGR 20%



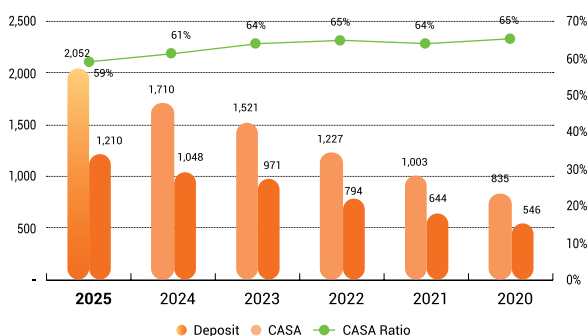
SIX YEARS PERFORMANCE REVIEW

DEPOSITS

In pursuit of its strategic objective to strengthen market presence and drive business growth, the Bank continued to expand its branch network, adding 277 new branches across the country over the past six years. This expansion has been complemented by a comprehensive revamp of product lines to better align with customer preferences, alongside continuous improvements in service quality and operational efficiency. The Bank also accelerated its digital transformation journey, introducing and enhancing a range of Digital Banking solutions, including Internet and Mobile Banking, to deliver seamless, secure, and convenient banking experiences.

As of December 31, 2025, Deposits reached Rs. 2,052 billion, compared to Rs. 835 billion as of December 31, 2020, reflecting a CAGR of 20%. The Bank remains committed to providing 24/7 banking services through its robust and diversified Digital Banking platform.

CASA MIX %



Profit And Loss Account

NET INTEREST MARGIN

The Bank's Strategic Business Plan remains centered on achieving sustainable and quality growth in Deposits, with a strong emphasis on improving the composition of low-cost Current and Savings Accounts (CASA). This strategic focus has enabled the Bank to strengthen its funding base, reduce cost of funds, and enhance overall profitability. In line with its prudent asset-liability management approach, the Bank has effectively deployed its resources across diversified and high-yielding avenues in both Lending and Investments, ensuring balanced growth and consistent revenue generation. The continued optimization of the asset mix and disciplined pricing strategies have further contributed to improved margins and financial resilience.

Consequently, the Bank's Net Interest Margin (NIM) registered a significant increase, reaching Rs. 81.10 billion in 2025 compared to Rs. 23.33 billion in 2020, reflecting a robust CAGR of 20%. This performance underscores the Bank's strong focus on balance sheet efficiency, profitability, and sustainable value creation for stakeholders.

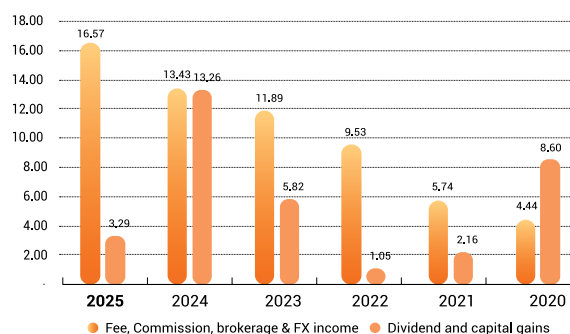
NON MARKUP INCOME

To strengthen and diversify its revenue base, the Bank continued to focus on enhancing Non-Markup Income through the introduction of innovative products and services, coupled with deepening relationships with existing clients to generate incremental business. This strategic approach has resulted in a substantial increase in Fee, Foreign Exchange, and Other Income, which rose to Rs. 16.57

billion in 2025 compared to Rs. 4.44 billion in 2020, reflecting an impressive CAGR of 29%.

In addition, the Bank's Treasury function demonstrated strong performance through prudent management of the investment portfolio, effectively capitalizing on market opportunities to generate significant surpluses. Consequently, the Bank realized substantial capital gains over the past six years underscoring the Bank's sound investment strategy and proactive portfolio management.

SIX YEAR - NON MARKUP INCOME



OPERATING EXPENSES

During 2025, the Bank's Operating Expenses amounted to Rs. 59.20 billion, compared to Rs. 16.88 billion in 2020. The increase primarily reflects the expansion of the Bank's branch network, with 277 new branches opened over the period to enhance outreach and customer accessibility, resulting in higher Personnel and Property-related costs.

In alignment with its growth and modernization strategy, the Bank made substantial investments in technology, including the implementation and upgradation of the Core Banking System (Flexcube) and other supporting applications to strengthen operational efficiency and service delivery.

At the same time, the Bank continued to exercise prudent cost management by implementing austerity measures to control discretionary spending and maintain operating expenses within inflationary trends and business growth parameters.

PROVISIONS & WRITE OFFS

During year 2025, net credit loss allowance charge of Rs. 4.95 billion has been recorded, including General Provision of Rs. 2.26 billion. The Bank is fully compliant with Provisioning requirements under SBP Prudential Regulations and IFRS-9.

PROFIT BEFORE TAX

The Bank has consistently demonstrated strong financial performance, achieving steady growth in Profit Before Tax over the period 2020-2025. Despite a highly challenging operating and economic environment, the Bank recorded its highest-ever Profit Before Tax of Rs. 35.80 billion in 2025, compared to Rs. 11.99 billion in 2020, reflecting a healthy CAGR of 21%.

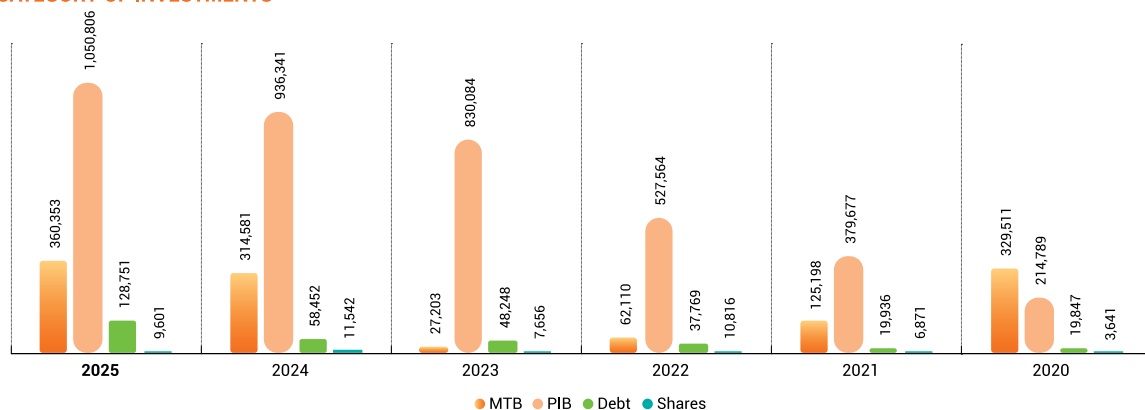
This sustained profitability underscores the Bank's robust business model, prudent risk management practices, and effective execution of its strategic initiatives aimed at driving operational efficiency and revenue diversification.

INVESTMENTS SEGMENT WISE

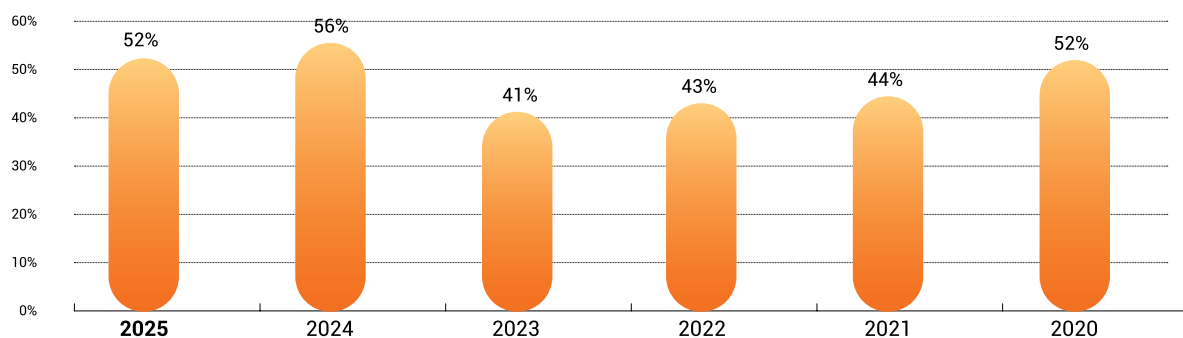
INVESTMENT BY CATEGORY

	2025	2024	2023	2022	2021	2020
Rupees in million						
Investment by Category						
MTB	360,353	314,581	27,203	62,110	125,198	329,511
PIB	1,050,806	936,341	830,084	527,564	379,677	214,789
Debt	128,751	61,551	48,248	37,769	19,936	19,847
Shares	9,601	8,442	7,656	10,816	6,871	3,641
Total	1,549,511	1,320,916	913,191	638,259	531,683	567,789
Investment at cost						
FVTPL / Held for trading securities	2,572	95,261	44,070	6,431	33,507	19,147
FVOCI / Available for sale securities	1,416,664	1,082,977	779,709	553,323	451,369	487,557
Held to maturity securities	120,429	138,761	98,548	96,884	61,300	60,484
Subsidiaries / associate	2,160	1,375	275	165	165	165
Total investments	1,541,826	1,318,375	922,602	656,803	546,340	567,353
Investment at market value						
FVTPL / Held for trading securities	2,449	96,093	44,125	6,368	33,528	19,148
FVOCI / Available for sale securities	1,425,246	1,084,871	770,408	535,007	436,856	488,157
Held to maturity securities	119,821	138,741	98,548	96,884	61,299	60,483
Subsidiaries	1,995	1,210	110	-	-	-
Total investments	1,549,511	1,320,916	913,191	638,259	531,683	567,789

CATEGORY OF INVESTMENTS



INVESTMENTS TO TOTAL ASSETS %



SIX YEARS' VERTICAL ANALYSIS

	2025		2024		2023		2022		2021		2020	
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Statement of Financial Position												
ASSETS												
Cash and balances with												
treasury banks	111,747	4%	100,773	4%	100,894	5%	73,203	5%	71,319	6%	69,272	6%
Balances with other banks	5,443	0%	3,261	0%	8,283	0%	4,814	0%	8,718	1%	2,398	0%
Lendings to financial institutions	223,418	8%	14,769	1%	144,961	7%	69,819	5%	30,980	3%	16,087	1%
Investments - net	154,951	52%	1,320,916	56%	913,191	41%	638,259	43%	531,683	44%	567,789	52%
Advances - net	881,424	30%	777,397	33%	806,387	36%	589,581	40%	484,405	40%	391,161	36%
Fixed assets	29,762	1%	28,555	1%	20,789	1%	18,237	1%	11,940	1%	8,557	1%
ROU assets	13,146	0%	12,866	1%	12,424	1%	12,102	1%	7,892	1%	6,256	1%
Intangible assets	2,702	0%	2,472	0%	2,091	0%	1,768	0%	1,101	0%	689	0%
Deferred tax assets - net	7,607	0%	9,051	0%	10,243	0%	14,555	1%	13,696	1%	7,774	1%
Other assets - net	126,924	4%	109,919	5%	196,916	9%	59,551	4%	35,218	3%	25,465	2%
	2,951,684	100%	2,379,979	100%	2,216,180	100%	1,481,890	100%	1,196,952	100%	1,095,446	100%
LIABILITIES												
Bills payable	9,139	0%	7,637	0%	5,508	0%	6,324	0%	10,109	1%	4,169	0%
Borrowings	624,808	21%	409,006	17%	453,966	20%	80,820	5%	71,323	6%	154,841	14%
Deposits and other accounts	2,051,536	70%	1,710,288	72%	1,520,854	69%	1,227,339	83%	1,002,955	84%	835,068	76%
Lease liabilities	18,267	1%	17,101	1%	15,727	1%	14,353	1%	9,480	1%	7,298	1%
Subordinated debts	30,813	1%	30,820	1%	30,205	1%	17,204	1%	7,789	1%	6,792	1%
Other liabilities	112,981	4%	112,596	5%	109,166	5%	70,798	5%	40,463	3%	35,017	3%
	2,847,544	96%	2,287,448	96%	2,135,425	96%	1,416,838	96%	1,142,119	95%	1,043,185	95%
NET ASSETS	104,139	4%	92,531	4%	80,755	4%	65,052	4%	54,833	5%	52,262	5%
REPRESENTED BY												
Share capital - net	32,453	1%	32,453	1%	32,453	1%	29,478	2%	26,174	2%	26,174	2%
Reserves	20,814	1%	17,627	1%	14,952	1%	12,684	1%	10,517	1%	8,029	1%
Surplus on revaluation of												
assets - net of tax	10,693	0%	7,954	0%	1,829	0%	(2,323)	0%	(1,369)	0%	5,955	1%
Unappropriated profit /												
(Accumulated Losses)	40,180	1%	34,497	1%	31,522	1%	25,213	2%	19,511	2%	12,103	1%
	104,139	4%	92,531	4%	80,755	4%	65,052	4%	54,833	5%	52,262	5%
Profit & Loss Account												
Mark-up / return / interest earned	266,451	93%	343,791	93%	327,194	95%	137,168	93%	81,651	91%	86,019	87%
Mark-up / return / interest expensed	(185,347)	-65%	(299,634)	-81%	(286,248)	-83%	(106,410)	-72%	(51,775)	-58%	(62,694)	-63%
Net mark-up / interest income	81,104	28%	44,157	12%	40,946	12%	30,758	21%	29,876	33%	23,325	24%
Non mark-up / interest income	19,864	7%	26,689	7%	17,718	5%	10,576	7%	7,904	9%	13,046	13%
Total income	100,968	35%	70,846	19%	58,663	17%	41,335	28%	37,780	42%	36,371	37%
Non mark-up / interest expenses	(60,227)	-21%	(50,398)	-14%	(37,498)	-11%	(27,705)	-19%	(21,014)	-23%	(17,519)	-18%
Profit before provisions	40,741	14%	20,448	6%	21,165	6%	13,630	9%	16,766	19%	18,852	19%
Provisions and write offs - net	(4,946)	-2%	4,117	1%	53	0%	4,878	3%	1,642	2%	(6,862)	-7%
Profit before taxation	35,795	13%	24,565	7%	21,218	6%	18,508	13%	18,408	21%	11,989	12%
Taxation - net	(19,857)	-7%	(11,189)	-3%	(9,879)	-3%	(7,673)	-5%	(5,968)	-7%	(5,046)	-5%
Profit after taxation	15,938	6%	13,375	4%	11,339	3%	10,834	7%	12,440	14%	6,944	7%

Investments and Advances continued to constitute the major components of the Bank's asset portfolio. Pursuing its strategy of maintaining a balanced and resilient asset mix, the Bank prudently deployed incremental funds into risk-free investments while achieving sizeable growth in the advances portfolio through a calibrated approach. As a result, the share of net advances moderated to 30% in 2025 from 36% in 2020, while the proportion of investments remained steady at 52% during both years.

Driven by branch expansion and product diversification, the Bank achieved steady growth in deposits, registering a CAGR of 20%. As of December 31, 2025, deposits and borrowings constituted 70% and 21%, respectively, of the Bank's funding mix.

Markup income continued to record steady growth during 2020-2024, primarily driven by earnings from advances and investments/lending to FIs, with a decrease in 2025 due to downward trend in SBP Policy Rate. Markup expense also increased during 2020-2024 with a downward trend in 2025 due to reduction in SBP Policy Rate. Bank's Net Interest Income registered as steady growth trend during 2020-2025 attaining highest ever level of Rs. 8110 billion in 2025.

Non-markup income constituted 7% in 2025 and 13% in 2020, while non-markup expenses represented 21% in 2025 against 18% in 2020. The increase in non-markup expenses was consistent with the Bank's branch expansion initiatives, investments in new technologies, and prevailing inflationary trends.

SIX YEARS' HORIZONTAL ANALYSIS

	2025	25 Vs 24	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Statement of Financial Position												
ASSETS												
Cash and balances with treasury banks	111,747	11%	100,773	0%	100,894	38%	73,203	3%	71,319	3%	69,272	30%
Balances with other banks	5,443	67%	3,261	-61%	8,283	72%	4,814	-45%	8,718	264%	2,398	-77%
Lendings to financial institutions	223,418	1413%	14,769	-90%	144,961	108%	69,819	125%	30,980	93%	16,087	296%
Investments - net	154,951	17%	1,320,916	45%	913,191	43%	638,259	20%	531,683	-6%	567,789	57%
Advances - net	881,424	13%	777,397	-4%	806,387	37%	589,581	22%	484,405	24%	391,161	2%
Fixed assets	29,762	4%	28,555	37%	20,789	14%	18,237	53%	11,940	40%	8,557	-4%
ROU assets	13,146	2%	12,866	4%	12,424	3%	12,102	53%	7,892	26%	6,256	-1%
Intangible assets	2,702	9%	2,472	18%	2,091	18%	1,768	61%	1,101	60%	689	-13%
Deferred tax assets - net	7,607	-16%	9,051	-12%	10,243	-30%	14,555	6%	13,696	76%	7,774	18%
Other assets - net	126,924	15%	1,099,191	-44%	1,96,916	231%	59,551	69%	35,218	38%	25,465	-25%
	2,951,684	24%	2,379,979	7%	2,216,180	50%	1,481,890	24%	1,196,952	9%	1,095,446	26%
LIABILITIES												
Bills payable	9,139	20%	7,637	39%	5,508	-13%	6,324	-37%	10,109	143%	4,169	22%
Borrowings	624,808	53%	409,006	-10%	453,966	462%	80,820	13%	71,323	-54%	154,841	101%
Deposits and other accounts	2,051,536	20%	1,710,288	12%	1,520,854	24%	1,227,339	22%	1,002,955	20%	835,068	21%
Lease liabilities	18,267	7%	17,101	9%	15,727	10%	14,353	51%	9,480	30%	7,298	9%
Subordinated debts	30,813	0%	30,820	2%	30,205	76%	17,204	121%	7,789	15%	6,792	-23%
Other liabilities	112,981	0%	112,596	3%	109,166	54%	70,798	75%	40,463	16%	35,017	-1%
	2,847,544	24%	2,287,448	7%	2,135,425	51%	1,416,838	24%	1,142,119	9%	1,043,185	27%
NET ASSETS												
	104,139	13%	92,531	15%	80,755	24%	65,052	19%	54,833	5%	52,262	12%
REPRESENTED BY												
Share capital - net	32,453	0%	32,453	0%	32,453	10%	29,478	13%	26,174	0%	26,174	0%
Reserves	20,814	18%	17,627	18%	14,952	18%	12,684	21%	10,517	31%	8,029	21%
Surplus on revaluation of assets - net of tax	10,693	34%	7,954	335%	1,829	-179%	(2,323)	70%	(1,369)	-123%	5,955	11%
Unappropriated profit / (Accumulated Losses)	40,180	16%	34,497	9%	31,522	25%	25,213	29%	19,511	61%	12,103	42%
	104,139	13%	92,531	15%	80,755	24%	65,052	19%	54,833	5%	52,262	12%
Profit & Loss Account												
Mark-up / return / interest earned	266,451	-22%	343,791	5%	327,194	139%	137,168	68%	81,651	-5%	86,019	6%
Mark-up / return / interest expensed	(185,347)	-38%	(299,634)	5%	(286,248)	169%	(106,410)	106%	(51,775)	-17%	(62,694)	16%
Net mark-up / interest income	81,104	84%	44,157	8%	40,946	33%	30,758	3%	29,876	28%	23,325	-13%
Non mark-up / interest income	19,864	-26%	26,689	51%	17,718	68%	10,576	34%	7,904	-39%	13,046	231%
Total income	100,968	43%	70,846	21%	58,663	42%	41,335	9%	37,780	4%	36,371	18%
Non mark-up / interest expenses	(60,227)	20%	(50,398)	34%	(37,498)	35%	(27,705)	32%	(21,014)	20%	(17,519)	18%
Profit before provisions	40,741	99%	20,448	-3%	21,165	55%	13,630	-19%	16,766	-11%	18,852	19%
Provisions and write offs - net	(49,46)	-220%	4,117	7678%	53	-99%	4,878	197%	1,642	-124%	(6,862)	286%
Profit before taxation	35,795	46%	24,565	16%	21,218	15%	18,508	1%	18,408	54%	11,989	-15%
Taxation - net	(19,857)	77%	(11,189)	13%	(9,879)	29%	(7,673)	29%	(5,968)	18%	(5,046)	-13%
Profit after taxation	15,938	19%	13,375	18%	11,339	5%	10,834	-13%	12,440	79%	6,944	-16%

The Bank's asset base demonstrated consistent growth over the period 2020-2025, registering a CAGR of 23% reflecting the Bank's sustained expansion and strong balance sheet management. In 2025, total assets recorded a growth of 24% as against 7% during 2024.

Deposits recorded steady growth with a CAGR of 20% over the period, with the highest annual increase of 24% achieved in 2023. Between 2020-2025, the Bank further strengthened its outreach by opening 277 new branches, reinforcing its deposit mobilization and customer service capabilities.

Sustained profitability continued to strengthen the Bank's equity base, which recorded a YoY of 13% in 2025. On the profitability side, the Bank's markup income exhibited a consistent growth trend during 2020-2024, followed by a decline in 2025 owing to the reduction in the SBP policy rate. In alignment with the Bank's prudent approach of cautious expansion in the advances portfolio and strategic deployment of incremental funds into risk-free government securities, the major contribution to markup income originated from investments, followed by income from advances.

Markup expense also recorded upward trend during 2020-2024 with a fall in 2025. The trend also reflected the consistent growth in Deposits and impact of changes in minimum profit rates on PLS deposits, in line with adjustments in the SBP policy rate. The Bank effectively managed its cost of deposits by maintaining a strong emphasis on low-cost CASA deposits with a 34% YoY growth in Current Deposits in 2025, ensuring efficient funding cost management amid changing market conditions.

The Bank's non-markup income stood at Rs. 19.86 billion in 2025 as against Rs. 13.05 billion in year 2020. Fee-based income also showed consistent growth, supported by increased business activity and diversification of services.

Non-markup expenses registered a rise mainly due to higher personnel and property costs associated with the addition of 277 branches, coupled with the effects of inflation and continued investment in technology to enhance operational capacity and efficiency.

Provision Charge for year 2025 remained at Rs. 4.95 billion as against reversal of Rs. (412) Billion during year 2024. The Charge for year 2025 includes General Provision of Rs. 2.26 billion. The Bank is fully compliant with the provisioning requirements under prudential regulations of SBP and IFRS-9.

SIX YEARS' FINANCIAL PERFORMANCE

FINANCIAL RATIOS 2020-2025

	2025	2024	2023	2022	2021	2020	
	Rupees in million						
Profit and loss account							
Mark-up/ return earned	266,451	343,791	327,194	137,168	81,651	86,019	
Mark-up/ return expensed	185,347	299,634	286,248	106,410	51,775	62,694	
Net interest margin	81,104	44,157	40,946	30,758	29,876	23,325	
Fee, Commission, brokerage, FX and other income	16,573	13,425	11,895	9,525	5,741	4,442	
Dividend and capital gains	3,290	13,264	5,823	1,051	2,162	8,603	
Total income	100,968	70,846	58,663	41,335	37,780	36,371	
Total Non markup expenses	60,227	50,398	37,498	27,705	21,014	17,519	
Operating profit before tax and provision	40,741	20,448	21,165	13,630	16,766	18,852	
WWF	964	491	324	289	363	335	
Admin expenses	59,196	49,900	37,120	27,374	20,637	16,880	
Provisions / write-offs	4,946	(4,117)	(53)	(4,878)	(1,642)	6,862	
Profit before tax	35,795	24,565	21,218	18,508	18,408	11,989	
Profit after tax	15,938	13,375	11,339	10,834	12,440	6,944	
Cash / stock dividend *	8,179	5,889	3,272	2,974	3,305	2,644	
* Included dividends accounted after year end							
Statement of Financial Position							
Authorised capital	50,000	50,000	50,000	50,000	50,000	50,000	
Paid up capital - net	32,453	32,453	32,453	29,478	26,174	26,174	
Reserves	20,814	17,627	14,952	12,684	10,517	8,029	
Unappropriated Profit	40,180	34,497	31,522	25,213	19,511	12,103	
Shareholder's equity	93,447	84,577	78,926	67,375	56,202	46,306	
Surplus on revaluation of assets - net of tax	10,693	7,954	1,829	(2,323)	(1,369)	5,955	
Total Assets	2,951,684	2,379,979	2,216,180	1,481,890	1,196,952	1,095,446	
Earning Assets	2,659,277	2,117,206	1,868,086	1,297,199	1,054,108	972,981	
Gross Advances	926,010	827,443	849,510	634,376	534,163	442,760	
Advances - net of provisions	881,424	777,397	806,387	589,581	484,405	391,161	
Non-Performing Loans (NPLs)	44,327	53,544	50,880	51,561	52,032	57,251	
Investments	1,549,511	1,320,916	913,191	638,259	531,683	567,789	
Total Liabilities	2,847,544	2,287,448	2,135,425	1,416,838	1,142,119	1,043,185	
Deposits	2,051,536	1,710,288	1,520,854	1,227,339	1,002,955	835,068	
Current & Saving Deposits (CASA)	1,209,538	1,048,204	971,413	794,236	643,842	545,920	
Borrowings	624,808	409,006	453,966	80,820	71,323	154,841	
Interest bearing Liabilities	1,962,512	1,447,183	1,309,212	722,736	596,619	583,269	
Contingencies and Commitments	789,210	512,546	542,766	501,638	469,024	213,750	
Profitability ratios							
Profit before tax ratio	%	13.43%	7.15%	6.48%	13.49%	22.54%	13.94%
Gross Yield on Average Earning Assets	%	11.16%	17.25%	20.67%	11.67%	8.06%	10.00%
Gross Yield on Avg. Earning Assets (incl. dividend							
& capital gains)	%	11.29%	17.92%	21.04%	11.76%	8.27%	11.00%
Gross Spread	%	30.44%	12.84%	12.51%	22.42%	36.59%	27.12%
Net markup/ interest margin		2.75%	1.86%	1.85%	2.08%	2.50%	2.13%

		2025	2024	2023	2022	2021	2020
Rupees in million							
Non interest income to total income	%	6.94%	7.20%	5.14%	7.16%	8.83%	13.17%
Return on average equity (ROE)	%	17.91%	16.36%	15.50%	17.53%	24.27%	15.85%
Return on average assets (ROA)	%	0.60%	0.58%	0.61%	0.81%	1.09%	0.71%
Return on average investment (ROI)	%	1.11%	1.20%	1.46%	1.85%	2.26%	1.49%
Return on Capital Employed (ROCE)	%	17.91%	16.36%	15.50%	17.53%	24.27%	15.85%
Interest Ratio	%	69.56%	87.16%	87.49%	77.58%	63.41%	72.88%
Non markup/ interest income to total assets	%	0.67%	1.12%	0.80%	0.71%	0.66%	1.19%
Net markup/ interest income(after provision)to total assets %		2.58%	2.03%	1.85%	2.40%	2.63%	1.50%
Markup/interest expense to markup/interest income	%	69.56%	87.16%	87.49%	77.58%	63.41%	72.88%
Admin expense to profit before tax	Times	1.65	2.03	1.75	1.48	1.12	1.41
Operating Expense Ratio	Times	1.68	2.05	1.77	1.50	1.14	1.46
Gain Ratio	%	3.99%	16.60%	8.96%	0.83%	4.73%	23.28%
Net investment in Finance Lease to Total Assets		4.24%	2.80%	2.13%	2.63%	3.11%	2.87%
Admin Exp to Profit before Tax	%	165.37%	203.14%	174.94%	147.91%	112.11%	140.79%
Non-markup/ interest expense to total income	%	21.04%	13.60%	10.87%	18.75%	23.46%	17.68%
Admin expense to non- markup income	Times	2.98	1.87	2.10	2.59	2.61	1.29
Cost to income ratio	%	59.65%	71.14%	63.92%	67.03%	55.62%	48.17%
Cost to income ratio (excluding WWF)	%	58.70%	70.44%	63.37%	66.33%	54.66%	47.25%
Shareholder funds	%	3.17%	3.55%	3.56%	4.55%	4.70%	4.23%
Total shareholder return	%	18.18%	17.00%	15.95%	17.40%	22.65%	15.96%
Return on shareholder funds	%	18.18%	17.00%	15.95%	17.40%	22.65%	15.96%
Investment ratios / Market ratios							
Earnings per share (before tax)	Rs	10.94	7.51	6.49	5.66	6.19	4.54
Earnings per share (after tax)	Rs	4.87	4.09	3.47	3.31	4.18	2.63
Breakup value per share / Net assets per share							
- without surplus on revaluation of fixed assets							
& investments "	Rs	28.563	25.852	24.125	22.654	21.259	17.516
- without surplus on revaluation of fixed assets	Rs	30.036	26.442	23.461	20.391	19.307	19.051
- Including Investment in Related Party at market value							
and also with Surplus on Revaluation of fixed assets	Rs	30.545	27.973	25.578	24.502	23.179	18.658
- with surplus on revaluation of fixed assets &							
investments	Rs	31.832	28.283	24.684	21.872	20.741	19.768
Cash / stock Dividend	%	25.00%	18.00%	10.00%	10.00%	12.50%	10.00%
Dividend per share	%	2.5	1.8	1.00	1.00	1.25	1.00
Dividend Yield ratio (based on cash dividend)	%	13.44%	30.11%	23.23%	16.00%	14.67%	10.19%
Dividend Payout ratio	%	51.32%	44.03%	28.85%	30.20%	29.88%	38.07%
Price to book value ratio	Times	1.07	0.38	0.26	0.21	0.41	0.46
Price to earning ratio	Times	3.82	1.46	1.24	1.89	2.04	3.74
Dividend cover ratio	Times	1.95	2.27	3.47	3.31	3.35	2.63
Share Information							
Market value per share - Dec 31	Rs	34.19	10.81	6.48	4.57	8.47	9.14
High - during the year	Rs	41.54	11.03	8.20	8.80	10	14.33

SIX YEARS' FINANCIAL PERFORMANCE

FINANCIAL RATIOS 2020-2025

		2025	2024	2023	2022	2021	2020
Rupees in million							
Low - during the year	Rs	8.18	4.59	3.17	4.45	7.61	6.52
Market Capitalisation	Rs in million	111,855	35,366	21,200	13,592	22,392	24,163
Asset Quality and Liquidity ratios							
Gross Advances to deposits ratio / Credit - Deposit ratio	%	45.14%	48.38%	55.86%	51.69%	53.26%	53.02%
Gross Advances to deposits & borrowings ratio	%	34.60%	39.04%	43.02%	48.49%	49.72%	44.73%
Net Advances to deposits ratio	%	42.96%	45.45%	53.02%	48.04%	48.30%	46.84%
Investments to deposits ratio	%	75.53%	77.23%	60.04%	52.00%	53.01%	67.99%
Cost of Funds	%	8.28%	15.72%	15.95%	8.89%	5.16%	7.09%
Weighted Average Cost of Deposits	%	7.68%	15.24%	14.78%	8.87%	5.12%	7.04%
Cash flow coverage ratio	Times	2.29	1.50	1.24	1.40	(0.57)	3.77
CASA to total deposits	%	58.96%	61.29%	63.87%	64.71%	64.19%	65.37%
Advances net to total assets	%	29.86%	32.66%	36.39%	39.79%	40.47%	35.71%
NPLs to Gross advances ratio	%	4.79%	6.47%	5.99%	8.13%	9.74%	12.93%
Provision to Gross advances ratio	%	4.81%	6.05%	5.08%	7.06%	9.32%	11.65%
NPLs to Shareholders Equity	%	47.44%	63.31%	64.47%	76.53%	92.58%	123.64%
Coverage Ratio (specific provision/ NPLs)	%	81.37%	83.33%	83.39%	85.68%	89.76%	83.58%
Coverage Ratio (total provision excl general prov/ NPLs)	%	95.48%	93.47%	83.39%	85.68%	89.76%	83.58%
Earning assets to total assets ratio	%	90.09%	88.96%	84.29%	87.54%	88.07%	88.82%
Investment to deposit ratio	%	75.53%	77.23%	60.04%	52.00%	53.01%	67.99%
Investments to total assets ratio	%	52.50%	55.50%	41.21%	43.07%	44.42%	51.83%
Cash & Cash Equivalents to Total Assets	%	3.69%	4.35%	4.92%	5.26%	6.69%	6.54%
Cash to Current Liabilities	%	5.45%	4.82%	5.38%	6.02%	7.70%	7.24%
Deposits to total assets	%	69.50%	71.86%	68.63%	82.82%	83.79%	76.23%
NPLs write off to NPLs provisions	%	9.54%	-7.70%	-3.35%	-11.08%	-3.70%	11.76%
Total liabilities to total assets	%	96.47%	96.11%	96.36%	95.61%	95.42%	95.23%
Commitments & contingencies to total equity	Times	8.45	6.06	6.88	7.45	8.35	4.62
Earning assets to interest bearing Liabilities	Times	1.36	1.46	1.43	1.79	1.77	1.67
Deposits to shareholder equity	Times	21.95	20.22	19.27	18.22	17.85	18.03
Net interest income as percentage of working funds	%	3.40%	2.22%	2.59%	2.62%	2.95%	2.71%
Non interest income as percentage of working funds	%	0.83%	1.34%	1.12%	0.90%	0.78%	1.52%
Assets to Equity	Times	28.34	25.72	27.44	22.78	21.83	20.96
Current / Quick Ratio	Times	1.35	1.09	1.08	1.12	1.13	1.09
Efficiency ratio	%	62.27%	67.47%	62.38%	59.84%	53.04%	57.81%
Cash reserve ratio	%	3.45%	3.94%	4.15%	3.62%	4.38%	4.20%
Liquid assets to total assets ratio	%	56.27%	59.21%	45.40%	47.32%	49.89%	57.02%
Gross non performing assets to gross advances	%	5.24%	6.70%	6.62%	9.33%	11.09%	14.65%
Gross non performing assets to gross advances & investments	%	1.97%	2.58%	3.17%	4.59%	5.48%	6.42%
Non-Performing loans to Total Loans	%	4.79%	6.47%	5.99%	8.13%	9.74%	12.93%

		2025	2024	2023	2022	2021	2020
Rupees in million							
Debt to equity ratio (as per market value)	Times	0.17	0.32	0.43	0.35	0.15	0.14
Debt to equity ratio (as per book value)	Times	0.30	0.33	0.37	0.26	0.14	0.13
Statutory liquidity reserve ratio	%	76.39%	77.74%	60.49%	52.41%	52.69%	68.53%
Risk Adequacy							
Tier I Capital	Rs in million	104,562	96,392	86,194	61,876	43,994	41,937
Total Eligible Capital	Rs in million	133,811	121,222	102,678	68,272	53,333	57,207
Risk Weighted Assets (RWA)	Rs in million	940,974	676,180	558,951	520,751	434,510	352,514
Tier I to RWA	%	11.11%	14.26%	15.42%	11.88%	10.12%	11.90%
Common equity tier 1 capital adequacy ratio	%	9.84%	12.49%	13.29%	10.34%	10.12%	11.90%
RWA to total assets	%	31.88%	28.41%	25.22%	35.14%	36.30%	32.18%
Capital Adequacy Ratio	%	14.22%	17.93%	18.37%	13.11%	12.27%	16.23%
Net Return on Average RWA	%	1.97%	2.17%	2.10%	2.27%	3.16%	2.02%
Capital ratio	%	3.17%	3.55%	3.56%	4.55%	4.70%	4.23%
DuPont Analysis							
Net Operating Margin	%	15.78%	18.88%	19.33%	26.21%	32.93%	19.09%
Asset Utilization	%	3.79%	3.08%	3.17%	3.09%	3.30%	3.70%
Leverage Ratio / Equity Multiplier		27.11	26.52	25.36	22.35	21.41	19.85
Industry Share							
Deposits	%	6.45%	6.22%	5.22%	5.23%	4.27%	3.84%
Advances	%	5.58%	6.66%	6.62%	4.99%	4.10%	3.87%
Investments	%	5.20%	5.68%	3.51%	3.47%	2.89%	3.90%
Total assets	%	5.50%	5.51%	4.78%	4.14%	3.34%	3.64%
Market Capitalisation	Rs in million	111,855	35,366	21,200	13,592	22,392	24,163

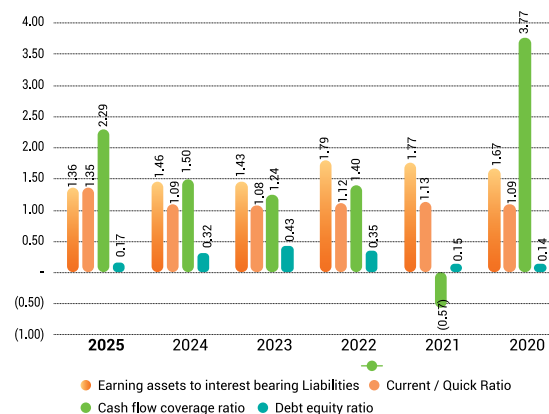
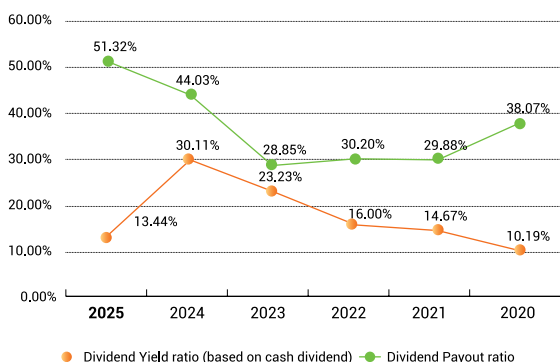
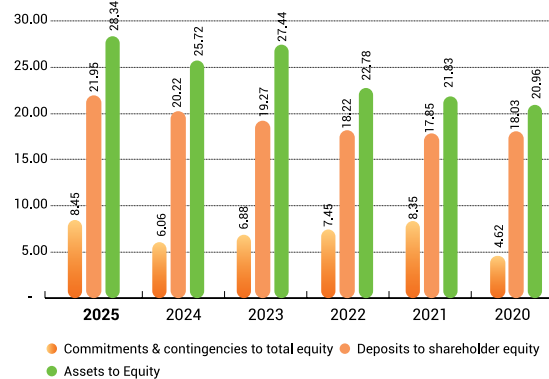
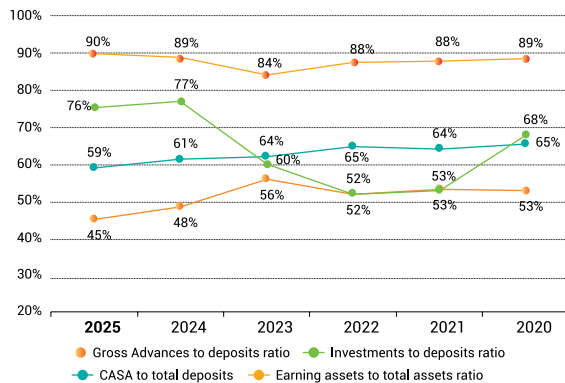
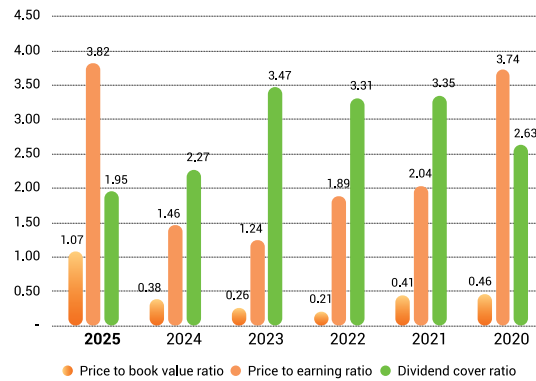
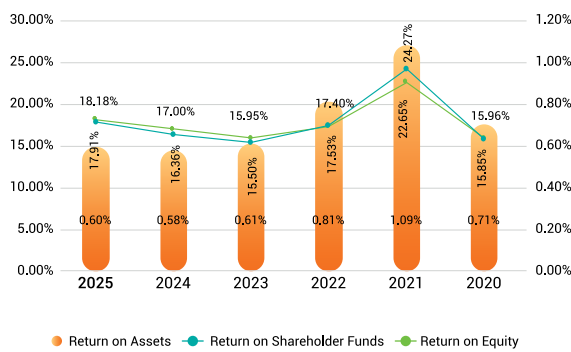
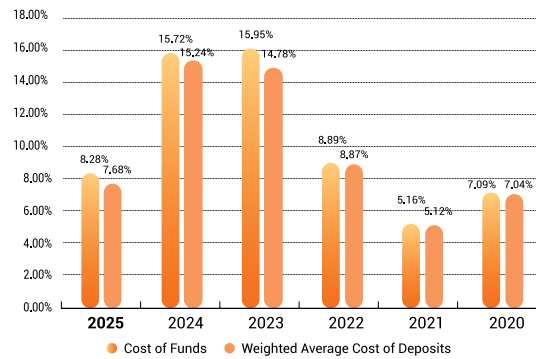
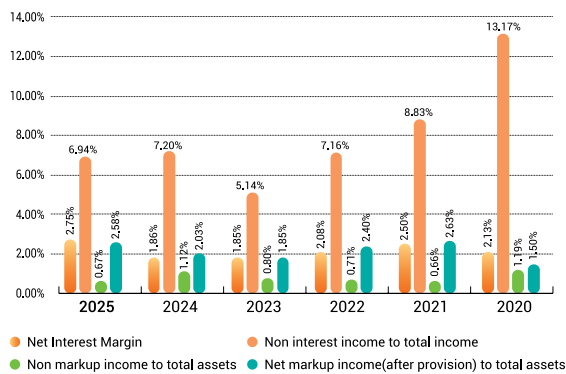
* based on available economic data released by State Bank of Pakistan

QUALITATIVE PERFORMANCE ANALYSIS

		2025	2024	2023	2022	2021	2020
		Rupees in million					
Per Branch							
Gross Advances	Rs. In million	1,027.76	919.38	1,042.34	813.3	806.89	696.16
Deposits	Rs. In million	2,276.95	1,900.32	1,866.08	1,573.51	1,515.04	1,313.00
CASA	Rs. In million	1,342.44	1,164.67	1,162.52	1,018.25	972.57	858.36
PBT	Rs. In million	17.69	14.86	13.91	13.89	18.79	10.92
Others							
No. of accounts	No.	16,860,601	7,279,954	4,204,103	3,664,821	3,014,462	2,673,992
No. of branches	No.	901	900	815	780	662	636
No. of permanent employees	No.	12,924	12,333	11,420	11,093	9,358	7,930
Staff turnover ratio	%	13.94%	12.48%	10.81%	9.80%	8.18%	6.47%
Customer satisfaction index	%	43%	41%	45%	58%	20%	0%
Employee productivity rate							
Deposits per employee	Rs in million	134.92	116.7	111.34	94.07	891	83.78
Advances per employee	Rs in million	57.97	53.04	59.04	45.19	43.03	39.25
PBT per employee	Rs in million	2.35	1.68	1.55	1.42	1.64	1.2
Digital Banking							
No. of ATMs	No.	947	889	794	706	647	588
No. of Debit cards / smart cards issued during the year	No.	500,061	485,964	347,065	294,992	381,267	196,814
Internet Banking							
No. of customers	No.	821,928	616,211	43,296	31,356	-	-
No. of transactions	No.	116,998	136,195	142,145	89,999	-	-
Volume of transactions	Rs in million	3,766	4,178	4,086	2,622	-	-
Mobile Banking							
No. of customers	No.	821,928	493,642	410,286	337,803	268,178	144,600
No. of transactions - financial	No.	29,304,298	12,055,406	7,906,404	5,404,907	3,113,437	1,231,952
Volume of transactions	Rs in million	807,325	310,421	187,551	119,747	64,289	24,766
Credit Cards							
No. of new issuance	No.	37,306	28,096	11,704	94	-	-
No. of customers	No.	47,937	37,126	15,525	5,855	-	-
Total spend (transaction volume)	Rs in million	33,188	14,995	3,781	306	-	-
Auto Loan							
No. of loans disbursed	No.	12,149	11,969	1,158	2,375	4,703	2,944
Outstanding volume	Rs in million	19,264	17,370	17,524	21,722	22,696	17,472
Home Loan							
No. of loans disbursed	No.	156	45	182	952	684	24
Outstanding volume	Rs in million	8,730	6,716	7,087	7,533	3,687	655
Personal Loan							
No. of loans disbursed	No.	135,394	126,513	69,381	53,200	32,540	29,150
Outstanding volume	Rs in million	16,684	14,398	11,574	10,633	9,635	8,191

		2025	2024	2023	2022	2021	2020
		Rupees in million					
Bancassurance							
No. of customers	No.	48,479	37,744	30,250	24,879	20,341	16,876
No. of new customers	No.	12,941	7,494	5,371	4,538	3,465	297
No. of policies	No.	14,336	9,407	9,021	4,927	3,863	349
Bancassurance premium	Rs in million	976	607	548	275	203	18
Trade							
Imports - volume	Rs in million	585,073	327,711	386,696	382,296	310,404	146,235
Exports - volume	Rs in million	318,691	472,956	343,819	250,131	207,337	156,693
Home Remittance							
Volume of home remittance	USD in million	851	394	819	940	1,019	809
Volume of home remittance	Rs in million	112,667	109,693	105,908	165,535	165,597	135,865
Home remittance BOP market share	%	212%	110%	311%	3.20%	3.30%	3.10%
Cash Management							
throughput of cash management	Rs in million	1,112,887	807,341	274,025	216,638	116,809	93,398

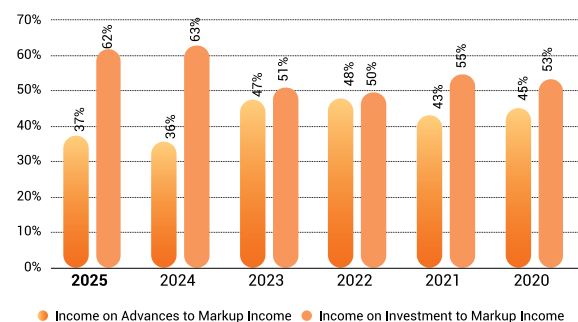
SIX YEARS' - GRAPHICAL PRESENTATION



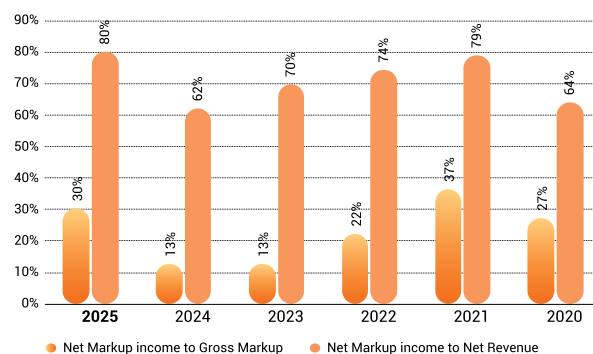
MARKUP & NON MARKUP INCOME

	2025	2024	2023	2022	2021	2020
	Rupees in million					
Markup earned						
Mark-up Earned on Advances	99,249	122,553	155,223	65,667	35,135	38,860
Mark-up Earned on Investments	164,422	215,725	166,747	68,065	44,717	45,754
Mark-up Earned on lendings	2,471	4,806	4,716	3,141	1,763	1,365
Mark-up Earned on Balances with Banks	309	707	506	295	37	41
	266,451	343,791	327,194	137,168	81,651	86,019
Markup Expensed						
Mark-up expensed on deposits	138,235	230,515	190,752	90,692	43,955	52,483
Mark-up expensed on borrowings	40,501	60,151	87,918	12,358	6,168	8,411
Mark-up expensed on subordinated debts	4,212	6,782	5,638	1,863	604	862
Mark-up expensed on lease liability	2,399	2,187	1,940	1,496	1,048	937
	185,347	299,634	286,248	106,410	51,775	62,694
Non Markup income						
Fee and commission income	13,576	11,374	7,429	7,332	5,103	3,732
Dividend income	335	354	568	708	377	137
Foreign exchange income	2,225	857	298	1,887	577	328
Net gain / (loss) on derecognition of financial assets	(1,072)	1,148	-	-	-	-
Gain on securities - net	4,027	11,763	5,255	343	1,786	8,466
Other income - net	772	1,193	4,168	306	61	382
	19,864	26,689	17,718	10,576	7,904	13,046

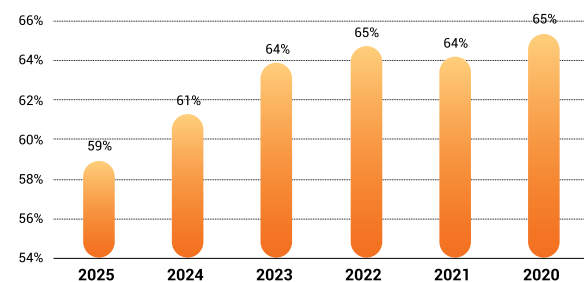
MARKUP INCOME FROM ADVANCES AND INVESTMENT %



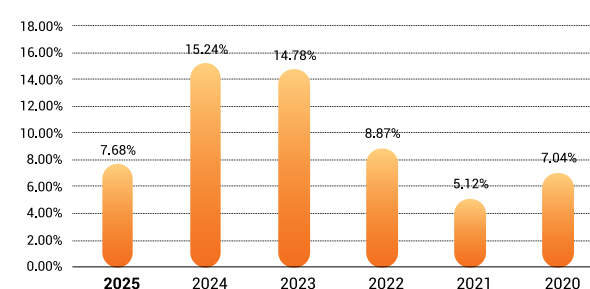
INCOME COMPOSITION %



CASA MIX %



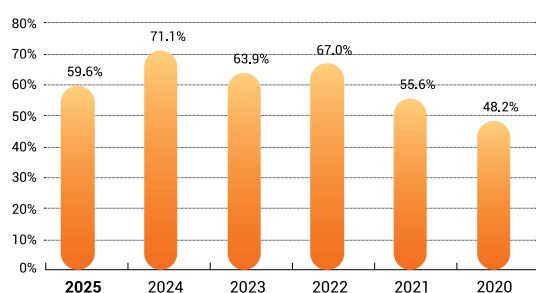
COST OF DEPOSITS %



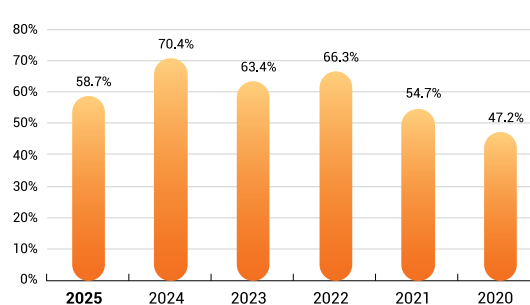
SIX YEARS' OPERATING EXPENSES

	2025	2024	2023	2022	2021	2020
Rupees in million						
Administrative Expenses	59,196	49,900	37,120	27,374	20,637	16,880
Total compensation expense						
Compensation expense	28,563	24,381	20,033	14,320	10,631	8,734
IFRS-09 Adjustment for staff loans - notional	1,135	3,490	-	-	-	-
	29,698	27,871	20,033	14,320	10,631	8,734
Property Expense						
Rent and taxes	79	69	39	17	22	39
Insurance	19	17	14	10	17	18
Utilities cost	1,965	2,081	1,515	1,136	797	664
Depreciation	1,214	913	774	527	523	589
Amortization on ROU asset	2,274	1,957	1,731	1,297	991	891
Others	245	254	127	87	50	45
	5,797	5,291	4,200	3,074	2,400	2,247
Information technology expenses						
Software maintenance	2,027	1,519	1,168	597	513	473
Hardware maintenance	95	92	73	71	55	82
Depreciation	1,144	871	543	425	348	285
Amortization	472	411	342	144	208	198
Network Charges	630	563	522	493	424	355
	4,368	3,456	2,648	1,730	1,547	1,393
Other operating expenses						
Directors' fees and allowances	58	65	36	58	42	35
Legal & professional charges	656	413	267	222	227	113
Subscription charges	74	79	38	32	39	31
Outsourced services costs	1,372	1,031	790	580	438	367
Travelling & conveyance	468	403	498	1,738	837	561
Vehicle running expenses	115	107	-	-	-	-
NIFT clearing charges	182	107	113	77	68	69
Depreciation owned assets	1,031	749	596	456	364	307
Depreciation NBAs	32	23	22	33	49	59
Depreciation Ijarah assets	793	353	187	135	119	163
Training & development	142	137	159	148	67	26
Postage & courier charges	426	359	290	246	158	221
Stationery & printing	845	715	600	389	409	265
Marketing, advertisement & publicity	596	506	683	562	650	356
Organization development	98	85	-	-	-	-
Promotional expenses for public sector programs	394	67	-	-	-	-
Donations	-	-	-	30	-	10
Auditors Remuneration	27	21	17	13	12	11
Insurance expense	191	310	296	249	245	144
Deposit protection fee	929	749	581	509	443	352
Repair & Maintenance	1,024	810	529	411	294	180
Entertainment	345	316	291	215	151	112
Fuel charges - Generator	364	221	299	244	100	86
Commission and Brokerage	657	487	315	323	274	244
Bank charges	91	62	48	43	36	42
SMS Banking Charges	858	731	521	177	41	48
ATM Charges	2,631	2,638	1,637	357	274	174
Credit Card Charges	2,602	179	19	10	-	-
Acquiring business charges	192	17	-	-	-	-
Cash remittance & maintenance charges	1,050	731	644	389	270	200
Branch License fee	36	39	33	28	28	17
ECIB and CNIC verification charged	767	384	308	250	204	71
Others	289	388	422	328	224	242
	19,333	13,282	10,239	8,250	6,059	4,506
Operating expenses excluding compensation	29,498	22,029	17,087	13,053	10,006	8,146
Total operating expenses	59,196	49,900	37,120	27,374	20,637	16,880

COST TO INCOME RATIO %



COST TO INCOME RATIO (EXCLUDING WWF) %

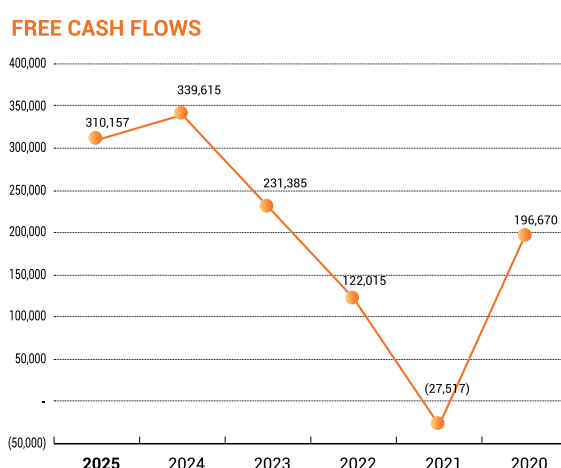
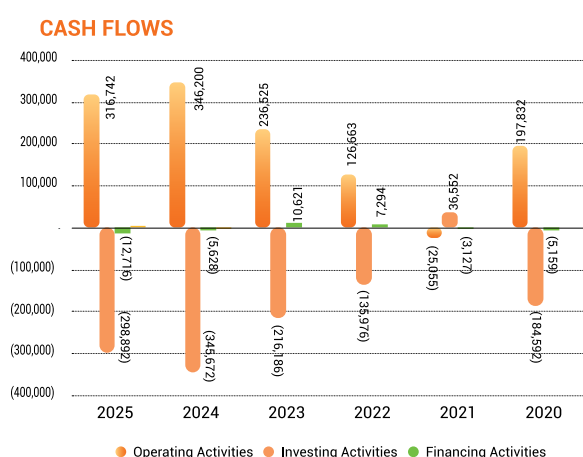


FREE CASH FLOWS

	2025	2024	2023	2022	2021	2020
	Rupees in million					
Summary of Cash flows						
Cash flows from operating activities	316,742	346,200	236,525	126,663	(25,055)	197,832
Cash flows from investing activities	(298,892)	(345,672)	(216,186)	(135,976)	36,552	(184,592)
Cash flows from financing activities	(12,716)	(5,628)	10,621	7,294	(3,127)	(5,159)
Cash and cash equivalents at beginning of the year	103,413	108,978	78,018	80,036	71,667	63,586
Impact of credit loss allowance on cash and cash equivalents	270	(464)	-	-	-	-
Cash and cash equivalents at end of the year	108,817	103,413	108,978	78,018	80,036	71,667
Free Cash Flows						
Profit before taxation	35,795	24,565	21,218	18,508	18,408	11,989
Dividend income	(335)	(354)	(568)	(708)	(377)	(137)
Payment made to gratuity fund	(421)	(691)	(171)	(268)	(268)	-
Income tax paid	(20,271)	(11,058)	(7,640)	(5,003)	(6,194)	(4,851)
Mark-up / return / interest received	258,049	374,102	-	-	-	-
Mark-up / return / interest paid	(201,545)	(299,729)	-	-	-	-
Adjustment for non-cash items	(85,793)	(63,517)	(10,166)	(5,302)	(659)	(1,340)
Operating assets/ liabilities changes	331,264	322,883	233,852	119,437	(35,966)	192,170
Net cash generated from operating activities	316,743	346,200	236,525	126,663	(25,055)	197,832
Capital expenditure	(6,586)	(6,586)	(5,140)	(4,648)	(2,461)	(1,162)
Free cash flows	310,157	339,615	231,385	122,015	(27,517)	196,670

Summary of Cash Flows

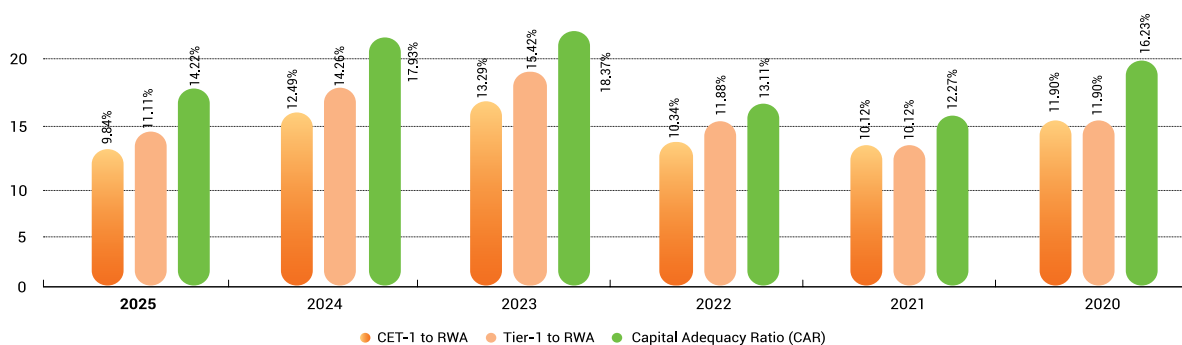
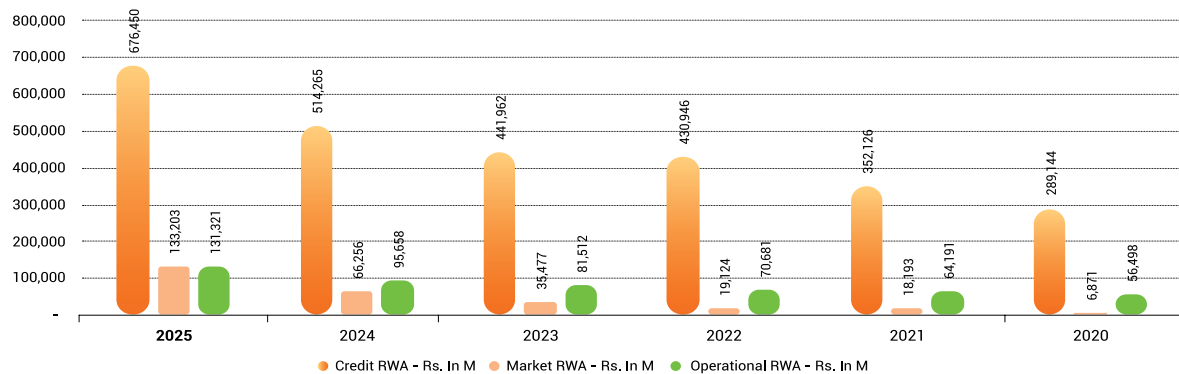
Cash Flow from operating activities mainly represent the core activity of the Bank i.e. mobilization of Deposits. Since 2020 Deposits of the Bank have been growing at a consistent trend with a CAGR of 20%. During year 2025, there was net inflow of Rs. 341 Billion from Deposits, while a net inflow of Rs. 208 Billion in Borrowings was observed. Further, there was net outflow of Rs. 115 billion due to growth in Advances portfolio. The major deployment under investing activities was on account of investment in Securities classified as FVOCI. During year 2025, net outflow of Rs. 916 Billion was recorded on account of Dividend Payment.



ANALYSIS OF CAPITAL ADEQUACY RATIO

	2025	2024	2023	2022	2021	2020
Rupees in million						
Capital Structure						
Tier 1 Capital						
Shareholders Equity/Assigned Capital	32,453	32,453	32,453	29,478	26,174	26,174
Share Premium	2,215	2,215	2,215	2,215	2,215	2,215
Reserves	18,599	15,412	12,737	10,469	5,814	5,814
Unappropriated Profits	42,738	37,335	31,522	25,212	21,999	12,103
ADT 1 capital	11,968	11,968	11,918	8,018	-	-
	107,972	99,382	90,844	75,392	56,202	46,306
Deductions:						
Book value of intangible and advances given for intangible assets	2,702	2,472	2,091	1,768	-	-
Other Deductions	708	518	2,559	11,748	12,208	4,370
	3,410	2,990	4,650	13,516	12,208	4,370
Total Tier 1 Capital	104,562	96,392	86,194	61,876	43,994	41,937
Tier 2 Capital						
Qualifying Tier 2 Instruments	16,273	17,137	14,716	5,786	6,289	6,792
General Provision subject to 125% of Total Risk Weighted Assets	2,284	657	696	615	3,054	3,748
Revaluation Reserves	10,693	7,037	1,073	-	-	4,831
	29,250	24,831	16,485	6,401	9,343	15,371
Deductions:						
Other deductions	-	-	-	5	4	5
Tier 2 un recognized	-	-	-	-	-	96
Total Tier 2 Capital	29,250	24,831	16,485	6,396	9,339	15,270
Total Regulatory Capital Base	133,811	121,222	102,678	68,272	53,333	57,207
Risk Weighted Assets						
Credit Risk	676,450	514,265	441,962	430,946	352,126	289,144
Market Risk	133,203	66,256	35,477	19,124	18,193	6,871
Operational Risk	131,321	95,658	81,512	70,681	64,191	56,498
Total RWA	940,974	676,180	558,951	520,751	434,510	352,514
Capital Adequacy Ratio						
Total Eligible Regulatory Capital Held	133,811	121,222	102,678	68,272	53,333	57,207
Total Risk Weighted Assets	940,974	676,180	558,951	520,751	434,510	352,514
Capital Adequacy Ratio	14.22%	17.93%	18.37%	13.11%	12.27%	16.23%

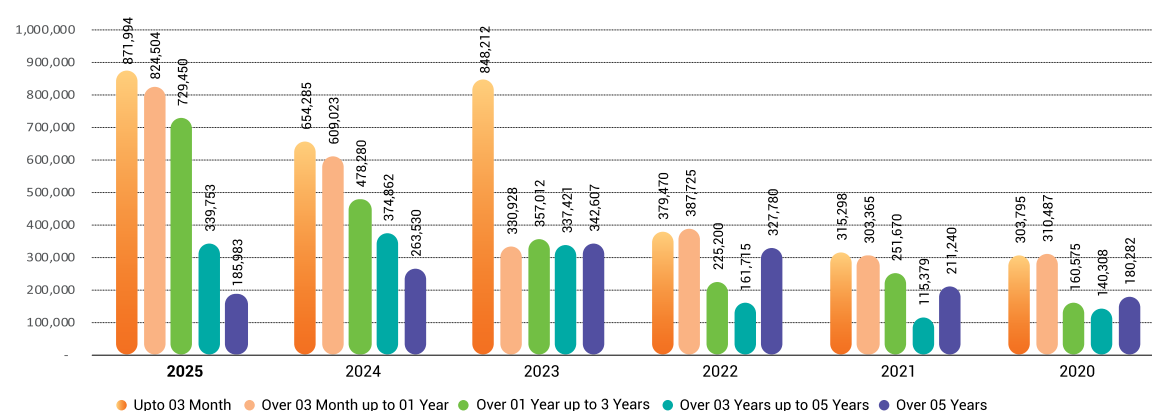
CAPITAL ADEQUACY RATIO



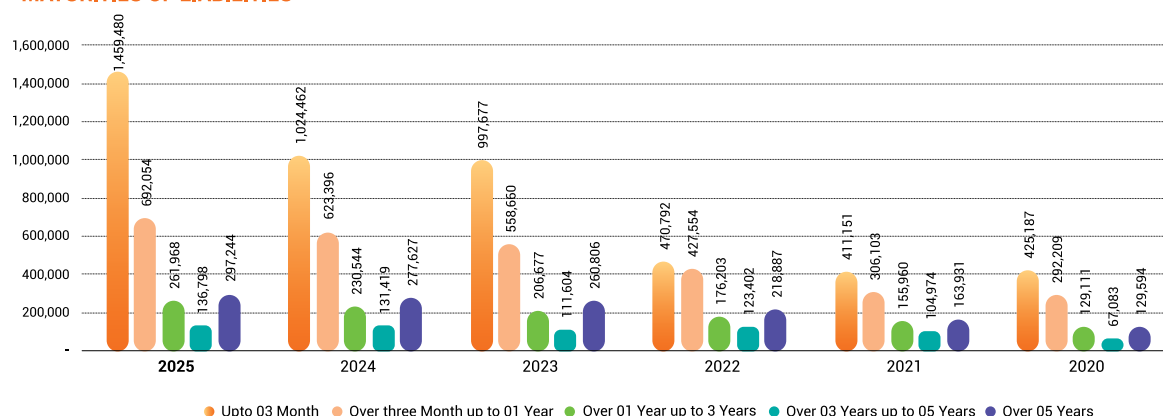
SIX YEARS MATURITIES (EXPECTED) OF ASSETS & LIABILITIES

	2025	2024	2023	2022	2021	2020
Rupees in million						
Six Years Maturities of Assets						
Upto 03 Month	871,994	654,285	848,212	379,470	315,298	303,795
Over 03 Months up to 01 Year	824,504	609,023	330,928	387,725	303,365	310,487
Over 01 Year up to 3 Years	729,450	478,280	357,012	225,200	251,670	160,575
Over 03 Years up to 05 Years	339,753	374,862	337,421	161,715	115,379	140,308
Over 05 Years	185,983	263,530	342,607	327,780	211,240	180,282
Six Years Maturities of Liabilities						
Upto 03 Month	1,459,480	1,024,462	997,677	470,792	411,151	425,187
Over three Month up to 01 Year	692,054	623,396	558,660	427,554	306,103	292,209
Over 01 Year up to 3 Years	261,968	230,544	206,677	176,203	155,960	129,111
Over 03 Years up to 05 Years	136,798	131,419	111,604	123,402	104,974	67,083
Over 05 Years	297,244	277,627	260,806	218,887	163,931	129,594

MATURITIES OF ASSETS



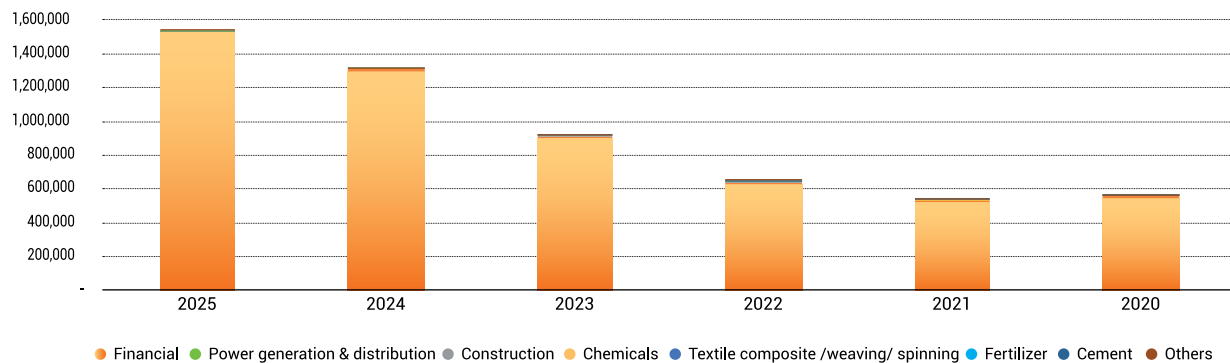
MATURITIES OF LIABILITIES



SIX YEARS CONCENTRATION OF ASSETS & LIABILITIES

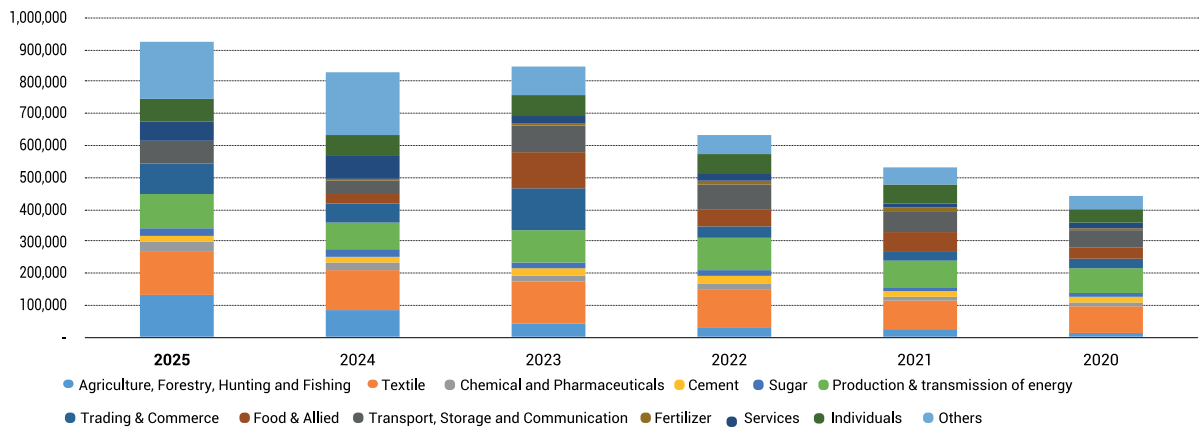
	2025	2024	2023	2022	2021	2020
Rupees in million						
Investments at cost						
Cement	-	-	190	1,322	1,563	218
Chemicals	305	270	3,172	2,378	1,945	1,884
Construction	3,188	3,123	3,211	2,611	47	47
Fertilizer	881	847	816	851	2,850	2,665
Financial	1,528,943	1,299,698	900,824	629,195	521,554	545,593
Power generation & distribution	1,905	9,555	10,034	10,582	11,744	11,938
Textile composite /weaving/ spinning	230	438	986	1,674	1,252	849
Others	6,374	4,444	3,370	8,190	5,385	4,160
	1,541,826	1,318,375	922,602	656,803	546,340	567,353

SIX YEARS CONCENTRATION OF INVESTMENTS (AT COST)



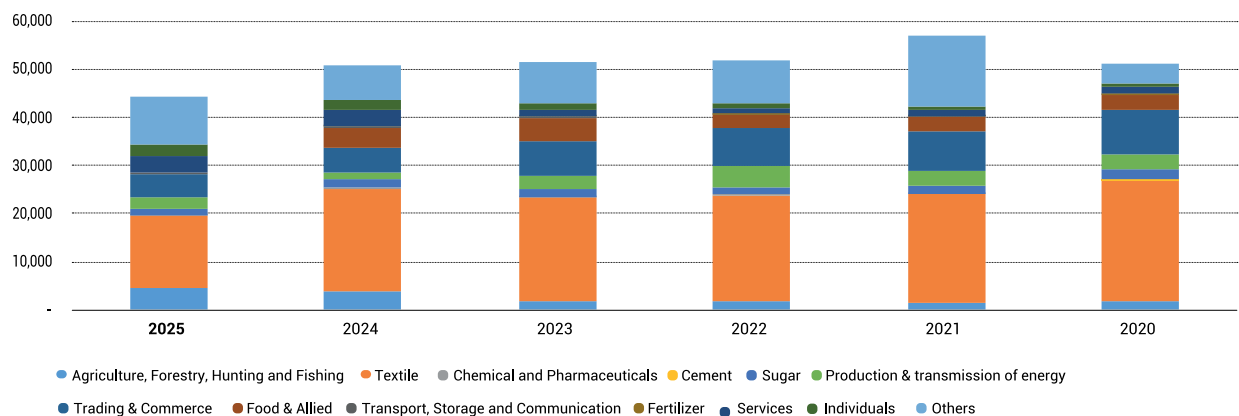
	2025	2024	2023	2022	2021	2020
Rupees in million						
Advances Gross						
Agriculture, forestry, hunting and fishing	132,017	84,417	42,011	29,664	23,388	16,241
Textile	135,022	126,845	131,585	121,416	91,037	81,325
Chemical and pharmaceuticals	30,796	20,881	20,579	18,733	12,037	10,724
Cement	17,537	17,457	22,000	23,952	18,835	16,451
Sugar	25,317	25,579	17,066	18,629	13,717	16,277
Production & transmission of energy	107,772	84,888	98,958	100,934	82,343	74,470
Trading & commerce	96,484	58,118	135,502	31,366	30,338	31,896
Food & allied	-	29,240	109,860	56,041	54,773	34,253
Transport, storage and communication	68,134	42,933	86,312	79,889	68,958	50,370
Fertilizer	-	3,280	3,939	7,316	9,159	11,343
Services	62,055	75,131	22,962	27,784	15,199	13,897
Individuals	68,902	60,918	63,989	59,564	57,527	43,088
Others	181,973	197,757	94,747	59,088	56,851	42,425
	926,010	827,443	849,510	634,376	534,163	442,760

SIX YEARS CONCENTRATION OF GROSS ADVANCES



	2025	2024	2023	2022	2021	2020
Rupees in million						
Non-performing loans						
Agriculture, forestry, hunting and fishing	4,632	3,892	1,627	1,634	1,594	1,720
Textile	14,998	21,104	21,713	22,270	22,595	25,196
Chemical and pharmaceuticals	150	545	64	49	42	108
Cement	-	-	-	-	-	93
Sugar	1,275	1,826	1,596	1,657	1,716	2,021
Production & transmission of energy	2,447	1,272	3,021	4,443	3,119	3,273
Trading & commerce	4,872	5,007	7,155	7,834	8,227	9,214
Food & allied	-	4,245	4,703	2,600	2,853	3,082
Transport, storage and communication	144	215	234	297	164	176
Fertilizer	-	40	49	49	62	67
Services	3,373	3,420	1,576	1,254	1,133	1,383
Individuals	2,712	2,252	1,170	1,003	835	899
Others	9,724	9,726	7,973	8,472	9,692	10,019
	44,327	53,544	50,880	51,561	52,032	57,251

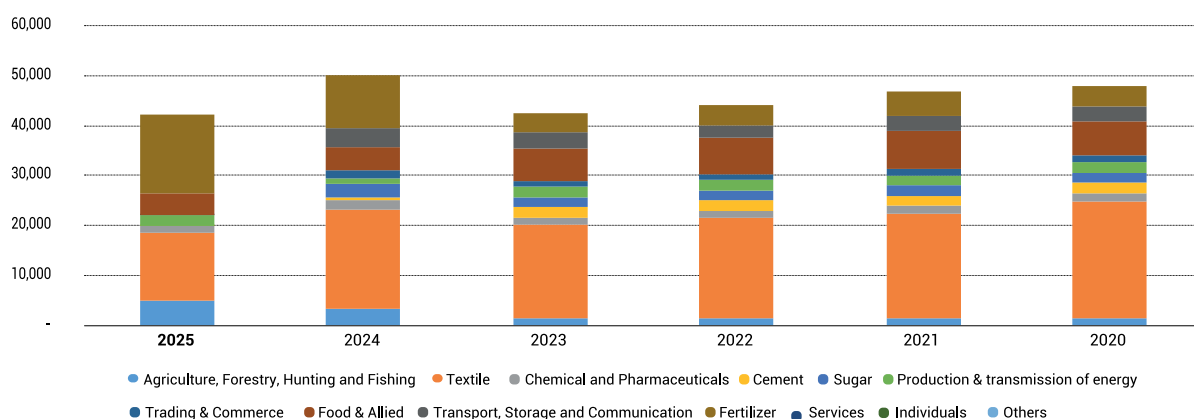
SIX YEARS CONCENTRATION OF NPLS



SIX YEARS CONCENTRATION OF ASSETS & LIABILITIES

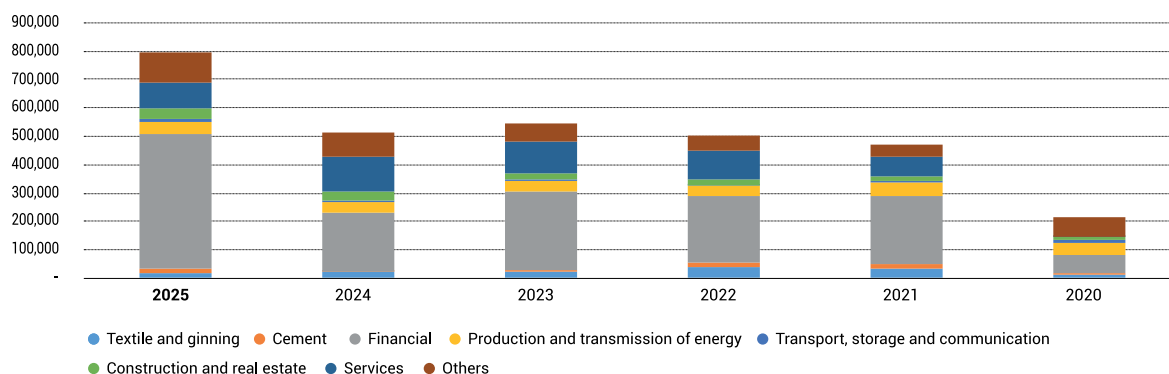
	2025	2024	2023	2022	2021	2020
Rupees in million						
ECL / Provision held against non performing loans						
Agriculture, forestry, hunting and fishing	4,976	3,408	1,256	1,330	1,275	1,302
Textile	13,569	19,620	18,851	20,094	21,176	23,398
Sugar	1,335	1,934	1,501	1,513	1,509	1,759
Automobile and transportation equipment	94	496	1,980	1,979	1,982	2,012
Cable, electrical & engineering	-	2,874	1,925	2,093	2,124	2,103
Production & transmission of energy	2,014	1,078	2,146	2,027	1,906	2,077
Construction	139	1,489	1,247	1,274	1,426	1,422
Trading & commerce	4,152	4,702	6,409	7,121	7,615	6,709
Food & allied	-	3,755	3,244	2,462	2,803	2,929
Others	16,046	10,690	3,868	4,287	4,888	4,140
	42,324	50,046	42,427	44,180	46,703	47,851

SIX YEARS CONCENTRATION OF PROVISIONS AGAINST NPLS



	2025	2024	2023	2022	2021	2020
Rupees in million						
Contingencies and commitments						
Textile and ginning	17,027	21,417	22,634	41,445	32,511	14,185
Cement	14,545	3,739	7,789	11,057	17,697	2,203
Financial	470,511	206,352	275,732	239,505	241,832	67,238
Construction and real estate	37,844	31,580	19,964	18,466	17,707	12,100
Production and transmission of energy	44,851	37,676	37,136	33,461	42,817	42,076
Transport, storage and communication	6,464	6,257	4,811	2,431	8,485	6,519
Services	94,562	123,663	111,462	102,739	65,410	781
Others	103,406	81,862	63,237	52,535	42,565	68,647
	789,210	512,546	542,766	501,638	469,024	213,750

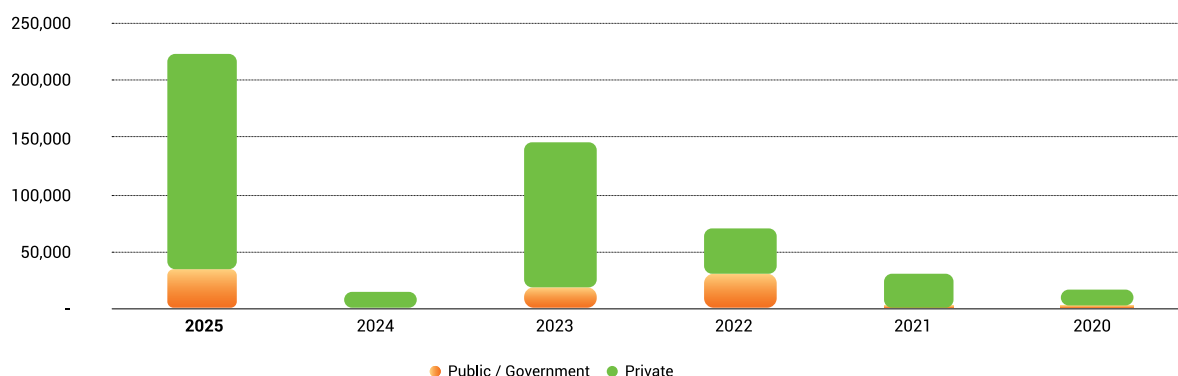
SIX YEARS CONCENTRATION OF OFF-BALANCE SHEET ITEMS



PRIVATE / PUBLIC SECTOR CONCENTRATION OF ASSETS AND LIABILITIES

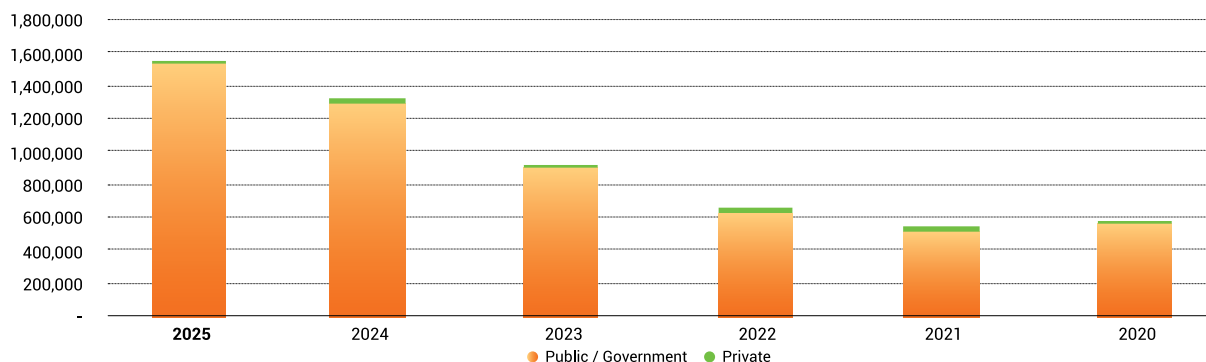
	2025	2024	2023	2022	2021	2020
Rupees in million						
PUBLIC / PRIVATE SECTORS						
Lendings to financial institutions						
Public / Government	34,224	-	19,217	31,170	1,200	2,500
Private	189,215	14,810	125,744	38,649	29,780	13,587
	223,438	14,810	144,961	69,819	30,980	16,087

LENDING TO FINANCIAL INSTITUTIONS



	2025	2024	2023	2022	2021	2020
Rupees in million						
Investments at cost						
Public/ Government	1,528,943	1,297,731	899,513	628,272	520,660	553,891
Private	12,883	20,644	23,089	28,531	25,680	13,462
	1,541,826	1,318,375	922,602	656,803	546,340	567,353

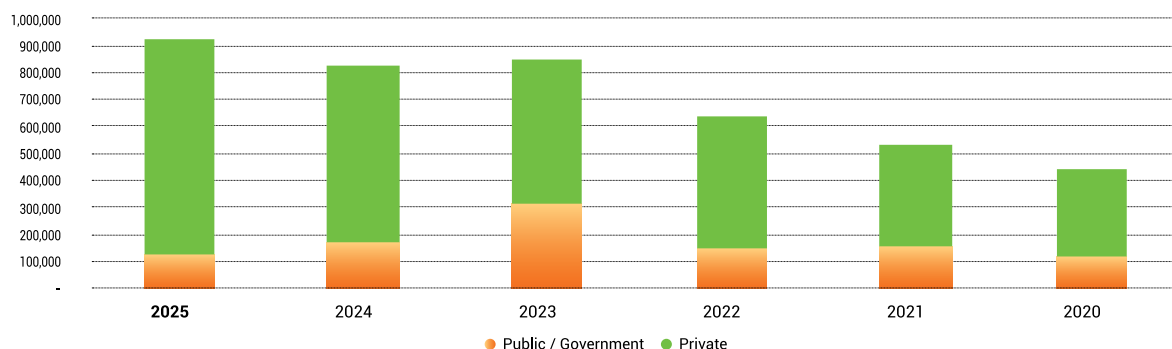
INVESTMENTS AT COST



	2025	2024	2023	2022	2021	2020
Rupees in million						
Gross Advances						
Public/ Government	122,979	172,570	313,225	150,706	153,977	115,265
Private	803,031	654,873	536,285	483,670	380,186	327,495
	926,010	827,443	849,510	634,376	534,163	442,760

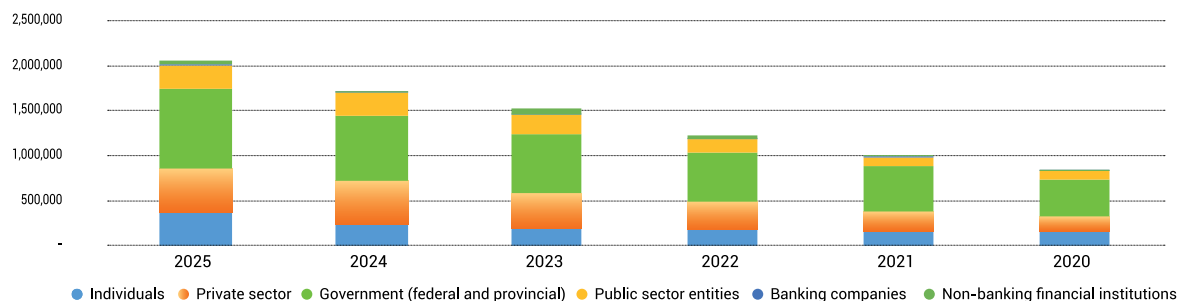
PRIVATE / PUBLIC SECTOR CONCENTRATION OF ASSETS AND LIABILITIES

ADVANCES (GROSS)



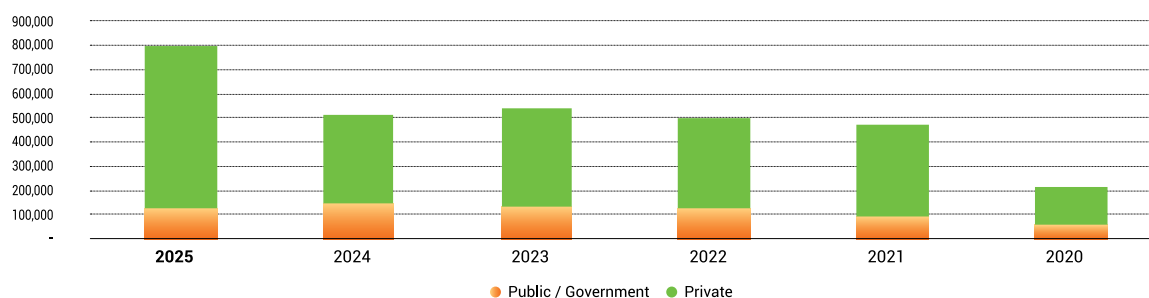
	2025	2024	2023	2022	2021	2020
Rupees in million						
Deposits						
Individuals	369,953	222,777	189,224	178,492	153,435	157,876
Private sector	485,679	497,060	386,696	311,263	227,189	168,476
Government (federal and provincial)	891,149	717,809	656,444	541,183	496,982	409,081
Public sector entities	249,610	255,763	225,426	150,220	103,988	92,393
Banking companies	13,563	3,697	2,603	3,734	2,898	3,122
Non-banking financial institutions	41,581	13,181	60,460	42,448	18,463	4,119
	2,051,536	1,710,288	1,520,854	1,227,339	1,002,955	835,068

DEPOSITS



	2025	2024	2023	2022	2021	2020
Rupees in million						
Contingencies and commitments						
Public/ Government	126,342	149,650	136,257	124,721	92,791	61,832
Private	662,868	362,896	406,509	376,917	376,233	151,918
	789,210	512,546	542,766	501,638	469,024	213,750

CONTINGENCIES & COMMITMENTS



ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

Year 2025 Vs 2024

	2025	2024
	Rupees in million	
ASSETS		
Cash and balances with treasury banks	111,747	100,773
Balances with other banks	5,443	3,261
Lendings to financial institutions	223,418	14,769
Investments - net	1,549,511	1,320,916
Advances - net	881,424	777,397
Fixed assets	29,762	28,555
ROU assets	13,146	12,866
Intangible assets	2,702	2,472
Deferred tax assets - net	7,607	9,051
Other assets - net	126,924	109,919
	2,951,684	2,379,979
LIABILITIES		
Bills payable	9,139	7,637
Borrowings	624,808	409,006
Deposits and other accounts	2,051,536	1,710,288
Lease liabilities	18,267	17,101
Subordinated debts	30,813	30,820
Other liabilities - net	112,981	112,596
	2,847,544	2,287,448
NET ASSETS	104,139	92,531
MARK-UP / INTEREST INCOME		
Mark-up / return / interest earned	266,451	343,791
Mark-up / return / interest expensed	185,347	299,634
Net mark-up / interest income	81,104	44,157
NON MARK-UP / INTEREST INCOME		
Fee and commission income	13,576	11,374
Dividend income	335	354
Foreign exchange income	2,225	857
Gain on securities - net	4,027	11,763
Net gain on derecognition of financial assets	(1,072)	1,148
Other income - net	772	1,193
Total non-markup / interest income	19,864	26,689
Total income	100,968	70,846
NON MARK-UP / INTEREST EXPENSES		
Operating expenses	59,196	49,900
Workers welfare fund	964	491
Other charges	68	7
Total non-markup / interest expenses	60,227	50,398
Profit before provisions	40,741	20,448
Reversal of provisions and write offs - net	4,946	(4,117)
PROFIT BEFORE TAXATION	35,795	24,565
Taxation - net	19,857	11,189
PROFIT AFTER TAXATION	15,938	13,375
Net cash flow from operating activities	316,742	346,200
Net cash used in investing activities	(298,892)	(345,672)
Net cash (used in) / flow from financing activities	(12,716)	(5,628)

Investments - net

Increase is mainly due to purchase of MTBs and PIBs. 98% investments in government securities

Deposits and other accounts

Deposits are increased resulting an increase in market share.

Net mark-up / interest income

Due to decrease in SBP Policy Rate and introduction of Non-MDR Regime by SBP

Non Mark-Up / Interest Income

Decrease in non markup income is due to decrease in gain on sale of securities. Non markup income excluding gains registered a growth of 23%.

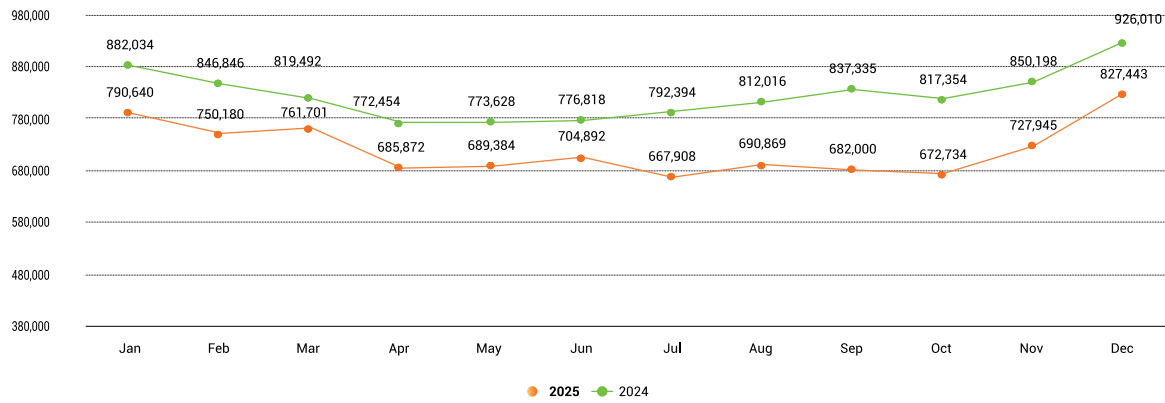
Operating expenses

19% increase in admin expenses pertains to growth in employee compensation i.e fixation of minimum salary of staff and salary adjustments as per market survey. Further, increase in inflation and rupee depreciation resulted in growth in other administrative expenses.

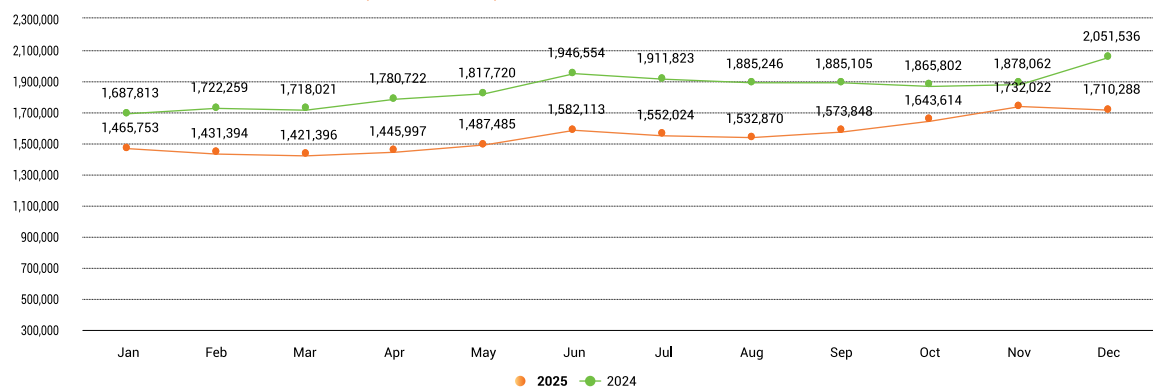
DIRECT CASH FLOW STATEMENT

	2025	2024
	Rupees in million	
Cash flows from operating activities		
Mark-up / return / interest and commission receipts	278,206	398,728
Mark-up / return / interest payments	(201,545)	(295,165)
Payments to employees, suppliers and others	(52,278)	(44,630)
	24,383	58,933
Decrease / (increase) in operating assets		
Lendings to financial institutions	(208,628)	130,151
Net investments in 'held for trading' securities	76,387	(58,310)
Advances - net	(114,713)	12,411
Other assets	(8,032)	66,231
	(254,986)	150,483
(Decrease) / increase in operating liabilities		
Bills payable	1,502	2,129
Borrowings	208,051	(45,381)
Deposits and other accounts	341,249	189,434
Other liabilities	17,237	2,351
	568,039	148,533
Income tax paid	(20,271)	(11,058)
Payment made to gratuity fund	(421)	(691)
Net cash flows from operating activities	316,743	346,201
Cash flows from investing activities		
Net investments in FVOCI / AFS securities	(315,778)	(391,920)
Net investment in Amortized cost / HTM securities	21,097	52,513
Investment in subsidiary company	(500)	(1,100)
Investment in associate	(285)	-
Dividends received	337	355
Investment in fixed assets	(4,218)	(5,793)
Investments in intangible assets	(703)	(792)
Proceeds from sale of property and equipment	271	64
Proceeds from sale of non banking assets	887	1,001
Net cash used in investing activities	(298,892)	(345,672)
Cash flows from financing activities		
Payments of Subordinated debt	(8)	(6)
Dividend paid	(9,160)	(3,272)
Payment of lease liability against right-of-use-assets	(3,548)	(2,972)
Advance subscription money received - privately placed term finance certificates - III	-	622
Net cash (used in) / flow from financing activities	(12,716)	(5,628)
Decrease in cash and cash equivalents	5,134	(5,100)
Cash and cash equivalents at beginning of the year	103,413	108,978
Impact of credit loss allowance on cash and cash equivalents	270	(464)
Cash and cash equivalents at end of the year	108,817	103,414

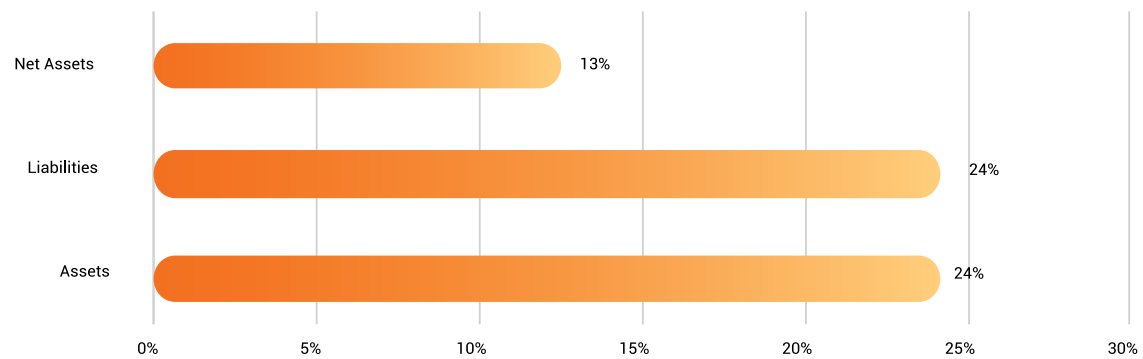
MONTHLY TREND OF BOP ADVANCES (GROSS) (Rs. in Million)



MONTHLY TREND OF BOP DEPOSITS (Rs. in Million)



VARIANCE FROM 2024



STATEMENT OF FINANCIAL POSITION 2024 (Rs. in Billion)

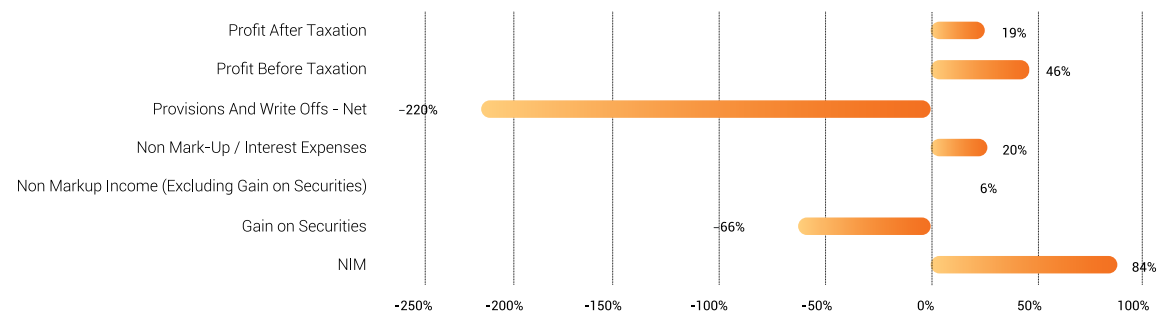


(Rs. in Billion)

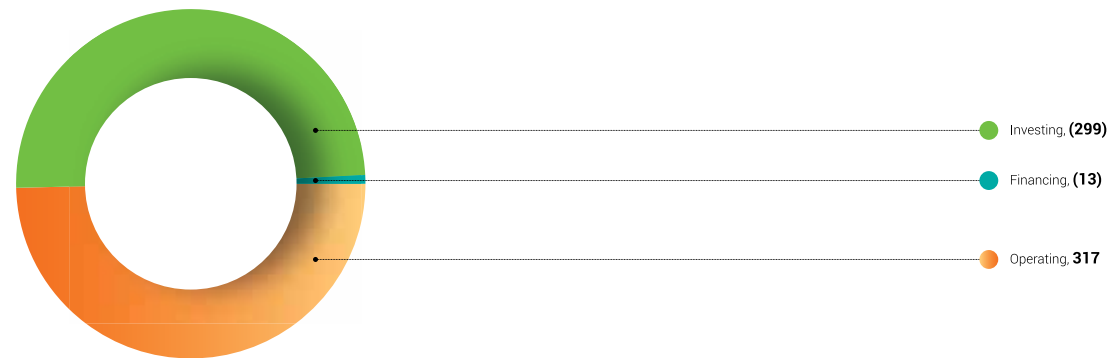
PROFIT & LOSS ACCOUNT 2025



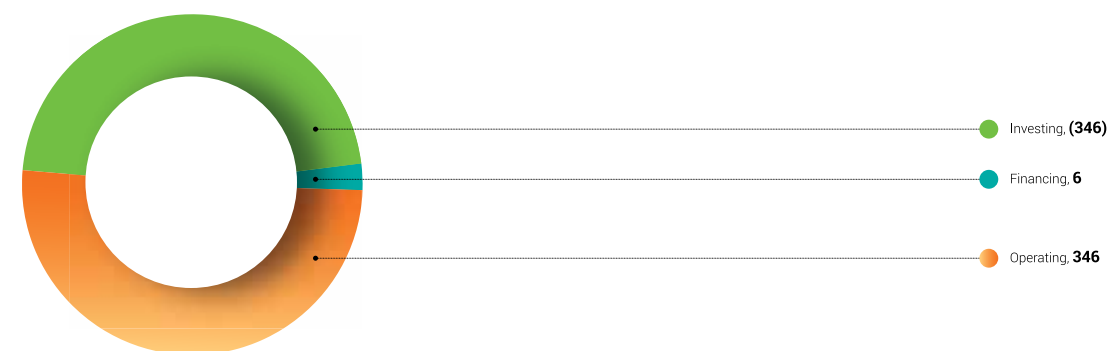
VARIANCE FROM 2024



CASH FLOWS 2025



CASH FLOWS 2024



ANALYSIS OF BANK'S FINANCIAL PERFORMANCE YEAR 2025 VS 2024

MARKUP / INTEREST EARNED

	2025	2024	Variance	%
Rs. In Million				
Mark-up Earned on Advances	99,249	122,553	(23,304)	-19%
Mark-up Earned on Investments	164,422	215,725	(51,302)	-24%
Mark-up Earned on lendings	2,471	4,806	(2,335)	-49%
Mark-up Earned on Balances with Banks	309	707	(399)	-56%
Total	266,451	343,791	(77,340)	-22%

During year 2025, Bank's Markup/Interest Income decreased by Rs. (77) billion (-22%). Income on Advances decreased by Rs. (20) Billion (-17%) while Income on Investments decreased by Rs. (51) billion (-24%) due to decrease in SBP Policy Rate. During year 2025, Average SBP Policy Rate reduced to 11.39% as against 19.67% during year 2024. Similar trend was recorded in Income on Lending to FIs and Balance with Other Banks. During year 2025, a notional adjustment of Rs. 1.5 Billion was recorded in line with implementation of IFRS-09 as against Rs. 5.1 billion during year 2024. During the year, Gross Advances registered as growth of 12% while Investments & Lending to FIs registered a growth of 33%.

MARKUP/INTEREST EXPENSED

	2025	2024	Variance	%
Rs. In Million				
Mark-up expensed on deposits	138,235	230,515	(92,281)	-40%
Mark-up expensed on borrowings	40,501	60,151	(19,650)	-33%
Mark-up expensed on subordinated debts	4,212	6,782	(2,569)	-38%
Mark-up expensed on lease liability	2,399	2,187	212	10%
Total	185,347	299,634	(114,288)	-38%

During year 2025, Bank's Deposits registered a growth of 20% while SBP Policy Rate witnessed a declining trend resulting in reduction in profit rates on Deposits. Accordingly, a net decrease of Rs. (92) Billion (-40%) was observed in Markup/Interest Expense on Deposits. Bank's focus remained on improving mix of low cost CASA Deposits to maximize the contribution to bottom line. During the year, Bank's Current Deposits registered a substantial growth of 34%. Markup Expense on Borrowings decreased by Rs. (19) billion (-32%) due to reduction in SBP Policy Rate. Markup Expense on Subordinated loans also decreased by Rs. (3) billion (-38%), while Markup expensed on lease liability increased by 10%. During year 2025, a notional adjustment of Rs. 0.12 Billion on Borrowings was also recorded in line with implementation of IFRS-09.

NON MARKUP INCOME

	2025	2024	Variance	%
Rs. In Million				
Fee and commission income	13,576	11,374	2,202	19%
Dividend income	335	354	(18)	-5%
Foreign exchange income	2,225	857	1,368	160%
Gain on securities - net	4,027	11,763	(7,736)	-66%
Net gain on derecognition of financial assets measured at amortised cost	(1,072)	1,148	(2,220)	100%
Other income - net	772	1,193	(421)	-35%
Total	19,864	26,689	(6,826)	-26%

During the year 2025, Bank's Non Markup Income remained at Rs. 19.9 Billion as against Rs. 26.7 Billion during year 2024. During the period, Fee & Commission Income registered a growth of Rs. 2.2 Billion (19%). Major growth of Rs. 1.0 Billion was observed in Card Related Income while commission on guarantees increased by Rs. 0.7 billion. Foreign Exchange Income increased by 160% while Gain on Securities of Rs. 4.0 Billion was realized as against Rs. 11.8 billion during year 2024. During year 2024, Net loss on derecognition of financial assets measured at amortized cost amounting to Rs. (1.1) Billion was recorded as against net gain of Rs. 1.1 billion during year 2024. Other Income decreased by Rs. (0.4) Billion mainly due to gain on disposal of Non Banking Assets (NBAs) during year 2024. Dividend Income remained at Rs. 0.3 Billion.

TOP INVESTMENT IN EQUITY SECURITIES YEAR 2025 VS 2024

		WITHOUT IMPAIRMENT	
Name of Company	Shares in Numbers	Book Value	Market Value
Rupees in million			
TOP TEN SHARES HOLDING IN AMOUNT AS OF 31.12.2025			
HUB POWER CO LTD	3,450,193	690	764
FAUJI FERTILIZER CO LTD	1,102,000	605	651
PAK PETROLEUM LTD	2,644,491	534	623
PAKISTAN STATE OIL CO. LTD	1,302,000	598	617
KOT ADDU POWER	15,007,175	526	563
NISHAT CHUNIAN POWER LTD	10,318,065	268	520
FAYSAL BANK LTD	5,308,816	430	492
NATIONAL BANK OF PAKISTAN	1,852,000	422	449
MEZAN BANK LIMITED	1,000,000	436	444
UNITED BANK LTD	961,275	380	408

Name of Company	Shares in Numbers	WITHOUT IMPAIRMENT	
		Book Value	Market Value
		Rupees in million	
TOP TEN SHARES HOLDING IN AMOUNT AS OF 31.12.2024			
Fauji Ferterlizer Company Limited	3,271,817	847	1,199
Sui Northern Gas Pipelines Limited	5,944,605	480	665
Pakistan State Oil Company Limited	2,125,000	479	936
Pak Petroleum Limited	3,250,094	448	662
United Bank Limited	1,101,097	389	421
Mari Petroleum Company Limited	810,155	372	583
Pak Elektron Limited	7,772,500	310	341
Hub Power Company Limited	2,188,227	281	286
Nishat Chunian Power Limited	8,091,615	242	218
Habib Bank Limited	1,450,000	218	253

Investment in subsidiaries	2025	2024
Punjab Modaraba Services (Private) Limited	100%	100%
First Punjab Modaraba	39%	39%
Bop Capital Securities (Private) Limited	100%	100%
Bop Exchange (Pvt) Limited	100%	100%

Investment in Associate	2025	2024
Punjab Life Insurance Company Limited (PLIC)	950%	-

NON PERFORMING ASSETS AND RELATED PROVISION

Particulars	Dec 31, 2025		Dec 31, 2024	
	Non performing assets	Provision	Non performing assets	Provision
Investments				
Beginning Balance	384	384	425	425
Additions / Charged During the period	122	122	-	-
Reversal / transfer	579	579	(41)	(41)
Disposal / Write-Offs	-	-	-	-
Ending Balance	1,085	1,085	384	384
Advances				
Beginning Balance	53,544	44,725	50,880	42,427
IFRS 09 adoption impact	-	-	-	2,438
Additions / Charged During the period	7,045	5,159	4,547	2,141
Reversal	(6,369)	(4,653)	(1,883)	(2,281)
Write-Offs / charged off	(9,893)	(10,069)	-	-
Ending Balance	44,327	35,162	53,544	44,725
Other Assets				
Beginning Balance	1,530	1,332	1,647	1,453
Additions / Charged During the period	1,438	1,385	924	796
Reversal	(19)	(19)	(528)	(403)
Write-Offs	(0)	(0)	(513.36)	(513)
Ending Balance	2,949	2,698	1,530	1,333
Total				
Beginning Balance	55,458	46,441	52,952	44,305
IFRS 09 adoption impact	-	-	-	2,438
Additions / Charged During the period	8,605	6,667	5,471	2,937
Reversal	(5,809)	(4,093)	(2,452)	(2,725)
Write-Offs / charged off	(9,893)	(10,069)	(513)	(513)
Ending Balance	48,361	38,945	55,458	46,441

QUARTERLY PERFORMANCE

YEAR 2025 & 2024

	2025				2024			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
	Rupees in Million							
Profit & Loss Account								
Mark-up / return / interest earned	64,260	67,105	66,122	68,964	80,267	91,805	87,475	84,245
Mark-up / return / interest expensed	41,616	44,456	45,354	53,920	65,348	78,483	80,113	75,691
Net mark-up / interest income	22,644	22,648	20,768	15,044	14,919	13,322	7,362	8,554
Fee and commission income	3,699	3,563	3,079	3,235	3,813	3,044	2,440	2,077
Dividend income	116	50	63	107	91	100	48	115
Foreign exchange income	594	908	146	577	196	(101)	556	208
Net gains / (loss) on derecognition								
of financial assets	(289)	(214)	(292)	(277)	(113)	(101)	1,362	-
Gain on securities - net	419	939	1,898	771	6,849	2,825	1,388	702
Other income - net	248	352	100	72	111	49	485	548
Total non-markup / interest income	4,787	5,598	4,994	4,485	10,947	5,815	6,278	3,649
Total income	27,432	28,246	25,762	19,528	25,866	19,137	13,640	12,203
Operating expenses	15,031	14,928	14,926	14,311	15,917	11,873	11,677	10,433
Workers welfare fund	180	250	408	125	116	289	34	53
Other charges	(1)	64	3	1	1	4	1	0
Total non-markup / interest expenses	15,210	15,243	15,337	14,437	16,033	12,165	11,712	10,487
Profit before provisions	12,221	13,004	10,425	5,091	9,832	6,971	1,928	1,716
Provisions and write offs - net	2,823	1,765	(725)	1,083	(636)	(75)	(1,611)	(1,796)
Profit before taxation	9,398	11,239	11,150	4,008	10,468	7,046	3,539	3,512
Taxation - net	5,411	6,094	6,143	2,210	5,001	3,488	899	1,802
Profit after taxation	3,988	5,145	5,007	1,798	5,467	3,558	2,640	1,710
Statement of Financial Position								
Assets								
Cash and balances with treasury banks	111,747	104,600	112,348	104,407	100,773	104,183	123,187	113,400
Balances with other banks	5,443	3,835	6,078	3,759	3,261	2,968	26,943	17,839
Lendings to financial institutions	223,418	19,404	9,793	14,869	14,769	13,866	1,952	7,726
Investments - net	1,549,511	1,443,926	1,425,506	1,267,734	1,320,916	1,210,288	1,291,449	1,055,788
Advances - net	881,424	785,005	725,828	768,044	777,397	627,456	650,601	708,517
Fixed assets	29,762	29,255	28,982	28,809	28,555	23,950	22,903	20,773
ROU assets	13,146	12,747	12,551	12,493	12,866	12,120	11,843	12,138
Intangible assets	2,702	2,727	2,479	2,400	2,472	2,494	2,501	2,540
Deferred tax assets - net	7,607	9,306	7,812	11,564	9,051	11,347	14,051	15,618
Other assets - net	126,924	125,012	112,461	120,157	109,919	127,812	123,690	121,114
	2,951,684	2,535,817	2,443,837	2,334,237	2,379,979	2,136,483	2,269,120	2,075,452
Liabilities								
Bills payable	9,139	7,321	10,983	11,643	7,637	5,750	8,032	5,614
Borrowings	624,808	389,989	240,072	350,716	409,006	308,543	436,134	408,173
Deposits and other accounts	2,051,536	1,885,105	1,946,554	1,718,021	1,710,288	1,573,848	1,582,113	1,421,396
Lease liabilities	18,267	17,772	17,418	17,096	17,101	16,219	15,709	15,762
Subordinated debts	30,813	30,816	30,816	30,820	30,820	30,824	30,824	30,255
Other liabilities	112,981	106,618	101,788	118,472	112,596	117,733	119,102	120,186
	2,847,544	2,437,621	2,347,631	2,246,769	2,287,448	2,052,917	2,191,914	2,001,385
Net Assets	104,139	98,196	96,206	87,468	92,531	83,567	77,207	74,067
Represented by								
Share capital - net	32,453	32,453	32,453	32,453	32,453	32,453	32,453	32,453
Reserves	20,814	20,017	18,988	17,986	17,627	16,533	15,822	15,294
Surplus on revaluation of assets - net of tax	10,693	9,149	10,039	6,680	7,954	7,278	4,555	3,830
Unappropriated profit	40,180	36,578	34,727	30,350	34,497	27,303	24,377	22,491
	104,139	98,196	96,206	87,468	92,531	83,567	77,207	74,067

ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

Quarter	Net Interest Margin	Non-Markup Income	Operating Expenses	Profit Before Tax
1st	During the first quarter of year 2025, Bank's NII improved to Rs. 15.04 Billion as against Rs. 8.55 Billion during 1st Quarter 2024. During 1st Quarter 2025, SBP Policy Rate remained at 12.3% as against 22.0% during 1st Quarter 2024.	During first quarter of year 2025, Bank's Non-Markup Income increased by 23% over 1st quarter 2024 due to increase in Fee Income amounting to Rs. 116 billion. Foreign Exchange Income increased by Rs. 0.37 billion.	Driven by the Bank's continued expansion strategy, growth in workforce, annual salary adjustments, and prevailing inflationary pressures, the Bank's operating expenses increased by 37% during the first quarter of 2025.	Bank's Profit Before Tax for 1st quarter of 2025 was recorded at Rs. 4.01 billion as compared to Rs. 3.51 billion during 1st quarter of year 2024 registering a significant growth of 14%. The increase was resultant of growth of 76% in net interest income.
2nd	During the 2nd quarter of year 2025, NII followed the consistent growth trend reaching Rs. 20.77 billion as against Rs. 7.36 billion during 2nd Quarter 2024. SBP Policy Rate remained at 11.4% as against 21.7% during 2nd Quarter 2024.	Bank's Non-Markup Income for 2nd quarter of 2025 remained at Rs. 4.99 billion as against Rs. 6.28 billion during 2nd quarter of year 2024. Major reason for decline was net gain on derecognition of financial assets amounting to Rs. 1.36 billion during 2nd quarter 2024. Fee income registered a growth of 26%.	Bank's Operating Expenses for 2nd quarter of 2025 were recorded at Rs. 14.93 billion as compared to Rs. 11.68 billion during 2nd quarter of year 2024 showing a rise of 28%.	Bank's Profit Before Tax for 2nd quarter of 2025 significantly increased to Rs. 11.15 billion as against Rs. 3.54 billion during 2nd quarter of year 2024. The increase was resultant of growth of 182% in net interest income.
3rd	During the 3rd quarter of year 2025, NIM further increased to Rs. 22.65 billion as against Rs. 13.32 billion during 3rd quarter 2024. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank due to downward trend in SBP Policy Rate. SBP Policy Rate remained at 11.0% as against 19.4% during 3rd Quarter 2024.	Bank's Non-Markup Income for 3rd quarter of 2025 remained at Rs. 5.60 billion as against Rs. 5.82 billion during 3rd quarter 2024. The decrease was mainly due to higher level of gain on securities during 3rd quarter 2024. Fee income registered a growth of 17%, while Foreign Exchange Income registered a significant rise of Rs. 1.0 billion.	Bank's Operating Expenses for 3rd quarter of 2025 were recorded at Rs. 14.93 billion as compared to Rs. 11.87 billion during 3rd quarter of year 2024 showing a rise of 26%.	Bank's Profit Before Tax for 3rd quarter of 2025 was recorded at Rs. 11.24 billion as compared to Rs. 7.05 billion during 3rd quarter of year 2024 registering a growth of 60%. The increase was resultant of growth of 70% in net interest income.
4th	During the 4th quarter of year 2025, NIM increased to Rs. 22.64 billion as against Rs. 14.92 billion during 4th Quarter 2024. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank. SBP Policy Rate remained at 10.9% as against 15.6 % during 4th Quarter 2024.	Bank's Non-Markup Income for 4th quarter of 2025 remained at Rs. 4.79 billion as against Rs. 10.95 billion during 4th quarter 2024. The decrease was mainly due to higher level of gain on securities during 4th quarter 2024.	Bank's Operating Expenses for 4th quarter of 2025 were recorded at Rs. 15.03 billion as compared to Rs. 15.92 billion during 4th quarter of year 2024.	Bank's Profit Before Tax for 4th quarter of 2025 was recorded at Rs. 9.40 billion as compared to Rs. 10.47 billion during 4th quarter of year 2024. The decrease was mainly due to higher level of gain on securities in corresponding period and higher provision charge during current period.

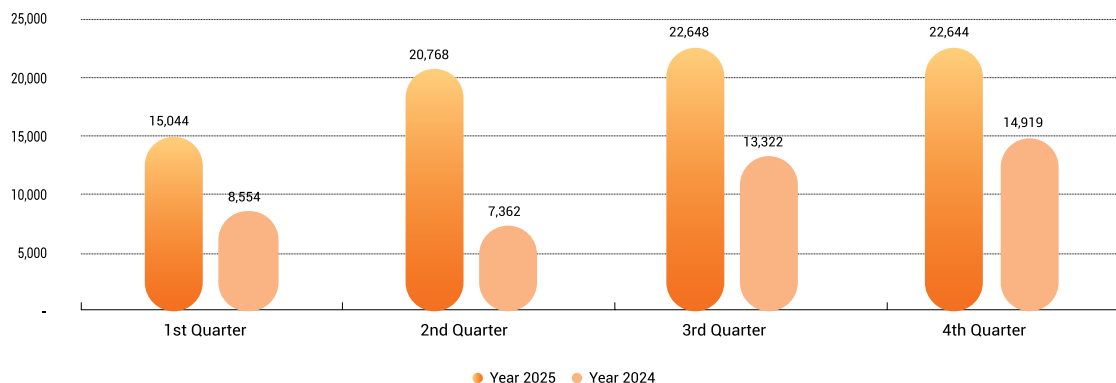


GRAPHICAL PRESENTATION

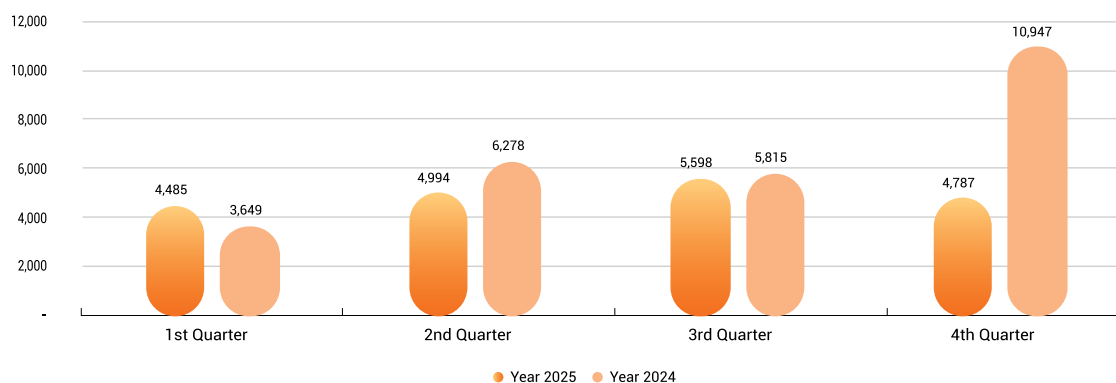
QUARTERLY PERFORMANCE

(Rs. in Million)

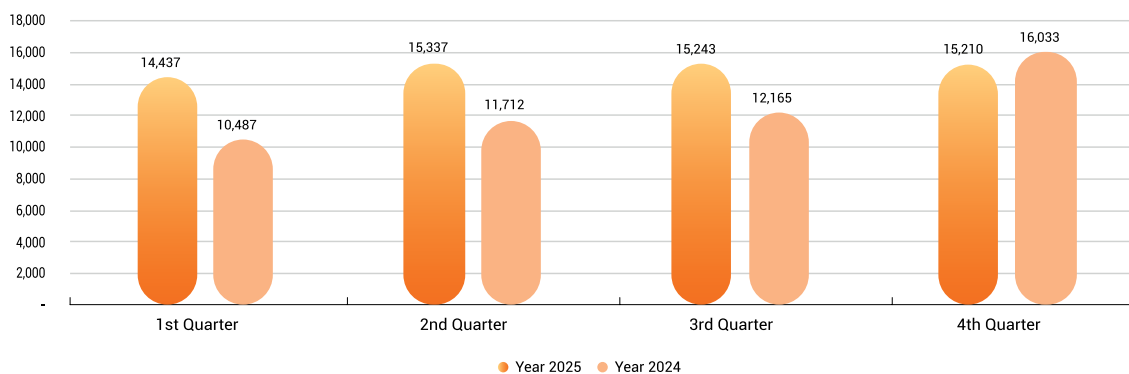
QUARTERLY NET INTEREST MARGIN



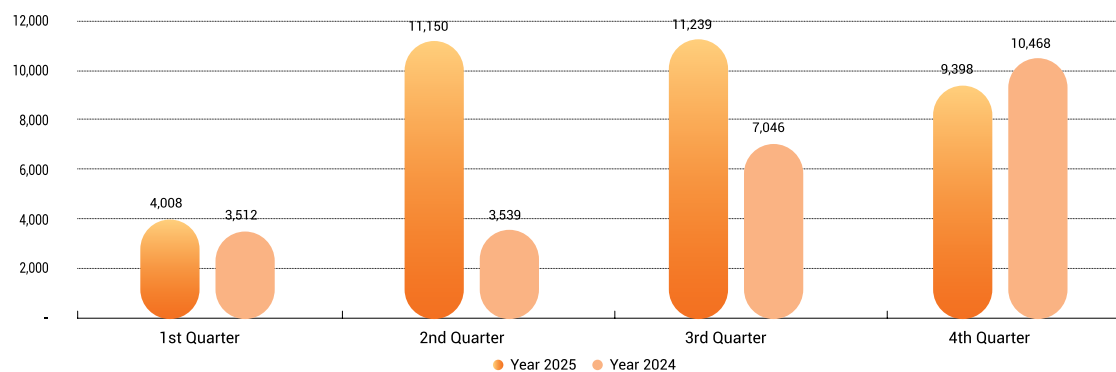
QUARTERLY NON MARKUP INCOME



QUARTERLY NON MARKUP EXPENSE



QUARTERLY PROFIT BEFORE TAX



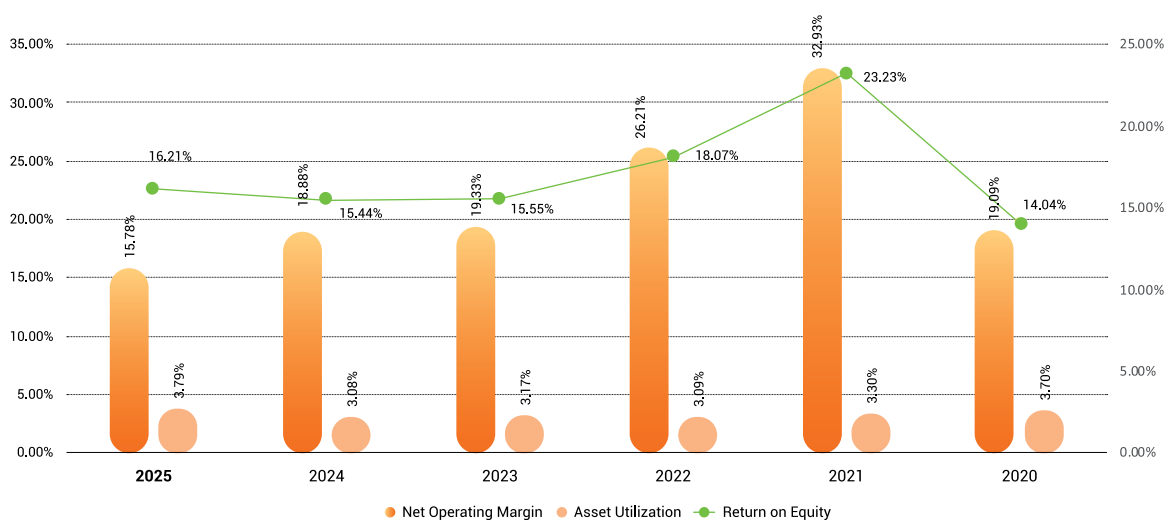
DUPONT ANALYSIS

		2025	2024	2023	2022	2021	2020
Net Operating Margin	A	15.78%	18.88%	19.33%	26.21%	32.93%	19.09%
Asset Utilization	B	3.79%	3.08%	3.17%	3.09%	3.30%	3.70%
Return on Assets	C=A*B	0.60%	0.58%	0.61%	0.81%	1.09%	0.71%
Leverage Ratio / Equity Multiplier	D	27.11	26.52	25.36	22.35	21.41	19.85
Return on Equity	C*D	16.21%	15.44%	15.55%	18.07%	23.23%	14.04%

Following are the main DuPont Analysis Highlights:

1. During year 2025, Net Operating Margin remained at 15.78% as against 18.88% during year 2024. Major reason for decrease was increase in operating expenses in line with business expansion/inflation and investment in new technologies. Further, Provision charge for year 2025 remained at Rs. 4.95 billion, including General Provision of Rs. 2.26, as against Provision reversal of Rs. (4.12) billion during year 2024.
2. Asset Utilization has remained in the range of 3.08% - 3.79%. During year 2025, it improved to 3.79% as against 3.08% during year 2024.
3. Return on Equity for year 2025 improved to 17.91% as against 16.36% during year 2024.

DUPONT ANALYSIS



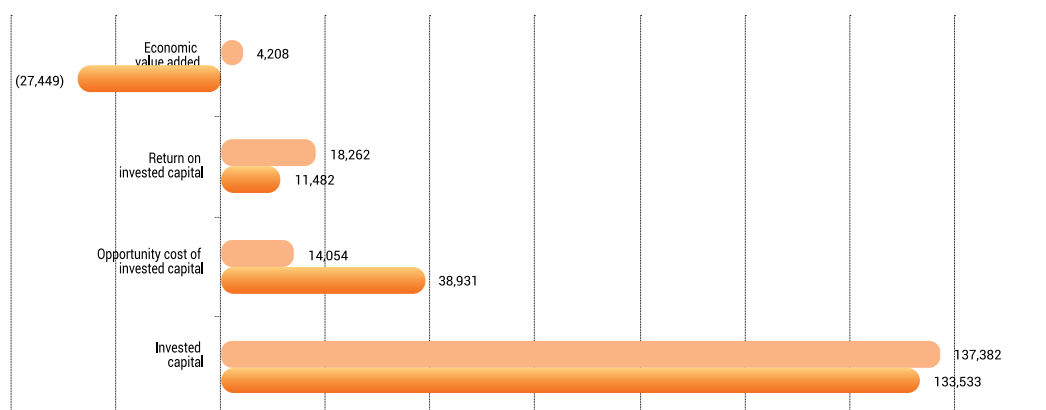
ECONOMIC VALUE ADDED STATEMENT

	2025	2024
	Rupees in Million	
Invested Capital		
Average shareholder's equity	89,012	81,751
Add: Cumulative provision against assets	48,370	51,782
	137,382	133,533
Return on invested capital		
Profit after taxation	15,938	13,375
Add: Provisions and write offs - net	2,324	(1,894)
Total return on invested capital	18,262	11,482
Economic cost	10.23%	29.15%
Opportunity cost of invested capital	14,054	38,931
Economic value added	4,208	(27,449)

During 2025, the Bank's share performance improved markedly, with the average share price increasing to Rs. 18.59 and reaching a peak of Rs. 41.54, compared to an average price of Rs. 5.98 in 2024. The Bank also announced its first-ever interim cash dividend of 10%, along with a final cash dividend of 15% for the year.

The Earnings Per Share (EPS) rose to Rs. 4.87 in 2025, up from Rs. 4.09 in 2024, reflecting sustained profitability and operational efficiency. Consequently, the Economic Value Added (EVA) improved significantly to Rs. 4.2 billion in 2025, compared to Rs. (27.4) billion in 2024, indicating a strong recovery in shareholder value creation.

During 2025, the Bank also received multiple awards and recognitions across various forums. It made a significant contribution in extending support to Government Schemes aimed at promoting the SME and Agriculture sectors, and was honored numerous awards in recognition of its outstanding performance and commitment to these segments.



CAPITAL EXPENDITURE

Capital expenditure during the year:

The total capital expenditure during 2025 was Rs. 5.02 billion mainly on account of improvement in IT infrastructure and Digital Banking to support business expansion.

Capital expenditures planned for next year:

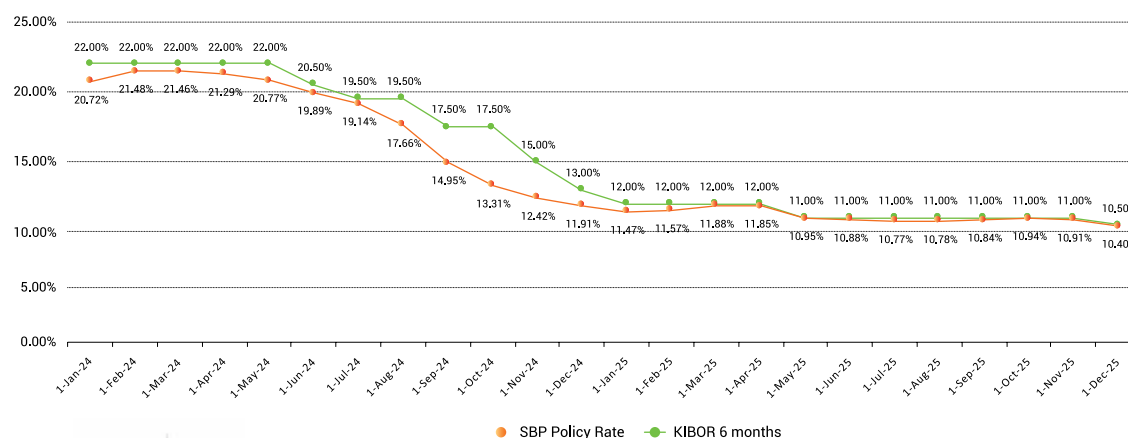
The Bank has budgeted capital expenditure of Rs. 11.3 billion for the year 2026 with major focus on branches expansion, renovation of existing branches & offices, development of IT infrastructure and rolling out new technology based products & services through Digital Banking Channels.

LIQUIDITY GAP ANALYSIS

	Total	Month	Over three Month up to 01 Year	Over 01 Over up to 3 Years	Over 03 Over up to 05 Years	Over 05 Years
Rs in million						
Assets						
Cash and balances with treasury banks	111,747	111,747	-	-	-	-
Balances with other banks	5,443	5,443	-	-	-	-
Lending to financial institutions	223,418	221,438	1,979	-	-	-
Investments	1,549,511	120,441	599,335	539,980	258,763	30,993
Advances	881,424	325,656	194,905	165,969	64,921	129,973
Operating fixed assets	29,762	1,374	2,715	6,490	6,490	12,693
Right of Use Assets	13,146	7	80	385	1,251	11,423
Intangible assets	2,702	90	270	721	721	901
Deferred tax assets	7,607	-	-	-	7,607	-
Other assets	126,924	85,798	25,220	15,906	-	-
	2,951,684	871,994	824,504	729,450	339,753	185,983
Liabilities						
Bills payable	9,139	9,139	-	-	-	-
Borrowings from financial institutions	624,808	574,934	13,600	13,912	3,301	19,062
Deposits and other accounts	2,051,536	830,716	637,364	234,041	117,067	232,349
Sub-ordinated loans	30,813	-	8	4,297	12	26,496
Lease liabilities	18,267	8	99	585	1,777	15,799
Other liabilities	112,981	44,683	40,984	9,133	14,642	3,539
Deferred tax liabilities	-	-	-	-	-	-
	2,847,544	1,459,480	692,054	261,968	136,798	297,244
Net assets	104,140	(587,486)	132,450	467,482	202,955	(111,262)

	Average	Interest rate	Interest	Average	Interest	rate Interest
Rs in million						
Interest earning assets						
Landings to financial institutions	21,319	11.59%	2,471	27,957	17.20%	4,810
Gross advances (excluding NPLs)	738,557	13.44%	99,249	644,037	19.03%	122,553
Gross investments (excluding equity investments)	1,361,205	12.08%	164,422	1,144,025	18.86%	215,720
Interest bearing liabilities						
Deposits (excluding current deposits)	1,463,917	9.45%	138,268	1,264,815	18.24%	230,651
Borrowings	64,675	4.25%	2,749	347,443	17.31%	60,151
Subordinated loan	30,817	13.67%	4,212	30,617	22.15%	6,782

KIBOR & SBP POLICY RATE



BUSINESS SEGMENT ANALYSIS

Balance Sheets & Profit/(Loss) Accounts of following Business Segments have been stated in Note 43 to the Annual Audited Financial Statements:

Corporate & Investment Banking (CIBG)

- This includes, loans, project finance, real estate finance, export finance, trade finance & investment banking, and other banking activities with corporate and public sector customers.

Cards and public sector deposits (CPSD)

- It includes public sector deposits and related banking services including home remittances and card related banking services to customers of the Bank.

Consumer Banking (CBG)

- It includes private sector deposits and loans under retail finance, commercial banking, agriculture customers, small and medium enterprises and financing under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

Treasury

- It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic Banking (IB)

- The segment pertains to full scale Islamic Banking operations of the Bank.

Others

- This includes head office related activities, and all other activities not tagged to the segments above.

Key variances during year 2025 are hereunder:

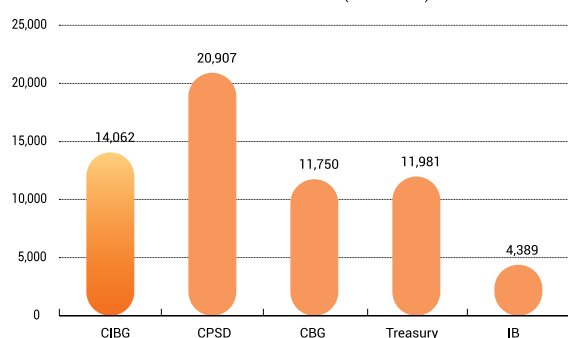
Profit & Loss:

- PBT of CIBG increased by Rs. 9.8 Billion due to decrease of Rs. (8.2) Billion in Total Income, decrease of Rs. (16.9) Billion in Total Expenses and increase of Rs. (1.1) Billion in credit loss allowance reversal.
- PBT of CPSD increased by Rs. 9.4 Billion due to decrease of Rs. (36.8) Billion in Total Income, decrease of Rs. (50.8) Billion in Total Expenses and increase of Rs. 4.7 Billion in credit loss allowance charge.
- PBT of CBG decreased by Rs. (12.4) Billion due to decrease of Rs. (30.0) Billion in Total Income, decrease of Rs. (21.0) Billion in Total Expenses and increase of Rs. 3.4 Billion in credit loss allowance charge.
- PBT of Treasury increased by Rs. 20.1 Billion due to decline in SBP Policy Rate as the Borrowing Cost of Treasury decreased due to lower Transfer Price.
- PBT of IB decreased by Rs. (4.4) Billion due to decrease of Rs. (2.9) Billion in Total Income, increase of Rs. 0.7 Billion in Total Expenses and increase of Rs. 0.9 Billion in credit loss allowance charge.

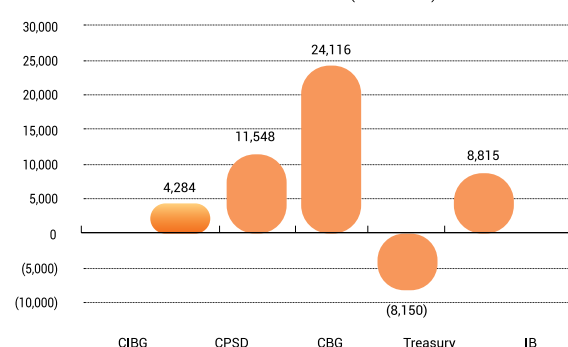
Balance Sheet:

- Movement in Assets & Liabilities of different Business Segments was due to rise in the Level of Deposits & Borrowings and corresponding growth in Advances & Investments.

SEGMENT PROFITABILITY 2025 (Rs. In M)



SEGMENT PROFITABILITY 2024 (Rs. In M)

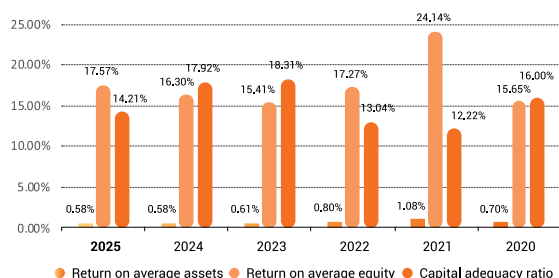


ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

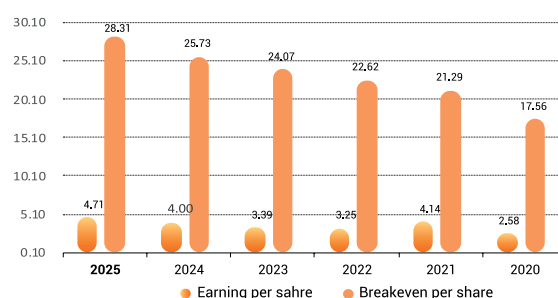
Six Years Maturities of Assets

	2025	2024	2023	2022	2021	2020
	Rs in million					
Total assets	2,950,740	2,379,141	2,216,204	1,481,998	1,197,272	1,095,848
Net Assets	103,321	92,115	80,571	64,964	54,910	52,383
Surplus on revaluation of assets	10,695	7,952	1,819	(2,323)	(1,369)	5,955
Shareholder's equity excluding						
surplus on revaluation	92,626	84,163	78,753	67,287	56,279	46,427
Profit before tax	35,394	24,437	21,129	18,377	18,371	11,926
Profit after tax	15,530	13,280	11,254	10,669	12,396	6,881
Profit attributable to equity holders	15,394	13,088	11,081	10,628	12,316	6,819
Average assets	2,664,940	2,297,672	1,849,101	1,339,635	1,146,560	982,765
Return on average assets	0.58%	0.58%	0.61%	0.80%	1.08%	0.70%
Average equity	88,394	81,458	73,020	61,783	51,353	43,962
Return on average equity	17.57%	16.30%	15.41%	17.27%	24.14%	15.65%
Weighted average number of shares	3,271,569,319	3,271,569,319	3,271,569,319	3,271,569,319	2,974,153,927	2,643,692,380
Earning per sahare	4.71	4.00	3.39	3.25	4.14	2.58
Number of ordinary shares	3,271,569,319	3,271,569,319	3,271,569,319	2,974,153,927	2,643,692,380	2,643,692,380
Breakup value per share	28.31	25.73	24.07	22.62	21.29	17.56
Capital adequacy ratio	14.21%	17.92%	18.31%	13.04%	12.22%	16.00%

CAR & RETURN



EPS & BREAK-EVEN EPS





07.

UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BANK OF PUNJAB

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of The Bank of Punjab (the Bank), which comprise the unconsolidated statement of financial position as at December 31, 2025, and the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 28 branches which have been audited by us and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

nr

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Tel: +92 (42) 35199343-50/Fax: +92 (42) 35199351

■ KARACHI ■ LAHORE ■ ISLAMABAD

Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Credit loss allowance against advances and off-balance sheet obligations: (Refer notes 4.8, 5.1, 5.5, 5.19, 10, 22.1 and 34 to the unconsolidated financial statements) The Bank records credit loss allowance against advances and off-balance sheet obligations in accordance with the requirements of the application instructions issued by the State Bank of Pakistan (SBP) for IFRS Accounting Standard 9 'Financial Instruments' (IFRS 9). Under IFRS 9, the Bank assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with all advances and other debt financial assets not held at fair value through profit and loss, together with off-balance sheet obligations including letters of credit, guarantees and unutilised financing commitments. A lifetime ECL is recorded on advances and off-balance sheet obligations in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition, and on advances and off-balance sheet obligations which are credit impaired as on the reporting date. A 12 months ECL is recorded for advances and off-balance sheet obligations which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Bank compares the risk of a default occurring on the advances as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12 months ECL are calculated at facility level. The credit loss allowance is increased by provisions charged to the unconsolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries. The Bank records charge for Stage 3 based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the SBP. This assessment is conducted at the borrower / facility level for corporate, commercial, retail and consumer portfolios including off-balance sheet obligations. If one facility of a counterparty becomes more than 90 days past due or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3. The measurement of ECL involves evaluating a range of possible outcomes, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions.	Our audit procedures to verify credit loss allowance against advances and off-balance sheet obligations included, amongst others, the following: • We obtained and updated our understanding of management's assessment of credit loss allowance in respect of advances and off-balance sheet obligations including the Bank's internal rating model, accounting policy and model methodology including any key changes made during the year. • We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Bank to identify loss events and for determining the extent of provisioning required against advances and off-balance sheet obligations. • The testing of controls included testing of: • controls over correct classification of customers under the applicable financial reporting framework; • controls over monitoring of customers with higher risk of default having exposure of advances and off-balance sheet obligations and correct classification of customers' exposure on subjective criteria; • controls over accurate computation and recording of credit loss allowance; and • controls over the governance and approval process related to credit loss allowance, including continuous reassessment by the management. • We selected a sample of customers and performed the following substantive procedures: • assessed the reasonableness and accuracy of the data used for credit loss allowance computation based on accounting records and information system of the Bank as well as the related external sources used for this purpose; • checked repayments of loans / mark-up / profit installments and tested classification of customer exposure based on the number of days overdue; • tested the staging of loans and advances and off-balance sheet obligations as per the criteria of SICR and in accordance with the application instructions as issued by SBP for IFRS 9;

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S. No.	Key Audit Matter	How the matter was addressed in our audit
	The net credit loss allowance made / reversed during the year is recognised in the unconsolidated statement of profit and loss account and accumulated credit loss allowance against advances is netted-off against advances and credit loss allowance against off-balance sheet obligations is reflected under other liabilities. The Bank has recognised a net credit loss allowance against advances (including general provision) and net reversal of credit loss allowance against off-balance sheet obligations amounting to Rs. 4,253.633 million and Rs. 1,066.606 million, respectively in the unconsolidated statement of profit and loss account in the current year. As at December 31, 2025, the Bank holds a credit loss allowance of Rs. 42,323.875 million and Rs. 738.971 million against advances and off-balance sheet obligations, respectively. In addition, the Bank has also maintained a general reserve of Rs. 2,261.840 million against advances / financing made as mentioned in notes 5.1 and 10.4.5.1 to the unconsolidated financial statements. The determination of credit loss allowance / provision against advances and off-balance sheet obligations based on the above criteria remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations and the materiality of advances and off-balance sheet obligations relative to the overall unconsolidated financial statements of the Bank, we considered this area as a key audit matter.	- evaluated the management's assessment for classification of a customer's exposure as performing or non-performing under prudential regulations and application instructions as issued by SBP for IFRS 9, based on review of repayment pattern, inspection of credit documentation and discussions with the management; and - assessed the ECL model used by the management to calculate credit loss allowance against loans and advances and off-balance sheet obligations balances of the Bank for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the models used in the calculation of credit loss allowance. - assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL. - assessed the relevant disclosures made in the unconsolidated financial statements to determine whether they comply with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

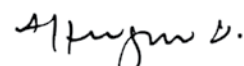
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: March 05, 2026
UDIN: AR202510092RWAoGUv6f

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

		2025	2024
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	6	111,746,522	100,773,480
Balances with other banks	7	5,442,677	3,260,824
Lendings to financial institutions	8	223,417,798	14,769,016
Investments	9	1,549,511,408	1,320,915,551
Advances	10	881,423,846	777,397,391
Property and equipment	11	29,761,745	28,554,791
Right-of-use assets	12	13,146,170	12,865,764
Intangible assets	13	2,702,385	2,471,867
Deferred tax assets - net	14	7,607,184	9,051,188
Other assets	15	126,924,032	109,919,338
Total assets		2,951,683,767	2,379,979,210
LIABILITIES			
Bills payable	17	9,139,194	7,636,873
Borrowings	18	624,807,992	409,005,930
Deposits and other accounts	19	2,051,536,304	1,710,287,720
Lease liabilities	20	18,267,085	17,101,125
Subordinated debts	21	30,812,558	30,820,106
Deferred tax liabilities		-	-
Other liabilities	22	112,981,210	112,596,311
Total liabilities		2,847,544,343	2,287,448,065
NET ASSETS		104,139,424	92,531,145
REPRESENTED BY			
Share capital - net	23	32,452,535	32,452,535
Reserves		20,814,327	17,626,801
Surplus on revaluation of assets - net of tax	24	10,692,754	7,954,370
Unappropriated profit		40,179,808	34,497,439
		104,139,424	92,531,145

CONTINGENCIES AND COMMITMENTS

25

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	Note	Rupees in '000'	
Mark-up / return / interest earned	26	266,450,839	343,790,940
Mark-up / return / interest expensed	27	185,346,696	299,634,383
Net mark-up / interest income		81,104,143	44,156,557
NON MARK-UP / INTEREST INCOME			
Fee and commission income	28	13,575,817	11,374,157
Dividend income		335,442	353,754
Foreign exchange income		2,225,324	857,471
Income / (loss) from derivatives		-	-
Gain on securities - net	29	4,027,217	11,763,083
Net (loss) / gain on derecognition of financial assets measured at amortised cost	30	(1,072,270)	1,147,554
Other income	31	772,276	1,193,372
Total non-markup / interest income		19,863,806	26,689,391
Total income		100,967,949	70,845,948
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	59,196,035	49,900,235
Workers Welfare Fund		963,687	491,291
Other charges	33	67,594	6,615
Total non-markup / interest expenses		60,227,316	50,398,141
Profit before credit loss allowance		40,740,633	20,447,807
Charge / (reversal) of credit loss allowance and write offs - net	34	4,945,516	(4,116,733)
PROFIT BEFORE TAXATION		35,795,117	24,564,540
Taxation - net	35	19,857,487	11,189,178
PROFIT AFTER TAXATION		15,937,630	13,375,362
Basic earnings per share (Rs.)			
	36	4.87	4.09
Diluted earnings per share (Rs.)			
	37	4.87	4.09

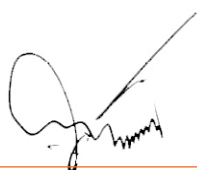
The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	Note	Rupees in '000'	
Profit after taxation for the year		15,937,630	13,375,362
Other comprehensive income / (loss)			
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of debt investments through FVOCI / AFS investments - net of tax	24	3,041,622	(1,206)
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement (loss) / gain on defined benefit obligation	40.1.7.2	(146,737)	47,800
Movement in surplus on revaluation of equity investments through FVOCI - net of tax		975,380	601,938
Movement in surplus on revaluation of property and equipment - net of tax		1,811	2,132,820
Movement in surplus on revaluation of non-banking assets - net of tax		9,532	310,679
		839,986	3,093,237
Total comprehensive income for the year		19,819,238	16,467,393

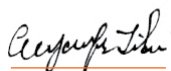
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Chief Financial Officer



President



Chairman



Director



Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital - net		Capital reserves	Statutory reserve	Surplus - net of tax on revaluation of		Unappropriated profit	Total
	Share capital	Discount on issue of shares	Share premium		Investments	Property and equipment and non banking assets		
	R u p e e s i n '000'							
Balance as on January 01, 2024	32,715,693	(263,158)	2,215,040	12,736,689	(2,926,006)	4,754,559	31,521,795	80,754,612
Impact of first time adoption of IFRS - 09 - net of tax	-	-	-	-	3,326,807	-	(4,821,771)	(1,494,964)
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,693	(263,158)	2,215,040	12,736,689	400,801	4,754,559	26,700,024	79,259,648
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	13,375,362	13,375,362
Other comprehensive income - net of tax								
Remeasurement gain on defined benefit obligation	-	-	-	-	-	-	47,800	47,800
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI- net of tax	-	-	-	-	(1,206)	-	-	(1,206)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	2,132,820	-	2,132,820
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	310,679	-	310,679
Movement in surplus on revaluation of investments in equity instruments classified as FVOCI - net of tax	-	-	-	-	601,938	-	-	601,938
Transfer to statutory reserve	-	-	-	-	600,732	2,443,499	47,800	3,092,031
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	2,675,072	-	-	(2,675,072)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	12,414	-	(25,863)	(13,449)
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(108,464)	108,464	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(1,240)	1,240	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(147,931)	237,053	89,122
Transactions with owners, recorded directly in equity:								
Final cash dividend - December 31, 2024 declared subsequent to year end at 10% per share	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as at December 31, 2024	32,715,693	(263,158)	2,215,040	15,411,761	1,013,947	6,940,423	34,497,439	92,531,145
Effect of remeasurement on adoption of IFRS - 09 (note 51.1)	-	-	-	-	29,198	-	-	29,198
Balance as on January 01, 2025	32,715,693	(263,158)	2,215,040	15,411,761	1,043,145	6,940,423	34,497,439	92,560,343
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	-	15,937,630	15,937,630
Other comprehensive income - net of tax								
Remeasurement loss on defined benefit obligation	-	-	-	-	-	-	(146,737)	(146,737)
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	3,041,622	-	-	3,041,622
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	1,811	-	1,811
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	9,532	-	9,532
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	975,380	-	-	975,380
Transfer to statutory reserve	-	-	-	-	4,017,002	11,343	(146,737)	3,881,608
Transfer of surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	3,187,526	-	-	(3,187,526)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(849,450)	-	1,769,687	920,237
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(151,044)	151,044	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(1,040)	1,040	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(317,625)	317,625	-
Transactions with owners, recorded directly in equity:								
Final cash dividend - December 31, 2024 declared subsequent to year end at 18% per share	-	-	-	-	-	-	(5,888,825)	(5,888,825)
Interim cash dividend declared at 10% per share - 2025	-	-	-	-	-	-	(3,271,569)	(3,271,569)
	-	-	-	-	-	-	(9,160,394)	(9,160,394)
Balance as at December 31, 2025	32,715,693	(263,158)	2,215,040	18,599,287	4,210,697	6,482,057	40,179,808	104,139,424

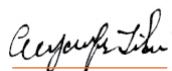
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Chief Financial Officer



President



Chairman



Director



Director

UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025

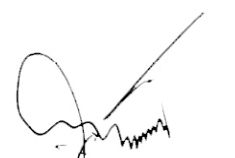
	Note	2025 Rupees in '000'	2024
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		35,795,117	24,564,540
Less: Dividend income		(335,442)	(353,754)
		35,459,675	24,210,786
Adjustments:			
Net mark-up / return / interest income		(82,112,330)	(46,343,717)
Depreciation on property and equipment	32	3,389,064	2,533,593
Depreciation on non banking assets acquired in satisfaction of claims	32	31,618	22,573
Depreciation on ijarah assets under IFAS - 2	32	793,471	353,078
Depreciation on right-of-use assets	32	2,274,216	1,956,626
Amortization on intangible assets	32	472,129	411,206
Amortization of discount on debt securities - net		(15,953,729)	(7,817,560)
Mark-up on lease liability against right of use assets	27	2,398,792	2,187,160
Unrealized loss / (gain) on revaluation of investments classified as FVTPL	29	492	(831,292)
Unrealized gain on revaluation of deliverable future contracts (Reversal) / charge of credit loss allowance against lending to financial institutions	29	-	(7,887)
	34	(20,333)	12,825
Charge / (reversal) of credit loss allowance in value of investments	34	683,169	(58,487)
Charge / (reversal) of credit loss allowance against loans & advances	34	4,253,633	(3,852,526)
Reversal of credit loss allowance against balances with treasury banks	34	(265,396)	(235,411)
Charge / (reversal) of credit loss allowance against other assets - net	34	1,365,552	(147,812)
(Reversal) / charge of credit loss allowance against off balance sheet obligations	34	(1,066,606)	236,495
Reversal of credit loss allowance against balance with other banks	34	(4,503)	(71,817)
Workers Welfare Fund		963,687	491,291
Gain on termination of lease liability against right-of-use assets	31	(239,187)	(239,480)
Gain on sale of property and equipment - net	31	(248,509)	(40,199)
Gain on sale of non banking assets - net	31	(177,798)	(514,835)
Realized gain on sale of securities - net	29.1	(4,027,709)	(10,923,904)
Net loss / (gain) on derecognition of financial assets measured at amortised cost	30	1,072,270	(1,147,554)
Charge for employees compensated absences	32.1	52,943	31,077
Charge for gratuity	32.1	572,311	479,773
		(85,792,753)	(63,516,784)
		(50,333,078)	(39,305,998)
(Increase) / decrease in operating assets:			
Lendings to financial institutions		(208,628,450)	130,150,933
Investments classified as FVTPL		94,597,867	(38,588,138)
Advances		(114,712,599)	12,410,643
Others assets		(8,031,656)	66,283,976
		(236,774,838)	170,257,414
Increase / (decrease) in operating liabilities:			
Bills payable		1,502,321	2,129,018
Borrowings from financial institutions		208,050,895	(45,380,925)
Deposits and other accounts		341,248,584	189,434,078
Other liabilities (excluding current taxation and gratuity fund)		17,236,972	6,443,474
		568,038,772	152,625,645
Payment made to gratuity fund		(421,347)	(690,633)
Mark-up / return / interest received		258,049,479	374,101,526
Mark-up / return / interest paid		(201,545,401)	(299,729,377)
Income tax paid		(20,271,088)	(11,058,261)
		35,811,643	62,623,255
Net cash flow from operating activities		316,742,499	346,200,316

UNCONSOLIDATED CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rupees in '000'	2024
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in FVOCI securities		(315,778,385)	(391,920,063)
Net investment in amortised cost securities		21,097,019	52,513,449
Dividends received		336,825	355,137
Investment in property and equipment		(4,218,312)	(5,793,468)
Investment in intangible assets		(702,647)	(792,052)
Proceeds from disposal of property and equipment		271,410	63,758
Proceeds from disposal of non banking assets acquired in satisfaction of claims	15.1.2	886,628	1,001,102
Investment in subsidiary companies		(500,000)	(1,100,000)
Investment in associated company		(285,000)	-
Net cash used in investing activities		(298,892,462)	(345,672,137)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(7,548)	(6,034)
Subscription received - subordinated perpetual TFCs ADT-I 2nd issue		-	50,000
Subscription received - privately placed term finance certificates - IV		-	571,500
Dividend paid		(9,160,394)	(3,271,569)
Payment of lease liability against right of use assets	20	(3,548,267)	(2,972,068)
Net cash used in financing activities		(12,716,209)	(5,628,171)
Increase / (decrease) in cash and cash equivalents		5,133,828	(5,099,992)
Impact of credit loss allowance on cash and cash equivalents		269,899	(464,215)
Cash and cash equivalents at beginning of the year		103,413,315	108,977,522
Cash and cash equivalents at end of the year	38	108,817,042	103,413,315

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.


Chief Financial Officer


President


Chairman


Director


Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 901 branches including 17 sub branches and 210 Islamic banking branches (2024: 900 branches including 16 sub branches and 210 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the year end. The Bank also has 534 Islamic banking windows (2024: 258 Islamic banking windows). The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

2. BASIS OF PREPARATION

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

These unconsolidated financial statements are separate financial statements of the Bank in which the investment in subsidiaries are stated at cost less impairment losses (if any) and has not been accounted for on the basis of reported results and net assets of the investee. Consolidated financial statements of the Group are being issued separately.

The financial results of Islamic banking business have been consolidated in these unconsolidated financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic banking business are disclosed in Annexure-II to these unconsolidated financial statements.

The SBP, vide its BPRD Circular letter No. 13 dated July 01, 2024, issued the revised forms for the preparation of the annual financial statements of the Banks / DFIs which are applicable for periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023.

2.1 STATEMENT OF COMPLIANCE

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.
- Requirements of The Bank of Punjab Act, 1989; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, The Bank of Punjab Act, 1989 or the directives and notifications issued by the SBP and the SECP differ with

the requirements of IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, The Bank of Punjab Act, 1989 and the said directives and notifications, shall prevail.

2.1.2 SBP has deferred the applicability of International Accounting Standards 40, "Investment Property" for banking companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

2.1.3 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan 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.

2.1.4 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective "Consolidated Financial Statements" from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

2.1.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2025

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these unconsolidated financial statements except for the changes mentioned in note 5.1.1 to these unconsolidated financial statements.

2.1.6 New accounting standards and IFRS interpretations 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 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

Standard or Interpretations

Effective date (accounting periods beginning on or after)

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
- IFRS S1 - General requirements for disclosure of sustainability-related financial information and IFRS S2 - Climate-related disclosures	January 01, 2027
- IFRS 19 - Subsidiaries without Public Accountability Disclosures	January 01, 2027

3. BASIS OF MEASUREMENT

3.1 These unconsolidated financial statements have been prepared under the historical cost convention, except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, unlisted equity securities, right-of-use assets, lease liabilities

and certain staff retirement benefits at present value and staff & subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) are measured at fair value on initial recognition.

- 3.2** These unconsolidated financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of unconsolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's unconsolidated financial statements or where judgment was exercised in the application of accounting policies are as follows:

4.1 Classification of investments

Investments at amortized cost - Investment is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Investments at Fair Value through Other Comprehensive Income (FVOCI) - Investment is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments at Fair Value Through Profit or Loss Account (FVTPL) - Investment shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

4.2 Depreciation, amortization and revaluation of property and equipment & non-banking assets

Estimates of useful life of property and equipment & non-banking assets shall be based on management's best estimate. In making estimates of the depreciation / amortization method, the management shall use method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied shall be reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method should be changed to reflect the change in pattern. Further, the Bank shall estimate the revalued amount of free hold land, buildings on free hold land & non-banking assets on a regular basis. The estimates shall be based on valuations carried out by an independent valuation expert under the market conditions.

4.3 Income taxes

In making estimates for income taxes currently payable by the Bank, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

4.4 Staff retirement benefits

The amount of provision for gratuity and compensated absences is determined using actuarial valuation. The valuation involves making use of assumptions about discount rates, mortality, expected rate of salary increases, retirement rates, and average leave utilization per year. Due to the degree of subjectivity involved and long-term nature of these plans, such estimates are subject to significant uncertainty.

4.5 Amortization of intangibles

Estimate of useful life of intangibles shall be based on management's best estimate. In making the estimates of amortization method, the management shall use the method which reflects the pattern in which economic benefits are expected to be consumed by the bank. This method applied shall be reviewed at each financial year end.

4.6 Lease liability and right-of-use assets

In making estimates, the Bank uses following practical expedients and significant judgments, as permitted by the standard:

- Use of a single discount rate for leases with similar characteristics; and
- Lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

4.7 Impairment

The impairment of non-financial assets (e.g., property, equipment and intangible assets) involves estimating the asset's recoverable amount and comparing it to its carrying value. If the carrying value exceeds the recoverable amount, an impairment loss is recognized.

4.8 Expected credit loss

The Expected Credit Loss (ECL) model, as per IFRS 9, requires banks and financial institutions to estimate future credit losses on financial assets such as loans, advances, debt securities and off balance sheet items. The ECL model relies on various estimates to measure potential credit risk.

4.9 Fair value measurement

The estimate of fair value measurement refers to the process of determining the market-based value of a financial asset or liability at a given date. Bank applies IFRS 13 (Fair Value Measurement) to ensure consistency and transparency in financial reporting.

4.10 Provision and contingent assets and liabilities

Provisions are recognized when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates. Contingent assets are not recognized and are also not disclosed until an inflow of economic benefits is probable. Contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of previous financial year except the changes mentioned in note 5.11.

5.1 IFRS-09 - Financial Instruments

5.1.1 Fair valuation of unquoted equity securities

With effect from January 01, 2025, unquoted equity investments are valued at their fair value, in accordance with SBP's BPRD Circular Letter No. 16 dated July 29, 2024, which represents the price at which the investment could be sold in an orderly transaction between market participants at the measurement date. Previously, these were measured at the lower of cost and break up value derived on the basis of their latest available audited financial statements. The Bank has adopted this change retrospectively with date of initial application as January 01, 2025, which resulted in changes in accounting policies and adjustments to the carrying amounts of unquoted equity investments previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9,

adjustments to the carrying amounts at the date of transition were recognised in the opening reserves at the beginning of the current period without restating the comparative figures.

The following table reconciles the carrying amounts of unquoted equity securities under the previous accounting policy and their restated amounts on January 01, 2025.

Investments in financial assets

FVOCI - Ordinary shares - Unquoted companies

	AlBaraka Bank	Al-Arabia Sugar	SWIFT Shares
Book Value	25,000	-	11,957
(Deficit) / Surplus	(3,512)	45,979	18,362
	21,488	45,979	30,319
Deferred tax asset / (liability)	1,826	(23,909)	(9,548)
Effect on net assets		29,198	

The impact of above on the surplus on revaluation of investments as at January 01, 2025 is as follows:

Surplus on revaluation of investments

Closing balance as at December 31, 2024 - Audited	1,013,947
Increase in the fair valuation of unquoted equity securities carried at FVOCI	60,829
Less: related deferred tax	(31,631)
	29,198
Opening balance as at January 01, 2025 - as restated	1,043,145

5.1.2 The State Bank of Pakistan has directed the Banks through BPRD Circular Letter No. 01 dated January 22, 2025, to continue the existing revenue recognition methodology, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, profit / return earned on Islamic financing and related assets in unconsolidated statement of profit and loss account for the year ended December 31, 2025, would have been higher by Rs. 230 million (2024: Rs. 674 million) and taxation would have been higher by Rs. 122 million (2024: Rs. 364 million). Further, unappropriated profit in the unconsolidated statement of changes in equity would have been higher by Rs. 108 million (2024: Rs. 310 million).

5.1.3 In addition, the SBP vide letter number BPRD/RPD/822456/25 dated January 22, 2025 has allowed extension for application of Effective Interest / Profit Rate up to December 31, 2025. Currently, the Bank is in the process of finalizing the impacts of application of effective interest / profit rate on its financial assets and liabilities.

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

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions to address the matters raised by the banks to ensure compliance by the timelines. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL,

accounting methodology for Islamic Banking Institutions and treatment of charity. Accordingly, the Bank has adopted the treatment as instructed in the aforementioned letters in these unconsolidated financial statements.

5.1.5 Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio;
- evaluation of the performance of the business model and reporting to Bank's key management personnel;
- risks that affect the performance and management of the business model; and
- the expected frequency, value and timing of sales.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

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

5.1.6 Assessments whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and the credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

5.1.7 Classification

Initial recognition and subsequent measurement

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

a) Financial assets classified as amortized cost

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

b. Fair value through other comprehensive income

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend / interest / profit income is recognized in statement of profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in statement of profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to statement of profit and loss account.

c) Fair value through profit or loss

Financial assets are initially measured at their fair value and their associated transaction costs are charged to statement of profit and loss account.

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in statement of profit and loss account. Interest / profit income on these instruments is recorded into statement of profit and loss account. Dividend income on equity instruments is recorded in statement of profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the statement of profit and loss account. An ECL is not recognised for these financial assets

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

5.1.8 Expected Credit Loss (ECL)

IFRS - 09 has fundamentally changed the Bank's loan loss impairment method with a forward-looking ECL approach. The Bank records the allowance for ECL for all financial instruments (advances and other debt based financial assets not held at FVTPL, together with letter of credit, financial guarantees and unutilized financing commitments hereinafter referred to as "Financial Instruments").

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The 12mECL (12 months' Expected Credit Loss) is the portion of LTECLs (the Life-Time Expected Credit Loss or LTECL) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on facility level basis.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information

For loans and advances, PD estimation is based on the historic transitions of segmented obligors from one credit state/rating to another credit state/rating. Credit states are defined by rating classes and are based on the Bank's internal credit risk ratings (i.e. from ICRR 1 to ICRR 12). In order to convert historic trends to forward-looking; PD's are weighted by considering key macro-economic drivers affecting credit ratings i.e. (Gross Domestic Product, Volume of Import of Goods & Services, Government Net Borrowing / Lendings, Consumer Price Index).

For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), PDs have been estimated on the basis of external ratings taken from S&P, Fitch, Moody's, PACRA & VIS rating and mapping same against the Bank's internal credit risk ratings as per approved IFRS-09 policy. The PDs have been derived and converted into forward looking, similar to methodology applicable to loans and advances portfolio mentioned above.

- LGD: LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive. It is expressed as a percentage of the EAD. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money. The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs using the Jacob Frye model; that estimates LGD as an increasing function of default rate.

- EAD: EAD represents the amount of potential exposure that is at risk. The estimation of EAD considers any expected changes in the exposure after the reporting date, including expected drawdowns on committed facilities through the application of a Credit Conversion Factor (CCF). The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behavior, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

During calculation of key elements of ECL such as PD, LGD etc., the Bank has considered information / parameters which are reflective of credit risk of the existing portfolio profile.

For assessment of significant deterioration in credit risk and estimation of corresponding risk parameters, financial instruments have been grouped together based on their shared risk characteristics to collectively assess for significant credit risk deterioration.

A default will deem to have occurred either when the obligation has become over 90 Days Past Due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on 12mECL as outlined below.

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

- Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.
- Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the Probability of Default ('PD') as the weight.
- Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022, BPRD Circular Letter No. 16 of 2024 and BPRD Circular letter No. 20 of 2025, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan and retail portfolios. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.
- Guarantee & Letter of Credit contracts: The Bank performs internal assessment and estimates ECLs based on the BASEL driven Credit Conversion Factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities; effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

As per BPRD Circular No. 03 of 2022 and BPRD Circular Letter No. 20 of 2025, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

When estimating the ECLs, In addition to the base economic scenario, the Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgment, taking account of the range of possible outcomes, each chosen scenario is representative of.

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

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

General provision over and above the ECL

The Bank maintains general provision over and above the ECL as permitted by the SBP through its BPRD Circular Letter No. 01 dated January 22, 2025, up to December 31, 2026. The general provision has been maintained in respect of advances extended under certain Public Sector initiatives at the rate of 1.5% of the portfolio on a prudence basis. The performance of the specific portfolio is being assessed by the Bank on a quarterly basis to determine adequacy of the general provision recognized. For detail refer, note 10 to these unconsolidated financial statements.

5.1.9 Backward Transition

In line with Bank's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Bank of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a Significant Increase in Credit Risk (SICR) no longer exist. However, a minimum period of three months, as approved by the Board of Directors, from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2.

For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

5.1.10 Impact on Regulatory Capital

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has affected their lending capacity and ability to support their clients. In order to mitigate the impact of ECL provisioning, a transitional arrangement is allowed to the banks to absorb impact on regulatory capital; in accordance with SBP's Guideline for absorption of ECL for CAR Purposes as mentioned in Annexure C of BPRD Circular No 3 of 2022. The Bank has availed benefit of captioned transitional arrangement in regulatory capital.

5.1.11 Write-offs

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

5.1.12 Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Bank derecognizes a financial asset when:

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

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

Financial Liabilities:

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

5.1.13 Modification:

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

5.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, prize bonds and balances with treasury banks and balances with other banks less over drawn nostro accounts, call borrowings and other overdrawn bank accounts.

5.3 Lendings to / borrowings from financial institutions

The Bank enters into transactions of sale under repurchase obligations (repo) and purchase under resale obligations (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

5.3.1 Sale under repurchase agreements

Securities sold subject to a repurchase agreement (repo) are retained in the unconsolidated financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and repurchase price is accrued using effective yield method and recorded as interest / profit expense over the term of the related repo agreement.

5.3.2 Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are not recognized in the unconsolidated financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. The differential between the contracted price and resale price is accrued using effective yield method and recorded as interest / profit income.

5.4 Investments

Investments other than those categorized as FVTPL shall initially be recognized at fair value which includes transaction costs associated with the investments. Investments classified as FVTPL shall initially be recognized at fair value and transaction costs shall be expensed in the profit & loss account.

All regular way purchase / sale of investment shall be recognized on the trade date, i.e., the date the Bank commits to purchase / sell the investments. Regular way purchase or sale of investment requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Associates are all entities over which the Bank has significant influence but not control. Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. Investments in subsidiaries and investments in associates are carried at cost less accumulated impairment losses, if any.

Fair value through profit and loss

These are securities which shall be acquired with the intention to trade by taking advantage of short-term market / interest / profit rate movements. These shall be carried at market value, with the related surplus/(deficit) on revaluation being taken to profit & loss account.

Amortised cost

These are securities with fixed or determinable payments and fixed maturity that should be held with the intention and ability to hold to maturity. These shall be carried at amortized cost.

Fair value through other comprehensive income

These shall be carried at market value with the surplus / (deficit) on revaluation taken to 'Surplus / (deficit) on revaluation of assets' shown in equity, except for investments in unquoted shares, debentures, bonds, federal, provincial and foreign government securities (except for Treasury Bills and Pakistan Investment Bonds) which shall be stated at cost less ECL for diminution in value of investments, if any.

Premium or discount on debt securities classified as available for sale and held to maturity securities shall be amortized using the effective yield method.

On de-recognition or impairment in quoted available-for-sale securities the cumulative gain or loss previously reported as "Surplus / (deficit) on revaluation of assets" in equity shall be included in the profit & loss account for the period except for equity instruments.

Gain and loss on disposal of investments shall be dealt with through the statement of profit and loss account in the year in which they arise.

5.5 Advances including net investment in finance lease

Advances and net investments in finance lease shall be stated net of ECL. As per BPRD Circular No. 03 of 2022, BPRD Circular Letter No. 16 of 2024 and BPRD Circular Letter No. 20 of 2025, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and retail portfolio. The Bank also maintains a general reserve against loans and advances, over and above the IFRS 9 based ECL, as permitted by SBP under BPRD Circular Letter No. 01 dated January 22, 2025.

Leases where risks and rewards incidental to ownership are substantially transferred to lessee are classified as finance lease. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value.

Unearned finance income is recognised over the term of the lease, so as to produce a constant periodic return on the outstanding net investment in lease. The Bank determines credit loss allowance against investment in finance lease on a prudent basis in accordance with the requirements of the Prudential Regulations and instructions issued by the SBP and the management estimates / assumptions. The assets are written off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight-line basis over the term of the Ijarah after taking into account the estimated residual value.

Istisna is a mode of resale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date. The funds disbursed under Istisna are recorded as "Advance against Istisna". After the manufacturing of goods, the same are

recorded as inventories at the statement of financial position and after the sale of goods by customer to its ultimate buyers, Istisna financing is recognized.

For Running Musharaka, the Bank and the customer enter a Musharaka (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

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

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

In Diminishing Musharaka based financing, the Bank enters into Musharaka based on partnership for financing and agreed share of fixed assets with its customers and enters into period profit payment agreement for the utilization of the Bank's Musharaka share by the customer.

Staff and subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) have been recorded at fair value resulting in recognition of fair value adjustment on initial recognition. Unwinding of income on fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

5.6 Property and equipment and depreciation

5.6.1 Property and equipment

Property and equipment, other than freehold land which is not depreciated, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at revalued amount, less any subsequent accumulated impairment losses.

Depreciation on property and equipment is charged to statement of profit and loss account using the diminishing balance method so as to write off the historical cost / revalued amount of the asset over its estimated useful life, except motor vehicles, leasehold improvements and computer equipment on which depreciation is charged using the straight line basis. The rates at which the depreciation is charged are given in note 11.2 to these unconsolidated financial statements. Impairment loss or its reversal, if any, is charged to statement of profit and loss account. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed.

Surplus arising on revaluation of freehold land and buildings on freehold land is credited to the "Surplus on revaluation of assets" in equity and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of buildings (net of deferred taxation) is transferred directly to unappropriated profit / accumulated loss.

Gains and losses on sale of property and equipment are charged to statement of profit and loss account currently except that the related surplus/deficit on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Major renewals and improvements are capitalized only when it is probable that future economic benefits associated with the item will flow to the bank and cost of the item can be measured reliably and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the statement of profit and loss account as and when incurred.

5.6.2 Capital work-in-progress

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

5.7 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are subsequently depreciated over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are to be reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. Right-of-use assets are recognized using cost model.

5.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses (if any). The cost of intangible assets is amortised over their useful lives, using the straight line method as per the rates given in note 13.1 to these unconsolidated financial statements. Amortization on additions is charged from the month the assets are available for use while no amortization is charged in the month in which the assets are disposed.

Intangible-in-progress is stated at cost less accumulated impairment losses (if any). These are transferred to specific assets as and when assets are available for use.

5.9 Borrowings / deposits

Borrowings and deposits are recorded at the proceeds received except for Temporary Economic Refinance Facility (TERF) borrowing from the SBP which has been recorded at fair value on initial recognition. Unwinding of expense on fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

Deposits generated on Modaraba basis are classified as 'Savings Account' and 'Fixed Deposit Accounts'. Profits realized in investment pools are distributed in pre-agreed profit-sharing ratio. Rab-ul-Maal (Customer) share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib (Bank) can distribute its share of profit to Rab-ul-Maal up to a specified percentage of its profit. Profits are distributed from the pool so the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. Asset pools are created at the Bank's discretion and the Bank can add, amend, and transfer an asset to any other pool in the interests of the deposit holders. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

5.10 Subordinated debts

Subordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is recognized separately as part of other liabilities and is charged to the statement of profit and loss account over the period on an accrual basis.

5.11 Employee retirement and other benefits

Defined contribution plan - Provident fund

The Bank operates an approved provident fund scheme, covering all permanent employees. Contributions are made monthly by the Bank and the employees at the rate of 8.33% of basic salary. Contributions by the Bank are charged to statement of profit and loss account.

Defined benefit plan - Gratuity scheme

The Bank operates an approved funded gratuity scheme for all its permanent employees. Contributions are made to cover the obligations under the scheme on the basis of actuarial valuation carried out by independent professionally qualified valuers and are charged to profit to loss account. Actuarial gains and losses are charged or credited to other comprehensive income in the year in which they occur.

Defined benefit plan - Employees' compensated absences

The Bank makes annual provision in the unconsolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation carried out by independent professionally qualified valuers. Actuarial gains and losses are charged to statement of profit and loss account in the year in which they occur.

5.12 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation except land which is carried at revalued amount. The non-banking assets are depreciated over useful life on reducing balance method. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of non banking assets is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Legal fees, transfer costs and direct costs of acquiring title to property is charged to statement of profit and loss account and not capitalized.

5.13 Foreign currencies

Transactions in foreign currency are translated to Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities and commitments for letters of credit and acceptances in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date except assets and liabilities for which there are forward contracts which are translated at the contracted rates. Forward exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities. All exchange differences are charged to statement of profit and loss account.

- 5.13.1 Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

5.14 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognized: Mark-up / return / interest income.

Mark-up / return / interest income

Mark-up / return / interest on advances and return on investments are recognized in statement of profit and loss account on an accrual basis as per terms of the contract and as permitted by the SBP, except mark-up on non-performing advances which is recognized when received. Murabaha income is recognised on deferred income basis.

Dividend income

Dividend income is recognized when the Bank's right to receive the dividend is established.

Lease finance income

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to statement of profit and loss account over the term of the lease periods so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the SBP. Gain/loss on termination of lease contracts, documentation charges and other lease income are recognized through statement of profit and loss account when these are realized.

Fees and commission income

Fee commission is recognized at amount that reflects consideration to which the Bank expects to be entitled in exchange for providing the services. The Bank recognizes fees earned on transaction based arrangements at point in time, when the Bank has provided the services to customer. Where the contract requires services to be provided over time, income is recognized on systematic basis over the period of arrangement.

5.15 Lease liabilities against right-of-use assets

The lease liability is initially measured at present value of lease payments to be made over lease term, discounted using the Bank's incremental weighted average borrowing rate. The lease liability shall be subsequently measured at amortised cost using the effective interest rate method i.e. increase by interest cost on lease liability and decrease by lease payments made.

5.15.1 Short-term leases and leases of low-value asset

The bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

5.16 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments / changes in laws and changes in estimates made during the current year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in income statement, except in the case of items credited or charged to equity in which case it is included in equity.

The Bank also recognizes deferred tax asset / liability on deficit / surplus on revaluation of property and equipment, NBAs and FVOCI which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS)12, 'Income Taxes'.

5.17 Impairment of non-financial assets

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

5.18 Provisions

Provisions are recorded when the Bank has a present obligation as a result of a past event when it is probable that it will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

5.19 Credit loss allowance for claims under guarantees and other off balance sheet obligations

Credit loss allowance for claims under guarantees and other off balance sheet obligations shall be made when the Bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit & loss account shall be stated net of expected recoveries.

5.20 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the equity.

5.21 Acceptances

Acceptances comprise undertaking by the Bank to pay bills of exchange drawn on customer. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on balance sheet transactions.

5.22 Financial instruments

5.22.1 Financial assets and liabilities

Financial instruments carried on the statement of financial position include cash and balances with treasury banks, balances with other banks, lending to financial institutions, investments, advances, certain receivables, bills payable, borrowing from financial institutions, deposits and other accounts, subordinated debts and other payables. The particular recognition criteria adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.22.2 Off setting

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

5.23 Segment reporting

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

5.23.1 Business segments

Corporate and investment banking

This includes, loans, project finance, real estate finance, export finance, trade finance, commercial & investment banking, and other banking activities with corporate and public sector customers.

Cards and public sector deposits

It includes public sector deposits and related banking services including home remittances and card related banking services to customers of the Bank.

Consumer banking group

It includes private sector deposits and loans under retail finance, agriculture customers, small and medium enterprises and financing under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

Treasury

It includes floating & fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic

The segment pertains to full scale Islamic Banking operations of the Bank.

Others

This includes head office related activities, and all other activities not tagged to the segments above.

5.23.2 Geographical segments

The Bank operates only in Pakistan.

5.24 Dividend distribution and appropriations

Dividend distributions and appropriation to reserves are recognized as a liability in the unconsolidated financial statements in the period in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which they relate.

5.25 Earnings per share

The Bank presents Earnings Per Share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

		2025	2024
	Note	Rupees in '000'	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		29,661,102	27,151,364
Foreign currencies		3,202,466	4,132,719
		32,863,568	31,284,083
With SBP in:			
Local currency current accounts	6.1	64,097,151	56,961,101
Foreign currency current accounts	6.2	2,205,969	3,419,201
Foreign currency deposit accounts	6.3	4,388,833	6,949,509
		70,691,953	67,329,811
With National Bank of Pakistan in:			
Local currency current accounts		8,098,988	2,187,110
Prize bonds		276,310	422,169
Less: Credit loss allowance held against cash and balances with treasury banks		(184,297)	(449,693)
Cash and balances with treasury banks - net of credit loss allowance		111,746,522	100,773,480

6.1 This represents current account maintained with the SBP under the requirements of section 22 "Cash Reserve Requirement" of the Banking Companies Ordinance, 1962.

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

6.3 This includes Special Cash Reserve Account maintained with SBP. This account carries mark-up at the rate ranging from 2.86% to 3.35% per annum (2024: 3.53% to 4.35% per annum) as announced by SBP on monthly basis.

		2025	2024
	Note	Rupees in '000'	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		9,983	11,193
Deposit accounts	7.1	-	14
		9,983	11,207
Outside Pakistan:			
Current accounts		5,442,714	3,013,796
Deposit accounts	7.2	-	250,343
		5,442,714	3,264,139
Less: Credit loss allowance held against balances with other banks		(10,020)	(14,522)
Balances with other banks - net of credit loss allowance		5,442,677	3,260,824

7.1 This carries mark-up at rate of nil (2024: 13.5% per annum).

7.2 This carries mark-up at rate of nil (2024: 4.58% per annum).

	Note	2025 Rupees in '000'	2024
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	8.2	156,438,450	-
Placements	8.3	67,000,000	14,810,000
		223,438,450	14,810,000
Less: Credit loss allowance held against lendings to financial institutions		(20,652)	(40,984)
Lendings to financial institutions - net of credit loss allowance		223,417,798	14,769,016
8.1 Particulars of lending			
In local currency		223,417,798	14,769,016
In foreign currencies		-	-
		223,417,798	14,769,016

8.2 Securities held as collateral against lendings to financial institutions

	2025			2024		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	Rupees in '000'					
Market treasury bills	63,607,065	-	63,607,065	-	-	-
Pakistan investment bonds	93,229,367	-	93,229,367	-	-	-
Total	156,836,432	-	156,836,432	-	-	-

Market value of securities held as collateral as at December 31, 2025 amounted to Rs. 154,312,229 thousand (2024: Nil). These carry mark-up ranging from 10.50% to 11.40% (2024: Nil).

8.3 These carry profit at rate ranging from 10.90% to 11.25% per annum (2024: 12.15% to 18.61% per annum) with maturities up to May 19, 2026. Further the placement amounting to Rs. 65,000,000 thousand (2024: Nil) is secured against GOP Ijara Sukuk amounting to Rs 65,000,000 thousand (2024: Nil).

8.4 Lendings to financial institutions- particulars of credit loss allowance

		2025		2024	
		Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
Domestic		Rupees in '000'			
Performing	Stage 1	67,000,000	20,652	14,810,000	40,984
Under performing	Stage 2	-	-	-	-
Non-performing					
Substandard	Stage 3	-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		67,000,000	20,652	14,810,000	40,984

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000'							
Opening balance	40,984	-	-	40,984	28,160	-	-	28,160
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-	-	-	-	-
New financial assets purchased	17,357	-	-	17,357	30,914	-	-	30,914
Financial assets that have been derecognized	(31,541)	-	-	(31,541)	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(6,148)	-	-	(6,148)	(18,090)	-	-	(18,090)
Closing balance	20,652	-	-	20,652	40,984	-	-	40,984

9. INVESTMENTS

Note	2025				2024			
	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'							
9.1 Investments by type:								
Debt Instruments								
Classified / measured at amortised cost								
Federal government securities 9.1.1 & 9.6.1	118,887,560	-	-	118,887,560	136,638,722	-	-	136,638,722
Non government debt securities	1,541,158	(608,192)	-	932,966	2,122,068	(19,700)	-	2,102,368
WAPDA bonds	400	(400)	-	-	400	(400)	-	-
	120,429,118	(608,592)	-	119,820,526	138,761,190	(20,100)	-	138,741,090
Classified / measured at FVOCI								
Federal government securities 9.1.1 & 9.2.1	1,404,750,100	-	8,890,227	1,413,640,327	1,070,021,115	-	1,561,870	1,071,582,985
Mutual fund & investment trust units	3,173,426	-	(1,010,953)	2,162,473	3,173,426	-	(73,665)	3,099,761
Non government debt securities	333,956	(190,623)	(17,200)	126,133	8,663,574	(218,400)	(36,508)	8,408,666
	1,408,257,482	(190,623)	7,862,074	1,415,928,933	1,081,858,115	(218,400)	1,451,697	1,083,091,412
Classified / measured at FVTPL								
Federal government securities 9.1.1	1,514,950	-	(19,392)	1,495,558	89,640,381	-	(1,730)	89,638,651
Non government debt securities	752,199	(122,454)	-	629,745	1,002,106	-	-	1,002,106
	2,267,149	(122,454)	(19,392)	2,125,303	90,642,487	-	(1,730)	90,640,757
Equity instruments:								
Classified / measured at FVTPL								
Shares								
Listed companies	305,100	-	18,900	324,000	4,618,968	-	833,022	5,451,990
	305,100	-	18,900	324,000	4,618,968	-	833,022	5,451,990
Classified / measured at FVOCI (Non-Reclassifiable)								
Shares								
Listed companies	8,288,634	-	902,974	9,191,608	1,000,807	-	742,051	1,742,858
Unlisted companies	106,358	-	(20,843)	85,515	106,358	-	(81,358)	25,000
Foreign securities	11,957	-	28,079	40,036	11,957	-	-	11,957
	8,406,949	-	910,210	9,317,159	1,119,122	-	660,693	1,779,815
Subsidiaries								
Punjab Modaraba Services (Private) Limited	164,945	(164,945)	-	-	164,945	(164,945)	-	-
BOP Capital Securities (Private) Limited	210,487	-	-	210,487	210,487	-	-	210,487
BOP Exchange (Private) Limited	1,500,000	-	-	1,500,000	1,000,000	-	-	1,000,000
9.1.3	1,875,432	(164,945)	-	1,710,487	1,375,432	(164,945)	-	1,210,487
Associate								
Punjab Life Insurance Company Limited	285,000	-	-	285,000	-	-	-	-
Total investments	1,541,826,230	(1,086,614)	8,771,792	1,549,511,408	1,318,375,314	(403,445)	2,943,682	1,320,915,551

9.1.1 Market treasury bills and Pakistan investment bonds are eligible for re-discounting with SBP.

9.1.2 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

9.1.3 The Bank has four subsidiary companies i.e. Punjab Modaraba Services (Private) Limited (PMSL), First Punjab Modaraba (FPM), BOP Capital Securities (Private) Limited (BOP CS) and BOP Exchange (Private) Limited (BOP Exchange). The wholly owned subsidiary company of the Bank is PMSL which exercises control over FPM, as its management company and also has a direct economic interest in it. Further, during the year, the Bank also made an investment in an associated company i.e. Punjab Life Insurance Company Limited (9.5% holding). The country of incorporation of all subsidiary and associated companies is Pakistan. Key financial results of subsidiary & associated companies are as follows:

2025										2024	
Rupees in '000'											
Investment in subsidiaries & associate											
Punjab Modaraba Services (Private) Limited							164,945		164,945		
BOP Exchange (Private) Limited							1,500,000		1,000,000		
BOP Capital Securities (Private) Limited							210,487		210,487		
Punjab Life Insurance Company Limited							285,000		-		
							2,160,432		1,375,432		
Credit loss allowance held against Punjab Modaraba Services (Private) Limited							(164,945)		(164,945)		
Closing balance							1,995,487		1,210,487		
PLIC		BOP Exchange		PMSL		FPM		BOP CS			
December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024	
Un-audited		Audited		Un-audited		Audited		Un-audited		Audited	
Rupees in '000'											
Percentage of holding	9.50%	-	100%	100%	100%	100%	39.16%	39.16%	100%	100%	
Total assets	3,006,953	-	1,324,092	1,143,139	134,307	52,454	1,703,504	1,975,578	444,070	345,824	
Total liabilities	4,588	-	126,774	187,796	108,740	104,748	2,182,098	2,267,575	175,798	114,006	
Equity	3,002,365	-	1,197,318	955,343	25,567	(52,294)	(478,594)	(291,997)	268,272	231,818	
PLIC		BOP Exchange		PMSL		FPM		BOP CS			
December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024	
Un-audited		Audited		Un-audited		Audited		Un-audited		Audited	
Rupees in '000'											
Revenue	-	-	52,654	1,432	-	-	213,555	293,479	95,975	61,775	
Profit / (loss) after tax	2,365	-	(258,025)	(44,657)	(1,130)	(2,974)	(186,597)	(94,367)	31,499	28,522	
Total comprehensive income / (loss)	2,365	-	(258,025)	(44,657)	77,862	13,411	(186,597)	(94,165)	36,455	34,426	
2025						2024					
			Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying value	
Note			Rupees in '000'								
9.2 Investments by segments:											
Federal government securities:											
Market treasury bills			359,309,808	-	1,043,334	360,353,142	314,346,962	-	233,626	314,580,588	
Pakistan investment bonds	9.21		1,043,183,097	-	7,622,901	1,050,805,998	935,302,371	-	1,038,932	936,341,303	
Ijarah sukuk			118,653,959	-	204,600	118,858,559	44,075,715	-	287,582	44,363,297	
Naya Pakistan certificates			845,532	-	-	845,532	2,575,170	-	-	2,575,170	
Sukuk - bai muajjal with Government of Pakistan			3,160,214	-	-	3,160,214	-	-	-	-	
WAPDA bonds			400	(400)	-	-	400	(400)	-	-	
			1,525,153,010	(400)	8,870,835	1,534,023,445	1,296,300,618	(400)	1,560,140	1,297,860,358	
Shares:											
Listed companies			8,593,734	-	921,874	9,515,608	5,619,775	-	1,575,073	7,194,848	
Unlisted companies			106,358	-	(20,843)	85,515	106,358	-	(81,358)	25,000	
			8,700,092	-	901,031	9,601,123	5,726,133	-	1,493,715	7,219,848	
Mutual funds and investment trust units			3,173,426	-	(1,010,953)	2,162,473	3,173,426	-	(73,665)	3,099,761	
			3,173,426	-	(1,010,953)	2,162,473	3,173,426	-	(73,665)	3,099,761	
Non government debt securities:											
Listed			148,318	-	(17,200)	131,118	8,450,159	-	(36,508)	8,413,651	
Unlisted			2,478,995	(921,269)	-	1,557,726	3,337,589	(238,100)	-	3,099,489	
			2,627,313	(921,269)	(17,200)	1,688,844	11,787,748	(238,100)	(36,508)	11,513,140	
Foreign securities:											
Equity securities	9.5		11,957	-	28,079	40,036	11,957	-	-	11,957	
Subsidiaries:											
Punjab Modaraba Services (Private) Limited			164,945	(164,945)	-	-	164,945	(164,945)	-	-	
BOP Capital Securities (Private) Limited			210,487	-	-	210,487	210,487	-	-	210,487	
BOP Exchange (Private) Limited			1,500,000	-	-	1,500,000	1,000,000	-	-	1,000,000	
			1,875,432	(164,945)	-	1,710,487	1,375,432	(164,945)	-	1,210,487	
Associates:											
Punjab Life Insurance Company Limited			285,000	-	-	285,000	-	-	-	-	
Total investments			1,541,826,230	(1,086,614)	8,771,792	1,549,511,408	1,318,375,314	(403,445)	2,943,682	1,320,915,551	

	Note	2025 Rupees in '000'	2024
9.2.1 Investments given as collateral - at cost / amortized cost			
Market treasury bills		250,420,755	-
Pakistan investment bonds		311,423,718	341,915,659
		561,844,473	341,915,659
9.2.2 Bai Muajjal Receivable from Government of Pakistan			
Bai Muajjal Receivable - Gross		4,319,812	-
Less: Profit Receivable shown in other assets		(31,458)	-
Less: Deferred Income	9.2.2.1	(1,128,140)	-
Closing Balance		3,160,214	-
9.2.2.1 The movement in deferred income during the year is as follows:			
Opening Balance		-	-
Arising during the year		1,159,598	-
Less: Recognised during the year		(31,458)	-
Closing Balance		1,128,140	-

9.3 Particulars of credit loss allowance / provision for diminution

9.3.1 Investments - exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000'					
Opening balance	2,122,068	-	383,745	3,215,515	-	424,695
New investments	-	-	122,454	-	-	-
Investments derecognized or repaid	(580,909)	-	(27,778)	(1,093,447)	-	(40,950)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	(607,068)	-	607,068	-	-	-
	(1,187,977)	-	701,744	(1,093,447)	-	(40,950)
Amounts written off / charged off	-	-	-	-	-	-
Closing balance	934,091	-	1,085,489	2,122,068	-	383,745

9.3.2 Investments - credit loss allowance / provision for diminution

Opening Balance after impact of adoption of IFRS-09	19,700	-	383,745	37,237	-	424,695
New investments	-	-	122,454	-	-	-
Investments derecognized or repaid	(1,090)	-	(27,778)	(8,271)	-	(40,950)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	(15,461)	-	15,461	-	-	-
	(16,551)	-	110,137	(8,271)	-	(40,950)
Changes in risk parameters (PDs/LGDs/EADs)	(2,024)	-	591,607	(9,266)	-	-
Amounts written off / charged off	-	-	-	-	-	-
Closing balance	1,125	-	1,085,489	19,700	-	383,745

9.3.3 Particulars of credit loss allowance / provision for diminution against debt securities

		2025		2024	
Category of classification		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Rupees in '000'					
Domestic					
Performing	Stage 1	934,091	1,125	2,122,068	19,700
Underperforming	Stage 2	-	-	-	-
Non-Performing:	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		1,085,489	1,085,489	218,800	218,800
Total		2,019,580	1,086,614	2,340,868	238,500

9.4 Quality of FVOCI:

Details regarding quality of FVOCI are as follows:

		2025	2024
Cost / Amortized cost			
Rupees in '000'			
Federal government securities - government guaranteed			
Market treasury bills		358,670,527	257,315,235
Pakistan investment bonds		936,955,410	778,191,211
Ijarah sukuks		109,124,163	34,514,669
		1,404,750,100	1,070,021,115
		2025	2024
Cost			
Rupees in '000'			
Shares			
Listed Companies			
Cement		720,360	-
Industrial metals and mining		59,583	-
Food & personal care products		441,125	-
Commercial banks		2,260,361	-
Fertilizer		881,129	251,759
Oil & gas exploration companies		763,030	-
Oil & gas marketing companies		1,077,042	382,959
Power generation & distribution		1,694,558	124,981
Technology & telecommunication		290,497	-
Textile composite /weaving/ spinning		97,377	237,536
Others		3,572	3,572
		8,288,634	1,000,807

Unlisted Companies	2025		2024	
	Cost	Carrying value	Cost	Breakup value
Rupees in '000'				
AI - Baraka Bank Pakistan Limited	25,000	29,939	25,000	26,570
AI - Arabia Sugar Mills Limited	81,358	55,576	81,358	-
	106,358	85,515	106,358	26,570
2025				
2024				
Cost				
Rupees in '000'				
Mutual fund & investment trust units				
TPL REIT Limited			3,108,426	3,108,426
NIT Social Impact Fund			65,000	65,000
			3,173,426	3,173,426
Non government debt securities				
Listed				
- AA+, AA, AA-		143,333	179,167	
- Unrated		-	8,266,007	
		143,333	8,445,174	
Unlisted - unrated				
		190,623	218,400	
		333,956	8,663,574	
9.5 Foreign equity securities				
SWIFT shares			11,957	11,957

This represents 13 shares (2024: 13 shares) of SWIFT purchased by the Bank as per mandatory requirement of the SWIFT by-laws requiring its members to purchase shares allocated on the basis of financial contributions payable to SWIFT.

9.6 Particulars relating to Amortised cost are as follows:

	2025	2024
	Cost / Amortized cost	
Rupees in '000'		
Federal government securities - government guaranteed		
Pakistan investment bonds	106,197,551	136,638,722
Ijara Sukuk	9,529,795	-
Bai Muajjal with Government of Pakistan	3,160,214	-
WAPDA bonds	400	400
	118,887,960	136,639,122
Non government debt securities		
Unlisted		
- AAA	210,000	630,000
- A+, A, A-	724,090	1,492,068
- BBB+, BBB, BBB-	607,068	-
	1,541,158	2,122,068

9.6.1 Market value of investments measured at amortised cost amounted to Rs. 122,858,845 thousand (2024: Rs. 134,938,970 thousand).

10. ADVANCES

		Performing		Non Performing		Total	
	Note	2025	2024	2025	2024	2025	2024
Rupees in '000'							
Loans, cash credits, running finances, etc.	101	726,966,842	680,602,226	41,912,306	50,596,683	768,879,148	731,198,909
Islamic financing and related assets		132,168,449	78,785,554	2,247,218	2,929,643	134,415,667	81,715,197
Bills discounted and purchased		22,547,524	14,511,697	167,222	17,222	22,714,746	14,528,919
Advances - gross		881,682,815	773,899,477	44,326,746	53,543,548	926,009,561	827,443,025
Credit loss allowance against advances:							
-Stage 1		(4,918,727)	(3,557,873)	-	-	(4,918,727)	(3,557,873)
-Stage 2		(1,271,007)	(1,472,695)	(65,865)	(398,607)	(1,336,872)	(1,871,302)
-Stage 3		(972,324)	(290,318)	(35,095,952)	(44,326,141)	(36,068,276)	(44,616,459)
-General Provision	104.51	(2,261,840)	-	-	-	(2,261,840)	-
		(9,423,898)	(5,320,886)	(35,161,817)	(44,724,748)	(44,585,715)	(50,045,634)
Advances - net of credit loss allowance		872,258,917	768,578,591	9,164,929	8,818,800	881,423,846	777,397,391

10.1 Includes net investment in finance lease as disclosed below:

	2025				2024			
	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	7,082,058	71,433,738	16,490,172	95,005,968	2,344,482	31,072,340	12,992,508	46,409,330
Residual value	4,256,768	23,113,196	3,834,638	31,204,602	2,268,589	15,321,667	4,027,076	21,617,332
Minimum lease payments	11,338,826	94,546,934	20,324,810	126,210,570	4,613,071	46,394,007	17,019,584	68,026,662
Financial charges for future periods	274,895	579,377	85,639	939,911	577,442	620,978	78,616	1,277,036
Present value of minimum lease payments	11,063,931	93,967,557	20,239,171	125,270,659	4,035,629	45,773,029	16,940,968	66,749,626

10.2 Particulars of advances (gross)

	2025	2024
Rupees in '000'		
In local currency	907,440,125	814,101,481
In foreign currencies	18,569,436	13,341,544
	926,009,561	827,443,025
10.3 Advances to Women, Women-owned and Managed Enterprises		
Women	20,454,756	14,522,801
Women Owned and Managed Enterprises	7,545,536	5,231,595
	28,000,292	19,754,396

10.3.1 Gross loans disbursed to women, women-owned and managed enterprises during the year amounting to Rs. 28,759,187 thousand (2024: Rs. 13,744,925 thousand).

10.4 Particulars of credit loss allowance

10.4.1 Advances - Exposure

Note	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rupees in '000'								
Gross carrying amount - current year	747,109,523	26,613,873	53,719,629	827,443,025	652,160,458	145,576,399	51,772,968	849,509,825
Impact of adoption of IFRS-09	-	-	-	-	(11,872,102)	(118,0984)	1,020	(13,052,066)
	747,109,523	26,613,873	53,719,629	827,443,025	640,288,356	144,395,415	51,773,988	836,457,759
New advances	460,260,439	20,656,622	3,240,837	484,157,898	473,515,291	11,587,268	4,547,244	489,649,803
Advances derecognized or repaid	(358,616,269)	(11,993,044)	(5,268,497)	(375,877,810)	(368,996,438)	(121,681,942)	(798,6157)	(498,664,537)
Transfer to stage 1	4,292,821	(4,097,172)	(195,649)	-	15,667,176	(15,627,776)	(39,400)	-
Transfer to stage 2	(7,146,120)	8,355,366	(1,209,246)	-	(10,340,773)	10,364,152	(23,379)	-
Transfer to stage 3	(3,771,926)	(1,168,971)	4,940,897	-	(3,024,089)	(2,423,244)	5,447,333	-
	95,018,945	11,752,801	1,508,342	108,280,088	106,821,167	(117,781,542)	1,945,641	(9,014,734)
Amounts written off 10.51	-	-	(220)	(220)	-	-	-	-
Amounts charged off 10.7	-	-	(9,713,332)	(9,713,332)	-	-	-	-
Closing balance	842,128,468	38,366,674	45,514,419	926,009,561	747,109,523	26,613,873	53,719,629	827,443,025

10.4.2 Advances - Credit loss allowance

Note	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rupees in '000'								
Opening balance	3,557,873	1,871,302	44,616,459	50,045,634	5,452,980	3,579,567	44,865,613	53,898,160
New advances	2,210,627	297,506	2,044,303	4,552,436	1,542,095	302,863	2,140,953	3,985,911
Advances derecognized or repaid	(492,432)	(392,872)	(1,764,744)	(2,650,048)	(1,043,267)	(1,230,939)	(5,587,360)	(7,861,566)
Transfer to stage 1	445,856	(350,861)	(94,995)	-	840,643	(823,878)	(16,765)	-
Transfer to stage 2	(76,895)	624,132	(547,237)	-	(156,447)	166,003	(9,556)	-
Transfer to stage 3	(23,799)	(202,859)	226,658	-	(62,021)	(360,196)	422,217	-
	2,063,357	(24,954)	(136,015)	1,902,388	1,121,003	(1,946,147)	(3,050,511)	(3,875,655)
General Provision 10.4.51	2,261,840	-	-	2,261,840	-	-	-	-
Amounts written off 10.51	-	-	(220)	(220)	-	-	-	-
Amounts charged off 10.7	-	-	(9,713,332)	(9,713,332)	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(702,503)	(509,476)	1,301,384	89,405	(3,016,110)	237,882	2,801,357	23,129
Closing balance	7,180,567	1,336,872	36,068,276	44,585,715	3,557,873	1,871,302	44,616,459	50,045,634

10.4.3 Advances - Credit loss allowance

Performing	Stage 1	842,128,468	-	-	842,128,468	747,109,523	-	-	747,109,523
Performing	Stage 2	-	38,237,355	-	38,237,355	-	26,103,213	-	26,103,213
Underperforming		-	129,319	-	129,319	-	510,660	-	510,660
Non-Performing:									
Other assets especially mentioned		-	-	2,335,969	2,335,969	-	-	393,344	393,344
Substandard	Stage 3	-	-	1,001,064	1,001,064	-	-	3,725,991	3,725,991
Doubtful		-	-	5,474,823	5,474,823	-	-	6,921,675	6,921,675
Loss		-	-	35,385,572	35,385,572	-	-	41,991,879	41,991,879
		-	-	44,197,428	44,197,428	-	-	53,032,889	53,032,889
Underperforming	Stage 3	-	-	1,316,991	1,316,991	-	-	686,740	686,740
Total		842,128,468	38,366,674	45,514,419	926,009,561	747,109,523	26,613,873	53,719,629	827,443,025

Corresponding ECL

Stage 1 and stage 2		4,918,727	1,336,872	-	6,255,599	3,557,873	1,871,302	-	5,429,175
Stage 3	10.4.31	-	-	36,068,276	36,068,276	-	-	44,616,459	44,616,459
General Provision	10.4.51	2,261,840	-	-	2,261,840	-	-	-	-
		7,180,567	1,336,872	36,068,276	44,585,715	3,557,873	1,871,302	44,616,459	50,045,634

10.4.31 This includes provision amounting to Rs. 664,883 thousand (2024: Nil) against Excess Over Limit exposure under digital lending portfolio on account of a system glitch, in an application managed by a vendor of the Bank.

10.4.4 Advances include Rs. 44,326,746 thousand (2024: Rs. 53,543,548 thousand) which have been placed under non-performing status as detailed below:

		2025		2024	
Category of classification		Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
Note		Rupees in ‘000’			
Domestic					
Other assets especially mentioned	Stage 2	129,318	65,865	510,660	398,607
Other assets especially mentioned	Stage 3	2,335,969	523,012	393,344	170,933
Substandard		1,001,064	413,294	3,725,991	1,668,670
Doubtful		5,474,823	2,683,844	6,921,675	3,290,456
Loss		35,385,572	31,475,802	41,991,878	39,196,082
Total	10.7	44,326,746	35,161,817	53,543,548	44,724,748

10.4.5 Particulars of ECL

	Note	2025				2024			
		Stage 3	Stage 1 & 2	General Provision	Total	Stage 3	Stage 1 & 2	General Provision	Total
		Rupees in '000'							
Opening balance including impact of adoption of IFRS-09		44,616,459	5,429,175	-	50,045,634	44,865,613	9,032,547	-	53,898,160
Charge for the year	10.4.5.1	5,957,488	4,535,455	2,261,840	12,754,783	6,409,311	2,806,505	-	9,215,816
Reversals for the year		(4,792,119)	(3,709,031)	-	(8,501,150)	(6,658,465)	(6,409,877)	-	(13,068,342)
	34	1,165,369	826,424	2,261,840	4,253,633	(249,154)	(3,603,372)	-	(3,852,526)
Amounts written off	10.5.1	(220)	-	-	(220)	-	-	-	-
Amounts charged off during the year	10.7	(9,713,332)	-	-	(9,713,332)	-	-	-	-
Closing balance		36,068,276	6,255,599	2,261,840	44,585,715	44,616,459	5,429,175	-	50,045,634

10.4.5.1 This represents general provision created during the year against advances extended under Public Sector initiatives for the Agriculture and SME sectors on prudence basis. The performance of these advances shall be assessed on quarterly basis to determine adequacy of the general provision created.

10.4.6 Particulars of ECL against advances

In local currency	36,068,276	6,245,767	2,261,840	44,575,883	44,616,459	5,410,355	-	50,026,814
In foreign currencies	-	9,832	-	9,832	-	18,820	-	18,820
	36,068,276	6,255,599	2,261,840	44,585,715	44,616,459	5,429,175	-	50,045,634

10.4.7 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 559,227 thousand (2024: Rs. 312,346 thousand). The FSV benefit availed is not available for cash or stock dividend. Further, the Bank has availed benefit of eligible collaterals for the calculation of ECL amounting to Rs. 2,813,713 thousand (2024: Rs. 1,478,971 thousand).

	Note	2025 Rupees in '000'	2024
10.5 Particulars of write offs:			
10.5.1 Against provisions	10.4	220	-
Directly charged to profit and loss account		-	-
		220	-
10.5.2 Domestic			
Write offs of Rs. 500,000 and above	10.6	-	-
Write offs of below Rs. 500,000		220	-
		220	-

10.6 Details of loan write-off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-I.

10.7 Particulars of charge-off loans:

In compliance with the SBP's BPRD Circular No. 02 of 2024, the Bank has charged-off non-performing loans which are fully provisioned and have been classified as loss for at least five consecutive years

	2025			2024		
	Number of borrowers	NPL	Credit loss allowance	Number of borrowers	NPL	Credit loss allowance
Rupees in '000'						
Opening balance	-	-	-	-	-	-
Charge-off during the year	73	9,713,332	9,713,332	-	-	-
Recoveries made during the year	73	9,713,332	9,713,332	-	-	-
Amount written-off during the year	-	-	-	-	-	-
Closing balance	73	9,713,332	9,713,332	-	-	-

		2025	2024
		Note	Rupees in '000'
11	PROPERTY AND EQUIPMENT		
	Capital work-in-progress	11.1	843,391
	Property and equipment	11.2	28,918,354
			29,761,745
11.1	Capital work-in-progress		
	Civil works		579,324
	Advances to suppliers		264,067
			843,391

2024

	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
	Rupees in '000'							
At January 1, 2024								
Cost / Revalued amount	2,644,624	10,245,910	1,574,287	4,873,115	3,459,794	5,177,611	895,665	28,871,006
Accumulated depreciation	-	(912,809)	(533,170)	(2,569,529)	(1,803,224)	(2,438,255)	(575,288)	(8,832,275)
Net book value	2,644,624	9,333,101	1,041,117	2,303,586	1,656,570	2,739,356	320,377	20,038,731
Year ended December 31, 2024								
Opening net book value	2,644,624	9,333,101	1,041,117	2,303,586	1,656,570	2,739,356	320,377	20,038,731
Additions	2,037,002	-	365,304	1,391,760	1,065,653	1,707,409	254,725	6,821,853
Movement in surplus on assets revalued during the year	1,308,863	618,723	-	-	-	-	-	1,927,586
Disposals - at cost	-	-	(21,420)	(41,060)	(76,924)	(14,757)	(28,500)	(182,661)
Depreciation on disposal	-	-	15,297	39,278	69,453	6,575	28,500	159,103
Disposals - at book value	-	-	(6,123)	(1,782)	(7,471)	(8,182)	-	(23,558)
Depreciation charge	-	(467,504)	(119,200)	(445,921)	(419,021)	(870,860)	(211,087)	(2,533,593)
Depreciation adjustment on revaluation surplus	-	1,380,313	-	-	-	-	-	1,380,313
Adjustments - at cost / revalued amount	-	11,921	-	(11,921)	-	-	-	-
Depreciation on adjustments	-	-	-	-	-	-	-	-
Closing net book value	5,990,489	10,876,554	1,281,098	3,235,722	2,295,731	3,567,723	364,015	27,611,332
At December 31, 2024:								
Cost / Revalued amount	5,990,489	10,876,554	1,918,171	6,211,894	4,448,523	6,870,263	1,121,890	37,437,784
Accumulated depreciation	-	-	(637,073)	(2,976,172)	(2,152,792)	(3,302,540)	(757,875)	(9,826,452)
Net book value	5,990,489	10,876,554	1,281,098	3,235,722	2,295,731	3,567,723	364,015	27,611,332
Rate of depreciation (percentage)	-	5%	10%	13.33%	20%-33.33%	20%	33.33%	

	2025	2024
	Rupees in '000'	
11.2.1 Break-up of depreciation charge for the year is as follows:		
Property expense:		
Buildings on freehold land	544,913	467,504
Lease hold improvements	668,992	445,921
	1,213,905	913,425
Information technology expenses:		
Computer equipments	1,143,701	870,860
Other operating expenses:		
Furniture and fixtures	138,018	119,200
Electrical and office equipments	561,811	419,021
Vehicles	331,629	211,087
	1,031,458	749,308

11.2.2 Freehold land and buildings on freehold land were revalued on December 31, 2024 by Pakistan Bank's Association (PBA) approved independent valuer (F.K.S. Building Services), on the basis of fair market value. The revaluation surplus as on December 31, 2025 stood at Rs. 3,003,337 thousand and Rs. 5,980,977 thousand in respect of freehold land and buildings on freehold land respectively. Detailed particulars as on December 31, 2025 are as follows:

	2025	2024
	Revalued /net book amount Rupees in '000'	
Freehold land	6,326,910	5,990,489
Buildings on freehold land	10,395,827	10,876,554

11.2.3 Had the freehold land and buildings on freehold land not been revalued, their carrying amounts would have been as follows:

	2025	2024
	Rupees in '000'	
Freehold land	3,323,573	2,987,679
Buildings on freehold land	4,414,850	4,584,148

11.2.4 The gross carrying amount (cost) of fully depreciated assets that are still in use is as follows:

	2025	2024
	Rupees in '000'	
Lease hold improvements	2,124,391	2,141,917
Electrical and office equipments	10,691	8,724
Computer equipments	2,061,935	1,666,010
Vehicles	492,713	469,210
	4,689,730	4,285,861

11.2.5 Detail of property and equipment disposed off to related parties is as follows:

Description	Cost	Book value	Sale Price	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000'						
Mobile Phones	250	174	194	20	Bank's policy	Mr. M.Saqib Sajjad (Ex-employee)
Mobile Phones	250	153	153	-	Bank's policy	Mr. Shoaib Khan (Ex-employee)
Vehicles	4,068	-	5,520	5,520	Sale through auction	Mr. Zeeshan Ch.
Mobile Phones	250	139	188	49	Bank's policy	Mr. Asim Hafeez Qureshi (Ex-employee)
Mobile Phones	475	290	290	-	Bank's policy	Mr. Farid Ahmed Khan (Ex-employee)
Vehicles	4,068	-	5,220	5,220	Sale through auction	Mr. Zeeshan Ch.
Vehicles	1,745	-	2,595	2,595	Sale through auction	Syed Asim Ali

In addition to above, in terms of Bank's policy certain executives of the Bank are entitled to retain mobile phones at the end of useful life or expiry of atleast 2 years at book value. Accordingly, during the year assets having book value of Rs. 3,407 thousand (2024: Rs. 650 thousand) were retained by the employees.

Moreover, during the year computer equipment having book value of nil (2024: Rs. 4,102 thousand) were transferred to BOP Exchange Private Limited.

		2025	2024
Note		Rupees in '000'	
12	RIGHT-OF-USE ASSETS	Buildings	
	At January 01:		
	Cost	19,966,779	17,699,453
	Accumulated depreciation	(7,101,015)	(5,275,317)
	Net carrying amount	12,865,764	12,424,136
	Opening net carrying amount	12,865,764	12,424,136
	For the year ended December 31:		
	Additions	2,726,457	2,545,251
	Terminations - at cost	(298,779)	(277,925)
	Depreciation on terminations	126,944	130,928
	Terminations - at book value	(171,835)	(146,997)
	Depreciation charge	12.1 (2,274,216)	(1,956,626)
	Closing net carrying amount	13,146,170	12,865,764
	At December 31:		
	Cost	22,394,457	19,966,779
	Accumulated depreciation	(9,248,287)	(7,101,015)
	Net carrying amount	13,146,170	12,865,764
12.1	Right-of-use assets are depreciated over their respective lease term.		
13	INTANGIBLE ASSETS		
	Intangible in progress	333,273	431,669
	Software and long term licenses	13.1 2,369,112	2,040,198
		2,702,385	2,471,867

13.1 Software and long term licenses

	2025				2024			
	Core banking software	Other softwares	Licenses	Total	Core banking software	Other softwares	Licenses	Total
At January 01								
Cost	471,900	2,847,719	280,618	3,600,237	471,900	1,893,444	239,438	2,604,782
Accumulated amortization	(314,231)	(1,040,515)	(205,293)	(1,560,039)	(249,037)	(782,631)	(117,165)	(1,148,833)
Net book value	157,669	1,807,204	75,325	2,040,198	222,863	1,110,813	122,273	1,455,949
Year ended December 31								
Opening net book value	157,669	1,807,204	75,325	2,040,198	222,863	1,110,813	122,273	1,455,949
Purchased / capitalized during the year	-	724,931	76,112	801,043	-	954,275	41,180	995,455
Amortization charge	(71,196)	(322,983)	(77,950)	(472,129)	(65,194)	(257,884)	(88,128)	(411,206)
Closing net book value	86,473	2,209,152	73,487	2,369,112	157,669	1,807,204	75,325	2,040,198
At December 31								
Cost	471,900	3,572,650	356,730	4,401,280	471,900	2,847,719	280,618	3,600,237
Accumulated amortization	(385,427)	(1,363,498)	(283,243)	(2,032,168)	(314,231)	(1,040,515)	(205,293)	(1,560,039)
Net book value	86,473	2,209,152	73,487	2,369,112	157,669	1,807,204	75,325	2,040,198
Rate of amortization (percentage)	10.00%	13.33%	License term		10.00%	13.33%	License term	
Useful life	10 years	7.5 years	License term		10 years	7.5 years	License term	

13.1.1 The gross carrying amount (cost) of fully amortized other softwares that are still in use is Rs. 660,883 thousand (2024: Rs. 428,845 thousand).

14. DEFERRED TAX ASSETS - NET

	2025					
	At January 01	Effect of remeasurement on adoption of IFRS-09	Recognized in P&L		Recognized in OCI	At December 31
			Current year	Prior year		
Rupees in '000'						
Deductible temporary differences on:						
Right of use assets net of lease liabilities	2,202,388	-	460,488	-	-	2,662,876
Workers Welfare Fund	936,836	-	501,117	-	-	1,437,953
Credit loss allowance against off balance sheet obligations	916,029	-	(554,635)	-	-	361,394
Credit loss allowance against lendings to financial institutions	21,312	-	(10,573)	-	-	10,739
Credit loss allowance against balance with other banks	7,553	-	(2,341)	-	-	5,212
Credit loss allowance against balance with treasury banks	233,840	-	(138,006)	-	-	95,834
Credit loss allowance against investments	10,244	-	355,248	-	-	365,492
Credit loss allowance against acceptance	204,307	-	710,087	-	-	914,394
Credit loss allowance / provision against advances	10,698,002	-	957,817	(790,107)	-	10,865,712
	15,230,511	-	2,279,202	(790,107)	-	16,719,606
Taxable temporary differences on:						
Surplus on revaluation of property and equipment	(3,272,050)	-	163,633	-	(1,961)	(3,110,378)
Surplus on revaluation of investments classified as FVOCI	(1,098,443)	(31,631)	-	-	(3,431,514)	(4,561,588)
Unrealized gain of revaluation of securities FVTPL	(432,272)	-	432,272	-	-	-
Accelerated tax depreciation	(1,353,424)	-	(51,678)	-	-	(1,405,102)
Surplus on revaluation of non banking assets	(23,134)	-	1,127	-	(13,347)	(35,354)
	(6,179,323)	(31,631)	545,354	-	(3,446,822)	(9,112,422)
	9,051,188	(31,631)	2,824,556	(790,107)	(3,446,822)	7,607,184

2024

	At January 01	Impact of Adoption of IFRS-09	Recognized in P&L		Recognized in OCI	At December 31
			Current year	Prior year		
Rupees in '000'						
Deductible temporary differences on:						
Deficit on revaluation of investments classified as FVOCI	2,811,262	(2,811,262)	-	-	-	-
Right of use assets net of lease liabilities	1,618,530	-	583,858	-	-	2,202,388
Workers Welfare Fund	642,055	-	294,781	-	-	936,836
Credit loss allowance against off balance sheet obligations	-	747,299	168,730	-	-	916,029
Credit loss allowance against lendings to financial institutions	-	13,798	7,514	-	-	21,312
Credit loss allowance against balance with other banks	-	42,307	(34,754)	-	-	7,553
Credit loss allowance against balance with treasury banks	-	335,701	(101,861)	-	-	233,840
Credit loss allowance against investments	-	18,246	(8,002)	-	-	10,244
Credit loss allowance against acceptance	-	264,948	(60,641)	-	-	204,307
Credit loss allowance / provision against advances	8,416,444	5,279,854	(2,998,296)	-	-	10,698,002
	13,488,291	3,890,891	(2,148,671)	-	-	15,230,511
Taxable temporary differences on:						
Surplus on revaluation of property and equipment	(2,214,474)	-	117,503	-	(1,175,079)	(3,272,050)
Surplus on revaluation of investments classified as FVOCI	-	(385,082)	-	-	(713,361)	(1,098,443)
Unrealized gain of revaluation of securities FVTPL	-	-	(432,272)	-	-	(432,272)
Accelerated tax depreciation	(936,188)	-	(417,236)	-	-	(1,353,424)
Surplus on revaluation of non banking assets	(94,862)	-	1,343	-	70,385	(23,134)
	(3,245,524)	(385,082)	(730,662)	-	(1,818,055)	(6,179,323)
	10,242,767	3,505,809	(2,879,333)	-	(1,818,055)	9,051,188

	Note	2025	2024
		Rupees in '000'	
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		65,365,205	58,609,241
Income / mark-up accrued in foreign currencies		243,389	111,762
Advances, deposits, advance rent and other prepayments		2,818,480	2,815,975
Non-banking assets acquired in satisfaction of claims	15.1	3,674,098	4,049,527
Acceptances	22	18,550,252	12,772,495
Branch adjustment account		249,582	16,023
Mark to market gain on forward foreign exchange contracts		216,221	241,385
Stock of stationery		457,899	435,848
Suspense account		13,632	3,907
Zakat recoverable from National Investment Trust Limited (NITL)	15.2	36,790	36,790
Receivable against fraud and forgeries		653,626	418,081
Auto Teller Machine and point of sale receivable - net		48,098	338,296
Inter bank fund transfer and RAAST receivable - net		5,693,033	6,279,814
Receivable against settlement arrangements		219,175	221,905
Receivable against litigation expenses		334,690	312,218
Deferred fair value loss on derecognition of financial asset measured at amortised cost		7,285,045	7,674,252
Deferred fair value loss on remeasurement of staff loans - notional		16,573,483	13,194,712
Receivable against sale of shares - net		3,863	-
Receivable against Pakistan Remittance Initiative (PRI) rebate		2,094,444	355,504
Receivable on account of GoPb transactions		1,768,753	-
Others		2,678,700	2,423,652
		128,978,458	110,311,387
Less: Credit loss allowance / provision against other assets	15.3	(2,697,901)	(1,332,437)
Other assets (net of credit loss allowance / provision)		126,280,557	108,978,950
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24.2	643,475	940,388
Other assets - total		126,924,032	109,919,338
15.1 Market value of non-banking assets acquired in satisfaction of claims - net of credit loss allowance		4,286,697	4,959,039

The carrying and revalued amounts have been determined based on prudence, expected legal enforceability, ease of realization and current market conditions etc. These include assets which are in the process of sale and are stated at their respective sale prices. Latest valuations are carried out by PBA approved independent valuer (F.K.S. Building Services) as on December 31, 2025.

		2025	2024
	Note	Rupees in '000'	
15.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		4,959,039	1,996,956
Additions during the year		442,062	3,141,507
Surplus on revaluation during the year	24.2	26,651	329,416
Disposals during the year - net book value	15.1.2	(708,830)	(486,267)
Transfer to property and equipment - net book value		(400,607)	-
Depreciation charged during the year	32	(31,618)	(22,573)
Closing balance		4,286,697	4,959,039
15.1.2 Gain on disposal of non-banking assets acquired in satisfaction of claims			
Disposal proceeds		886,628	1,001,102
Less:			
- Cost / revalued amount		708,830	586,289
- Depreciation		-	(100,022)
		708,830	486,267
Gain on sale recognized during the year		177,798	514,835
15.2	This represents zakat deducted on dividends by NITL. The Bank has filed suit against NITL for recovery of the amount. The case was decided in favour of the Bank in 1993 and intra court appeal was filed by the Zakat and Ushr Department against the decision which is still pending. As a matter of prudence, though without prejudice to the Bank's claim against NITL at the court of law, the claim amount has been fully provided for.		
		2025	2024
	Note	Rupees in '000'	
15.3 Credit loss allowance / provision against other assets			
Advances, deposits, advance rent & other prepayments		222,330	35,723
Acceptances		85,180	53,313
Income / markup accrued		449,215	310,941
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	15.3.2	496,889	327,239
Receivable against settlement arrangements		219,175	225,337
Receivable against litigation expenses		334,690	312,218
Others	15.3.3	822,756	-
		2,697,901	1,332,437

		2025	2024
	Note	Rupees in '000'	
15.3.1 Movement in credit loss allowance / provision against other assets			
Opening balance		1,332,437	1,452,895
Impact of adoption of IFRS-09		-	540,711
Charge for the year		1,610,372	254,950
Reversals during the year		(244,820)	(402,762)
	34	1,365,552	(147,812)
Amount written off		(88)	(513,357)
Closing balance		2,697,901	1,332,437
15.3.2	This includes credit loss allowance amounted to Rs. 3,006 thousand (2024: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.		
15.3.3	This includes amount recoverable from a service provider under settlement against certain disputed transaction. The Bank's claim is under consideration at service provider end, however, provision has been created on prudence basis and without prejudice to the Bank's claim against service provider.		
		2025	2024
	Note	Rupees in '000'	
16. CONTINGENT ASSETS			
Contingent assets		Nil	Nil
17. BILLS PAYABLE			
In Pakistan		9,139,194	7,636,873
Outside Pakistan		-	-
		9,139,194	7,636,873
18. BORROWINGS			
Secured			
Borrowings from SBP under:			
Export Refinance Scheme (ERF)	18.1	17,633,451	23,083,370
Long term financing facility (LTFF)	18.2	6,545,639	8,862,770
Financing Facility for Storage of Agriculture Produce (FFSAP)	18.3	400,112	319,557
Financing Scheme for Renewable Energy Performance Plateform (REPP)	18.4	4,983,962	5,911,823
Refinancing facility for combating COVID-19	18.5	200,869	494,864
Temporary Economic Refinance Scheme (TERF)	18.6	9,765,661	12,120,797
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	18.7	35,783	42,150
Finance Facility for SAAF Rozgar Reimbursement Credit	18.8	11,654,968	15,636,440
Finance Facility for Shamsi Tawanai Consumer	18.9	38,905	38,526
Islamic Temporary Economic Refinance Facility (ITERF)	18.10	789,014	1,047,588
Refinancing Facility for Modernization of SMEs	18.11	132,875	90,033
Refinance Facility for Working Capital of SMEs	18.12	30,000	-
		52,211,239	67,647,918
Repurchase agreement borrowings	18.13	558,128,341	338,739,825
Borrowings from Pakistan Mortgage Refinance Company Limited	18.14	2,454,656	1,997,198
Total secured		612,794,236	408,384,941
Unsecured			
Call borrowings		5,200,000	200,000
Borrowing from Agence Francaise De Developpment (AFD)	18.15	3,641,599	-
Overdrawn nostro accounts		3,172,157	420,989
Total unsecured		12,013,756	620,989
		624,807,992	409,005,930

- 18.1** These are secured against the Bank's cash and security balances held with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 8.00% per annum (2024: 1.00% to 16.50% per annum) with maturities upto June 28, 2026.
- 18.2** This amount has been obtained for providing long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 7.00% per annum (2024: 1.00% to 16.00% per annum) with maturities upto June 30, 2036.
- 18.3** These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 4.25% per annum (2024: 2.00% to 4.25% per annum) with maturities upto December 30, 2031.
- 18.4** These represent borrowings under scheme of financing facility for renewable energy performance platform. Mark-up on these borrowings is payable quarterly at rate of 2.00% to 3.00% per annum (2024: 2.00% to 3.00% per annum) with maturities upto June 30, 2036.
- 18.5** These represent borrowings under scheme of financing facility for combating COVID-19. Mark-up on these borrowings is payable quarterly at rate of Nil (2024: Nil) with maturities upto June 23, 2027.
- 18.6** These represent borrowings under scheme of temporary economic refinance facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% per annum) with maturities upto January 06, 2033.
- 18.7** These represent borrowings under scheme of financing for women entrepreneurs. Mark-up on these borrowings is payable quarterly at rate of Nil (2024: Nil) with maturities upto April 01, 2030.
- 18.8** These represent borrowings under scheme of financing for SAAF rozgar reimbursement credit. Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% to 3.00% per annum) with maturities upto January 05, 2031.
- 18.9** These represent borrowings under scheme of financing for shamsi tawanai. Mark-up on these borrowings is payable quarterly at rate ranging from 1.00% to 4.00% per annum (2024: 1.00% to 2.00% per annum) with maturities upto December 05, 2031.
- 18.10** These represent borrowings under scheme of Islamic temporary economic refinance facility (ITERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% per annum) with maturities upto April 27, 2032.
- 18.11** These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMEs). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2024: 2.00% per annum) with maturities upto November 11, 2030.
- 18.12** These represent borrowings under scheme of financing facility for working capital of SMEs. Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2024: Nil) with maturities upto September 09, 2026.
- 18.13** These are secured against Pakistan investment bonds (PIBs), carrying mark-up at rate ranging from 10.00% to 11.50% per annum (2024: 13.06% to 14.00% per annum). The carrying value of PIBs & MTBs given as collateral against these borrowings is Rs. 563,136,880 thousand (2024: Rs. 339,822,380 thousand).
- 18.14** These are secured against PIBs and hypothecation charge over mortgage loan portfolio, carrying markup at rates ranging from 6.50% to 9.00% per annum (2024: 6.50% to 13.63% per annum) maturing on June 30, 2031. The carrying value of PIBs given as collateral against these borrowings is Rs. 2,632,095 thousand (2024: Rs. 2,093,280 thousand).
- 18.15** This represents borrowing amounting to USD 13 million obtained from Agence Francaise De Developpement to contribute to climate change mitigation and adaptation in Pakistan by financing eligible investment project(s) as defined in the relevant credit facility agreement. Mark-up on this borrowing is payable quarterly at the rate of 3-month Secured Overnight Financing Rate (SOFR) plus fixed margin. Following the expiry of grace period of sixty (60) months, the Bank is required to repay the principal amount in forty (40) quarterly instalments with last instalment due on June 30, 2039.

18.16 Particulars of borrowings with respect to currencies

	2025	2024
	Rupees in '000'	
In local currency	617,994,236	408,584,941
In foreign currencies	6,813,756	420,989
	624,807,992	409,005,930

19. DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	457,167,831	12,864,423	470,032,254	339,980,192	10,182,140	350,162,332
Savings deposits	707,245,769	4,948,228	712,193,997	680,865,027	5,613,810	686,478,837
Term deposits	780,906,332	22,400,840	803,307,172	598,218,684	49,773,450	647,992,134
Margin deposits	10,858,217	-	10,858,217	8,776,447	-	8,776,447
	1,956,178,149	40,213,491	1,996,391,640	1,627,840,350	65,569,400	1,693,409,750
Financial institutions:						
Current deposits	3,474,761	2,254,680	5,729,441	2,387,275	1,590,280	3,977,555
Savings deposits	21,579,125	2,838	21,581,963	7,564,653	20,597	7,585,250
Term deposits	27,822,366	-	27,822,366	5,225,157	-	5,225,157
Margin deposits	10,894	-	10,894	90,008	-	90,008
	52,887,146	2,257,518	55,144,664	15,267,093	1,610,877	16,877,970
	2,009,065,295	42,471,009	2,051,536,304	1,643,107,443	67,180,277	1,710,287,720

	2025	2024
	Rupees in '000'	
19.1 Composition of deposits:		
- Individuals	369,953,379	222,777,019
- Private sector	485,678,567	497,060,294
- Government (federal and provincial)	891,149,222	717,809,405
- Public sector entities	249,610,472	255,763,032
- Banking companies	13,563,305	3,696,560
- Non-banking financial institutions	41,581,359	13,181,410
	2,051,536,304	1,710,287,720

19.2 Deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 676,480,231 thousand (2024: Rs. 580,736,877 thousand).

19.3 Current deposits include call deposits amounting to Rs. 47,794,091 thousand (2024: Rs. 30,976,161 thousand).

	2025	2024
	Rupees in '000'	
20. LEASE LIABILITIES		
Outstanding amount at the start of the year	17,101,125	15,727,259
Additions during the year	2,726,457	2,545,251
Interest expense	2,398,792	2,187,160
Terminations during the year	(411,022)	(386,477)
Lease payments including interest	(3,548,267)	(2,972,068)
Outstanding amount at the end of the year	18,267,085	17,101,125
20.1. Contractual maturity of lease liabilities:		
Short-term lease liabilities - within one year	106,595	146,338
Long-term lease liabilities		
- 1 to 5 years	2,361,932	1,631,629
- 5 to 10 years	10,918,723	9,010,163
- More than 10 years	4,879,835	6,312,995
	18,160,490	16,954,787
Total lease liabilities	18,267,085	17,101,125
21 SUBORDINATED DEBTS		
Subordinated perpetual term finance certificates - ADT I	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	3,950,000	3,950,000
Privately placed term finance certificates - II	4,287,100	4,288,820
Privately placed term finance certificates - III	6,993,000	6,995,800
Privately placed term finance certificates - IV	7,564,958	7,567,986
	30,812,558	30,820,106

21.1. Major terms and conditions of subordinated debts are as follows:

Description	ADT -I	ADT -I 2nd issue	TFCs - II	TFCs - III	TFCs - IV
Face value	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR
Listed/un-listed	Listed	Un-listed	Un-listed	Un-listed	Un-listed
Feature	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
"Issue amount Rs. in '000"	8,017,500	3,950,000	4,300,000	7,000,000	7,569,500
Issue date	June 20, 2022	February 29, 2024	April 23, 2018	April 17, 2023	June 27, 2024
Maturity date	Perpetual	Perpetual	April 23, 2028	April 17, 2033	June 27, 2034
Rating	AA- (by PACRA)	AA- (by PACRA)	AA (by PACRA)	AA (by PACRA)	AA (by PACRA)
Tenor	Perpetual	Perpetual	10 Years.	10 Years.	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.

Description	ADT -I	ADT -I 2nd issue	TFCs - II	TFCs - III	TFCs - IV
Profit payment & frequency	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment	Not applicable.	Not applicable.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.36% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option	Callable after a period of 05 years. However no put option is available to the investors.				
Lock in clause	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.				
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.				

		2025	2024
	Note	Rupees in '000'	
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		41,078,180	58,846,660
Mark-up / return / interest payable in foreign currency		468,035	1,245,364
Mark-up payable on subordinated debts		505,215	680,067
Provision for taxation (provisions less payments)		3,408,359	1,787,511
Sundry creditors and accrued expenses		2,587,908	1,745,839
Lease key money		31,204,602	21,617,332
Acceptances	15	18,550,252	12,772,495
Payable to gratuity fund	40.1.3	704,791	421,347
Gratuity payable to key management personnel		44,318	30,061
Provision for employees compensated absences	40.2.3	207,343	184,746
Unrealized loss on revaluation of foreign bills and trade loans		119,909	113,276
Provision against off-balance sheet obligations	22.1	738,971	1,805,577
Taxes / zakat / import fee payable		1,244,917	3,563,792
Unclaimed dividends		2,586	2,586
Payable to charity fund		4,166	469
Insurance payable against consumer assets financing		1,802,648	1,120,316
Payable against purchase of shares		-	200
Workers Welfare Fund	22.2	3,050,250	2,086,563
Deferred and unearned income		2,095,729	1,322,348
Clearing and settlement accounts		500,972	1,911,890
Credit loss guarantee received against advances		1,879,765	231,006
Payable on account of GoPb transactions		120,226	-
Others		2,662,068	1,106,866
		112,981,210	112,596,311

		2025	2024
	Note	Rupees in '000'	
22.1 Movement in provision held against off-balance sheet obligations			
Opening balance		1,805,577	43,983
Impact of adoption of IFRS-09		-	1,525,099
		1,805,577	1,569,082
Charge for the year		394,861	969,931
Reversals during the year		(1,461,467)	(733,436)
	34	(1,066,606)	236,495
Amount written off		-	-
Closing balance		738,971	1,805,577

- 22.2** Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.

23. SHARE CAPITAL - NET

23.1 Authorized Capital

2025	2024		2025	2024
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of Directors have approved the increase in authorized share capital of the Bank to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Bank has initiated the process for necessary amendments in the Bank of Punjab Act, 1989 through the Provincial Assembly of Punjab.

23.2 Issued, subscribed and paid up capital-net

2025	2024		2025	2024
Number of shares			Rupees in '000'	
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at December 31, 2025 (December 31, 2024: 57.47%).

	Note	2025	2024
		Rupees in '000'	
24. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus on revaluation of:			
Securities measured at FVOCI - debt instruments	9.1	7,862,074	1,525,362
Securities measured at FVOCI - equity investments	9.1	910,210	587,028
- Property and equipment	24.1	8,984,314	9,295,219
- Non-banking assets acquired in satisfaction of claims	24.2	643,475	940,388
		18,400,073	12,347,997
Deferred tax on surplus on revaluation of:			
Securities measured at FVOCI - debt instruments	14	(4,088,278)	(793,188)
Securities measured at FVOCI - equity investments	14	(473,309)	(305,255)
- Property and equipment	24.1	(3,110,378)	(3,272,050)
- Non-banking assets acquired in satisfaction of claims	24.2	(35,354)	(23,134)
		(7,707,319)	(4,393,627)
		10,692,754	7,954,370

	Note	2025 Rupees in '000'	2024
24.1 Surplus on revaluation of property and equipment - net of tax			
At January 01		9,295,219	6,213,285
Surplus on land and building recognized during the year		-	3,307,901
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(151,044)	(108,464)
Related deferred tax liability on incremental depreciation charged during the year		(163,633)	(117,503)
Surplus on land & building transferred from non banking assets during the year		3,772	-
At December 31		8,984,314	9,295,219
Less: related deferred tax liability on:			
- surplus as at January 01		(3,272,050)	(2,214,474)
- surplus recognized during the year		-	(1,039,499)
- account of change in deferred tax due to tax rate change		-	(135,580)
- surplus transferred from non banking asset during the year		(1,961)	-
- surplus realized on disposal during the year		163,633	117,503
- incremental depreciation charged during the year	14	(3,110,378)	(3,272,050)
		5,873,936	6,023,169
24.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net of tax			
At January 01		940,388	850,610
Surplus recognized during the year	15.11	26,651	329,416
Surplus realized on disposal during the year		(317,625)	(237,053)
Surplus on land and building transferred to property and equipment during the year		(3,772)	-
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(1,040)	(1,240)
Related deferred tax liability on incremental depreciation charged during the year		(1,127)	(1,345)
At December 31		643,475	940,388
Less: related deferred tax liability on:			
- surplus as at January 01		(23,134)	(94,862)
- surplus recognized during the year		(15,308)	(12,930)
- account of change in deferred tax due to tax rate change		-	(5,807)
- surplus transferred to property and equipment during the year		1,961	-
- surplus realized on disposal during the year		-	89,122
- incremental depreciation charged during the year		1,127	1,343
	14	(35,354)	(23,134)
		608,121	917,254
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	159,015,216	159,178,133
Commitments	25.2	629,902,611	353,075,813
Other contingent liabilities	25.3	291,951	291,951
		789,209,778	512,545,897

	Note	2025 Rupees in '000'	2024
25.1 Guarantees:			
Financial guarantees		48,606,898	48,123,386
Performance guarantees		34,815,732	28,380,622
Other guarantees:			
Back to back guarantee		47,766,322	47,837,861
Mobilization and bid bond guarantee		15,732,308	14,779,233
Other guarantee		12,093,956	20,057,031
		75,592,586	82,674,125
		159,015,216	159,178,133
25.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		166,340,789	162,730,274
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	265,923,625	120,009,708
- forward Government securities transactions	25.2.2	146,400,000	35,060,700
- forward lending	25.2.3	50,851,386	34,883,622
Commitments for acquisition of:			
- property and equipment		310,087	342,919
- intangible assets		76,724	48,590
		629,902,611	353,075,813
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		138,875,962	76,547,355
Sale		127,047,663	43,462,353
		265,923,625	120,009,708
25.2.2 Commitments in respect of forward Government securities transactions			
Purchase		79,800,000	18,060,700
Sale		66,600,000	17,000,000
		146,400,000	35,060,700
25.2.3 Commitments in respect of deliverable future contracts			
Undrawn formal standby facilities, credit lines and other commitments to lend	25.2.3.1	50,851,386	34,883,622
25.2.3.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
		2025 Rupees in '000'	2024
25.3 Other contingent liabilities		291,951	291,951

For tax years 2014 - 2024, the tax department disputed the Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these unconsolidated financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

25.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 55,348,429 thousand (2024: Rs. 46,889,928 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to the Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	Note	2025 Rupees in '000'	2024
26. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		97,735,122	117,481,466
Investments		164,422,340	215,724,812
Lendings to financial institutions		2,471,009	4,805,675
Balances with banks		308,599	707,475
IFRS-09 adjustment - notional:			
Staff		1,135,143	3,490,257
Others		378,626	1,581,255
		266,450,839	343,790,940
26.1. Interest income recognised on:			
Financial assets measured at amortised cost		117,701,664	144,921,216
Financial assets measured at FVOCI		141,590,132	186,897,019
Financial assets measured at FVTPL		7,159,043	11,972,705
		266,450,839	343,790,940
27. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		138,234,572	230,515,077
Borrowings		40,377,826	59,338,594
Subordinated debts		4,212,342	6,781,634
Lease liabilities		2,398,792	2,187,160
IFRS-09 adjustment on borrowings - notional		123,164	811,918
		185,346,696	299,634,383
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		464,980	441,883
Consumer finance related fees		862,519	711,704
Card related fees (debit and credit cards)		5,323,653	4,332,367
Credit related fees		1,183,755	929,378
Investment banking fees		923,334	505,509
Branchless banking fees		576,410	170,967
Commission on trade		1,613,547	1,651,385
Commission on guarantees		1,253,782	571,691
Commission on cash management		235,511	216,007
Commission on remittances including home remittances		(711,394)	590,742
Commission on bancassurance		326,032	250,407
Commission on wheat financing		-	27
SMS banking income		1,523,688	1,002,090
		13,575,817	11,374,157
29. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	29.1	4,027,709	10,923,904
Unrealized (loss) / gain - FVTPL	9.1	(492)	831,292
Unrealized gain - deliverable future contracts		-	7,887
		4,027,217	11,763,083

		2025	2024
	Note	Rupees in '000'	
29.1	Realized gain on sale of securities - net:		
	Federal government securities	4,215,618	8,072,765
	Non government debt instruments	(170,779)	1,719,270
	Shares	(17,130)	1,131,869
		4,027,709	10,923,904
29.2	Realized gain on sale of securities - net:		
	Net gain/loss on financial assets/ liabilities measured at FVTPL:		
	Designated upon initial recognition	(102,679)	2,736,474
	Mandatorily measured at FVTPL	35,902	1,719,274
	Net gain on debt instruments measured at FVOCI	4,094,486	6,468,156
		4,027,709	10,923,904
30.	NET (LOSS) / GAIN ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Gain on derecognition on financial assets measured at amortised cost - notional	-	1,563,972
	Loss on derecognition on financial assets measured at amortised cost - notional	(1,072,270)	(403,908)
	Loss on derecognition/modification of advances measured at amortised cost - notional	-	(12,510)
		(1,072,270)	1,147,554
30.1	This includes amortization of deferred loss / modification impact(s) on PIA Corporation Limited and other parties.		
30.2	SBP through its Circular Letter No. BPRD/BRD/PIAHCL/733688 - 2024 dated August 01, 2024 has allowed staggering of fair value impact related to PIA Corporation Limited over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Group has recognized proportionate amount of 2nd year's 10% of loss in these consolidated financial statements.		
		2025	2024
	Note	Rupees in '000'	
31.	OTHER INCOME - NET		
	Rent on property	17,566	3,900
	Gain on termination of lease liability against right-of-use assets	239,187	239,480
	Gain on sale of property and equipment - net	248,509	40,199
	Gain on disposal of non banking assets acquired in satisfaction of claims - net	177,798	514,835
	Notice pay on resignations	89,216	63,312
	Claim decided in favour of Bank against litigation	-	331,646
		772,276	1,193,372

		2025	2024
	Note	Rupees in '000'	
32. OPERATING EXPENSES			
Total compensation expense	32.1	29,698,101	27,871,223
Property expense:			
Rent and taxes		79,386	69,157
Insurance		19,404	17,228
Utilities cost		1,964,945	2,080,582
Security		2,703	1,503
Repair and maintenance (including janitorial charges)		242,577	252,209
Depreciation		1,213,905	913,425
Depreciation on right-of-use assets	12	2,274,216	1,956,626
		5,797,136	5,290,730
Information technology expenses:			
Software maintenance		2,026,933	1,519,090
Hardware maintenance		95,365	92,137
Depreciation		1,143,701	870,860
Amortization	13.1	472,129	411,206
Network charges		630,003	562,754
		4,368,131	3,456,047
Other operating expenses:			
Directors' fees and allowances	41.2	58,189	64,908
Fees and allowances to Shariah Board	41.3	14,070	9,315
Legal and professional charges		641,927	404,169
Subscription charges		73,568	79,175
Outsourced staff services costs	39.1	1,372,118	1,031,140
Travelling and conveyance		468,245	402,844
NIFT clearing charges		182,080	107,032
Depreciation		1,031,458	749,308
Depreciation on non banking assets	15.11	31,618	22,573
Depreciation on ijarah assets		793,471	353,078
Training and development		142,163	137,299
Postage and courier charges		425,784	359,037
Stationery and printing		844,890	715,177
Marketing, advertisement and publicity		596,067	506,019
Auditors remuneration	32.2	26,505	20,611
Insurance		190,505	309,514
Deposit protection fee		929,179	749,017
Repair and maintenance		1,023,635	809,519
Promotional expenses for public sector programs		394,063	67,291
Entertainment expenses		345,113	315,521
Vehicle running expenses		114,872	107,088
Fuel for generator		363,774	221,397
Commission and brokerage		656,704	487,206
Bank charges		91,001	61,776
Card related expenses		5,424,733	2,834,102
SMS banking charges		858,310	731,205
Branch license fee		35,535	38,766
CNIC verification / ECIB charges		766,683	384,324
Organizational development		97,791	85,305
Cash remittance charges		1,049,938	731,326
Miscellaneous expenses		288,678	387,193
		19,332,667	13,282,235
		59,196,035	49,900,235

Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 3,745,231 thousand (2024: Rs. 2,183,685 thousand). This expense represents payments made to companies incorporated in Pakistan. The Bank has material outsourcing arrangement with "Abacus ELS Private Limited" for third party staff hiring.

		2025	2024
	Note	Rupees in '000'	
32.1 Total compensation expense			
Managerial remuneration:			
Fixed		20,902,517	17,758,157
Variable cash bonus / awards etc.		2,729,154	2,329,267
Charge for defined benefit plan	40.1.71	558,054	469,147
Gratuity expense of key management personnel		14,257	10,626
Charge for compensated absences	40.2.4	52,943	31,077
Contribution to defined contribution plans		703,663	600,570
Medical		586,777	606,599
Conveyance		2,885,766	2,514,075
Liveries		43,509	36,812
Scholarship		81,653	23,831
Sub total		28,558,293	24,380,161
Sign-on bonus		4,665	805
IFRS-09 adjustment for staff loans - notional		1,135,143	3,490,257
Grand Total		29,698,101	27,871,223
During the year sign-on bonus was paid to 04 employees (2024: 03 employees).			
32.2 Auditors remuneration			
Audit fee		7,200	6,000
Fee for half year review and other statutory certifications		8,261	7,126
Special certifications		6,606	2,915
Other services		2,913	3,045
Out of pocket expenses		1,525	1,525
		26,505	20,611
33. OTHER CHARGES			
Penalties imposed by SBP		66,329	6,458
Operational loss		1,265	157
		67,594	6,615
34. CHARGE / (REVERSAL) OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
(Reversal) / charge of credit loss allowance against lending to financial institutions		(20,333)	12,825
Charge / (reversal) of credit loss allowance in value of investments		683,169	(58,487)
Charge / (reversal) of credit loss allowance against loans & advances	10.4.5	4,253,633	(3,852,526)
Reversal of credit loss allowance against balances with treasury banks		(265,396)	(235,411)
Charge / (reversal) of credit loss allowance and provisions against other assets - net	15.31	1,365,552	(147,812)
(Reversal) / charge of credit loss allowance against off balance sheet obligations	22.1	(1,066,606)	236,495
Reversal of credit loss allowance against balance with other banks		(4,503)	(71,817)
		4,945,516	(4,116,733)

		2025	2024
	Note	Rupees in '000'	
35. TAXATION-NET			
Current	35.1	21,086,634	8,267,913
Prior years		805,302	41,932
Deferred		(2,034,449)	2,879,333
	35.3	19,857,487	11,189,178
35.1	This includes provision for super tax for the year in accordance with Income Tax Ordinance, 2001.		
35.2	The Government vide Finance Act 2023 & 2025, has enacted super tax at the rate of 10% for indefinite future period of time. Accordingly, the effect of change in deferred tax rate has been recognized in these unconsolidated financial statements.		
		2025	2024
	Note	Rupees in '000'	
35.3 Relationship between tax expense and accounting profit			
Accounting profit before tax for the year		35,795,117	24,564,540
Effective tax rate		53%	54%
Tax on accounting profit before tax		18,971,412	13,264,852
Tax effect of permanent differences		579,720	(845,162)
Tax effect of prior year		15,195	41,932
Cumulative tax effect of change in tax rate		-	(1,378,058)
Others		291,160	105,614
Tax charge for the year		19,857,487	11,189,178
36. BASIC EARNINGS PER SHARE			
Profit after tax for the year (Rs. in '000')		15,937,630	13,375,362
Weighted average number of ordinary shares (No.)	23.2	3,271,569,319	3,271,569,319
Basic earnings per share (Rs.)		4.87	4.09
37. DILUTED EARNINGS PER SHARE			
There is no dilution effect on basic earnings per share.			
38. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	111,746,522	100,773,480
Balance with other banks	7	5,442,677	3,260,824
Call borrowing	18	(5,200,000)	(200,000)
Overdrawn nostro accounts	18	(3,172,157)	(420,989)
		108,817,042	103,413,315

38.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2025				2024			
	Liabilities		Equity		Liabilities		Equity	
	Subordinated debts	Lease & other liabilities	Un-appropriated profit	Total	Subordinated debts	Lease & other liabilities	Un-appropriated profit	Total
Rupees in '000'								
Balance as at January 01,	30,820,106	129,697,436	34,497,439	195,014,981	30,204,640	124,893,250	31,521,795	186,619,685
Changes from financing cash flows								
Repayment of subordinated debts	(7,548)	-	-	(7,548)	(6,034)	-	-	(6,034)
Advance subscription money received - Subordinated perpetual term finance certificates ADT - I 2nd issue	-	-	-	-	50,000	-	-	50,000
Advance subscription money received - privately placed term finance certificates - IV	-	-	-	-	571,500	-	-	571,500
Payment of lease liability against right-of-use-assets	-	(3,548,267)	-	(3,548,267)	-	(2,972,068)	-	(2,972,068)
Dividend paid	-	-	(9,160,394)	(9,160,394)	-	-	(3,271,569)	(3,271,569)
Total changes from financing cash flows	(7,548)	(3,548,267)	(9,160,394)	(12,716,209)	615,466	(2,972,068)	(3,271,569)	(5,628,171)
Liability related								
Changes in Other liabilities								
Cash based	-	16,815,640	-	16,815,640	-	5,752,841	-	5,752,841
Non cash based	-	(11,716,514)	-	(11,716,514)	-	2,023,413	-	2,023,413
Total liability related other changes	-	5,099,126	-	5,099,126	-	7,776,254	-	7,776,254
Total equity related other changes	-	-	14,842,763	14,842,763	-	-	6,247,213	6,247,213
Balance as at December 31	30,812,558	131,248,295	40,179,808	202,240,661	30,820,106	129,697,436	34,497,439	195,014,981

	2025	2024
	Number	
39. STAFF STRENGTH		
Permanent	12,924	12,333
On Bank contract	2,282	2,323
Bank's own staff strength at the end of the year	15,206	14,656

39.1 In addition to the above, 2,060 (2024: 1,688) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

40. EMPLOYEE BENEFITS

40.1 Defined benefit plan - gratuity

The Bank operates a funded gratuity scheme for all its permanent employees. The benefits under the scheme are payable on retirement / resignation which is equal to one month's last drawn basic salary for each year of eligible service or part thereof, with effect from January 01, 2008 or date of joining whichever is later, subject to minimum of five years of service. The Bank makes annual provision in these unconsolidated financial statements for its liabilities on the basis of actuarial valuation.

40.1.1 Number of employees under the scheme

The number of employees covered under the following defined benefit scheme are:

	2025	2024
	Number	
- Eligible employees under gratuity scheme	12,924	12,333

40.1.2 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2025 using the "Projected Unit Credit Method". The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table. The principal assumptions used in the valuation were as follows:

	2025	2024
	Per annum	
Discount rate	11.00%	12.25%
Expected rate of return on plan assets	11.00%	12.25%
Expected rate of salary increase	9.00%	10.25%
Average expected remaining working life (years)	8	10

	Note	2025	2024
		Rupees in '000'	
40.1.3 Reconciliation of payable to defined benefit plan			
Present value of obligations	40.14	4,804,496	3,875,383
Fair value of plan assets	40.15	(4,099,705)	(3,526,098)
Benefits payable		-	72,062
Payable to defined benefit plan		704,791	421,347

		2025	2024
	Note	Rupees in '000'	
40.14 Movement in present value of defined benefit obligations			
Obligations at the beginning of the year		3,875,383	3,232,365
Current service cost		536,660	418,982
Interest cost		457,236	516,962
Benefits paid during the year		(357,753)	(292,053)
Re-measurement loss / (gain) - other comprehensive income		220,908	(873)
Other adjustment		72,062	-
Obligations at the end of the year		4,804,496	3,875,383
40.15 Movement in fair value of plan assets			
Fair value at the beginning of the year		3,526,098	2,561,319
Interest income on plan assets		435,842	466,797
Contribution by the Bank during the year		421,347	690,633
Benefits paid during the year		(357,753)	(239,578)
Remeasurement : return on plan assets excluding interest income		74,171	46,927
Fair value at the end of the year		4,099,705	3,526,098
40.16 Movement in payable under defined benefit scheme			
Opening balance		421,347	690,633
Charge for the year	40.1.71	558,054	469,147
Contribution by the Bank during the year		(421,347)	(690,633)
Re-measurement loss / (gain) recognized in other comprehensive income during the year	40.1.7.2	146,737	(47,800)
Closing balance		704,791	421,347
40.17 Charge for defined benefit plans			
40.1.7.1 Cost recognized in profit and loss			
Current service cost		536,660	418,982
Net interest on defined benefit plan		21,394	50,165
		558,054	469,147
40.1.7.2 Re-measurements recognized in other comprehensive income during the year			
Actuarial loss due to changes in financial assumptions		(7,699)	(19,979)
Loss on obligation due to experience adjustments		228,607	19,106
Return on plan assets over interest income		(74,171)	(46,927)
Total remeasurement loss / (gain) recognized in other comprehensive income		146,737	(47,800)
40.1.8 Components of plan assets			
Cash and cash equivalents - net		609,705	726,098
Government securities		2,665,000	1,825,000
Non-Government debt securities		825,000	975,000
		4,099,705	3,526,098

These assets are mostly contained in the form of cash and cash equivalents and government securities so there is no significant risk associated with it. However, investments may be adversely affected by movement in equity and interest rate markets.

40.19 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations. The increase / (decrease) in the present value of defined benefit obligations as a result of change in discount rate and salary growth is summarized below:

	2025	2024
	Rupees in '000'	
1% increase in discount rate	(4,436,926)	(3,543,461)
1% decrease in discount rate	5,202,632	4,238,491
1 % increase in expected rate of salary increase	5,202,517	4,238,397
1 % decrease in expected rate of salary increase	(4,436,871)	(3,543,417)
40.110 Expected contributions to be paid to the fund in the next financial year	704,791	421,347
40.111 Expected charge for the next financial year	692,096	527,593
40.112 Maturity profile		
The weighted average duration of the obligation (in years)	8	9

40.113 Funding policy

There are no statutory minimum funding requirements. However, contributions to the scheme are made on the basis of actuarial valuations carried in each year.

The Bank's gratuity scheme is mainly subject to following risks:

Asset volatility	The majority of the gratuity fund assets are invested in cash or cash-equivalent, government securities and non government debt securities. Therefore, there is investment risk to the scheme due to fluctuation in interest rate environment or changes in bond yields of debt securities. Also, there is no liquidity investment risk to the scheme. However, investments may be adversely affected by movement in equity and interest rate markets.
Inflation risk	Higher than expected growth in inflation may result in higher than assumed salary increases which will lead to increase in liability. However, assets of the scheme may not be at significant risk due to changes in inflation rate.
Life expectancy / Withdrawal rate	Actuarial valuation assumes heavy withdrawals for younger ages but moderate withdrawal rates are used for older ages. Significant withdrawals of employees having reasonable years of service would cause large benefit payments. Consequently, deficit position of the scheme would deteriorate further. However, availability of cash for benefit payments will not be an issue due to the liquid nature of assets of the Gratuity Fund.

40.2 Defined benefit plan - compensated absences

The Bank makes annual provision in these unconsolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. The employees of the Bank are entitled to take leave as Leave Preparatory to Retirement (LPR) immediately before retirement. These leaves are subject to retirees' un-utilized privilege leave balance with an upper limit of 180 days. Alternatively, the retiree may receive a lump-sum cash amount equal to 180 days basic salary at the time of retirement in lieu of LPR of 180 days. Privilege leave accrues at the rate of 30 days per year. Moreover, any unutilized privilege leaves over 180 days are ignored.

40.21 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2025 using the "Projected Unit Credit Method". The principal assumptions used in the valuation were as follows:

	2025	2024
	Per annum	
Discount rate	11.00%	12.25%
Expected rate of eligible salary increase in future years	9.00%	10.25%
Average number of leaves accumulated per annum by the employees (days)	20	20

	2025	2024
	Rupees in '000'	
40.2.2 Present value of defined benefit obligation		
Obligations at the beginning of the year	184,746	163,363
Current service cost	6,097	5,041
Interest cost	20,773	26,551
Benefits paid during the year	(30,346)	(9,694)
Re-measurement loss / (gain)	26,073	(515)
Obligations at the end of the year	207,343	184,746

40.2.3 Movement in payable to defined benefit plan:		
Opening balance	184,746	163,363
Charge for the year	52,943	31,077
Benefit paid	(30,346)	(9,694)
Closing balance	207,343	184,746

40.2.4 Charge for defined benefit plan:		
Current service cost	6,097	5,041
Interest cost	20,773	26,551
Actuarial loss / (gain) recognized	26,073	(515)
	52,943	31,077

40.2.5 Sensitivity analysis:

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit plan. The increase / (decrease) in the present value of defined benefit plan as a result of change in discount rate and salary growth is summarized below:

	2025	2024
	Rupees in '000'	
Increase in discount rate by 1%	(191,379)	(168,919)
Decrease in discount rate by 1%	224,520	202,052
Increase in expected future increment in salary by 1%	224,560	202,057
Decrease in expected future increment in salary by 1%	(191,441)	(168,921)

40.2.6 Reconciliation of net liability recognized for compensated absences for the five years is as follows:

	2025	2024	2022	2021	2020
	Rupees in '000'				
Opening net liability	184,746	163,363	153,884	133,629	123,506
Net charge for the year	22,597	21,383	9,479	20,255	10,123
	207,343	184,746	163,363	153,884	133,629
Actuarial (loss) / gain on obligation	(26,073)	515	14,623	(2,934)	4,024

40.3 Defined contribution plan

The Bank operates and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made by the Bank and employees at the rate of 8.33% of basic salary.

41. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total compensation expense

2025														2024																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
Note	Chairman	Non-Executive Directors	Members Shariah Board	President / CEO	Key management personnel	Other material risk takers / controllers	Chairman	Non-Executive Directors	Members Shariah Board	President / CEO	Key management personnel	Other material risk takers / controllers	Rupees in '000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		

41.1.1 During the year 2023, in terms of section 10 (2) of the Bank of Punjab Act, 1989, the GoPb appointed the Chairman of the Board of Directors of the Bank. However during the year 2024 the GoPb de-notified the Chairman.

41.1.2 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

41.1.3 Variable cash bonus / awards includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2025 stood at Rs. 128,175 thousand (2024: Rs. 122,384 thousand).

41.2 Remuneration paid to directors for participation in board and committee meetings

	2025								
	Rupees in '000'								
	For Board Committees								
	Board Meetings	Strategy, Islamic & Priority Sector's Financing Committee	Board Audit Committee	Human Resource, Compensation, Performance Evaluation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Environmental, Social & Governance Committee	Islamic Banking Training Plan-2026 Committee	Total amount paid
Name of Director									
Dr. Muhammad Amjad Saqib	3,319	1,770	738	3,024	811	2,212	1,106	369	13,349
Mr. Asif Reza Sana	1,844	1,106	369	2,213	1,254	736	369	-	7,891
Mr. Mohammad Mudassir Amray	1,844	369	1,328	-	1,106	1,474	369	-	6,490
Mr. Muhammad Naeem Khan	2,581	1,475	1,549	885	1,475	2,213	811	-	10,989
Mr. Mujahid Sherdil	738	-	-	-	-	-	-	-	738
Mr. Ali Farhan	738	369	369	369	443	367	369	-	3,024
Syed Ghazanfar Abbas Jilani	3,983	1,475	1,475	2,950	1,475	2,653	1,254	443	15,708
Total	15,047	6,564	5,828	9,441	6,564	9,655	4,278	812	58,189

	2024								
	Rupees in '000'								
	For Board Committees								
	Board Meetings	Strategy, Islamic & Priority Sector's Financing Committee	Board Audit Committee	Human Resource, Compensation, Performance Evaluation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Environmental, Social & Governance Committee	Islamic Banking Training Plan-2026 Committee	Total amount paid
Name of Director									
Dr. Muhammad Amjad Saqib	3,645	3,118	-	3,276	-	2,170	969	-	13,178
Mr. Asif Reza Sana	3,645	2,676	-	3,792	1,412	368	969	-	12,862
Mr. Mohammad Mudassir Amray	3,645	969	1,559	-	969	2,170	969	-	10,281
Mr. Muhammad Naeem Khan	3,645	2,675	1,338	-	1,106	2,170	1,117	-	12,051
Mr. Mujahid Sherdil	231	369	-	-	-	-	-	-	600
Mr. Naveed Akhtar Sharif	-	-	-	-	-	231	-	-	231
Syed Ghazanfar Abbas Jilani	4,234	1,938	1,338	3,276	1,485	2,465	969	-	15,705
Total	19,045	11,745	4,235	10,344	4,972	9,574	4,993	-	64,908

41.3 Remuneration paid to Shariah board members

	2025				2024			
	Chairman	Resident member	Non-resident member	Total amount paid	Chairman	Resident member	Non-resident member	Total amount paid
Rupees in '000'								
Meeting fee and allowances	5,250	-	8,820	14,070	3,475	-	5,840	9,315
Salary & festival bonus paid to resident member through Bank's payroll	-	7,032	-	7,032	-	4,833	-	4,833
Total amount	5,250	7,032	8,820	21,102	3,475	4,833	5,840	14,148
Number of persons	1	1	2		1	1	2	

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the valuation methodologies.

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.

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

42.1 The Bank measures fair value 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 measurement using inputs other than quoted prices included within Level 1 that are observable for the asset 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).

42.1.1 Valuation techniques used in determination of fair values 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).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	The fair value of unquoted equity investments is determined using market multiple approach. SWIFT is valued using its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. The Fair value of unquoted preference share is based on discounted cash flow (DCF) method based on investee company's projected cash flows / available financial information. In cases where such projections are not available, the Bank estimates fair value as the lower of the investment's cost or its break-up value.
Property & equipment and non-banking assets acquired in satisfaction of claims	Land, buildings on freehold land 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.

42.2 Fair value of financial assets

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:

		2025			
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Federal government securities	1,415,135,885	-	1,415,135,885	-	1,415,135,885
Shares	9,601,123	9,515,608	85,515	-	9,601,123
Non-Government debt securities	755,878	-	755,878	-	755,878
Mutual funds & investment trust units	2,162,473	2,045,638	116,835	-	2,162,473
Foreign securities	40,036	-	-	40,036	40,036
Subsidiary companies	1,710,487	-	-	1,710,487	1,710,487
Associated companies	285,000	-	-	285,000	285,000
Financial assets disclosed but not measured at fair value :					
Government securities	118,887,560	-	122,858,845	-	122,858,845
Non-Government debt securities	932,966	-	932,966	-	932,966
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	137,714,546	-	137,714,546	-	137,714,546
Forward sale of foreign exchange contracts	125,670,026	-	125,670,026	-	125,670,026
Forward purchase of Government Securities transactions	79,800,000	-	79,800,000	-	79,800,000
Forward sale of Government Securities transactions	66,600,000	-	66,600,000	-	66,600,000
2024					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Federal government securities	1,161,221,636	-	1,161,221,636	-	1,161,221,636
Shares	7,219,848	7,193,278	26,570	-	7,219,848
Non-Government debt securities	9,410,772	-	9,410,772	-	9,410,772
Mutual funds & investment trust units	3,099,761	2,994,767	104,994	-	3,099,761
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	1,210,487	-	-	1,210,487	1,210,487
Financial assets disclosed but not measured at fair value :					
Government securities	136,638,722	-	134,938,970	-	134,938,970
Unlisted term finance certificates and sukuks	2,102,368	-	2,102,368	-	2,102,368
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	76,262,665	-	76,262,665	-	76,262,665
Forward sale of foreign exchange contracts	42,936,278	-	42,936,278	-	42,936,278
Forward purchase of Government Securities transactions	18,060,700	-	18,060,700	-	18,060,700
Forward sale of Government Securities transactions	17,000,000	-	17,000,000	-	17,000,000

42.3 Fair value of non financial assets

2025					
	Carrying value / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Property and equipment (land & building)	16,722,737	-	16,722,737	-	16,722,737
Non banking assets acquired in satisfaction of claims	4,286,697	-	4,286,697	-	4,286,697
2024					
	Carrying value / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Property and equipment (land & building)	16,867,043	-	16,867,043	-	16,867,043
Non banking assets acquired in satisfaction of claims	4,959,039	-	4,959,039	-	4,959,039

42.4 The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investment in unquoted equity securities.

Description	Valuation technique	Unobservable input	Discount rate	Relationship of unobservable inputs to fair value
Unquoted equity investments (Income approach)	DCF method	Discount rate	15.4%	Increase / decrease discount rate by 1% with all other variables held constant, would decrease / increase the fair value by Rs. 1.217 million and Rs 1.261 million respectively.
Unquoted equity investments (market approach)	Price to Book Value	Market multiple/ transaction price	Not applicable	Not applicable

42.5 The following table shows reconciliation of investments Level 3 fair value movement:

	2025	2024
	Rupees in '000'	
Opening balance	97,786	36,957
Impact of adoption of IFRS 9	-	60,829
Balance as at January 01, 2025 after adopting IFRS 9	97,786	97,786
Remeasurement recognised in OCI	27,765	-
Closing balance	125,551	97,786

43. SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2025						
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	54,143,507	9,054,649	22,499,940	156,930,140	21,489,626	2,332,977	266,450,839
Inter segment revenue - net	(22,718,502)	88,423,318	43,683,754	(111,711,350)	(31,516)	2,354,296	-
Non mark-up / return / interest income	2,613,729	7,150,323	2,552,946	6,206,354	534,843	805,611	19,863,806
Total income	34,038,734	104,628,290	68,736,640	51,425,144	21,992,953	5,492,884	286,314,645
Segment total expenses	24,522,782	78,913,484	53,455,888	38,405,088	17,471,319	32,805,451	245,574,012
Profit before credit loss allowance	9,515,952	25,714,806	15,280,752	13,020,056	4,521,634	(27,312,567)	40,740,633
Credit loss allowance - net	(4545,690)	4,808,187	3,530,827	1,038,887	132,352	(19,047)	4,945,516
Profit / (loss) before tax	14,061,642	20,906,619	11,749,925	11,981,169	4,389,282	(27,293,520)	35,795,117
Balance sheet							
Cash & bank balances	-	190,118	34,687,859	61,760,512	20,550,710	-	117,189,199
Investments - net	903,661	-	-	1,431,923,987	116,683,760	-	1,549,511,408
Net inter segment lending	-	753,710,611	556,523,199	-	3,030,374	33,564,829	1,346,829,013
Lendings to financial institutions	-	-	-	221,420,747	1,997,051	-	223,417,798
Advances - performing	422,531,230	106,517,334	197,515,122	-	130,680,448	15,014,783	872,258,917
- non-performing - net	2,798,404	1,629,792	2,952,000	-	1,777,315	7,418	9,164,929
Others	35,491,690	6,587,853	21,839,615	23,737,472	18,822,850	73,662,036	180,141,516
Total assets	461,724,985	868,635,708	813,517,795	1,738,842,718	293,542,508	122,249,066	4,298,512,780
Borrowings	48,872,487	-	2,626,436	566,500,498	6,808,571	-	624,807,992
Subordinated debts	-	-	-	-	-	30,812,558	30,812,558
Deposits & other accounts	218,020,501	855,075,604	727,292,451	-	251,147,748	-	2,051,536,304
Net inter segment borrowing	177,270,371	-	-	1,169,558,642	-	-	1,346,829,013
Others	17,561,626	13,560,104	83,598,908	2,783,578	11,156,976	11,726,297	140,387,489
Total liabilities	461,724,985	868,635,708	813,517,795	1,738,842,718	269,113,295	42,538,855	4,194,373,356
Equity							104,139,424
Total equity & liabilities							4,298,512,780
Contingencies & commitments	305,984,951	-	27,885,919	417,169,343	46,912,843	364,256	798,317,312

2024

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	78,003,775	268,934	23,647,203	211,571,820	26,160,280	4,138,928	343,790,940
Inter segment revenue - net	(38,973,495)	135,368,052	73,319,913	(176,344,725)	(2,053,265)	8,683,520	-
Non mark-up / return / interest income	3,197,830	5,745,888	1,735,754	11,139,209	749,932	4,120,778	26,689,391
Total income	42,228,110	141,382,874	98,702,870	46,366,304	24,856,947	16,943,226	370,480,331
Segment total expenses	41,432,949	129,747,134	74,429,668	54,847,778	16,814,966	32,760,029	350,032,524
Profit before credit loss allowance	795,161	11,635,740	24,273,202	(8,481,474)	8,041,981	(15,816,803)	20,447,807
Credit loss allowance - net	(3,488,496)	87,456	157,599	(331,542)	(773,424)	231,674	(4,116,733)
Profit / (loss) before tax	4,283,657	11,548,284	24,115,603	(8,149,932)	8,815,405	(16,048,477)	24,564,540
Balance sheet							
Cash & Bank balances	-	256,597	31,163,892	58,945,560	13,668,255	-	104,034,304
Investments - net	998,874	-	-	1,264,395,153	55,521,524	-	1,320,915,551
Net inter segment lending	-	701,461,858	530,646,536	-	10,691,544	23,971,817	1,266,771,755
Lendings to financial institutions	-	-	-	-	14,769,016	-	14,769,016
Advances - performing	477,287,732	34,200,072	153,473,104	-	76,946,920	26,670,763	768,578,591
- non-performing	4,900,021	-	1,462,361	-	2,461,411	(4,993)	8,818,800
Others	28,115,878	1,998,701	22,805,830	26,908,572	14,735,486	68,298,481	162,862,948
Total assets	511,302,505	737,917,228	739,551,723	1,350,249,285	188,794,156	118,936,068	3,646,750,965
Borrowings	49,408,660	-	17,762,197	339,360,814	2,474,259	-	409,005,930
Subordinated debts	-	-	-	-	-	30,820,106	30,820,106
Deposits & other accounts	192,343,997	722,637,779	636,562,579	-	158,743,365	-	1,710,287,720
Net inter segment borrowing	257,588,636	-	-	1,009,183,119	-	-	1,266,771,755
Others	11,961,212	15,279,449	85,226,947	1,705,352	7,812,648	15,348,701	137,334,309
Total liabilities	511,302,505	737,917,228	739,551,723	1,350,249,285	169,030,272	46,168,807	3,554,219,820
Equity							92,531,145
Total equity & liabilities							3,646,750,965
Contingencies & commitments	309,194,746	-	24,055,755	150,522,395	28,092,662	680,339	512,545,897

44. TRUST ACTIVITIES

The Bank act as a custodian for securities held in Investor Portfolio Securities (IPS) accounts. These are not the assets of the Bank and , therefore, not included in these unconsolidated financial statements. Assets held under trust in IPS accounts are shown in the table below:

2025							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuks	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	-	-	-	-	-	-
Corporate	82	32,622,700	28,646,500	13,300	-	-	61,282,500
Employees Funds	16	23,305,800	4,412,000	600,000	-	-	28,317,800
Individuals	1456	723,285	143,700	-	2,222,545	543,549	3,633,079
Others	40	1,127,100	49,934,500	-	-	-	51,061,600
	1607	57,778,885	83,136,700	613,300	2,222,545	543,549	144,294,979

2024							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuks	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	-	-	-	-	-	-
Corporate	79	102,471,839	55,564,900	-	-	-	158,036,739
Employees Funds	14	20,178,955	3,562,000	-	-	-	23,740,955
Individuals	871	1,180,950	92,500	13,300	1,851,430	289,025	3,427,205
Others	35	20,403,500	77,375,500	-	-	-	97,779,000
	1012	144,235,244	136,594,900	13,300	1,851,430	289,025	282,983,899

45. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. 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. Remuneration of Directors, key management personnel, Shariah Board and fixed assets sold to related parties are disclosed in Note 41.1, 41.2, 41.3 & Note 11.2.5 respectively. In addition key management personnel are paid terminal and short-term terminal benefits.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated financial statements are as follows:

(Audited) December 31, 2025

(Audited)
December 31, 2024

	Director	Key management personnel	Subsidiary companies and managed modaraba	Associate	Employee funds	Other related parties	Director	Key management personnel	Subsidiary companies and managed modaraba	Associate	Employee funds	Other
Lendings to financial institutions:												
Opening balance	-	-	1,985,000	-	-	-	-	-	1,985,000	-	-	-
Addition during the year	-	-	4,000,000	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	3,985,000	-	-	-	-	-	-	-	-	-
Closing balance	-	-	2,000,000	-	-	-	-	-	1,985,000	-	-	-
Credit loss allowance against lendings to financial institutions												
	-	-	2,949	-	-	-	-	-	8,034	-	-	-
Investments												
Opening balance	-	-	1,375,432	-	-	-	-	-	275,432	-	-	-
Investments made during the year	-	-	500,000	285,000	-	-	-	-	1,100,000	-	-	-
Investments disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	1,875,432	285,000	-	-	-	-	1,375,432	-	-	-
Credit loss allowance for diminution in value of investments												
	-	-	164,945	-	-	-	-	-	164,945	-	-	-
Advances (gross):												
Opening balance	-	527,614	-	-	-	-	-	466,461	-	-	-	-
Addition during the year	-	198,393	-	-	-	30,000	-	254,115	-	-	-	-
Repaid during the year	-	182,686	-	-	-	2,316	-	192,962	-	-	-	-
Closing balance	-	543,321	-	-	-	27,684	-	527,614	-	-	-	-
Credit loss allowance held against advances												
	-	7694	-	-	-	89	-	5,306	-	-	-	-
Other assets - advance deposits and prepayments												
Other assets - deferred fair value loss held against advances	-	-	100,000	-	-	-	-	-	180,764	-	-	-
Other assets - markup receivable	-	208,103	-	-	-	-	-	257,679	-	-	-	-
Credit loss allowance against other assets	-	25,187	55,614	-	-	71	-	21,508	103,724	-	-	-
	-	623	38	-	-	5	-	336	420	-	-	-
Right of use assets												
Lease liability against right of use assets	-	-	-	-	-	79,974	-	-	-	-	58,184	-
	-	-	-	-	-	5,057	-	-	-	-	17,394	-
Deposits and other accounts:												
Opening balance	22,222	116,930	723,563	-	2,587,664	874,152	9,536	52,104	17,454	-	1,185,599	158,150
Received during the year	29,745	2,030,987	31,561,051	122,250,831	6,542,556	3,612,472	112,807	2,504,848	5,709,242	-	25,776,888	19,344,943
Withdrawn during the year	35,423	2,084,913	31,696,123	119,566,217	7,731,138	2,495,773	100,121	2,440,022	5,003,133	-	24,374,823	18,628,941
Closing balance	16,544	63,004	588,491	2,684,614	1,399,082	1,990,851	22,222	116,930	723,563	-	2,587,664	874,152
Markup & commission payable	62	289	3,219	11,820	-	615	92	594	1,783	-	-	3,530
Contingencies (non funded exposure)	-	-	-	-	-	56,300	-	-	-	-	-	56,300

45.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.

45.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb 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 detail of transactions are as follows:

	(Audited) December 31, 2025	(Audited) December 31, 2024
	Rupees in '000'	
Advances	6,832,672	9,481,684
Credit loss allowance held against advances	5,148	88,080
Deposits and other accounts	929,677,436	753,243,728
Bills payable	435,155	65,758
Subordinated debts	13,122,981	13,126,352
Acceptances	71,929	71,929
Contingencies and commitments	31,106,542	34,117,577
Credit loss allowance against off balance sheet obligations	107	24,010
Mark-up receivable	7,398,490	3,265,516
Credit loss allowance against other assets	3	111
Mark-up payable on subordinated debts	206,698	299,653
Mark-up payable	34,402,345	36,367,364
Mark-up earned	1,219,608	4,080,981
Mark-up expensed	74,135,065	130,975,704
Fee and commission income	173	109
Income on contingencies and commitments	364,905	221,775
Mark-up expense on subordinated debts	1,771,057	2,884,855

45.3 The Bank made contribution of Rs. 703,663 thousand and Rs. 421,347 thousand (December 31, 2024: Rs. 600,571 thousand and Rs. 690,633 thousand) to employees provident fund and gratuity fund during the year respectively.

45.4 The Bank has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.

45.5 Advances to employees as at December 31, 2025, other than key management personnel, net of deferred fair value adjustments amounted to Rs.17,648,625 thousand (December 31, 2024: Rs. 17,209,106 thousand) with markup receivable of Rs. 1,345,583 thousand (December 31, 2024: Rs.1,080,273 thousand) and markup income of Rs.1,534,251 thousand (December 31, 2024: Rs. 1,273,859 thousand) and fee & commission income of Rs. 66,904 thousand (December 31, 2024: Rs. 39,995 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 471,990 thousand (December 31, 2024: Rs. 475,965 thousand). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2025 stood at Rs. 128,175 thousand (December 31, 2024: Rs. 122,384 thousand).

- 45.6** In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.
- 45.7** The Bank held government securities in fiduciary capacity for its employee fund, GOPb & other related parties in IPS account amounting to Rs. 9,021,700 thousand (December 31, 2024: Rs. 11,496,500 thousand).

	2025	2024
	Rupees in '000'	
46. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	34,667,575	34,667,575
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	92,594,272	84,424,012
Eligible Additional Tier 1 (ADT 1) Capital	11,967,500	11,967,500
Total Eligible Tier 1 Capital	104,561,772	96,391,512
Eligible Tier 2 Capital	29,249,551	24,830,979
Total Eligible Capital (Tier 1 + Tier 2)	133,811,323	121,222,491
Risk Weighted Assets (RWAs):		
Credit Risk	676,450,427	514,265,279
Market Risk	133,202,612	66,256,293
Operational Risk	131,320,931	95,658,474
Total	940,973,970	676,180,046
Common Equity Tier 1 Capital Adequacy Ratio	9.84%	12.49%
Tier 1 Capital Adequacy Ratio	11.11%	14.26%
Total Capital Adequacy Ratio	14.22%	17.93%

46.1 Capital adequacy framework

The Basel Framework for a capital adequacy is applicable to the Bank both at the consolidated level (including the Subsidiary) and on a standalone basis. The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future business developments. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratio compares the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratios under SBP rules, which ultimately determine the regulatory capital required to be maintained by Banks and DFIs.

In addition, the SBP requires that the paid up capital of locally incorporated banks should be raised to Rs. 10 billion by December 31, 2013 in a phased manner. The paid-up capital requirement (net of losses) as at December 31, 2025 is Rs. 10 billion.

The SBP requires that banks doing business in Pakistan should maintain regulatory capital for credit, market, and operational risks, the amount of which should at least be equal to 10% plus capital conservation buffer of 2.50% of the risk weighted assets of the Bank. However, in order to dampen the effects of COVID - 19, SBP vide Circular No 12 of 2020 dated March 26, 2020, provided relaxation to maintain capital conservation buffer CCB of 1.5% from March, 2020 till further instructions. Accordingly, capital adequacy ratio requirement stood at 11.50% as at December 31, 2025.

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2025. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 14.22% whereas CET 1 and Tier 1 ratios stood at 9.84% and 11.11% respectively.

The SBP's regulatory capital as managed by the Bank is analyzed into following tiers:

- Tier I capital (CET1), which comprises of highest quality capital element and include fully paid up capital, share premium, reserve for bonus shares, general reserves and accumulated losses.
- Additional Tier I capital (ADT-I), which includes instrument meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares and its premium after all regulatory adjustments applicable on ADT-I.

The deductions from Tier 1 capital include mainly:

- i) Book value of goodwill / intangibles;
 - ii) Shortfall in provision;
 - iii) Deficit on revaluation of available for sale investments - AFS and property and equipment;
 - iv) Defined benefit pension fund asset;
 - v) Investment in own shares;
 - vi) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
 - vii) Investment in mutual funds above a prescribed ceiling;
 - viii) Threshold deductions applicable from 2014 on deferred tax assets and certain investments; and
 - ix) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position during transition phase.
- Tier II capital, which includes subordinated debt / instruments and its premium, general reserve for loan losses (up to a maximum of 1.25% of CRWA), net of tax revaluation reserves, exchange translation reserves after all regulatory adjustments applicable on Tier-II.

The deductions from Tier 2 include mainly

- i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;
- ii) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Bank calculates capital requirement as per regulatory framework, using the following approaches:

Credit risk	Standardized Approach
Market risk	Standardized Approach
Operational risk	Basic Indicator Approach

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Bank.

	2025	2024
	Rupees in '000'	
46.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	104,561,772	96,391,512
Total Exposures	3,363,545,140	2,770,894,675
Leverage Ratio	3.11%	3.48%

	2025	2024
	Rupees in '000'	
46.3 Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,044,794,202	828,488,113
Total Net Cash Outflow	517,654,929	434,785,659
Liquidity Coverage Ratio	201.83%	190.55%
46.4 Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,501,658,047	1,308,850,221
Total Required Stable Funding	883,472,667	967,747,619
Net Stable Funding Ratio	169.97%	135.25%

46.5 The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 14.09%, 3.03% and 169.68% respectively.

46.6 The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time are available at <http://bop.com.pk>.

47. RISK MANAGEMENT

Risk management strategy and processes play a critical role in safeguarding the financial stability of the Bank. Effective risk management involves identifying, assessing and mitigating risk through a combination of robust internal controls, risk based policies, procedures and through effective monitoring ensured within the risk management group. By ensuring compliance to the approved policy and procedures, the Bank fosters trust and regulatory compliance, thereby ensuring informed decision making by the senior management and the Board.

The Bank's Chief Risk Officer (CRO) has a dotted line reporting to the Board's Risk Management, Compliance & NPL Review Committee (which is a specialized risk oversight Committee established by the BoD). The Board's Risk Management, Compliance & NPL Review Committee assists the BoD in establishing its regular oversight of the Bank wide risk management policies, systems, procedures whilst ensuring that the Bank's risk taking activities are confined to the approved risk appetite and tolerance thresholds established by the BoD. RMG is comprised of following divisions:

1. Corporate & FI Risk
2. Commercial & SME Risk
3. Consumer, Agri. & Fintech
4. Enterprise Risk Management
5. ESG, Policy & Risk Analytics
6. Information Security
7. Credit Administration
8. Special Assets Management

The risk management function ensures regular reporting to the senior management and Board of Directors through respective committees. In order to generate various reports, risk management function currently relies on Flexcube (Core Banking System), Loan Origination System (LOS) and Risk Rating System. The Bank is constantly investing on upgradation of its IT based infrastructure in order to ensure effective monitoring of its various portfolios through efficient reporting mechanism. The Bank's risk management involves the identification, measurement, monitoring, mitigation and controlling of risks to ensure that following primary objectives at minimum are adhered to:

- a. Individuals who take or manage risks clearly understand it in the entire credit value chain;
- b. The Bank's risk exposure is within the risk appetite limits duly defined by the regulator or established by Board of Directors;
- c. Risk taking decisions are in line with business strategy and objectives set by the management;
- d. Business decisions optimize the risk-reward trade-off;
- e. Risk taking decisions are explicit and clear; and
- f. Sufficient capital as a buffer is available to take risk.

47.1 Credit risk

Credit Risk exposes the Bank to a potential financial loss due to its obligor and/or counterparty(ies) failure to meet the contractual obligations. Credit risk can arise from direct lending to Consumer/Retail, Agriculture, SME, Corporate/Commercial clientele, trade finance products and credit derivatives. The Bank assesses the credit risk of its clientele on the basis of a well documented and robust credit policy/product manuals and procedures duly approved by the Board along with strict compliance to SBP Prudential Regulations, regulatory and industry specific guidelines issued from time to time. The Bank has deployed an economic and statistically balanced Obligor Risk Rating (ORR) model which captures both qualitative (corporate structuring, account behaviour, relationship with Bank, market check, internal quality and buyer / supplier concentration. etc.) and quantitative (financials, economics & industry specific) factors of the clients to define credit rating which further complement the in-place credit assessment and management process(es).

To further beef up the credit evaluation process Facility Risk Ratings (FRR) are also assessed to ensure that the Bank's credit exposure is maintained within the pre-defined Board approved appetite at all times. The Bank has a very strong pre & post credit monitoring and collateral management mechanism thereby ensuring the Banks' interest is safeguarded. The Bank monitors its credit portfolio on an ongoing basis by applying various analytical and statistical techniques / methodologies with findings presented in CRMC and the Board's Risk Management, Compliance and NPL Review Committee (RMC&NPLRC). The Bank also continuously monitors the credit ratings via rating migration matrix analysis; in terms of both number of accounts & exposure to identify any credit deterioration that can expose the Bank to current and /or potential credit risk.

The risk management function of the Bank is regularly conducting assessments of the Bank's credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. Stress tests (sensitivity analysis &/or scenario analysis) helps in identifying and analyzing the risks which might be quiescent, but if triggered, can have far-fetching implications for the financial institution. The Bank has implemented a very effective stress testing program and stress testing has been made a regular feature of periodic risk assessment and reporting framework.

The main objective of the Bank's Credit Policy & Manual is to extend quality credits in accordance with the norms of prudent lending, to ensure health of its portfolio and development of quality assets, it also places utmost emphasis in containing the non-performing portfolio (NPLs) of the Bank. The policy serves as a guiding tool on effective management of the Bank's credit risk. Furthermore, one of the key objective of credit policy & manual is to ensure compliance to all relevant and latest SBP Prudential Regulations (PRs)/directives/guidelines that must be adhered at all times.

The Bank has developed internal risk rating models for its Corporate / Commercial and SE / ME customers whereas for retail portfolio application scorecard is applied for generation of credit score. The external ratings are used for evaluation of FIs and investments in Sukkuk / TFCs. The external rating is then mapped with Bank internal risk rating grid for determination of credit score. The risk rating model(s) are applied on both performing and non-performing relationships of the Bank.

In line with banking sector best credit risk management practices, the Bank conducts a detailed 360-degree due diligence of credit presentations including but not limited to Dynamic Covenant application & periodic rapid portfolio thereby ensuring credit risk at all levels/segments remains within the Board approved appetite and safeguard bank from any un-foreseen losses due to deterioration in credit quality of its lending portfolio. While Corporate, Commercial, SE & ME portfolios are reviewed at an obligor level and the retail portfolio is assessed on portfolio level basis.

The methods deployed by the Bank to determine specific and general allowances are as per the approved IFRS 9 related Policies of the Bank and SBP IFRS 9 guidelines. Bank's Risk Rating models generally covers various qualitative factors in order to gauge the quantum of credit risk at an obligor level. The credit rating assign through risk rating models reflect the credit and financial strength of the customer against SBP prescribed risk rating scale of 1 to 12. Relevant to mention that while allocating the qualitative score, analytical judgement plays an important role. The Bank manages past-due loans and impaired assets as per requirements of SBP PRs and IFRS 9 implementation guidelines.

The Bank has in place relevant risk rating models for all business segments to evaluate and manage credit risk across its credit portfolio. These models incorporate a mix of quantitative and qualitative factors that assist in calculation of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) at both individual and portfolio levels. These estimates form the basis for assessing expected credit losses (ECL) in compliance with the requirements of SBP IFRS 9 implementation guidelines.

The Bank's collateral management mechanism in place ensures that effective credit risk mitigation techniques are deployed to keep the credit risk of Bank within Board's approved Credit Risk Appetite. The Bank accepts a variety of valid and legally enforceable collaterals including but not limited to real estate, fixed assets, securities, receivables, and cash deposits, to secure its credit exposures while ensuring Bank's right of recourse against the collateral held as security. The Bank maintains appropriate margins to account for potential fluctuations in the value of collateral and applies prudent valuation practices in accordance with regulatory requirements.

47.1.1 Loans and advances

The Bank employs robust methodologies and models for the measurement of key credit risk parameters vis-a-vis Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD)—to estimate expected credit losses (ECL) in compliance with the SBP IFRS 9 Implementation Instructions. The brief synopsis of IFRS-9 related models is given here as under:

1. PD Model estimates the likelihood that a borrower will default on their obligation within a specific time horizon, typically one year. The Bank applies Vasicek Approach along with Markov Chain Method for calculation of Corporate/Commercial and SME segment PDs, whereas flow rate based approach is used for the calculation of PDs related to Consumer and Agri. segments.
2. LGD is an estimate of the magnitude of loss expected to be sustained on an exposure upon default by a borrower/ customers and is expressed as a percentage of the exposure outstanding as of the expected date of default. The Bank calculates historical LGD based on workout approach, where as Jacob Frye Model is being deployed for conversion of Historical LGD into FLI based LGD.
3. The Bank has developed an EAD model for the calculation of expected tenor beyond contractual maturities of revolving credit lines.
4. The Banks has developed Credit Conversion Factor (CCF) model for estimating extent of conversion of non-fund based facilities and unutilized portion of irrevocable funded facilities.

EAD as a component of Expected Credit Loss computation represents the amount of potential exposure that is at risk. The EAD methodology adopted by the Bank is a measure of expected exposure (or utilization of a facility) when a counterparty defaults.

According to IFRS 9, exposures are required to be categorized into three stages. Stage 1 are performing exposures, stage 2 are performing exposures where credit risk has increased significantly since initial recognition and stage 3 are primarily Credit-Impaired Exposures. Bank staging classification criteria is as follows :

Stage 1

Bank shall classify a financial asset as Stage 1 where there is no “significant increase in credit risk /decrease in credit quality” since issuance. Risk rating and DPDs parameters are applicable for categorization of Financial Assets as stage 1 as per SBP IFRS 9 implementation instructions.

Stage 2

Bank shall classify a financial asset as Stage 2 where exposures have potentially deteriorated in terms of credit quality i.e. significant increase in credit risk. However, classification to Stage 2 should not be considered an indication of default, unless there are other indications of unlikelihood or inability to pay. Exposures with the following characteristics shall be classified in stage 2:

Obligor Risk Rating	Significant change in credit quality grade
1-2	Three notches downgrade
3-5	Two notches downgrade
6 Onwards	One notch downgrade

Stage 3

Bank shall classify stage 3, where ‘default’ has occurred with regards to an obligor. Default will trigger with any of the following events:

- a) The obligor is classified based on objective or subjective criteria as per SBP PRs;
- b) Bank concludes (based on internal/external indicators) that the obligor is unwilling or unable to pay its credit obligations, without recourse to punitive actions such as realizing security. Credit Allowance for stage 3 parked financial assets will be taken as a higher of provision calculated under SBP PR8 and ECL computed under IFRS 9 requirements.

Reclassification to Stage 1:

Where there is evidence of significant improvement in credit quality, Bank shall reclassify financial asset from Stage 2 to 1. However, the Bank would continue to monitor such financial instruments / credit exposures for a probationary / cooling-off period of (03) three months to ascertain if the risk of default has decreased sufficiently before upgrading such financial asset from Stage 2 to Stage 1.

Reclassification to Stage 2:

An exposure cannot be upgraded from Stage 3 to 1 directly and should be upgraded to Stage 2 initially. For the purpose of reversal of provisions, the PRs requirements will be followed for the Stage 3 / classified assets. Bank of Punjab is recognizing income on impaired assets (loans classified under PRs i.e., OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of Prudential Regulations issued by SBP.

471.2 Lendings to financial institutions
Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance					
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	2025	2024	2025	2024	2025			2024		
Public / Government	34,223,760	-	-	-	-	-	-	-	-	-
Private	189,214,690	14,810,000	-	-	20,652	-	-	40,984	-	-
	223,438,450	14,810,000	-	-	20,652	-	-	40,984	-	-

471.3 Investment in debt securities
Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance					
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	2025	2024	2025	2024	2025			2024		
Textile	132,222	160,000	132,222	160,000	-	-	132,222	-	-	160,000
Electronics and electrical appliances	16,862	16,862	16,862	16,862	-	-	16,862	-	-	16,862
Construction	79,631	79,631	14,631	14,631	-	-	14,631	-	-	14,631
Power (electricity), gas, water, sanitary	210,400	8,896,407	400	400	57	-	400	658	-	400
Transport, storage and communication	143,333	179,167	-	-	-	-	-	-	-	-
Financial	1,529,040,142	1,300,437,654	26,907	26,907	-	-	26,907	-	-	26,907
Services	607,068	607,068	607,068	-	-	-	607,068	15,460	-	-
Chemical and pharmaceuticals	724,091	885,000	-	-	1,068	-	-	3,582	-	-
	1,530,953,749	1,311,261,789	798,090	218,800	1,125	-	798,090	19,700	-	218,800
Credit risk by public / private sector										
Public / Government	3,160,214	1,296,300,618	-	400	-	-	-	-	-	400
Private	1,527,793,535	11,787,748	798,090	218,400	19,700	-	798,090	19,700	-	218,400
	1,530,953,749	1,308,088,366	798,090	218,800	19,700	-	798,090	19,700	-	218,800

471.4 Advances
Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance					
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	2025	2024	2025	2024	2025			2024		
Agriculture, forestry, hunting and fishing	132,017,308	84,417,026	4,631,946	3,891,749	2,088,497	151,706	2,735,796	361,339	191,285	2,855,076
Oil & gas	-	26,158,058	-	1,359,088	-	-	-	141,979	303	1,359,088
Textile	135,022,034	126,844,988	14,997,618	21,104,299	161,170	287,455	13,120,058	352,059	154,023	19,113,592
Chemical and pharmaceuticals	30,796,245	20,880,773	150,286	545,303	56,039	25,313	105,203	79,575	15,328	308,269
Cement	17,537,342	17,457,402	-	-	18,627	164,784	-	61,146	460,673	-
Sugar	25,316,935	25,578,540	1,275,245	1,826,148	57,339	2,071	1,275,245	107,780	-	1,826,148
Footwear and leather garments	2,814,167	1,989,573	322,076	436,266	4,716	2,589	274,657	5,882	2,017	386,802
Automobile and transportation equipment	6,033,155	2,707,811	132,405	479,284	5,397	993	87,651	5,965	10,493	479,284
Electronics and electrical appliances	4,420,400	1,870,797	22,960	22,640	4,288	169	22,960	5,050	-	22,640
Cable, electrical & engineering	-	15,352,061	-	4,293,522	-	-	-	24,848	43,791	2,805,828
Production & transmission of energy	107,772,151	84,887,688	2,447,430	1,272,320	142,565	314	1,870,802	443,899	-	633,875
Construction	8,937,230	11,915,737	121,326	1,501,534	34,154	3,582	101,488	75,465	15,586	1,397,899
Trading & commerce	96,483,938	58,117,966	4,871,704	5,006,854	240,996	102,606	3,808,005	354,782	81,747	4,265,347
Food & allied	-	29,240,302	-	4,244,588	-	-	-	105,487	61,226	3,588,441
Transport, storage and communication	68,133,923	42,932,722	143,836	215,066	270,383	14,596	102,884	337,388	3,935	163,468
Financial	17,500,197	66,712,026	-	727,129	85,608	-	-	160,045	-	727,129
Fertilizer	-	3,280,084	-	39,902	-	-	-	2,866	-	39,902
Services	62,054,510	75,131,392	3,372,868	3,420,156	284,261	54,515	1,985,426	151,627	46,156	2,368,888
Individuals	68,902,062	60,917,514	2,712,149	2,251,589	1,315,699	347,765	2,439,434	706,853	727,441	1,252,292
Others	142,267,964	71,050,565	9,124,897	906,111	148,988	178,414	8,138,667	73,838	57,298	1,022,491
	926,009,561	827,443,025	44,326,746	53,543,548	4,918,727	1,336,872	36,068,276	3,557,873	1,871,302	44,616,459
Credit risk by public / private sector										
Public / Government	122,978,906	172,570,139	-	-	65,082	-	-	385,779	-	-
Private	803,030,655	654,872,886	44,326,746	53,543,548	4,853,645	1,336,872	36,068,276	3,172,094	1,871,302	44,616,459
	926,009,561	827,443,025	44,326,746	53,543,548	4,918,727	1,336,872	36,068,276	3,557,873	1,871,302	44,616,459

	2025	2024
	Rupees in '000'	
471.5 Contingencies and commitments		
Credit risk by industry sector		
Textile and ginning	17,026,994	21,417,329
Cement	14,544,938	3,739,226
Sugar	2,559,931	3,001,313
Financial	470,510,638	206,351,719
Construction and real estate	37,844,353	31,580,350
Oil and gas	34,070,908	31,959,392
Auto and allied	6,878,203	1,738,277
Food and allied	4,150,937	2,710,030
Chemical and pharmaceuticals	10,025,719	4,339,396
Fertilizers	6,637,376	8,388,478
Cable, electrical and engineering	7,183,443	3,929,787
Production and transmission of energy	44,850,915	37,676,343
Transport, storage and communication	6,463,993	6,256,817
Trading and commerce	17,808,409	11,975,570
Services	94,562,419	123,662,505
Others	14,090,602	13,819,365
	789,209,778	512,545,897
Credit risk by public / private sector		
Public/ Government	126,341,681	149,649,666
Private	662,868,097	362,896,231
	789,209,778	512,545,897

471.6 Concentration of advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 242,874,171 thousand (2024: Rs. 342,663,666 thousand).

	2025	2024
	Rupees in '000'	
Funded	144,075,183	223,931,298
Non funded	98,798,988	118,732,368
Total exposure	242,874,171	342,663,666

The sanctioned limits against these top 10 exposures aggregated to Rs. 363,727,201 thousand (2024: Rs. 416,777,453 thousand).

Total funded classified therein

	2025		2024	
	Amount	Credit loss allowance	Amount	Credit loss allowance
	Rupees in '000'			
Other assets specially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	-	-

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

471.7 Advances - province / region-wise disbursement and utilization

		2025					
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	1,172,582,333	1,077,571,384	76,477,047	5,839,453	71,225	11,886,325	736,899
Sindh	429,232,058	26,573,587	401,105,807	19,432	552,745	980,487	-
KPK including FATA	1,718,038	89,947	-	1,628,091	-	-	-
Baluchistan	500	-	-	-	500	-	-
Islamabad	145,849,324	1,098,322	-	3,109,991	-	141,641,011	-
AJK including Gilgit-Baltistan	181,850	21,784	-	15	-	-	160,051
Total	1,749,564,103	1,105,355,024	477,582,854	10,596,982	624,470	154,507,823	896,950

		2024					
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	647,930,842	586,334,089	47,934,128	3,992,650	81,783	9,088,138	500,054
Sindh	555,901,508	9,795,958	544,737,387	357,061	577,393	433,709	-
KPK including FATA	395,455	-	-	395,455	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	37,500,661	1,362,155	-	3,281,347	-	32,857,159	-
AJK including Gilgit-Baltistan	53,575	-	-	-	-	-	53,575
Total	1,241,782,041	597,492,202	592,671,515	8,026,513	659,176	42,379,006	553,629

471.8 Credit risk - general disclosures

The Bank follows the standardized approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit rating or type of exposure, whichever is applicable.

Under standardized approach, the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. Bank utilizes, wherever available, the credit ratings assigned by the SBP recognized ECAIs, viz. PACRA (Pakistan Credit Rating Agency), VIS (Vital Information Systems), Fitch Moody's and Standard & Poors. Credit rating data for advances is obtained from recognized ECAIs and then mapped to SBP's rating grades.

Type of exposures & ECAIs used

Exposures	Fitch	Moody's	S&P	PACRA	VIS
Corporate				√	√
Banks	√	√	√	√	√
Sovereigns	√	√	√		
PSEs				√	√
SMEs				√	√

Mapping to SBP rating grades

For all credit exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to SBP rating grades are given below:

Long term ratings grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short term rating grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

Credit exposures subject to standardized approach

		2025			2024		
Exposures	Rating	Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
Rupees in '000							
Corporate	1	123,861,746	(4,558,689)	119,303,057	95,133,865	(2,206,616)	92,927,249
	2	195,450,963	(9,301,541)	186,149,422	150,832,356	(2,206,883)	148,625,473
	3,4	14,137,312	(172,285)	13,965,027	19,056,308	103,430	19,159,738
	5,6	220,023	-	220,023	2,413,602	96,593	2,510,195
	Unrated-100%	62,039,654	(27,606,958)	34,432,696	33,410,683	(871,021)	32,539,662
	Unrated-125%	61,855,833	(7,186,868)	54,668,965	46,916,268	(1,609,706)	45,306,561
Bank	1	250,561,085	-	250,561,085	18,149,777	91,614	18,241,391
	2,3	2,982,558	(16,383)	2,966,175	50,986,598	(48,007,159)	2,979,439
	4,5	3,112	-	3,112	-	-	-
	6	125,600	-	125,600	90,972	4,124	95,096
	Unrated	24,453	-	24,453	-	-	-
Public sector enterprises in Pakistan	1	34,180,017	(3,840,079)	30,339,938	39,927,167	(6,252,581)	33,674,586
	2,3	6,720,670	(1,497,423)	5,223,247	57,353,065	(48,744,862)	8,608,203
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	2,070,032	(234,710)	1,835,322	19,979,135	(17,184,536)	2,794,599
Sovereigns and on Government of Pakistan or Provisional Government or SBP or Cash	0	306,328,654	(58,173,566)	248,155,088	286,171,341	(18,259,839)	267,911,503
	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4,5	-	-	-	28,126	-	28,126
	6	6,716	-	6,716	-	-	-
	Unrated	-	-	-	-	-	-
Listed equity investments	100%	2,045,638	-	2,045,638	2,994,767	-	2,994,767
Un-listed equity investments	150%	-	-	-	25,000	-	25,000
Non performing loans	150%	20,722	-	20,722	(130,566)	-	(130,566)
	100%	4,602,488	-	4,602,488	7,404,402	-	7,404,402
	50%	2,256,003	-	2,256,003	1,941,387	-	1,941,387
Mortgage	35%	13,372,244	-	13,372,244	13,017,579	833,823	13,851,402
Low Cost Housing	25%	5,550,155	-	5,550,155	5,122,121	753,761	5,875,882
Retail	75%	345,537,594	(74,402,151)	271,135,443	187,137,613	(35,257,394)	151,880,219
Property and equipment	100%	42,907,915	-	42,907,915	41,420,557	-	41,420,557
Deferred tax assets	250%	4,835,932	-	4,835,932	7,187,870	-	7,187,870
Significant investments	250%	1,995,487	-	1,995,487	-	-	-
Others	100%	43,921,011	-	43,921,011	109,919,338	(65,518,575)	44,400,764
Total		1,527,613,617	(186,990,653)	1,340,622,964	1,196,489,331	(244,235,827)	952,253,505

47.1.9 Credit risk: Disclosures with respect to credit risk mitigation for standardized approach

The Bank has adopted comprehensive approach of credit risk mitigation for banking book. Under this approach cash, lien on deposits, government securities, and eligible securities etc. are consolidated as eligible collateral. Where the Bank's exposure to an obligor is secured by eligible collaterals, the Bank reduces its exposure for the calculation of the capital requirement by the realizable amount of the collateral, adjusted for any applicable haircuts.

47.1.9.1 Credit risk: Disclosures for portfolio subject to the standardized approach

No credit risk mitigation benefit is taken in the trading book. For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net amount for the calculation of risk weighted assets.

47.1.9.2 Equity position risk

The Bank takes proprietary equity positions for both short term and long term trading purposes. As of December 31, 2025 the composition of equity investments, is as follows:

	FVTPL	FVOCI Rs. In '000'	Total
Ordinary shares (listed) - net of impairment held	-	9,191,608	9,191,608
Ordinary shares (un-listed) - net of impairment held	-	69,975	69,975
Preference shares - net of impairment held	324,000	55,576	379,576
Total	324,000	9,317,159	9,641,159

The Bank classify its equity investment portfolio in accordance with the directives of the SBP as follows:

- Investments - Held for trading
- Investments - Available for Sale
- Investments in subsidiaries & associates

47.2 Market risk

Market Risk exposes the Bank to a potential financial loss due to adverse movement in systematic risk factors like interest rates, foreign exchange, equity and debt market, credit spreads, commodity prices and overall market's volatility which can hamper the value of Bank's investment position(s).

Interest rate risk is the potential negative impact on Bank's profitability and/or assets market value due to uncertain movement in interest rates. Interest rate risk can be broadly categorized into the following categories:

- Yield curve risk (parallel, steepness and/or curvature)
- Repricing risk
- Basis risk
- Options risk

Equity price risk arises from an uncertain decline in value of a security and/or portfolio in the future. Adverse movement in equity market or index can have a negative impact on Banks' earnings and/or capital due to Banks investment position in the market.

Foreign exchange risk arises from adverse movement in a Bank direct/indirect exposure on a currency. From Banks perspective Forex movement also expose bank to potential credit risk.

Foreign exchange risk can arise from two factors: i. currency mismatches in an institution's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate, and/or ii. currency cash flow mismatches. Such risk continues until the foreign exchange position is fully hedged.

The Bank's market risk management structure consists of Risk Management, Compliance and NPL Review Committee (RMC&NPLRC), Assets and Liabilities Committee (ALCO) and independent Enterprise Risk Management (ERM) division. Market risk is an independent risk management function that works in close partnership with the business segments to identify and monitor market risks throughout the Bank and to define market risk policies and procedures. ERM division seeks to facilitate efficient risk / return decisions, reduce volatility in operating performance and provide transparency in reporting the Bank's market risk profile to the senior management, the Board of Directors and the SBP.

The Bank is using following techniques for mitigation of market risk:

- Hedging the open positions i.e. taking offsetting positions;
- Portfolio diversification; and
- Limits setting, monitoring and reporting.

The Bank is using following techniques for measurement of market risk and all the reports along with suggestive strategies which are escalated to senior management for their review and corrective actions:

- Daily mark to market revaluation of equity, foreign exchange and bonds portfolio;
- Estimated value at risk on equity and foreign exchange exposures;
- Interest rate gap analysis;
- Duration analysis;
- Stress testing of market risk exposures; and
- Scenarios based analysis.

47.2.1 Balance sheet split by trading and banking book

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in '000'						
Cash and balances with treasury banks	111,746,522	-	111,746,522	100,773,480	-	100,773,480
Balances with other banks	5,442,677	-	5,442,677	3,260,824	-	3,260,824
Lendings to financial institutions	223,417,798	-	223,417,798	14,769,016	-	14,769,016
Investments - net	124,747,218	1,424,764,190	1,549,511,408	142,971,345	1,177,944,206	1,320,915,551
Advances - net	881,423,846	-	881,423,846	777,397,391	-	777,397,391
Property and equipment	29,761,745	-	29,761,745	28,554,791	-	28,554,791
Right of use assets	13,146,170	-	13,146,170	12,865,764	-	12,865,764
Intangible assets	2,702,385	-	2,702,385	2,471,867	-	2,471,867
Deferred tax assets - net	7,607,184	-	7,607,184	9,051,188	-	9,051,188
Other assets	126,924,032	-	126,924,032	109,919,338	-	109,919,338
	1,526,919,577	1,424,764,190	2,951,683,767	1,202,035,004	1,177,944,206	2,379,979,210

47.2.2 Foreign exchange risk

The Bank's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign currency placements with foreign commercial banks and foreign currency deposits. The Bank manages its foreign exchange exposure by matching foreign currency assets and liabilities. Foreign exchange exposure and nostro balances are managed within the statutory limits, as fixed by SBP. Counter parties limits are also fixed to limit risk concentration. Market risk charge calculates on Foreign Exchange Exposure Limit (FEEL) and forward contracts (interest rate) and credit risk charge manage by Bank on all forward contracts.

	2025				2024			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
Rupees in '000								
United States Dollar	29,815,789	33,483,424	4,651,942	984,307	26,317,176	56,277,023	27,656,964	(2,302,883)
Great Britain Pound Sterling	1,693,493	8,322,637	6,092,368	(536,776)	1,940,082	7,704,171	5,233,783	(530,306)
Euro	1,892,791	3,713,629	1,334,241	(486,597)	2,501,141	3,541,193	410,720	(629,332)
Japanese Yen	8,983	-	-	8,983	15,128	-	-	15,128
Other currencies	410,319	123,476	(34,031)	252,812	345,542	78,879	24,920	291,583
	33,821,375	45,643,166	12,044,520	222,729	31,119,069	67,601,266	33,326,387	(3,155,810)

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000'				
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	2,227	-	(31,558)
- Other comprehensive income	-	-	-	-

47.2.3 Equity position risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. The Bank's strategy is to invest in equity securities for increase in dividend income and capital gains through market volatility.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000'				
Impact of 5% change in equity prices on				
- Profit and loss account	-	(16,200)	-	(272,600)
- Other comprehensive income	(102,282)	(465,858)	(149,738)	(88,991)

47.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II specific

Interest rate risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the bank would be negatively affected with the change in the market interest rates. The vulnerability of the Bank towards the adverse movements of the interest rate can be gauged by using duration GAP analysis.

Interest rate risk in the banking book is the risk to interest income arising from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. The banking book activities that give rise to interest rate risk include lending activities, balance sheet funding and capital management. Interest rate risk in banking book can be measured by both, changes in net interest income and changes in market value of interest bearing AFS investments. This also refers to the non-trading market risk. To adjust the effective rate sensitivity, the Bank is using following strategies after proper analysis of the Bank's gaps and prevailing interest rate:

- Reduced asset sensitivity
- Increased asset sensitivity
- Reduced liability sensitivity
- Increased liability sensitivity

The Bank's interest rate risk management policy includes following techniques to mitigate potential risks:

- Monitoring and management of interest rate volatility in terms of percentage change in net income through interest sensitive gaps.
- Key consideration in investing in interest rate driven financial instruments.
- Managing volatility in the trading on category / instrument wise basis.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000'				
Impact of 1% change in interest rates on				
- Profit and loss account	(8,455)	(12,798)	-	(906,408)
- Other comprehensive income	(31,602)	(14,138,833)	-	(10,800,966)

47.2.5 Mismatch of interest rate sensitive assets and liabilities

2025											
Exposed to Yield / Interest risk											
Effective Yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
Rupees in '000											
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	11746,522	4,388,833	-	-	-	-	-	-	-	-	107,357,689
Balances with other banks	5442,677	-	-	-	-	-	-	-	-	-	5442,677
Lending to financial institutions	223,417,798	221,438,450	-	1,979,348	-	-	-	-	-	-	-
Investments - net	1,549,511,408	100,341,634	253,932,231	498,638,107	295,291,285	185,914,331	83,952,027	118,139,085	-	-	13,302,708
Advances - net	881,423,846	235,925,531	637,770,637	-	-	-	-	-	-	-	772,7678
Other assets	11,812,697	-	-	-	-	-	-	-	-	-	11,812,697
	2,883,354,948	562,094,448	891,702,868	500,617,455	295,291,285	185,914,331	83,952,027	118,139,085	-	-	245,643,449
Liabilities											
Bills payable	9139,194	-	-	-	-	-	-	-	-	-	9139,194
Borrowings	624,807,992	565,486,440	2,818,349	15,633,687	337,437	4,252,552	7,770,025	3,285,973	18,569,773	25,001	6,628,755
Deposits and other accounts	2,051,536,304	1,032,353,313	136,227,042	209,818,856	185,524,822	85,4633	125,583	1,250	-	-	486,630,805
Subordinated debts	30,812,558	-	3,950,000	26,862,558	-	-	-	-	-	-	-
Lease liabilities	18,267,085	3,835	3,928	24,451	74,381	247,268	338,153	1,776,511	10,918,723	4,879,835	-
Other liabilities	112,861,301	-	-	-	-	-	-	-	-	-	112,861,301
	2,847,424,434	1,597,843,588	142,999,319	252,339,552	185,936,640	5,354,453	8,233,761	5,063,734	29,488,496	4,904,836	615,260,055
On-balance sheet gap	35,930,514	(1,035,749,140)	748,703,549	248,277,903	109,354,645	180,559,878	75,718,266	113,075,351	(29,488,496)	(4,904,836)	(369,616,606)
Off-balance sheet financial instruments											
Documentary credits and guarantees	325,356,005	-	-	-	-	-	-	-	-	-	325,356,005
Commitments in respect of:											
- forward foreign exchange contracts - net	11,828,299	-	-	-	-	-	-	-	-	-	11,828,299
- forward government securities transactions - net	13,200,000	-	-	-	-	-	-	-	-	-	13,200,000
- forward lending	50,851,386	-	-	-	-	-	-	-	-	-	50,851,386
Off-balance sheet gap	401,235,690	-	-	-	-	-	-	-	-	-	401,235,690
Total yield / interest risk sensitivity gap	(1,035,749,140)	748,703,549	248,277,903	109,354,645	180,559,878	75,718,266	113,075,351	(29,488,496)	(4,904,836)	31,619,084	
Cumulative yield / interest risk sensitivity gap	(1,035,749,140)	(287,045,591)	(38,767,688)	-	180,559,878	256,278,144	369,353,495	339,864,999	334,960,163	366,579,247	



2024

Exposed to Yield / Interest risk											
Effective yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
Rupees in '000											
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	100,773,480	6,949,509	-	-	-	-	-	-	-	-	93,823,971
Balances with other banks	3,260,824	250,357	-	-	-	-	-	-	-	-	3,010,467
Lending to financial institutions	14,769,016	12,792,050	-	-	-	1,976,966	-	-	-	-	-
Investments - net	1,320,915,551	246,094,013	393,880,773	314,699,244	214,923,958	26,922,798	3,786,073	71,783,123	37,693,607	-	11,131,962
Advances - net	777,397,391	120,941,640	648,039,467	-	-	-	-	-	-	-	8,416,284
Other assets	94,621,079	-	-	-	-	-	-	-	-	-	94,621,079
	2,311,737,341	387,027,569	1,041,920,240	314,699,244	214,923,958	28,899,764	3,786,073	71,783,123	37,693,607	-	211,003,763
Liabilities											
Bills payable	763,6873	-	-	-	-	-	-	-	-	-	763,6873
Borrowings	40,900,5930	341,469,085	71,990,076	13,841,531	1,821,76	11,07,572	5,382,310	15,632,652	23,685,540	85,000	420,988
Deposits and other accounts	1,710,287,720	217,907,584	797,584,989	171,580,175	159,358,089	34,943	812,249	3,349	-	-	363,006,342
Subordinated debts	30,820,106	-	3,950,000	26,870,106	-	-	-	-	-	-	-
Lease liabilities	17,011,25	1,142	5,724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878	-
Other liabilities	110,790,734	-	-	-	-	-	-	-	-	-	110,790,734
	2,285,642,488	559,377,811	808,739,789	212,326,231	159,645,318	1,341,523	6,559,421	16,703,760	32,687,820	64,05,878	481,854,937
On-balance sheet gap											
	26,094,853	(172,350,242)	233,180,451	102,373,013	55,278,640	27,558,241	(2,773,348)	55,079,363	5,005,787	(64,05,878)	(270,851,174)
Off-balance sheet financial instruments											
Documentary credits and guarantees	321,908,407	-	-	-	-	-	-	-	-	-	321,908,407
Commitments in respect of:											
- forward foreign exchange contracts	33,085,002	-	-	-	-	-	-	-	-	-	33,085,002
- forward lending	34,883,622	-	-	-	-	-	-	-	-	-	34,883,622
Off-balance sheet gap	389,877,031	-	-	-	-	-	-	-	-	-	389,877,031
Total yield / interest risk sensitivity gap											
	(172,350,242)		233,180,451	102,373,013	55,278,640	27,558,241	(2,773,348)	55,079,363	5,005,787	(64,05,878)	119,025,857
Cumulative yield / interest risk sensitivity gap											
	(172,350,242)		60,830,209	163,203,222	218,481,862	246,040,103	243,266,755	298,346,118	303,351,905	296,946,027	415,971,884

Reconciliation of financial assets and liabilities with total assets and liabilities:

	2025	2024
	Rupees in '000'	
Financial assets	2,883,354,948	2,311,737,341
Non financial assets:		
Property and equipment	29,761,745	28,554,791
Right of use assets	13,146,170	12,865,764
Intangibles	2,702,385	2,471,867
Deferred tax assets - net	7,607,184	9,051,188
Other assets	15,111,335	15,298,259
	68,328,819	68,241,869
Total assets as per statement of financial position	2,951,683,767	2,379,979,210
Financial liabilities	2,847,424,434	2,285,642,488
Non financial liabilities:		
Other liabilities	119,909	1,805,577
Total liabilities as per statement of financial position	2,847,544,343	2,287,448,065

47.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes & controls, people and system or from external events. Potential losses arising out of Operational Risk may not be brought down to zero, however, the Bank strive to minimize the operational risk impact through efficient controls & framework, monitoring and responding to any potential risk in a timely manner. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff training and appraisal procedures, including the use of internal audit function. The Bank has established a comprehensive Business Continuity Plan (BCP) to deal with the risk of any financial loss and damage to reputation arising from operational risk factors.

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

In accordance with the operational risk policy and framework, a database covering losses, control breaches and near misses is being maintained. Major risk events are analyzed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. quarterly updates on operational risk events are presented to senior management and the Risk Management, Compliance and NPL Review Committee (RMC&NPLRC).

47.3.1 Operational risk disclosures Basel-II specific

Currently, the Bank is reporting operational risk capital charge under Basic Indicator Approach (BIA). However, the Bank took a number of initiatives with respect to operational risk management. The Bank will initiate further steps for improvement in operational risk management to adopt next approach of capital charge i.e. Alternative Standardized Approach (ASA) as and when required by regulator.

47.4 Liquidity risk

Liquidity risk is the potential loss to a Bank arising from either its inability to meet obligation(s) or to fund increase in assets as they fall due without incurring unacceptable cost or losses. The Bank's ALCO is primarily responsible to ensure adequate maintenance and monitoring of liquidity and minimization of liquidity risk by filling in the Asset-Liability gap. The Bank manages its liquidity risk by continuous monitoring of the maturity profiles of its assets and liabilities, strengthening of its credit recovery procedures by focusing on retail and medium-sized customers and managing open positions through effective treasury operations. Allocation of funds towards various business prepositions and pricing of assets and liabilities of the Bank are given significant importance. Bank liquidity risk framework enables management in identification of key drivers of liquidity risk (on/off balance) and developing mitigants there against.

The Bank is using following strategies for mitigation of liquidity risk:

- Invest key liquid deposit providers in liquid investment;
- Contingency funding plan;
- Monitoring of advances to deposits ratio;
- Diversification of portfolio;
- Maintaining desirable level of currency wise liquidity; and
- Identify situations or events that may trigger a crisis situation in terms of liquidity.

The Bank is using following strategies for mitigation of liquidity risk:

47.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

2025

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 Years
Rupees in '000														
Assets														
Cash and balances with treasury banks	111,746,522	111,746,522	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	5,442,677	5,442,677	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	223,417,798	-	221,438,450	-	-	-	-	1,979,348	-	-	-	-	-	-
Investments	15,49,511,408	962,366	-	8,708	35,833	105,052,500	14,381,453	188,204,207	146,250,805	26,488,022	239,312,446	30,067,233	258,762,962	30,992,673
Advances	881,423,846	99,647,994	5,058,188	4,257,416	126,961,933	47,828,446	41,902,163	106,911,887	45,534,904	42,458,072	94,946,726	71,022,161	64,920,513	12,997,344
Property and equipment	29,761,745	22,326	133,956	156,282	379,554	340,706	340,705	951,834	881,552	881,551	3,245,076	3,245,076	6,490,152	12,692,975
Right of Use Assets	13,146,170	-	-	-	3,355	1,764	1,803	23,133	13,431	43,254	163,336	222,073	1,251,365	11,422,656
Intangible assets	2,702,385	969	5,814	6,783	16,461	30,027	30,027	90,081	90,081	90,081	360,324	360,324	720,648	900,765
Deferred tax assets	760,7184	-	-	-	-	-	-	-	-	-	-	-	760,7184	-
Other assets	126,924,032	11,143,907	864,005	558,472	2,229,920	27,294,244	43,707,819	15,794,269	2,566,704	6,859,007	7,952,842	7,952,843	-	-
Liabilities														
Bills payable	2,951,683,767	228,966,761	227,500,413	4,987,661	129,627,056	180,547,687	100,363,970	313,954,759	195,337,477	315,212,187	345,980,750	383,469,710	339,752,824	185,982,512
Borrowings	91,391,94	91,391,94	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts	624,807,992	12,014,112	558,197,655	167,587	1,735,842	1,811,014	1,007,335	13,220,564	107,893	271,251	4,336,681	9,575,256	3,301,227	19,061,575
Subordinated debts	2,051,536,304	274,182,034	40,562,860	79,375,907	137,381,286	141,884,060	157,329,639	332,210,027	185,936,558	119,217,096	117,527,966	116,512,874	117,067,283	232,348,714
Lease liabilities	30,812,558	-	-	-	-	-	-	3,774	-	3,774	214,894	214,808	11,656	26,496,318
Other liabilities	18,267,085	-	-	-	3,835	16,40	2,288	24,451	14,859	59,522	247,268	338,153	1,776,511	15,798,558
	112,981,210	25,382,509	1,903,980	2,283,180	4,110,500	6,287,932	4,715,387	25,162,014	70,952,294	8,726,886	4,215,965	4,916,949	14,641,505	35,391,019
	2,847,544,343	320,777,849	600,664,495	81,826,674	143,231,463	149,984,646	163,054,649	370,620,830	193,154,604	128,278,529	128,476,828	133,491,320	136,798,182	297,244,274
Net assets	104,139,424	(91,751,088)	(373,164,082)	(76,839,013)	(13,604,407)	30,563,041	(62,690,679)	(56,666,071)	2,182,873	186,933,658	217,503,922	249,978,390	202,954,642	(111,261,762)
Share capital - net	32,452,535													
Reserves	20,814,327													
Surplus on revaluation of assets - net of tax	10,692,754													
Unappropriated profit	401,79,808													
	104,139,424													



2024

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 Years
Rupees in '000														
Assets														
Cash and balances with treasury banks	100,773,480	100,773,480	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	3,260,824	3,260,824	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	14,769,016	-	5,292,050	1,350,000	6,150,000	-	-	-	-	-	1,976,966	-	-	-
Investments	1,320,915,551	2,680,165	-	-	8,549,798	122,155,506	32,098,879	105,747,041	118,499,554	188,431,869	239,741,000	59,315,591	330,111,396	113,584,752
Advances	777,397,391	68,320,969	4,906,306	2,823,008	44,891,358	86,047,669	84,687,157	84,537,872	47,184,260	46,840,708	86,607,477	73,104,148	25,387,982	122,058,477
Property and equipment	28,554,791	21,776	130,656	152,432	370,232	281,989	281,988	767,344	688,724	688,723	2,440,404	2,440,404	4,880,808	15,409,311
Right of Use Assets	12,865,764	-	-	-	947	212	5,542	35,685	23,582	43,978	143,086	226,705	733,134	11,652,893
Intangible assets	2,471,867	886	5,316	6,202	15,061	27,465	27,465	82,395	82,395	82,395	329,580	329,580	659,160	823,967
Deferred tax assets	9,051,188	-	-	-	-	-	-	-	-	-	-	-	9,051,188	-
Other assets	10,919,338	10,065,793	320,421	482,015	60,095,043	6,152,079	1,854,209	67,325,536	1,813,666	6,740,668	560,9964	6,013,864	40,390,080	-
	2,379,979,210	185,123,893	10,654,749	4,813,657	120,072,439	214,664,920	118,955,240	197,902,873	168,292,181	242,828,341	336,848,477	141,430,292	374,862,748	263,529,400
Liabilities														
Bills payable	7,636,873	7,636,873	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	409,005,930	421,440	140,764,210	491,696	198,712,728	5,994,356	1,204,720	13,841,531	57,421	1,624,755	616,156	5,386,439	15,644,590	24,245,888
Deposits and other accounts	1,710,287,720	1,208,444,864	8,097,286	13,421,901	45,013,961	29,211,633	38,636,578	175,436,966	117,463,175	67,444,706	4,687,544	1,312,838	1,116,268	-
Subordinated debts	30,820,106	-	-	-	-	-	-	3,774	-	3,774	7,548	214,894	2,153,916	26,502,146
Lease liabilities	17,011,125	-	-	-	1,142	387	5,337	34,419	42,113	62,940	199,008	364,862	1,067,759	15,323,158
Other liabilities	112,596,311	12,444,259	1,669,289	2,839,376	78,440,111	8,544,804	512,172	21,938,886	11,797,249	10,198,958	7,070,476	5,304,602	9,712,766	8,109,923
	2,287,448,065	1,228,947,436	150,530,785	16,752,973	251,571,842	43,751,180	44,968,347	211,255,576	129,359,958	79,335,133	12,580,732	14,517,689	29,695,299	74,181,115
Net assets	92,531,145	(1,043,823,543)	(139,876,036)	(119,393,316)	(131,499,403)	170,913,740	73,986,893	(13,352,703)	38,932,223	163,493,208	324,267,745	126,912,603	345,167,449	189,348,285
Share capital - net	32,452,535													
Reserves	17,626,801													
Surplus on revaluation of assets - net of tax	795,370													
Unappropriated profit	34,497,439													
	92,531,145													

47.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank 2025

Rupees in '000									
Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Assets									
Cash and balances with treasury banks	111,746,522	111,746,522	-	-	-	-	-	-	-
Balances with other banks	5,442,677	5,442,677	-	-	-	-	-	-	-
Lending to financial institutions	223,417,798	221,438,450	-	1,979,348	-	-	-	-	-
Investments	1,549,511,408	1,006,907	119,433,953	188,204,207	411,131,027	239,312,446	300,667,233	30,992,673	-
Advances	881,423,846	235,925,531	89,730,609	106,911,887	87,992,976	94,946,726	71,022,161	64,920,513	123,085,773
Property and equipment	29,761,745	692,118	681,411	951,834	1,763,103	3,245,076	3,245,076	6,490,152	12,692,975
Right of Use Assets	131,461,700	3,355	3,567	23,133	56,685	163,336	222,073	125,1365	815,0047
Intangible assets	2,702,385	30,027	60,054	90,081	180,162	360,324	360,324	720,648	900,765
Deferred tax assets	7,607,184	-	-	-	-	-	-	7,607,184	-
Other assets	126,924,032	14,796,304	71,002,063	15,794,269	9,425,711	7,952,842	7,952,843	-	-
	2,951,683,767	591,081,891	280,911,657	313,954,759	510,549,664	345,980,750	383,469,710	339,752,824	175,822,233
Liabilities									
Bills payable	9,139,194	9,139,194	-	-	-	-	-	-	-
Borrowings	624,807,992	572,115,196	2,818,349	13,220,564	379,144	4,336,681	9,575,256	3,301,227	19,036,575
Deposits and other accounts	2,051,536,304	531,502,087	299,213,699	332,210,027	305,153,654	117,527,966	116,512,874	117,067,283	116,174,357
Subordinated debts	30,812,558	-	-	3,774	3,774	2,148,948	2,148,088	11,656	26,496,318
Lease liabilities	18,267,085	3,835	3,928	24,451	74,381	247,268	338,153	1,776,511	10,918,723
Other liabilities	112,981,210	33,985,875	10,280,284	25,383,207	16,015,670	4,217,350	4,917,296	14,642,419	3,538,027
	2,847,544,343	1,146,746,187	312,316,260	370,842,023	321,626,623	128,478,213	133,491,667	136,799,096	176,164,000
Net assets	104,139,424	(555,664,296)	(31,404,603)	(56,887,264)	188,923,041	217,502,537	249,978,043	202,953,728	(341,767)
Share capital - net	32,452,535								
Reserves	20,814,327								
Surplus on revaluation of assets - net of tax	10,692,754								
Unappropriated profit	40,179,808								
	104,139,424								

Deposit account without contractual maturities have been classified by taking into account historical trend of their withdrawal pattern, which shows that 15% of such deposits mature in each of the first two categories mentioned above and 10% mature in each of the remaining seven categories.



2024

	Total	Upto 1 Month	Over 1 to 3 Month	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
Assets										
Cash and balances with treasury banks	100,773,480	100,773,480	-	-	-	-	-	-	-	-
Balances with other banks	3,260,824	3,260,824	-	-	-	-	-	-	-	-
Lendings to financial institutions	14,769,016	12,792,050	-	-	-	1,976,966	-	-	-	-
Investments	1,320,915,551	1,122,996,3	154,254,385	105,747,041	306,931,423	239,741,000	59,315,591	330,111,396	113,584,752	-
Advances	777,397,391	120,941,640	170,734,827	84,537,872	94,024,968	86,607,477	73,104,148	25,387,982	110,760,783	11,297,694
Property and equipment	28,554,791	675,096	563,977	767,344	1,377,447	2,440,404	2,440,404	4,880,808	12,202,020	3,207,291
Right of Use Assets	12,865,764	947	5,754	35,685	67,560	143,086	226,705	733,134	721,3645	4,439,248
Intangible assets	2,471,867	27,465	54,930	82,395	164,790	329,580	329,580	659,160	823,967	-
Deferred tax assets	9,051,188	-	-	-	-	-	-	9,051,188	-	-
Other assets	10,991,938	70,963,272	8,006,288	6,732,536	8,554,334	5,609,964	6,013,864	4,039,080	-	-
	2,379,979,210	320,664,737	333,620,161	197,902,873	411,205,222	336,848,477	141,430,292	374,862,748	244,585,167	18,944,233
Liabilities										
Bills payable	763,6873	763,6873	-	-	-	-	-	-	-	-
Borrowings	40,900,5930	340,390,074	71,990,76	13,841,531	1,682,176	61,6156	5,386,439	15,644,590	24,160,888	85,000
Deposits and other accounts	1,710,287,720	410,334,365	220,432,384	277,159,748	286,630,663	106,410,326	103,035,620	102,839,050	101,722,782	10,172,782
Subordinated debts	30,820,106	-	-	3,774	3,774	7,548	214,8948	215,3916	26,502,146	-
Lease liabilities	17,101,125	1142	5,724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878
Other liabilities	112,596,311	24,796,935	13,666,516	21,938,886	21,996,207	70,704,76	5,304,602	9,712,766	8,108,841	1,082
	2,287,448,065	783,159,389	241,303,700	312,978,358	310,417,873	114,303,514	116,240,471	131,418,081	169,496,937	108,129,742
Net assets	92,531,145	(462,494,652)	92,316,461	(115,075,485)	100,702,649	222,544,963	25,189,821	243,444,667	75,088,230	(89,185,509)
Share capital - net	32,452,535									
Reserves	17,626,801									
Surplus on revaluation of assets - net of tax	7,954,370									
Unappropriated profit	34,497,439									
	92,531,145									

48. NON - ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Bank in its meeting held on 17th February 2026 has proposed a cash dividend of 15% (2024: cash dividend @ 18%). This is in addition to 10% cash dividend already paid during the year bringing the total cash dividend for the year to 25 %. These appropriations will be approved in the forthcoming Annual General Meeting. These unconsolidated financial statements for the year ended December 31, 2025 do not include the effect of current final cash dividend for year December 31, 2025 which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2026.

49. DATE OF AUTHORIZATION FOR ISSUE

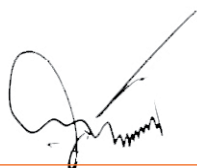
These unconsolidated financial statements were authorized for issue on 17th February 2026 by the Board of Directors of the Bank.

50. GENERAL

50.1 Figures have been rounded off to the nearest thousand rupees.

50.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the year except for the following:

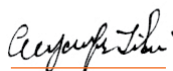
- In 'Other Liabilities', Rs. 1,911,890 thousand related to 'Clearing and settlement accounts', previously included in 'Others' has now been presented separately for better presentation and comparability.



Chief Financial Officer



President



Chairman



Director



Director

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED DURING THE YEAR ENDED DECEMBER 31, 2025

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
1	Khawar Ali Khan (Chak No172/7R Post Office Chak No173 /7R Tehsil Fortabbas District Bahawalnagar)	Khawar Ali Khan (35202-2910436-5)	Muhammad Ali	-	610	-	610	-	-	610	-	610
2	M/S Ali Cold Storage (Pakpattan Road Depalpur)	Muhammad Javed Mansha (35301-7535208-5)	Haji Muhammad Mansha	3,752	7,326	-	11,078	-	-	7,007	-	7,007
3	Javed Akhtar (Chak-1 Sp Wasaway Wala, Tehsil Depalpur District Okara)	Javed Akhtar (35301-9332338-3)	Niaz Ahmed Khan Wattoo	-	880	-	880	-	-	880	-	880
4	Malik Mujeeb ur Rahman (Jalalpur Road Mohallah Dar-Ul- Hadis Muhammad Lodhran)	Malik Mujeeb ur Rahman (36203-6393598-1)	Muhammad Yousaf	-	1,317	-	1,317	-	-	1,317	-	1,317
5	M/S Cheema Farm House (Bahu Chak Post Office Ghakkar Mandi Tehsil Wazirabad District Gujranwala)	Nazim Ali Cheema (34101-2542074-3)	Akbar Ali Cheema	-	706	-	706	-	-	566	-	566
6	Ali Hasnain & Sunny Mukhtar (Anayin Post Office Depalpur)	Ali Hasnain (35301-4396519-3) Sunny Mukhtar (35301-6703341-3)	*Mukhtar Ahmad Mukhtar Ahmad *	-	718	-	718	-	-	718	-	718
7	Rafaqat Ali (Village - Post Office Kirta Tehsil Muridke)	afaqat Ali (35401-1811363-5)	Muhammad Sarwar	-	1,067	-	1,067	-	-	1,067	-	1,067
8	Rana Abdul Ghani (Hamoon Wala Post Office Fazil Pur District Rajanpur)	Rana Abdul Ghani (32403-1641144-3)	Rana Faqeer Bakhash	-	824	-	824	-	-	824	-	824
9	Farhat Shabir (Hamoon Wala Post Office Fazil Pur District Rajanpur)	Farhat Shabir (32403-1645538-9)	Rana Ghulam Shabir	-	1,313	-	1,313	-	-	1,313	-	1,313
10	Aziz Muhammad (Hamoon Wala Post Office Fazil Pur District Rajanpur)	Aziz Muhammad (32403-1645580-3)	Rana Ghulam Shabir	-	1,355	-	1,355	-	-	1,355	-	1,355

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
11	M/S Murtaz Sons Proteins Farm (Shahbazpur Road Chak No.2/P. Muhammadpur Tehsil Sadiqabad Rahim Yar Khan)	Murtaz Hussain (31303-2385787-5)	Ghulam Muhammad	9891	6,779	-	16,670	-	-	6,907	-	6,907
12	Arsian Jattoi (Post Office Khas Chak #368 GB Tehsil Jaranwala Faisalabad)	Arsian Jattoi (33104-7976073-1)	Ghulam Murtaza Jattoi	6,049	6,554	-	12,603	-	-	7,386	-	7,386
13	Zafar Ullah (Padhana Chak No.45 Pattoki Kasur)	Zafar Ullah (35201-1356231-5)	Barkat Ali	2,233	6,173	-	8,406	-	-	5,636	-	5,636
14	Umer Mehmood (Saitee Post Office Hujra Shah Muqeem Tehsil Depalpur District Okara)	Umer Mehmood (35301-1852441-1)	Haji Muhammad Srafi	800	879	-	1,679	-	-	746	-	746
15	Muhammad Pervez Ahmad (Bharani Kanyawala Post Office Tehsil Lalian)	Muhammad Pervez Ahmad (33201-1586352-5)	Falak Sher	1,001	1,066	-	2,067	-	-	1,037	-	1,037
16	Malik Bashir Ahmad (Basti Shan Jamal, Mouza Rawani, Post Office Gellay Wala, Tehsil - District Lodhran)	Malik Bashir Ahmad (36203-1817789-5)	Sultan Bakhsh	880	1,534	-	2,414	-	-	1,425	-	1,425
17	Muhammad Dilshad Khan (Ward-2, Jatoi Shumali Post Office - Tehsil Jatoi District M. Garh)	Muhammad Dilshad Khan (32302-736530-5)	Abdul Hameed Khan	1,900	1,327	-	3,227	-	-	1,327	-	1,327
18	Javed Ullah (Post Office Anyanya Wala Tundy Guru Sheikhpura)	Javed Ullah (35404-9178197-7)	Rai Sher Muhammad	1,640	508	-	2,148	-	-	514	-	514
19	Muhammad Afzal & Ahsan Ullah Safdar Hussain (Bhadray Post Office Kot Jay Singh Tehsil Nowshera Virkan Gujranwala)	Muhammad Afzal (34103-0537131-5) Ahsan Ullah (34103-0537127-7) Safdar Hussain (34103-0537133-5)	*Muhammad Khan Muhammad Khan Muhammad Khan*	1,196	1,108	-	2,304	-	-	1,093	-	1,093
20	Shahzad Haider Shah (Moza Pindi Shaikh Moosa, Tehsil Tandlianwala, District Faisalabad)	Shahzad Haider Shah (33106-0146459-1)	Safdar Shah	1,393	1,843	-	3,236	-	-	1,958	-	1,958
21	Muhammad Hanif (Chak No. 87/Wb Vehari)	Muhammad Hanif (36603-9595701-5)	Hakim Ali	1,000	665	-	1,665	-	-	683	-	683
22	Ahmad Nawaz (Nari Miana Post Office Wan Bhachran Tehsil Mianwali)	Ahmad Nawaz (38302-1091849-5)	Muhammad Nawaz	840	559	-	1,399	-	-	547	-	547
23	Bahar Ali (Chak Number 47/D Depalpur)	Bahar Ali (35301-8564722-1)	Mohammad Yar	709	1,415	-	2,124	-	-	1,335	-	1,335

S. No.	Name and address of the borrower	3	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2		4	5	6	7	8	9	10	11	12	13
Rupees in '000												
24	Iftakhar Ahmad (Post Office Adda Chakrala Chak No 87 / Wb District Vehari)	Iftakhar Ahmad (36603-3274313-9)	Faiz Sher	2,499	1,464	-	3,963	-	-	1,499	-	1,499
25	Noor Muhammad (Khari Koot Post Office Bhera Tehsil Bhalwal District Sargodha Bhera)	Noor Muhammad (38401-0352880-3)	Sardar Khan	324	813	-	1,137	-	-	764	-	764
26	Sheikh Abdul Ghaffar (548/C, Satellite Town Bahawalpur)	Sheikh Abdul Ghaffar (31204-8571906-9)	Sheikh Muhammad Din	2,071	4,831	-	6,902	-	-	5,055	-	5,055
27	Hammad Ahmed Qureshi (193 A 1 Township Lahore)	Hammad Ahmed Qureshi (35202-6684890-9)	Javed Ahmed Qureshi	-	1,803	-	1,803	-	-	1,443	-	1,443
28	Hammad Ahmed Qureshi (193 A 1 Township Lahore)	Hammad Ahmed Qureshi (35202-6684890-9)	Javed Ahmed Qureshi	1,379	2,333	-	3,712	-	-	1,867	-	1,867
29	Hassan Mehmood Shah (H- 2616 Mohalla Makhdoom Pura Bahawalpur)	Hassan Mehmood Shah (31202-2407388-7)	Syed Khair Shah	5,005	3,854	-	8,859	-	-	3,920	-	3,920
30	Malik Ghulam Haider (Village Jadda Post Office, Shahdara Lahore)	Malik Ghulam Haider (35202-8505170-9)	Dil Muhammad	827	2,403	-	3,230	-	-	2,543	-	2,543
31	Zaheer Abbas (Satellite Town Street No 5 House No 2 Near Masjid Al Noor Tehsil District Gujranwala)	Zaheer Abbas (36102-3175871-3)	Muhammad Aslam	1,320	141	-	1,461	-	-	198	334	532
32	Muhammad Usman (Dogar Milk Shop Muzafar Colony, Street# 22, Nawarban Wala Road Faisalabad)	Muhammad Usman (33103-4545895-3)	Chaudhary Muhammad Ahmad Dogar	2,644	163	-	2,807	-	-	312	314	626
33	Zulfiqar Ali Anjum (Dak Khana Dok otta 145 WB Tehsil Melsi Zila Vehari)	Zulfiqar Ali Anjum (36602-0380124-3)	Muhammad Abdullah	3,693	684	-	4,377	-	-	1,042	1,484	2,526
34	Khawer Ali Khan (Chak No172/R Post Office Chak No173 /R Tehsil Fortabbas District Bahawalnagar)	Khawer Ali Khan (34101-2646992-9)	Siraj Din	2,299	668	-	2,967	-	-	666	6,316	6,982
35	Mehboob Sarwar (Total Naroki Mahja Post Office Pattoki Tehsil Pattoki Dist Kasur)	Mehboob Sarwar (35103-9739486-1)	Ghulam Sarwar	2,325	134	-	2,459	-	-	502	583	1,085
36	99 Super Market (Satellite Town House No 230-C Bahawalpur)	Abdul Rehman Javied (31202-5627266-3)	Muhammad Javied Munir	4,800	1,516	-	6,316	-	-	1,245	634	1,879
37	Khokhar Ice Factory (Purani Mandi Mohalla Kashif Chowk Kinal Park Pattoki Dist Kasur)	Muhammad Asif (35103-0387252-5)	Hidayat Ali	6,334	1,922	-	8,256	-	-	1,895	998	2,893
38	Karamat Ali (House # 529 C Block Pak Arab Society Lahore)	Karamat Ali (352011011681-7)	Niaz Muhammad	2,240	910	-	3,150	-	-	927	647	1,574

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
39	Muhammad Nouran (House No 367 Baryon Delhi Gate Mohallah Gareeba Abad Multan)	Muhammad Nouran (36302-64492677)	Muhammad Shafiq	1686	331	-	2,017	-	-	335	561	896
40	Muhammad Ahmad (Basti Talli Wala Gareesh Pura PO Minchinabad Tehsil Minchinabad District Bahawalnagar)	Muhammad Ahmad (31105-8683238-7)	Qasim	1,345	247	-	1,592	-	-	286	248	534
41	Muhammad Suleman (Mundhali PO Lodhran Tehsil And Distt Lodhran)	Muhammad Suleman (36203-68380574)	Riaz Ahmad	1,744	319	-	2,063	-	-	329	248	577
42	Ali Autos (House # Daa-279 Raja Town Haroon Chowk ,Khana Kak ,Rawalpindi)	Raja Anees Ahmed Dhanyal (37405-5523175-9)	Raja Bradar Hussain Dhanyal	5,758	1,959	-	7,717	-	-	2,151	1,288	3,439
43	Chaudhry Imran Ali (House # 70 Mohallah Khabana Zahra Near Punjab Society Lahore)	Chaudhry Imran Ali (35202-39355241)	Chaudhry Gulzar Ali	2,596	554	-	3,150	-	-	615	699	1,314
44	Fahad Amir Ud Din (Stop Sarahevi Kharboza Near G & Co. Generator Centre G.T Road Tarnol Islamabad)	Fahad Amir Ud Din (37405-6769751-5)	Arneer Ud Din	859	165	-	1,024	-	-	173	400	573
45	Hussain Badshah Agri Farm (Mohallah Saadat Colony Khan Pur Rahim Yar Khan)	Syed Hussain Badshah (31301-7920669-5)	Tanvir Hussain Shah	9,872	2,054	-	11,926	-	-	2,757	1,606	4,363
46	Muhammad Dildar (Mangalwi Card Center Near Post Office Lodhran)	Muhammad Dildar (3610-34343879-5)	Dildar	1,448	177	-	1,625	-	-	189	588	777
47	Badi Uz Zaman (Zaman House Near Thana Saddar Khan Pur Road Rahim Yar Khan)	Badi Uz Zaman (31303-4379401-9)	Muhammad Anwar Chaudhry	1,486	209	-	1,695	-	-	273	232	505
48	Google Mobiles And Computers City (Tariq Colony Nazd Masjid Gama Minchinabad District Bahawalnagar)	Muhammad Aqib (31105-9946168-7)	Muhammad Ismail	3,428	232	-	3,660	-	-	1,072	551	1,623
49	Muhammad Kashif (Chah Hammar Wala ,Malan Haans PO Lodhran Tehsil And District Lodhran)	Muhammad Kashif (32102-6840480-9)	Muhammad Sadiq	1,963	435	-	2,398	-	-	573	459	1,032
50	Irfan Ali (Cheema Town Habib Colony St. No 8 House No 55 Bahawalpur)	Irfan Ali (53201-8713191-9)	Abdul Sattar	2,800	898	-	3,698	-	-	1,044	1,225	2,269
51	Muhammad Intizar (PO Adda Permit Samra Tehsil O Zila Lodharan Bahawalpur)	Muhammad Intizar (36203-9691322-5)	Muhammad Yousaf	1,709	303	-	2,012	-	-	426	332	758

S. No.	Name and address of the borrower	3	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
52	Mubeen Ali (House No 367-D, Mumtaz Abad, Rohani Road, Multan)	Mubeen Ali (36302-0399952-7)	Muhammad Yameen	1812	602	-	2414	-	-	659	603	1262
53	Mehran Sami & Company (Smc-Private) Limited (68W3Rd Floor, East Sama Plaza, Blue Area, Jinnah Avenue, Islamabad)	Abdul Sami (45203-8434063-3)	Nazir Ahmad	13622	4,466	-	18,088	-	-	5,666	4,058	9,724
54	Sajjad Ali (Atzal Karyana Store, House#128 Sultanabad, Westridge II Rawalpindi)	Sajjad Ali (37405-0667760-3)	Anayat Ali	1427	95	-	1,522	-	-	140	635	775
55	Jalees Fareed (Office No 19-20 White Center Plaza Near Shall Petrol Pump Chaudhary Bostan Khan Road Rawalpindi)	Jalees Fareed (37405-7361053-5)	Muhammad Fareed Khan	1,868	211	-	2,079	-	-	394	265	659
56	Sobia Khurram (House No. 532/D, Muhalla Mumtazabad Colony, Multan)	Sobia Khurram (36302-5410154-8)	Khurram Saeed	1,717	228	-	1,945	-	-	380	236	616
57	Ali Zain (Kacha Jumra PO Khass Chak No 187 Rb Bilo Ana Chak Jumra Faisalabad)	Ali Zain (33101-0902680-5)	Muhammad Ashraf	2,235	408	-	2,643	-	-	689	445	1,134
58	Bilal Ismail Zuberi (House No 62/15Th Commercial Street DHA Phase 04 Karachi)	Bilal Ismail Zuberi (42201-9835743-5)	Muhammad Hasan Zuberi	11,304	1,845	-	13,149	-	-	1,845	-	1,845
59	Muhammad Kamil Khan (House # 135-D Block-Z Mohallah Model Town Sadiq Abad)	Muhammad Kamil Khan (45504-145042-1)	Muhammad Jamil Khan	569	223	-	792	-	-	223	1,144	1,367
60	Ghulam Mustafa (Punjab Police Department Police Station Rojhan)	Ghulam Mustafa (32403-7201548-5)	Lal Baksh	477	153	-	630	-	-	199	936	1,135
61	Aliah Ditta (Aliah Ditta Traders Adda Bhawana Chak # 232 Jo Dis Jhang)	Aliah Ditta (33202-0999074-9)	Bahadar Khan	313	69	-	382	-	-	64	552	616
62	Yasir Mehmood (PO Aqurti Chak 757 Gb Teh Pir Mahal Distt Toba Tek Singh)	Yasir Mehmood (37405-2478624-1)	Sheikh Muhammad	1,104	121	-	1,225	-	-	260	261	521
63	Muhammad Naseer (Sunshine Hair Fashion Ghaliah Mandi Road Labour Colony)	Muhammad Naseer (31202-6286847-9)	Bashir Ahmad	430	147	-	577	-	-	147	965	1,112

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
64	Shakeel Iqbal (Dera Muhammadi Chah Tobay Wala, P.O.Khana Ram Kali, Dera Budhoo Malktehsil And District Multan)	Shakeel Iqbal (36303-0557482-1)	Muhammad Iqbal	2,374	481	-	2,855	-	-	763	663	1,426
65	I Z Enterprises (House No. C-79 Bostan-E-Rafi, Malir City, Karachi)	Izhar Hussain (42101-2259781-1)	Muhammad Akbar	2,777	864	-	3,641	-	-	1,262	292	1,554
66	Syed Sajid Hussain Shah (Sargodha Road H.No B171021 Street No 24 Mohalian Faizabad Gujrat)	Syed Sajid Hussain Shah (34201-0579781-9)	Bashir Hussain Shah	689	319	-	1,008	-	-	339	944	1,283
67	Khalid Hussain (Alpa Sadhari Po Khas Tehsil Pattoki)	Khalid Hussain (351032182194-3)	Muhammad Soba Sardar	877	322	-	1,199	-	-	317	1,343	1,660
68	ZK Enterprises (Shop # 2 Plot # B-101 Gawailor Co-Operative Housing Society Scheme 33 Gulzar-E-Hijri Karachi)	ZK Enterprises (42201-8465855-7)	Muhammad Awais Khan	2,022	194	-	2,216	-	-	521	200	721
69	Haider Abbas (House 26 St 3 Gujarpura Pindi Rajputan KLP)	Haider Abbas (37405-9985855-3)	Muhammad Sarwar	1,753	200	-	1,953	-	-	385	773	1,158
70	Ghulam Ahmad (Street No 1, Mukhtiyar Town Al Mustafa Road Multan)	Ghulam Ahmad (36302-9223476-1)	Shahid Hussain	1,842	99	-	1,941	-	-	315	595	910
71	Shahid & Brothers (Shop # 3, Main Bazaar, Jhumra Road, Khurianwala, Faisalabad)	Shahid Naseem (33104-4136443-3)	Haji Abdul Ghani	-	1,650	-	1,650	-	-	878	-	878
72	AL Fazal Rice Mills (Manak Tehsil & District Narowal)	Muhammad Riaz Goraya (34501-8519544-7) Anjum Nadeem Butt (34501-4073956-9) Zulfiqar Haider (34502-7921668-1) Sajjad Ahmed Malik (34502-1510635-7) Jahangir Ijaz (34501-3247226-9)	*Fazal Din Muhammad Anin Rehmat Ali Malik Madsood Ahmed Aljaz Ul Hassan	4,991	6,590	-	11,581	-	-	4,221	-	4,221
73	Nasir Traders (Dajal Road Jampur, Jampur)	Muhammad Nasir Bashir (32402-1437649)	Bashir Ahmed	-	4,506	-	4,506	-	-	3,596	-	3,596
74	Pangold Enterprises (04 km Burewala Road Vehari)	Khursheed Ahmad (35202-8703269-9) Naveed Anwar (35202-3798076-3) Waheed Anwar (36601-1151561-1) Ms Kaneez Akhtar (35202-6382706-6)	Shah Muhammad Khursheed Ahmed Khursheed Ahmed Khursheed Ahmed	97	3,737	-	3,834	-	-	1,421	-	1,421

S. No.	Name and address of the borrower	3	4	Outstanding Liabilities at beginning of year				9	10	11	12	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
75	Usman Rice Mills (Hameed Pur Kallan Tehsil Kamoke Dist. Gujranwala)	Umer Ashraf Sandho (34102-0464501-3) Hamid Imran (34102-0464511-3) Muhammad Ashraf Sindhu (34102-0464500-7)	Muhammad Ashraf Fateh Muhammad Muhammad Ashraf	4,493	34,142	-	38,635	-	-	19,147	-	19,147
76	Shan Traders (Hameed Pur Klan Tehsil Kamoke Dist. Gujranwala)	Umer Ashraf Sandho (34102-0464501-3)	Muhammad Ashraf	-	5,058	-	5,058	-	-	1,201	-	1,201
77	Rizwan Commission Shop (Mangowal Gharbi, Gujrat)	Muhammad Arif (34201-0359551-7)	Muhammad Arayalt	34	8,737	-	8,771	-	-	4,717	-	4,717
78	Sajid Mehmood Cotton Ginners (Kachi Muhammad Khan Kip Road Liqatpur)	Malik Khalid Mehmood (31302-2152648-5) Malik Sajid Mehmood (31302-2152625-1)	Malik Jind Wadda Malik Jind Wadda	-	52,269	-	52,269	-	-	27,449	-	27,449
79	Mohammad Usman (Shop No 83 Tolinton Market Lahore)	*Muhammad Usman (32202-9108879-9)	Sheikh Abdul Rehman	389	18,600	-	2,249	-	-	643	-	643
80	Sultan Weaving Factory (Chak # 67 JB, Sadhar By-Pass, Mulla Pur Road, Jhang Road, Faisalabad)	Muhammad Sultan (33100-3181749-9)	Muhammad Akhtar	4,270	5,137	-	9,407	-	-	2,438	-	2,438
81	Iqra Enterprises (House # 5, Street # 14, Chowk Ahmad Park, Ravi Road, Lahore)	Muhammad Saleem Akbar (35202-3772243-5)	Muhammad Akbar Khan	10,109	9,348	-	19,457	-	-	6,420	-	6,420
82	Jilani Agro Services (Head Bakini, Tehsil Jatol, Dist. Muzaffargarh)	*Zafar Hayat (32302-8088208-5)	Muhammad Hayat	3,768	19,292	-	23,060	-	-	8,390	-	8,390
83	S.S.B. Rice Mills (Plot # 112, Industrial Estate Phase Im Multan)	Shafiqat Rasool (33201-4069281-7) Muhammad Saqlain (33201-2000216-1) Zohab Shafiqat (36302-1148347-1)	Muhammad Hussain Muhammad Hussain Shafiqat Rasool	-	16,387	-	16,387	-	-	7,755	-	7,755
84	Javed Traders (House No.175, Block Z, Mouza Malgeo, Housing Colony, Near Umar Hospital, Tehsil & District Nankana Sahib*)	Muhammad Asif (35402-1936730-5)	Muhammad Ramzan Javald	10,130	11,895	-	22,025	-	-	7,320	-	7,320
85	Asif Mehmood Shah Bukhari (Chungi # 1 Haji Pura Multan)	Asif Mehmood Shah Bukhari (36302-5315755-1)	Manzoor Hussain	495	1,392	-	1,887	-	-	713	-	713

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
86	Muhammad Hanif Weaving (Factory Jhang Road, Sadhar)	Muhammad Hanif (33100-2389019-1)	Muhammad Bux	-	15,568	-	15,568	-	-	4,645	-	4,645
87	Anwar & Brothers (Ghalla Mandi Kamoke)	Anwar Ali Khan (34102-0452452-5)	Ghulam Mohy ud Din Khan	208	4,222	-	4,430	-	-	1,479	-	1,479
88	S T Enterprises (Room # 13, 4Th Floor, Imitiaz Plaza, 85-Mall Road, Lahore)	Mian Shahzad Waseem (late) (502-50-358662)	Mian Waseem	1,709	2,250	-	3,959	-	-	3,241	-	3,241
89	Haji Rauf Hussain Cloth Merchant (Main Bazar, Tehsil Jatot, Distt. Muzaffargarh)	Mian Baqar Masood (32302-2843981-3)	Rauf Hussain	481	1,502	-	1,983	-	-	832	-	832
90	Abid Shehzad & Co. (General Bus Stand Main Road, Satellite Town, Sargodha)	Abid Shahzad (38403-2104191)	Munawar Hussain	55	1,939	-	1,994	-	-	554	-	554
91	Al Haq Traders (House # 1-S13, Block # 08, Sargodha)	Muhammad Azhar ul Haq (38403-2070079-5)	Fazal Haq	2,680	9,081	-	11,761	-	-	4,596	-	4,596
92	Iqbal Garments (Iqbal Garments, Main Market, Shart Bazar Kabirwala, Distt. Khanewal)	Muhammad Iqbal (36102-2762921-5)	Muhammad Sharif	1,200	1,672	-	2,872	-	-	575	-	575
93	Al-Sahil Textiles (11-km Jaranwala Road, Faisalabad)	Mian Muzam Hussain Arif (33100-6706995-1)	Muhammad Ramzan Javed	6,635	19,776	-	26,411	-	-	12,024	-	12,024
94	Hanif Metal Store (Bhaghatpura Hadbast Mauza Ram Kishan Wala, Lahore)	Muzammil Amin (35202-4390222-7)	Choudhary Muhammad Amin	406	4,025	-	4,431	-	-	1,214	-	1,214
95	Muhammad Mushtaq (Ghais Pur, PO Alma Qazian, Tehsil & Distt. Narowal)	Muhammad Mushtaq (34501-1934631)	Niamat Ali	2,062	1,577	-	3,639	-	-	975	-	975
96	Rehman Industries (Bhora Glai # 2 Bhowana Bazar Faisalabad)	Uneeb-Ur-Rehman (33100-9450376-3)	Saeed-ur-Rehman	7,772	18,643	-	26,415	-	-	9,887	-	9,887
97	Saith Saree House (205/206, Panorama Centre, The Mall Road, Lahore)	Zubair Bashir (35202-7992389-1)	Muhammad Bashir	5,701	13,325	-	19,026	-	-	8,762	-	8,762
98	Asad Traders (Marah Bashi, PO Ramke Chattha Dist. Hafizabad)	Afzal Nawaz (34301-1668130-1)	Muhammad Nawaz	-	34,792	-	34,792	-	-	12,882	-	12,882
99	Dadu Energy (Pvt) Limited (CL 5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi)	Khawaja Nimr Majid (42000-1246900-5) Sultan Ahmed (41303-1538710-7)	*Khawaja Anver Majid Muhammad Younis	9,345	6,985	-	16,330	-	-	3,960	-	3,960

S. No.	Name and address of the borrower	3	4	Outstanding Liabilities at beginning of year				9	10	11	12	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
100	Ittehad Textile Industries Pvt Ltd (Dost Street Samundri Road, Faisalabad)	Nazim Shehzad (33100-7992549-1) Ahmad Sultan Nazim Sheikh (33100-8229322-7) Muhammad Naeem Akhtar (33100-2090470-3)	Haji Maqsood Ahmad Nazim Shahzad Faqr Muhammad	177010	43042	-	220052	-	-	24640	-	24640
101	Khawaja Spinning Mills Limited (10-L, Ferozpur Road, Gulberg-III, Lahore)	Khawaja Muhammad Tanveer (34101-4358809-7) Aliya Tanveer (34101-9415962-2) Nazish Jehanzeb (35202-3499088-0)	Khawaja Muhammad Ishaq Khawaja Muhammad Tanveer Muhammad Ishaq	64152	130006	-	194158	-	-	60790	-	60790
102	OK Feed Mills (Pvt) Ltd (39-C, Ahmad Block, New Garden Town, Lahore)	Syed Mushahid Shah (35202-6321378-9) Nageen Mushahid (35202-5141026-6)	Syed Mujahid Shah Syed Mushahid Shah	-	41871	-	41871	-	-	41871	-	41871
103	Kamran Textile (Pvt) Limited (05 km, Jaranwala Road, Khurrianwala, Faisalabad)	Muhammad Bashir Sheikh (42301-6076549-5) Muhammad Farooq Bashir (42000-0574079-5) Muhammad Sajid Bashir (42000-0574079-5) Jawad Kamran (42000-5672982-5) Fawad Kamran (42000-5588432-5) Fahad Kamran (42000-9559885-1)	Sheikh Abdur Raheem Muhammad Bashir Sheikh Muhammad Bashir Sheikh Muhammad Farooq Bashir Muhammad Farooq Bashir Muhammad Sajid Bashir	252776	245937	-	498713	-	-	75536	-	75536
104	Lucky Linker (Pvt) Ltd (Khanewal Road, Opp TTC, Multan)	Chaudhry Muhammad Ranzan (36302-755085-9) Zaheer Ahmad Babar (36302-5370175-9) Tariq Mehmood Khan (36302-2715595-7)	*Rehmat Ali Bashir Ahmad Murtaz Muhammad Tufail Khan	-	24358	-	24358	-	-	7858	-	7858
105	I.U. Rehman Textile Mills (Pvt) Ltd. (H# 66-68, Bosan Road, Nasheman Colony, Multan)	Ishtiaq ur Rehman (35200-9670992-3) Muhammad Ali Rehman Khan (36302-0513842-7)	Abdur Rehman Ishtiaq ur Rehman	39809	136654	-	176463	-	-	34250	-	34250

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
106	Super Tech Casting Private Limited (H# 221, St# 5, Cavalry Ground, Lahore Cantt.)	Muhammad Ishaq Mirza (352012638870-5) Shahida Ishaq (352011156661-0) Waqas Gohar (352012104130-9) Ahsan Gohar (352011880812-9)	Muhammad Ismail Muhammad Ishaq Mirza Muhammad Ishaq Mirza Muhammad Ishaq Mirza	8724	31,892	-	40,616	-	-	13,662	-	13,662
107	Noor Fatima Fabrics (Pvt.) Limited (5 km Jarawala Road, Khurrinawala Faisalabad)*	Ajmal Farooq (33100-2966254-3) Muhammad Ali Shahid (33100-9910974-3) Shazia Yasmeen (33100-0894883-0) Robina Yasmeen (33100-0904750-0) Tahira Saleem (33100-0894883-8)	Abdul Ghani Muhammad Shahid Iqbal Muhammad Atif Ajmal Farooq Muhammad Shahid Iqbal	70,618	40,742	-	111,360	-	-	22,183	-	22,183
108	Punjab Enterprises (H# 347, Qaid-e-Azam Road, Jinnah Colony, Sialkot.)	Ch. Arshad Javed Warraich (Late) (34603-8979862-1)	Muhammad Hussain	206,360	142,784	-	349,144	-	-	193,914	-	193,914
109	Aehsun Muhammad Hamayun Shaikh (Ismail Awan-Science, Shaikh Room, Off Ferozpur Road, Lahore.)	Aehsan Humayun Shaikh (35201-5252539-3)	Humayun Naseer Shaikh	7,276	61,185	-	68,461	-	-	22,240	-	22,240
				1060,705	1,304,923	-	2,365,628	-	-	753,799	34,657	788,456

ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the December 31, 2025, the Bank is operating 210 Islamic banking branches (2024: 210 Islamic banking branches) and 534 Islamic banking windows (2024: 258 Islamic banking windows).

STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

		2025	2024
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		17123,462	12,893,765
Balances with other banks		3,427,248	774,490
Due from financial institutions	1	1,997,051	14,769,016
Investments	2	116,683,760	55,521,524
Islamic financing and related assets - net	3	132,457,763	79,408,331
Property and equipment		2,347,799	2,184,672
Right-of-use assets		3,301,907	3,148,547
Intangible assets		11,708	13,053
Due from Head Office		3,030,374	10,691,544
Other assets		13,161,436	9,389,214
Total assets		293,542,508	188,794,156
LIABILITIES			
Bills payable		1,185,243	865,968
Due to financial institutions	4	6,808,571	2,108,804
Deposits and other accounts	5	251,147,748	158,743,365
Due to head office		-	-
Lease liabilities		4,390,951	3,923,690
Subordinated debt		-	-
Other liabilities		5,580,782	3,022,990
Total liabilities		269,113,295	168,664,817
NET ASSETS		24,429,213	20,129,339
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		14,001	30,832
Surplus on revaluation of assets		312,447	385,024
Unappropriated profit	6	22,102,765	17,713,483
		24,429,213	20,129,339
CONTINGENCIES AND COMMITMENTS			
	7		

ISLAMIC BANKING BUSINESS

STATEMENT OF PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2025

		2025	2024
	Note	Rupees in '000'	
Profit / return earned	8	21,489,626	26,160,280
Profit / return expensed	9	10,421,523	13,709,472
Net profit / return		11,068,103	12,450,808
Fee and commission income		931,855	502,176
Dividend income		-	-
Foreign exchange loss		(264,934)	(226,054)
Income / (loss) from derivatives		-	-
(Loss) / gain on securities		(204,625)	359,067
Other income		72,547	114,743
		534,843	749,932
Total income		11,602,946	13,200,740
Other expenses			
Operating expenses		7,080,684	5,158,636
Workers Welfare Fund		-	-
Other charges		628	123
		7,081,312	5,158,759
Profit before credit loss allowance		4,521,634	8,041,981
Charge / (reversal) of credit loss allowance and write offs - net		132,352	(773,424)
Profit before taxation		4,389,282	8,815,405
Taxation	10	-	-
Profit after taxation		4,389,282	8,815,405

ISLAMIC BANKING BUSINESS

CASH FLOWS STATEMENT

For the year ended December 31, 2025

Annexure II

	2025	2024
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,389,282	8,815,405
Less: dividend income	-	-
	4,389,282	8,815,405
Adjustments for:		
Depreciation on property and equipment	409,382	242,456
Amortization on intangible assets	2,109	1,704
Depreciation on ijarah assets under IFAS - 2	793,471	353,078
Depreciation right-of-use assets	563,040	423,035
Markup on lease liability against right-of-use assets	508,539	460,686
Amortization of premium on debt securities - net	624,638	98,672
Gain on termination of lease liability against right-of-use assets	(104,659)	(104,659)
Gain on sale of property and equipment - net	(872)	(872)
Realized loss / (gain) on sale of securities - net	204,625	(359,067)
(Reversal) / charge of credit loss allowance against lending to financial institutions	(38,035)	12,825
Charge / (reversal) of credit loss allowance for diminution in value of investments	588,492	(17,537)
Reversal of credit loss allowance against loans & advances	(348,962)	(965,244)
(Reversal) / charge of credit loss allowance against balances with treasury banks	(2,688)	14,714
Credit loss allowance against other assets - net	8,349	16,879
(Reversal) / charge of credit loss allowance against off balance sheet obligations	(76,616)	167,572
Charge / (reversal) of credit loss allowance against balance with other banks	1,812	(2,633)
	3,132,625	341,609
	7,521,907	9,157,014
(Increase) / decrease in operating assets:		
Lendings to financial institutions	12,810,000	(10,875,000)
Advances	(53,493,941)	26,531,397
Others assets	3,880,599	(11,821,583)
	(36,803,342)	3,834,814
Increase in operating liabilities:		
Bills payable	319,275	155,134
Due to financial institutions	4,699,767	31,191
Deposits and other accounts	92,404,383	45,410,867
Other liabilities	2,617,577	(40,330,899)
	100,041,002	5,266,293
Net cash flow from operating activities	70,759,567	18,258,121
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments	(62,552,846)	(12,171,898)
Investments in property and equipment & intangible assets	(672,123)	(1,165,810)
Net cash used in investing activities	(63,224,969)	(13,337,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(653,019)	(639,907)
Net cash used in financing activities	(653,019)	(639,907)
Net increase in cash and cash equivalents	6,881,579	4,280,506
Impact of ECL on cash and cash equivalents	876	(35,705)
Cash and cash equivalents at beginning of the year	13,668,255	9,423,454
Cash and cash equivalents at end of the year	20,550,710	13,668,255

1. DUE FROM FINANCIAL INSTITUTIONS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Unsecured Placement	2,000,000	-	2,000,000	14,810,000	-	14,810,000
Less: Credit loss allowance Stage-1	(2,949)	-	(2,949)	(40,984)	-	(40,984)
	1,997,051	-	1,997,051	14,769,016	-	14,769,016

2. INVESTMENTS BY SEGMENTS

	Note	2025				2024			
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
Amortised cost									
Federal Government securities									
- Ijara Sukuk		9,529,795	-	-	9,529,795	9,561,046	-	-	9,561,046
- Bai Maujjal		3,160,214	-	-	3,160,214	-	-	-	-
Non Government debt securities 2.1		1,541,158	(608,192)	-	932,966	2,122,068	(19,700)	-	2,102,368
		14,231,167	(608,192)	-	13,622,975	11,683,114	(19,700)	-	11,663,414
FVOCI									
Federal Government securities									
- Ijara Sukuk		102,565,732	-	172,852	102,738,584	34,514,669	-	287,582	34,802,251
Non Government debt securities		-	-	-	-	8,266,007	-	(15,008)	8,250,999
		102,565,732	-	172,852	102,738,584	42,780,676	-	272,574	43,053,250
FVTPL									
Federal Government securities									
- Islamic Naya Pakistan Certificate		322,201	-	-	322,201	804,860	-	-	804,860
		322,201	-	-	322,201	804,860	-	-	804,860
Total investments		117,119,100	(608,192)	172,852	116,683,760	55,268,650	(19,700)	272,574	55,521,524
2.1 Particulars of credit loss allowance		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Non Government debt securities		1,124	-	607,068	608,192	19,700	-	-	19,700

	Note	2025	2024
		Rupees in '000'	
3. ISLAMIC FINANCING AND RELATED ASSETS - NET			
Ijarah	3.1	8,515,516	3,472,893
Murabaha	3.2	261,848	272,036
Musharaka		20,428,804	8,198,268
Diminishing musharaka		75,135,626	42,190,942
Payment against documents		55,304	55,304
Waqala		4,107,244	7,064,896
Istisna		15,786,835	10,565,509
Musawamah financing		8,732,339	7,731,982
Tijarah financing		1,392,151	2,163,367
Gross islamic financing and related assets		134,415,667	81,715,197
Less: Credit loss allowance against islamic financings			
Stage 1		469,962	468,232
Stage 2		218,987	281,189
Stage 3		1,268,955	1,557,445
		1,957,904	2,306,866
Islamic financing and related assets - net of credit loss allowance		132,457,763	79,408,331

3.1 Ijarah

	2025								
	Cost				Depreciation			Book value	
	As at Jan 01, 2025	Additions	Deletion / adjustment	As at Dec 31, 2025	As at Jan 01, 2025	Deletion / adjustment	Charge for the year	As at Dec 31, 2025	as at Dec 31, 2025
	Rupees in '000'								
Plant and machinery	56,251	72,679	-	128,930	9,467	-	19,937	29,404	99,526
Vehicles	2,606,537	6,387,704	(340,636)	8,653,605	492,631	(122,449)	773,534	1,143,716	7,509,889
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,312,203	-	(406,102)	906,101	-	-	-	-	906,101
Total	4,151,588	6,460,383	(746,738)	9,865,233	678,695	(122,449)	793,471	1,349,717	8,515,516

	2024								
	Cost				Depreciation			Book value	
	As at Jan 01, 2024	Additions	Deletion / adjustment	As at Dec 31, 2024	As at Jan 01, 2024	Deletion / adjustment	Charge for the year	As at Dec 31, 2024	as at Dec 31, 2024
	Rupees in '000'								
Plant and machinery	29,766	53,430	(26,945)	56,251	18,451	(17,668)	8,684	9,467	46,784
Vehicles	1,434,450	1,851,435	(679,348)	2,606,537	212,910	(64,673)	344,394	492,631	2,113,906
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,218,305	500,000	(406,102)	1,312,203	-	-	-	-	1,312,203
Total	2,859,118	2,404,865	(1,112,395)	4,151,588	407,958	(82,341)	353,078	678,695	3,472,893

3.1.1 Future ijarah payments receivable

	2025				2024			
	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'				Rupees in '000'			
Ijarah rental receivables	708,638	7,045,562	761,316	8,515,516	597,106	2,342,603	533,184	3,472,893

	Note	2025	2024
		Rupees in '000'	

3.2 Murabaha

Murabaha financing	3.2.1	224,729	235,148
Advances for murabaha		37,119	36,888
		261,848	272,036

3.2.1	Murabaha receivable - gross	3.2.2	285,229	295,417
	Deferred murabaha income	3.2.4	(6,338)	(3,008)
	Profit receivable shown in other assets		(54,162)	(57,261)
	Murabaha financings		224,729	235,148

3.2.2	The movement in murabaha financing during the year is as follows:			
	Opening balance		295,417	1,000,684
	Sales during the year		624,610	921,776
	Adjusted during the year		(634,798)	(1,627,043)
	Closing balance		285,229	295,417

	Note	2025 Rupees in '000'	2024
3.2.3	Murabaha sale price	294,509	303,435
	Murabaha purchase price	(224,728)	(235,148)
		69,781	68,287
3.2.4	Deferred murabaha income		
	Opening balance	3,008	45,018
	Arising during the year	33,003	42,978
	Recognized during the year	(29,673)	(84,988)
	Closing balance	6,338	3,008

3.3 Islamic financing and related assets include Rs. 2,247,218 thousand (2024: Rs. 2,929,643 thousand) which have been placed under non-performing status.

4 DUE TO FINANCIAL INSTITUTIONS

Secured - Borrowings from SBP under:			
Islamic Export Re-Finance scheme (IERF)	4.1	540,000	779,900
Islamic Long Term Financing Facility (ILTFF)	4.2	82,557	96,316
Financing Facility for Storage of Agriculture Produce (FFSAP)	4.3	185,000	185,000
Finance Facility for Islamic Temporary Economic Refinance Facility (ITERF)	4.4	789,014	1,047,588
Finance facility for Modernization of SMEs	4.5	12,000	-
Unsecured			
Call borrowings		5,200,000	-
		6,808,571	2,108,804

4.1. These represent borrowings made under the scheme for providing financing to exporters for adoption of new technologies and modernization of plant and machinery. These borrowings carry profit payable quarterly at rates ranging from 7.50% to 08.00% per annum (2024: 10% to 14.50% per annum) with maturities upto June 16, 2026.

4.2. This amount has been obtained for providing long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 7.00% per annum (2024: 4.00% to 16.00% per annum) with maturities upto June 30, 2036.

4.3. These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 4.25% per annum (2024: 4.25% per annum) with maturities upto December 30, 2031.

4.4. These represent borrowings under scheme of Islamic temporary economic refinance facility (ITERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% per annum) with maturities upto April 27, 2032.

4.5. These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMEs). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2024: 2.00% per annum) with maturities upto March 31, 2026.

5. DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers						
Current deposits	83,549,224	2,152,123	85,701,347	37,466,351	1,243,324	38,709,675
Savings deposits	125,553,606	485,182	126,038,788	102,120,880	497,296	102,618,176
Term deposits	31,464,235	6,432,976	37,897,211	11,353,436	4,455,062	15,808,498
Margin deposits	41,434	-	41,434	35,364	-	35,364
	240,608,499	9,070,281	249,678,780	150,976,031	6,195,682	157,171,713
Financial institutions						
Current deposits	48,653	69,567	118,220	49,334	103,629	152,963
Savings deposits	1,350,573	-	1,350,573	1,418,456	186	1,418,642
Term deposits	-	-	-	-	-	-
Margin deposits	175	-	175	47	-	47
	1,399,401	69,567	1,468,968	1,467,837	103,815	1,571,652
	242,007,900	9,139,848	251,147,748	152,443,868	6,299,497	158,743,365

		2025	2024
		Rupees in '000'	
5.1 Composition of deposits			
- Individuals		68,315,002	22,026,152
- Private sector		98,324,280	82,794,052
- Government		81,722,797	50,487,277
- Public sector entities		1,316,700	1,864,232
- Banking companies		181,131	130,234
- Non-banking financial institutions		1,287,838	1,441,418
		251,147,748	158,743,365

5.2 This includes deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 134,208,748 thousand (2024: Rs 88,107,446 thousand).

5.3 Current deposits include call deposits amounting to Rs. 6,266,180 thousand (2024: Rs. 2,472,287 thousand).

		2025	2024
		Rupees in '000'	
6. ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT			
Opening balance		17,713,483	10,393,540
Impact of adoption of IFRS-09		-	(1,495,462)
Islamic banking profit for the year		4,389,282	8,815,405
Closing balance		22,102,765	17,713,483
7. CONTINGENCIES AND COMMITMENTS			
Guarantees		6,251,417	10,387,396
Commitments		40,661,426	17,705,266
		46,912,843	28,092,662

	Note	2025 Rupees in '000'	2024
7.1 Guarantees:			
Financial guarantees		18,200	18,200
Performance guarantees		2,488,032	1,419,293
Other guarantees		3,745,185	8,949,903
		6,251,417	10,387,396
7.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		14,627,627	4,075,301
Commitments in respect of - forward lending	7.2.1	21,457,478	9,078,833
Commitments in respect of purchase forward foreign exchange contracts		4,553,767	4,548,013
Commitments for acquisition of:			
- property and equipment		1,513	3,119
- intangible assets		21,041	-
		40,661,426	17,705,266
7.2.1 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend		21,457,478	9,078,833
7.2.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
		2025 Rupees in '000'	2024
8. PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT			
Profit earned on:			
Financing		11,156,798	16,658,578
Investments		9,191,692	7,982,396
Placements		1,029,822	1,068,460
Deposits with financial institutions		-	80
IFRS-09 adjustment for staff finance - notional		111,314	450,766
		21,489,626	26,160,280
9. PROFIT ON DEPOSITS AND OTHER DUES EXPENSED			
Deposits and other accounts		9,739,590	11,003,221
Markup on lease liability against right-of-use assets		508,539	460,686
Markup on borrowings		197,571	155,296
Profit on deposits from conventional Head Office		31,517	2,053,266
IFRS-09 adjustment on borrowings - notional		(55,694)	37,003
		10,421,523	13,709,472
10.	The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 2,435,174 thousand (2024: Rs. 4,015,417 thousand).		

	2025	2024
	Rupees in '000'	
11. CHARITY FUND		
Opening balance	76,730	39,321
Additions during the year :		
Received from customers on account of delayed payment	58,647	60,935
Profit on charity saving account	4,282	3,924
	62,929	64,859
Payments / utilization during the year :		
Education	(30,000)	(11,920)
Welfare works	(5,000)	(7,000)
Health	(42,000)	(8,530)
	(77,000)	(27,450)
Closing balance	62,659	76,730

12. POOL MANAGEMENT

12.1 BOP TAQWA islamic banking division is maintaining following pools for profit declaration and distribution.

i) General pool	ii) Special pool-I (Equity)
iii) Special pool-II	iv) Special pool-IV
v) Special pool-VII (PER)	vi) Special pool-IX
vii) Special pool-XIII	viii) Special pool-XIV
ix) Special pool-XV	x) Special pool-XVI
xi) Special pool-XVII	xii) Special pool-XVIII
xiii) Special pool-XIX	xiv) Special pool-XX
xv) Special pool-XXI	xvi) Special pool-XXII
xvii) Special pool-XXIII	xviii) Special pool-XXIV
xix) Special pool-XXV	xx) Special pool-XXVI
xxi) Special pool-XXVII (IERS Pool)	xxii) Special pool-XXVIII
xxiii) Special pool-XXIX	xxiv) Special pool-XXX
xxv) Special pool-XXXI	xxvi) Special pool-XXXII
xxvii) Special pool-XXXIII	xxviii) Special pool-XXXIV
xxix) Special pool-XXXV	xxx) Special pool-XXXVI
xxxi) Special pool-XXXVII	xxxii) Special pool-XXXVIII
xxxiii) Special pool-XXXIX	xxxiv) Special pool-XXXX
xxxv) Special Saving Pool-I	xxxvi) RFC Special Pool-I
xxxvii) Taqwa Foreign Currency USD Pool	xxxviii) Taqwa Foreign Currency GBP Pool
xxxix) Taqwa Foreign Currency EURO Pool	xxxx) USD special pool-I
xxxxi) USD special pool-II	xxxxii) USD special pool-III
xxxxiii) USD special pool-IV	xxxxiv) USD RFC Special Pool-I
xxxxv) GBP RFC Special Pool-I	xxxxvi) EUR RFC Special Pool-I
xxxxvii) Taqwa Foreign Currency CHF Pool	xxxxviii) EURO special pool-I

Appart from above, BOP Taqwa Islamic banking division also maintaining Musharakah based treasury Pool as and when required.

12.2 General pool

The general pool comprises of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as fund manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pool is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of period concerned.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-Islamic Banking Division (IBD) as Mudarib.

a) Weightages for distribution of profit in general pool

Profit is calculated on the basis of daily product balance in Mudaraba based depositors' accounts and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment.
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, Islamic Banking Institutions and Shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.3 Special pools

The special pools comprise of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as Fund Manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pools is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of concerned period.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-TAQWA as Mudarib.

a) Weightages for distribution of profit in special pools

Profit is calculated on daily product basis and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, islamic banking institutions and shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.4 Avenues / sectors of economy / business where mudaraba based deposits have been deployed:

	2025	2024
	Rupees in '000'	
Federal and provincial governments	2,252,685	2,269,926
Due from GOP - bai muajjal	3,160,214	-
Placement with Financial Institutions	2,000,000	14,810,000
Ijara sukuk	112,095,527	44,075,715
Transport, storage, logistics and communication	562,820	155,214
Manufacturing and trading of food items	5,274,289	6,024,272
Manufacture of pesticides and other agro-chemical product	99,475	60,639
Power generation	33,393,068	17,599,980
Manufacture of paper, paperboard and products thereof	37,000	37,000
Consumer car Ijarah	6,696,182	1,629,192
Consumer Housing / LCH	1,978,200	1,811,652
Textile composite / other	9,272,638	5,975,674
Cement & allied	6,364,090	2,862,154
Iron & steel industry	4,642,279	3,572,712
Rubber / plastic products etc.	2,572,459	247,850
Others	66,566,048	53,101,804
	256,966,974	154,233,784

12.5 Charging expenses

The direct expenses are being charged to the pool, while indirect expenses including the establishment cost is being borne by BOP IBD as Mudarib. The direct expenses to be charged to the pool may include cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee or documentation charges, brokerage fee for purchase of securities/commodities etc.

	2025	2024
	Rupees in '000'	
Credit loss allowance		
Murabaha	897	65,338
Istisna	6,067	28,900
Ijarah	(154,112)	246,217
Diminishing Musharika	(180,310)	1,835,027
Musharaka	-	44,675
Musawamah financing	1,377	39,470
Payment against documents	30,395	24,909
Tijarah financing	-	8,037
Waqala	-	14,293
	(295,686)	2,306,866

12.6 Mudarib share (in amount and percentage of distributable income):

	2025		2024	
	Rupees in '000'	Percentage %	Rupees in '000'	Percentage %
Rabbul mal	9,079,229	61.79%	13,129,999	65.62%
Mudarib	5,614,958	38.21%	6,880,087	34.38%
Distributable income	14,694,187	100.00%	20,010,086	100.00%

12.7 Amount & percentage of mudarib share transferred to depositors through Hiba:

	2025	2024
	Rupees in '000'	
Mudarib share	5,614,958	6,880,087
Hiba	572,094	229,371
Hiba percentage of mudarib share	10.19%	3.33%

This is not a special hiba as such. This hiba has been distributed across the Board to all the account holders.

12.8 Profit rate earned vs. profit rate distributed to the depositors during the year:

Profit rate earned	12.15%	19.45%
Profit rates distributed to depositors	4.95%	10.04%



07.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025





A.F.FERGUSON & Co.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BANK OF PUNJAB

Opinion

We have audited the annexed consolidated financial statements of The Bank of Punjab (the Bank) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

nr

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■ KARACHI ■ LAHORE ■ ISLAMABAD

www.pwc.com/pk

Following is the Key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Credit loss allowance against advances and off-balance sheet obligations: (Refer notes 4.8, 5.1, 5.5, 5.19, 10, 22.1 and 34 to the consolidated financial statements) The Group records credit loss allowance against advances and off-balance sheet obligations in accordance with the requirements of the application instructions issued by the State Bank of Pakistan (SBP) for IFRS Accounting Standard 9 'Financial Instruments' (IFRS 9). Under IFRS 9, the Group assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with all advances and other debt financial assets not held at fair value through profit and loss, together with off-balance sheet obligations including letters of credit, guarantees and unutilised financing commitments. A lifetime ECL is recorded on advances and off-balance sheet obligations in which there have been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on advances and off-balance sheet obligations which are credit impaired as on the reporting date. A 12 months ECL is recorded for advances and off-balance sheet obligations which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Group compares the risk of a default occurring on the advances as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12 months ECL are calculated at facility level. The allowance is increased by provisions charged to the consolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries. The Group records charge for Stage 3 based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the SBP. This assessment is conducted at the borrower / facility level for corporate, commercial, retail and consumer portfolios. If one facility of a counterparty becomes more than 90 days past due or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3. The measurement of ECL involves evaluating a range of possible outcomes, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions.	Our audit procedures to verify credit loss allowance against advances and off-balance sheet obligations included, amongst others, the following: - We obtained and updated our understanding of management's assessment of credit loss allowance in respect of advances and off-balance sheet obligations including the Group's internal rating model, accounting policy and model methodology including any key changes made during the year. - We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Group to identify loss events and for determining the extent of provisioning required against advances and off-balance sheet obligations. - The testing of controls included testing of: - controls over correct classification of customers under the applicable financial reporting framework; - controls over monitoring of customers with higher risk of default having exposure of advances and off-balance sheet obligations and correct classification of customers' exposure on subjective criteria; - controls over accurate computation and recording of credit loss allowance; and - controls over the governance and approval process related to credit loss allowance, including continuous reassessment by the management. - We selected a sample of customers and performed the following substantive procedures: - assessed the reasonableness and accuracy of the data used for credit loss allowance computation based on accounting records and information system of the Group as well as the related external sources used for this purpose; - checked repayments of loans / mark-up / profit installments and tested classification of customer exposure based on the number of days overdue; - tested the staging of loans and advances and off-balance sheet obligations as per the criteria of SICR and in accordance with the application instructions as issued by SBP for IFRS 9;



S. No.	Key Audit Matter	How the matter was addressed in our audit
	The net credit loss allowance made / reversed during the year is recognised in the consolidated statement of profit and loss account and accumulated credit loss allowance against advances is netted-off against advances and credit loss allowance against off-balance sheet obligations is reflected under other liabilities. The Group has recognised a net credit loss allowance against advances (including general provision) and net reversal of credit loss allowance against off-balance sheet obligations amounting to Rs. 4,288.161 million and Rs. 1,066.606 million, respectively in the consolidated statement of profit and loss account in the current year. As at December 31, 2025, the Group holds a credit loss allowance of Rs. 42,657.286 million and Rs. 738.971 million against advances and off-balance sheet obligations, respectively. In addition, the Group has also maintained a general reserve of Rs. 2,261.840 million against advances / financing made as mentioned in notes 5.1 and 10.4.5.1 to the consolidated financial statements. The determination of credit loss allowance / provision against advances and off-balance sheet obligations based on the above criteria remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations and the materiality of advances and off-balance sheet obligations relative to the overall consolidated financial statements of the Group, we considered this area as a key audit matter.	- evaluated the management's assessment for classification of a customer's exposure as performing or non-performing under prudential regulations and application instructions as issued by SBP for IFRS 9, based on review of repayment pattern, inspection of credit documentation and discussions with the management; and - assessed the ECL model used by the management to calculate credit loss allowance against loans and advances and off-balance sheet obligations balances of the Bank for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the models used in the calculation of credit loss allowance. - assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL. - assessed the relevant disclosures made in the consolidated financial statements to determine whether these are complied with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

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

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

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

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



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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: March 05, 2026
UDIN: AR2025100921vVkcUGm

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Note	2025 Rupees in '000'	2024
ASSETS			
Cash and balances with treasury banks	6	111,971,791	100,773,627
Balances with other banks	7	5,626,479	3,491,711
Lendings to financial institutions	8	221,421,798	12,891,206
Investments	9	1,548,043,219	1,319,892,057
Advances	10	882,763,832	778,757,845
Property and equipment	11	29,987,166	28,639,949
Right-of-use assets	12	13,229,973	12,865,764
Intangible assets	13	2,727,709	2,488,381
Deferred tax assets - net	14	7,724,369	9,204,913
Other assets	15	127,243,450	110,135,048
Total assets		2,950,739,786	2,379,140,501
LIABILITIES			
Bills payable	17	9,139,194	7,636,873
Borrowings	18	624,807,992	409,005,930
Deposits and other accounts	19	2,050,947,814	1,709,564,159
Lease liabilities	20	18,367,358	17,101,125
Subordinated debts	21	30,812,558	30,820,106
Deferred tax liabilities		-	-
Other liabilities	22	113,343,838	112,896,916
Total liabilities		2,847,418,754	2,287,025,109
NET ASSETS		103,321,032	92,115,392
REPRESENTED BY			
Share capital - net	23	32,452,535	32,452,535
Reserves		20,897,733	17,710,207
Surplus on revaluation of assets - net of tax	24	10,695,407	7,952,066
Non controlling interest		1,090,389	954,312
Unappropriated profit		38,184,968	33,046,272
		103,321,032	92,115,392

CONTINGENCIES AND COMMITMENTS

25

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer

President

Chairman

Director

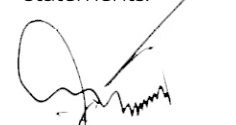
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

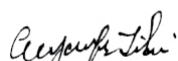
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rupees in '000'	2024
Mark-up / return / interest earned	26	266,388,664	343,864,915
Mark-up / return / interest expensed	27	185,253,112	299,604,752
Net mark-up / interest income		81,135,552	44,260,163
NON MARK-UP / INTEREST INCOME			
Fee and commission income	28	13,665,797	11,464,083
Dividend income		336,442	355,106
Foreign exchange income		2,277,978	858,903
Income / (loss) from derivatives		-	-
Gain on securities - net	29	4,032,572	11,780,488
Net (loss) / gain on derecognition of financial assets measured at amortised cost	30	(1,072,270)	1,147,554
Other income	31	754,872	1,207,674
Total non-markup / interest income		19,995,391	26,813,808
Total income		101,130,943	71,073,971
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	59,725,569	50,212,192
Workers Welfare Fund		963,687	491,291
Other charges	33	67,594	6,615
Total non-markup / interest expenses		60,756,850	50,710,098
Profit before credit loss allowance		40,374,093	20,363,873
Charge / (reversal) of credit loss allowance and write offs - net	34	4,979,950	(4,073,289)
Share of profit from associate		225	-
PROFIT BEFORE TAXATION		35,394,368	24,437,162
Taxation - net	35	19,864,334	11,157,105
PROFIT AFTER TAXATION		15,530,034	13,280,057
PROFIT ATTRIBUTABLE TO:			
Equity holders of the Bank		15,393,957	13,087,915
Non controlling interest		136,077	192,142
		15,530,034	13,280,057
Basic earnings per share (Rs.)	36	4.71	4.00
Diluted earnings per share (Rs.)	37	4.71	4.00

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.


Chief Financial Officer


President


Chairman


Director

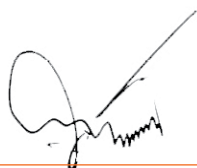

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	Note	Rupees in '000'	
Profit after taxation for the year		15,530,034	13,280,057
Other comprehensive income / (loss)			
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of debt investments through FVOCI investments - net of tax	24	3,043,926	(3,510)
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement (loss) / gain on defined benefit obligation	401.72	(146,737)	47,800
Movement in surplus on revaluation of equity investments through FVOCI - net of tax		978,033	611,985
Movement in surplus on revaluation of property and equipment - net of tax		1,811	2,132,820
Movement in surplus on revaluation of non-banking assets - net of tax		9,532	310,679
		842,639	3,103,284
Total comprehensive income for the year		19,416,599	16,379,831
PROFIT ATTRIBUTABLE TO:			
Equity holders of the Bank		19,280,522	16,187,689
Non controlling interest		136,077	192,142
		19,416,599	16,379,831

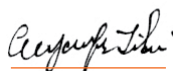
The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.



Chief Financial Officer



President



Chairman



Director



Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital	Share discount on issue of shares	Capital reserves	Statutory reserve	Surplus - net of tax on revaluation of investments	Property and equipment and non banking assets	Non-Controlling Interest	Unappropriated profit	Total
	Share capital	Discount on shares	Share premium	Reserve	Investments	Property and equipment and non banking assets	Interest	Profit	
									R u p e e s i n ' 0 0 0 '
Balance as on January 01, 2024	32,715,693	(263,158)	2,215,040	12,820,095	4,754,559	762,170	30,502,820	80,571,166	
Impact of first time adoption of IFRS - 09 - net of tax	-	-	-	3,326,807	-	-	(4,966,516)	(1,639,709)	
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,693	(263,158)	2,215,040	12,820,095	390,754	4,754,559	25,536,304	78,931,457	
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	13,087,915	13,087,915	
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	
Remeasurement gain on defined benefit obligation	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of investments in equity instruments classified as FVOCI - net of tax	-	-	-	-	-	-	-	-	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	-	-	
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	-	
Transactions with owners, recorded directly in equity:									
Final cash dividend - December 31, 2023 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	-	
Balance as at December 31, 2024	32,715,693	(263,158)	2,215,040	15,495,167	1,011,643	6,940,423	954,312	33,046,272	92,115,392
Effect of remeasurement on adoption of IFRS - 09 (note 511)	-	-	-	-	-	-	-	-	
Balance as on January 01, 2025	32,715,693	(263,158)	2,215,040	15,495,167	1,040,841	6,940,423	954,312	33,046,272	92,114,590
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	-	136,077	15,393,957	15,530,034
Other comprehensive income - net of tax									
Remeasurement loss on defined benefit obligation	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	-	-	-	-	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	
Transfer of surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	-	-	
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	-	
Transactions with owners, recorded directly in equity:									
Final cash dividend - December 31, 2024 declared subsequent to year end at 18% per share	-	-	-	-	-	-	-	-	
Interim cash dividend declared at 10% per share - 2025	-	-	-	-	-	-	-	-	
Balance as at December 31, 2025	32,715,693	(263,158)	2,215,040	18,682,693	4,213,350	6,482,057	10,903,389	38,184,968	103,321,032

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.







Chief Financial Officer **President** **Chairman** **Director** **Director**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025

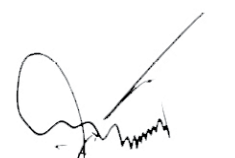
		2025	2024
	Note	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		35,394,368	24,437,162
Less: Dividend income & profit of associate		(336,667)	(355,106)
		35,057,701	24,082,056
Adjustments:			
Net mark-up / return / interest income		(82,156,248)	(46,447,323)
Depreciation on property and equipment	32	3,426,016	2,538,179
Depreciation on non banking assets acquired in satisfaction of claims	32	31,618	22,573
Depreciation on ijarah assets under IFAS - 2	32	849,538	401,096
Depreciation on right-of-use assets	32	2,291,365	1,956,626
Amortization on intangible assets	32	474,548	412,344
Amortization of discount on debt securities - net		(15,953,729)	(7,817,560)
Mark-up on lease liability against right of use assets	27	2,411,301	2,187,160
Unrealized loss / (gain) on revaluation of investments classified as FVTPL	29	498	(848,697)
Unrealized gain on revaluation of deliverable future contracts	29	-	(7,887)
(Reversal) / charge of credit loss allowance against lending to financial institutions	34	(20,333)	12,825
Charge / (reversal) of credit loss allowance in value of investments	34	683,169	(58,487)
Charge / (reversal) of credit loss allowance against loans & advances	34	4,288,161	(3,798,415)
Reversal of credit loss allowance against balances with treasury banks	34	(265,396)	(235,411)
Charge / (reversal) of credit loss allowance against other assets - net	34	1,365,458	(158,479)
(Reversal) / charge of credit loss allowance against off balance sheet obligations	34	(1,066,606)	236,495
Reversal of credit loss allowance against balance with other banks	34	(4,503)	(71,817)
Workers Welfare Fund		963,687	491,291
Gain on termination of lease liability against right-of-use assets	31	(239,187)	(239,480)
Gain on sale of property and equipment - net	31	(248,671)	(45,452)
Gain on sale of non banking assets - net	31	(177,798)	(514,835)
Realized gain on sale of securities - net	29.1	(4,033,070)	(10,923,904)
Net loss / (gain) on derecognition of financial assets measured at amortised cost	30	1,072,270	(1,147,554)
Charge for employees compensated absences	32.1	52,943	31,077
Charge for gratuity	32.1	572,311	479,773
		(85,682,658)	(63,545,862)
		(50,624,957)	(39,463,806)
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		(208,510,259)	130,393,743
Investments classified as FVTPL		94,545,243	(38,743,535)
Advances		(110,658,018)	11,788,411
Others assets		(12,187,672)	66,352,661
		(236,810,706)	169,791,280
Increase / (Decrease) in operating liabilities:			
Bills payable		1,502,321	2,129,018
Borrowings from financial institutions		208,050,894	(45,380,925)
Deposits and other accounts		341,383,655	188,727,970
Other liabilities (excluding current taxation and gratuity fund)		17,372,607	6,379,453
		568,309,477	151,855,516
Payment made to gratuity fund		(421,347)	(690,633)
Mark-up / return / interest received		257,987,304	374,277,956
Mark-up / return / interest paid		(201,517,916)	(299,578,908)
Income tax paid		(20,278,668)	(11,051,612)
		35,769,373	62,956,803
Net cash flow from operating activities		316,643,187	345,139,793

CONSOLIDATED CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED DECEMBER 31, 2025

FOR THE YEAR ENDED DECEMBER 31, 2023		2025	2024
	Note	Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in FVOCI securities		(315,802,159)	(391,919,390)
Net investment in amortised cost securities		21,097,019	52,513,449
Dividends received		337,825	356,489
Investment in property and equipment		(4,391,515)	(5,877,191)
Investment in intangible assets		(713,876)	(801,508)
Proceeds from disposal of property and equipment		271,428	69,011
Proceeds from disposal of non banking assets acquired in satisfaction of claims	15.1.2	886,628	1,001,102
Investment in associated company		(285,000)	-
Net cash used in investing activities		(298,599,650)	(344,658,038)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(7,548)	(6,034)
Subscription received - subordinated perpetual TFCs ADT-I 2nd issue		-	50,000
Subscription received - privately placed term finance certificates - IV		-	571,500
Dividend paid		(9,160,394)	(3,271,569)
Payment of lease liability against right of use assets	20	(3,563,730)	(2,972,068)
Net cash used in financing activities		(12,731,672)	(5,628,171)
Increase / (decrease) in cash and cash equivalents		5,311,865	(5,146,416)
Impact of credit loss allowance on cash and cash equivalents		269,899	(464,215)
Cash and cash equivalents at beginning of the year		103,644,349	109,254,980
Cash and cash equivalents at end of the year	38	109,226,113	103,644,349

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.


Chief Financial Officer


President


Chairman


Director


Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Bank of Punjab Group (the Group) comprises of The Bank of Punjab (the Bank) / (the Parent), Punjab Modaraba Services (Private) Limited (the Management Company), First Punjab Modaraba (the Modaraba), BOP Exchange (Private) Limited and BOP Capital Securities (Private) Limited formerly, Punjab Capital Securities (Private) Limited. Further, during the year, the Bank also made an investment in an associated company i.e. Punjab Life Insurance Company Limited (9.5% holding). For the purpose of these consolidated financial statements, The Bank of Punjab and consolidated subsidiaries are referred to as the Group.

The Group consists of:

Parent

The Bank of Punjab

	% age of holding 2025	% age of holding 2024
	Rupees in '000'	
Subsidiaries		
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
BOP Capital Securities (Private) Limited	100.00%	100.00%
BOP Exchange (Private) Limited	100.00%	100.00%
Associate		
Punjab Life Insurance Company Limited	9.50%	-

The subsidiary company of the Group, Punjab Modaraba Services (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, currency exchange etc. Brief profile of the Bank and subsidiaries is as follows :

The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 901 branches including 17 sub branches and 210 Islamic banking branches (2024: 900 branches including 16 sub branches and 210 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the year end. The Bank also has 534 Islamic banking windows (2024: 258 Islamic banking windows). The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

Punjab Modaraba Services (Private) Limited

Punjab Modaraba Services (Private) Limited (PMSL) was incorporated in Pakistan on October 19, 1991 under the Companies Ordinance, 1984 as a private limited company. It is wholly owned by the Bank and is primarily engaged in the business of floating and managing Modarabas.

PMSL has accumulated losses as at December 31, 2025. Further, the Company's current liabilities exceeded its current assets. These losses are mainly due to drying up of revenue streams. The management fee and dividend from First Punjab Modaraba (the Managed Modaraba) are the main sources of revenue of the Company. The financial statements of PMSL, however, have been prepared

under the going concern assumption due to the reason that with continued support of the Bank, the Modaraba management company is expected to show better performance going forward yielding returns for the Bank.

First Punjab Modaraba

First Punjab Modaraba (FPM) / (the Modaraba), was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by PMSL (wholly owned subsidiary of the Bank). The registered office of the Modaraba is situated at Office No. 100, 3rd floor, National Tower 28-Edgerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on the Pakistan Stock Exchange.

During the year ended December 31, 2025, the Modaraba has incurred operating loss which has contributed to the continued erosion of equity reserves of the Modaraba. The accumulated losses - net of capital reserves, as at December 31, 2025 exceeds fifty percent of the total amount subscribed by the holders of the Modaraba Certificates, which is a non-compliance of Section 23 of Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (the Modaraba Ordinance).

In order to address going concern issue in terms of section 23 of the Modaraba Ordinance, the Bank being the parent company of the Modaraba management company is providing enduring support and shall continue to provide financial support to the Modaraba in order to mitigate liquidity risks. In assessing the status of the Modaraba, management has carefully assessed a number of factors covering the performance of the business, future business prospects and appetite of majority shareholder to continue financial support.

BOP Capital Securities (Private) Limited

BOP Capital Securities (Private) Limited ("BOP CSL") is registered under the Companies Ordinance, 1984 as company limited by shares from November 29, 2016. PCSL is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the company is situated at Room No. 319, 3rd Floor, LSE Building, Lahore. The Company is wholly-owned subsidiary of the Bank.

BOP Exchange (Private) Limited

BOP Exchange (Private) Limited was incorporated in Pakistan on April 18, 2024 under the Companies Act, 2017 as a private limited company. It is wholly owned by the Bank and is primarily engaged in the business of currency exchange. BOP Exchange (Private) Limited has obtained licence from SBP dated September 18, 2024

1.2 Basis of Consolidation

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent controls another entity. The Bank also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Bank's voting rights relative to the size and dispersion of holdings of other shareholders give the Bank the power to govern the financial and operating policies etc.

The Group financial statements include the financial statements of the Bank and its subsidiaries, and share of profit of associate.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases to exist. The financial statements of subsidiaries have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition by acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The financial statements of the Bank and its subsidiaries are prepared upto the same reporting date using consistent accounting policies.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of profit and loss account.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in consolidated statement of profit and loss account or as a change to consolidated statement of comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of profit and loss account. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in consolidated statement of profit and loss account. The fair value is the initial carrying amount, for the purposes of subsequent accounting treatment in relation to retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of comprehensive income are reclassified to consolidated statement of profit and loss account.

2 BASIS OF PREPARATION

These financial statements are the consolidated financial statements of the Group in which investments in subsidiaries is accounted for on the basis of acquisitions method. Standalone financial statements of the Bank and its subsidiaries are prepared separately.

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

The financial results of Islamic Banking business have been consolidated in these consolidated financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in Annexure-II to these consolidated financial statements.

The SBP, vide its BPRD Circular letter No. 13 dated July 01, 2024, issued the revised forms for the preparation of the annual financial statements of the Banks / DFIs which are applicable for periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023.

2.1 STATEMENT OF COMPLIANCE

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.
- Requirements of The Bank of Punjab Act, 1989; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, The Bank of Punjab Act, 1989 or the directives and notifications issued by the SBP and the SECP differ with the requirements of IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, The Bank of Punjab Act, 1989 and the said directives and notifications, shall prevail.

2.1.2 SBP has deferred the applicability of International Accounting Standards 40, "Investment Property" for banking companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(I) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.1.3 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.1.4 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective "Consolidated Financial Statements" from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

2.1.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2025.

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these consolidated financial statements except for the changes mentioned in note 5.1.1 to these consolidated financial statements.

2.1.6 New accounting standards and IFRS interpretations 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 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

Standard or Interpretations	Effective date (accounting periods beginning on or after)
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	January 01, 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
- IFRS S1 - General requirements for disclosure of sustainability-related financial information and IFRS S2 - Climate-related disclosures	January 01, 2027
- IFRS 19 - Subsidiaries without Public Accountability Disclosures	January 01, 2027

3 BASIS OF MEASUREMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention, except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, unlisted equity securities, right-of-use assets, lease liabilities and certain staff retirement benefits at present value and staff & subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) are measured at fair value on initial recognition.

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

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's consolidated financial statements or where judgment was exercised in the application of accounting policies are as follows:

4.1 Classification of investments

Investments at amortized cost - Investment is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Investments at Fair Value through Other Comprehensive Income (FVOCI) - Investment is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments at Fair Value Through Profit or Loss Account (FVTPL) - Investment shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

4.2 Depreciation, amortization and revaluation of property and equipment & non-banking assets

Estimates of useful life of property and equipment & non-banking assets shall be based on management's best estimate. In making estimates of the depreciation / amortization method, the management shall use method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied shall be reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method should be changed to reflect the change in pattern. Further, the Bank shall estimate the revalued amount of free hold land, buildings on free hold land & non-banking assets on a regular basis. The estimates shall be based on valuations carried out by an independent valuation expert under the market conditions.

4.3 Income taxes

In making estimates for income taxes currently payable by the Bank, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

4.4 Staff retirement benefits

The amount of provision for gratuity and compensated absences is determined using actuarial valuation. The valuation involves making use of assumptions about discount rates, mortality, expected rate of salary increases, retirement rates, and average leave utilization per year. Due to the degree of subjectivity involved and long-term nature of these plans, such estimates are subject to significant uncertainty.

4.5 Amortization of intangibles

Estimate of useful life of intangibles shall be based on management's best estimate. In making the estimates of amortization method, the management shall use the method which reflects the pattern in which economic benefits are expected to be consumed by the bank. This method applied shall be reviewed at each financial year end.

4.6 Lease liability and right-of-use assets

In making estimates, the Bank uses following practical expedients and significant judgments, as permitted by the standard:

- Use of a single discount rate for leases with similar characteristics; and
- Lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

4.7 Impairment

The impairment of non-financial assets (e.g., property, equipment and intangible assets) involves estimating the asset's recoverable amount and comparing it to its carrying value. If the carrying value exceeds the recoverable amount, an impairment loss is recognized.

4.8 Expected credit loss

The Expected Credit Loss (ECL) model, as per IFRS 9, requires banks and financial institutions to estimate future credit losses on financial assets such as loans, advances, debt securities and off balance sheet items. The ECL model relies on various estimates to measure potential credit risk.

4.9 Fair value measurement

The estimate of fair value measurement refers to the process of determining the market-based value of a financial asset or liability at a given date. Bank applies IFRS 13 (Fair Value Measurement) to ensure consistency and transparency in financial reporting.

4.10 Provision and contingent assets and liabilities

Provisions are recognized when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates. Contingent assets are not recognized and are also not disclosed until an inflow of economic benefits is probable. Contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of previous financial year except the changes mentioned in note 5.1.1.

5.1 IFRS-09 - Financial Instruments

5.1.1 Fair valuation of unquoted equity securities

With effect from January 01, 2025, unquoted equity investments are valued at their fair value, in accordance with SBP's BPRD Circular Letter No. 16 dated July 29, 2024, which represents the price at which the investment could be sold in an orderly transaction between market participants at the measurement date. Previously, these were measured at the lower of cost and break up value derived on the basis of their latest available audited financial statements. The Bank has adopted this change retrospectively with date of initial application as January 01, 2025, which resulted in changes in accounting policies and adjustments to the carrying amounts of unquoted equity investments previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts at the date of transition were recognised in the opening reserves at the beginning of the current period without restating the comparative figures.

The following table reconciles the carrying amounts of unquoted equity securities under the previous accounting policy and their restated amounts on January 01, 2025.

Investments in financial assets

FVOCI - Ordinary shares - Unquoted companies

	AlBaraka Bank	Al-Arabia Sugar	SWIFT Shares
Book Value	25,000	-	11,957
(Deficit) / Surplus	(3,512)	45,979	18,362
	21,488	45,979	30,319
Deferred tax asset / (liability)	1,826	(23,909)	(9,548)
Effect on net assets		29,198	

The impact of above on the surplus on revaluation of investments as at January 01, 2025 is as follows:

Surplus on revaluation of investments

Closing balance as at December 31, 2024 - Audited	1,011,643
Increase in the fair valuation of unquoted equity securities carried at FVOCI	60,829
Less: related deferred tax	(31,631)
	29,198
Opening balance as at January 01, 2025 - as restated	1,040,841

- 5.1.2** The State Bank of Pakistan has directed the banks through BPRD Circular Letter No. 01 dated January 22, 2025, to continue the existing revenue recognition methodology, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, profit / return earned on Islamic financing and related assets in consolidated statement of profit and loss account for the year ended December 31, 2025, would have been higher by Rs. 230 million (2024: Rs. 674 million) and taxation would have been higher by Rs. 122 million (2024: Rs. 364 million). Further, unappropriated profit in the consolidated statement of changes in equity would have been higher by Rs. 108 million (2024: Rs. 310 million).
- 5.1.3** In addition, the SBP vide letter number BPRD/RPD/822456/25 dated January 22, 2025 has allowed extension for application of Effective Interest / Profit Rate up to December 31, 2025. Currently, the Bank is in the process of finalizing the impacts of application of effective interest / profit rate on its financial assets and liabilities.
- 5.1.4** As per the SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on banks with effect from January 01, 2024. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard also introduced a new impairment model for financial assets which requires recognition of impairment charge based on a forward looking 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as previously followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions to address the matters raised by the banks to ensure compliance by the timelines. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL, accounting methodology for Islamic Banking Institutions and treatment of charity. Accordingly, the group has adopted the treatment as instructed in the aforementioned letters in these consolidated financial statements.

5.1.5 Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio;
- evaluation of the performance of the business model and reporting to Group's key management personnel;
- risks that affect the performance and management of the business model; and
- the expected frequency, value and timing of sales.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

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

5.1.6 Assessments whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and the credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

5.1.7 Classification

Initial recognition and subsequent measurement

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

a) Financial assets classified as amortized cost

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

b. Fair value through other comprehensive income

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend / interest / profit income is recognized in statement of profit and loss account when the right to receive the payment is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in statement of profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to statement of profit and loss account.

c) Fair value through profit or loss

Financial assets are initially measured at their fair value and their associated transaction costs are charged to statement of profit and loss account. fair value and their associated transaction costs are charged to profit and loss account.

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in statement of profit and loss account. Interest / profit income on

these instruments is recorded into statement of profit and loss account. Dividend income on equity instruments is recorded in statement of profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the statement of profit and loss account. An ECL is not recognised for these financial assets.

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

5.1.8 Expected Credit Loss (ECL)

IFRS - 09 has fundamentally changed the Group's loan loss impairment method with a forward-looking ECL approach. The Group records the allowance for ECL for all financial instruments (advances and other debt based financial assets not held at FVTPL, together with letter of credit, financial guarantees and unutilized financing commitments hereinafter referred to as "Financial Instruments").

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The 12mECL (12 months' Expected Credit Loss) is the portion of LTECLs (the Life-Time Expected Credit Loss or LTECL) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on facility level basis.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Group has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

For loans and advances, PD estimation is based on the historic transitions of segmented obligors from one credit state/rating to another credit state/rating. Credit states are defined by rating classes and are based on the Group's internal credit risk ratings (i.e. from ICRR 1 to ICRR 12). In order to convert historic trends to forward-looking; PD's are weighted by considering key macro-economic drivers affecting credit ratings i.e. (Gross Domestic Product, Volume of Import of Goods & Services, Government Net Borrowing / Lendings, Consumer Price Index).

For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), PDs have been estimated on the basis of external ratings taken from S&P, Fitch, Moody's, PACRA & VIS rating and mapping same against the Group's internal credit risk ratings as per approved IFRS-09 policy. The PDs have been derived and converted into forward looking, similar to methodology applicable to loans and advances portfolio mentioned above.

- LGD: LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Group expects to receive. It is expressed as a percentage of the EAD. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money. The Group has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs using the Jacob Frye model; that estimates LGD as an increasing function of default rate.
- EAD: EAD represents the amount of potential exposure that is at risk. The estimation of EAD considers any expected changes in the exposure after the reporting date, including expected drawdowns on committed facilities through the application of a Credit Conversion Factor (CCF). The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the

Group has a legal right to call it earlier. However, in case of revolving facilities, the Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities

During calculation of key elements of ECL such as PD, LGD etc., the Group has considered information / parameters which are reflective of credit risk of the existing portfolio profile.

For assessment of significant deterioration in credit risk and estimation of corresponding risk parameters, financial instruments have been grouped together based on their shared risk characteristics to collectively assess for significant credit risk deterioration.

A default will deem to have occurred either when the obligation has become over 90 Days Past Due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on 12mECL as outlined below.

Based on the above process, the Group groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:	includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.
Stage 2:	includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the Probability of Default (PD) as the weight.
Stage 3:	includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022, BPRD Circular Letter No. 16 of 2024 and BPRD Circular letter No. 20 of 2025, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower, facility level for corporate, commercial, SME loan and retail portfolios. In computing Stage 3 exposures, the Group considers PD of 100% and LGDs used are based on regulatory prescribed percentages.
Guarantee & Letter of Credit contracts:	The Group performs internal assessment and estimates ECLs based on the BASEL driven Credit Conversion Factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities; effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

As per BPRD Circular No. 03 of 2022 and BPRD Circular Letter No. 20 of 2025, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

When estimating the ECLs, In addition to the base economic scenario, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgment, taking account of the range of possible outcomes, each chosen scenario is representative of.

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

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

General provision over and above the ECL

The Bank maintains general provision over and above the ECL as permitted by the SBP through its BPRD Circular Letter No. 01 dated January 22, 2025, up to December 31, 2026. The general provision has been maintained in respect of advances extended under certain Public Sector initiatives at the rate of 1.5% of the portfolio on a prudence basis. The performance of the specific portfolio is being assessed by the Bank on a quarterly basis to determine adequacy of the general provision recognized. For detail refer, note 10 to these consolidated financial statements.

5.1.9 Backward Transition

In line with Group's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Group of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a Significant Increase in Credit Risk (SICR) no longer exist. However, a minimum period of three months, as approved by the Board of Directors, from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2.

For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

5.1.10 Impact on Regulatory Capital

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the banks, which has affected their lending capacity and ability to support their clients. In order to mitigate the impact of ECL provisioning, a transitional arrangement is allowed to the banks to absorb impact on regulatory capital; in accordance with SBP's Guideline for absorption of ECL for CAR Purposes as mentioned in Annexure C of BPRD Circular No 3 of 2022. The Group has availed benefit of captioned transitional arrangement in regulatory capital.

5.1.11 Write-offs

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

5.1.12 Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Group derecognizes a financial asset when:

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

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

Financial Liabilities:

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

5.1.13 Modification:

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

5.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, prize bonds and balances with treasury banks and balances with other banks less over drawn nostro accounts, call borrowings and other overdrawn bank accounts.

5.3 Lendings to / borrowings from financial institutions

The Group enters into transactions of sale under repurchase obligations (repo) and purchase under resale obligations (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

5.3.1 Sale under repurchase agreements

Securities sold subject to a repurchase agreement (repo) are retained in the consolidated financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and repurchase price is accrued using effective yield method and recorded as interest / profit expense over the term of the related repo agreement.

5.3.2 Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are not recognized in the consolidated financial statements as investments and the amount extended to the counter party is included in

lendings to financial institutions. The differential between the contracted price and resale price is accrued using effective yield method and recorded as interest income / profit.

5.4 Investments

Investments other than those categorized as FVTPL shall initially be recognized at fair value which includes transaction costs associated with the investments. Investments classified as FVTPL shall initially be recognized at fair value and transaction costs shall be expensed in the profit & loss account.

All regular way purchase / sale of investment shall be recognized on the trade date, i.e., the date the Group commits to purchase / sell the investments. Regular way purchase or sale of investment requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Associates are all entities over which the Group has significant influence but not control. Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. Investments in subsidiaries and investments in associates are carried at cost less accumulated impairment losses, if any.

Fair value through profit and loss

These are securities which shall be acquired with the intention to trade by taking advantage of short-term market / interest / profit rate movements. These shall be carried at market value, with the related surplus/(deficit) on revaluation being taken to profit & loss account.

Amortised cost

These are securities with fixed or determinable payments and fixed maturity that should be held with the intention and ability to hold to maturity. These shall be carried at amortized cost.

Fair value through other comprehensive income

These shall be carried at market value with the surplus / (deficit) on revaluation taken to 'Surplus / (deficit) on revaluation of assets' shown in equity, except for investments in unquoted shares, debentures, bonds, federal, provincial and foreign government securities (except for Treasury Bills and Pakistan Investment Bonds) which shall be stated at cost less ECL for diminution in value of investments, if any.

Premium or discount on debt securities classified as FVOCI and amortised securities shall be amortized using the effective yield method.

On de-recognition or impairment in quoted FVOCI securities the cumulative gain or loss previously reported as "Surplus / (deficit) on revaluation of assets" in equity shall be included in the profit & loss account for the period except for equity instruments.

Gain and loss on disposal of investments shall be dealt with through the statement of profit and loss account in the year in which they arise.

5.5 Advances including net investment in finance lease

Advances and net investments in finance lease shall be stated net of ECL. As per BPRD Circular No. 03 of 2022, BPRD Circular Letter No. 16 of 2024 and BPRD Circular Letter No. 20 of 2025, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower, facility level for corporate, commercial, SME loan portfolios and retail portfolio. The Bank also maintains a general reserve against loans and advances, over and above the IFRS 9 based ECL, as permitted by SBP under BPRD Circular Letter No. 01 dated January 22, 2025.

Leases where risks and rewards incidental to ownership are substantially transferred to lessee are classified as finance lease. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value.

Unearned finance income is recognised over the term of the lease, so as to produce a constant periodic return on the outstanding net investment in lease. The Group determines credit loss allowance against investment in finance lease on a prudent basis in accordance with the requirements of the Prudential Regulations and instructions issued by the SBP and the management estimates / assumptions. The assets are written off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Under Ijarah financing, the Group transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight-line basis over the term of the Ijarah after taking into account the estimated residual value.

Istisna is a mode of resale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date. The funds disbursed under Istisna are recorded as "Advance against Istisna". After the manufacturing of goods, the same are recorded as inventories at the statement of financial position and after the sale of goods by customer to its ultimate buyers, Istisna financing is recognized.

For Running Musharaka, the Group and the customer enter a Musharaka (transaction or business partnership arrangement) where the Group agrees to finance the operating activities of the customer's business and share the profit or loss at a pre agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

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

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

In Diminishing Musharaka based financing, the Group enters into Musharaka based on partnership for financing and agreed share of fixed assets with its customers and enters into period profit payment agreement for the utilization of the Group's Musharaka share by the customer.

Staff and subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) have been recorded at fair value resulting in recognition of fair value adjustment on initial recognition. Unwinding of income on fair value adjustment is recognised in the consolidated statement of profit and loss account.

5.6 Property and equipment and depreciation

5.6.1 Property and equipment

Property and equipment, other than freehold land which is not depreciated, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at revalued amount, less any subsequent accumulated impairment losses.

Depreciation on property and equipment is charged to statement of profit and loss account using the diminishing balance method so as to write off the historical cost / revalued amount of the asset over its estimated useful life, except motor vehicles, leasehold improvements and computer equipment on which depreciation is charged using the straight line basis. The rates at which the depreciation is charged are given in note 11.2 to these consolidated financial statements. Impairment loss or its reversal, if any, is charged to statement of profit and loss account. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed.

Surplus arising on revaluation of freehold land and buildings on freehold land is credited to the "Surplus on revaluation of assets" in equity and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of buildings (net of deferred taxation) is transferred directly to unappropriated profit / accumulated loss.

Gains and losses on sale of property and equipment are charged to statement of profit and loss account currently except that the related surplus/deficit on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Major renewals and improvements are capitalized only when it is probable that future economic benefits associated with the item will flow to the bank and cost of the item can be measured reliably and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the statement of profit and loss account as and when incurred.

5.6.2 Capital work-in-progress

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

5.7 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are subsequently depreciated over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are to be reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. Right-of-use assets are recognized using cost model.

5.8 Intangible assets.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses (if any). The cost of intangible assets is amortised over their useful lives, using the straight line method as per the rates given in note 13.1 to these consolidated financial statements. Amortization on additions is charged from the month the assets are available for use while no amortization is charged in the month in which the assets are disposed.

Intangible-in-progress is stated at cost less accumulated impairment losses (if any). These are transferred to specific assets as and when assets are available for use.

5.9 Borrowings / deposits

Borrowings and deposits are recorded at the proceeds received except for Temporary Economic Refinance Facility (TERF) borrowing from the SBP which has been recorded at fair value on initial recognition. Unwinding of expense on fair value adjustment is recognised in the consolidated statement of profit and loss account.

Deposits generated on Modaraba basis are classified as 'Savings Account' and 'Fixed Deposit Accounts'. Profits realized in investment pools are distributed in pre-agreed profit-sharing ratio. Rab-ul-Maal (Customer) share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib (Bank) can distribute its share of profit to Rab-ul-Maal up to a specified percentage of its profit. Profits are distributed from the pool so the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. Asset pools are created at the Bank's discretion and the Bank can add, amend, and transfer an asset to any other pool in the interests of the deposit holders. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

5.10 Subordinated debts

Subordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is recognized separately as part of other liabilities and is charged to the statement of profit and loss account over the period on an accrual basis.

5.11 Employee retirement and other benefits

Defined contribution plan - Provident fund

The Bank operates an approved provident fund scheme, covering all permanent employees. Contributions are made monthly by the Bank and the employees at the rate of 8.33% of basic salary. Contributions by the Bank are charged to statement of profit and loss account.

Defined benefit plan - Gratuity scheme

The Bank operates an approved funded gratuity scheme for all its permanent employees. Contributions are made to cover the obligations under the scheme on the basis of actuarial valuation carried out by independent professionally qualified valuers and are charged to profit to loss account. Actuarial gains and losses are charged or credited to other comprehensive income in the year in which they occur.

Defined benefit plan - Employees' compensated absences

The Bank makes annual provision in the consolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation carried out by independent professionally qualified valuers. Actuarial gains and losses are charged to statement of profit and loss account in the year in which they occur.

5.12 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation except land which is carried at revalued amount. The non-banking assets are depreciated over useful life on reducing balance method. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of non banking assets is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Legal fees, transfer costs and direct costs of acquiring title to property is charged to statement of profit and loss account and not capitalized.

5.13 Foreign currencies

Transactions in foreign currency are translated to Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities and commitments for letters of credit and acceptances in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date except assets and liabilities for which there are forward contracts which are translated at the contracted rates. Forward exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities. All exchange differences are charged to statement of profit and loss account.

- 5.13.1 Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

5.14 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognized:

Mark-up / return / interest income

Mark-up / return / interest on advances and return on investments are recognized in statement of profit and loss account on an accrual basis as per terms of the contract and as permitted by the SBP,

except mark-up on non-performing advances which is recognized when received. Murabaha income is recognised on deferred income basis.

Dividend income

Dividend income is recognized when the Group's right to receive the dividend is established.

Lease finance income

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to statement of profit and loss account over the term of the lease periods so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the SBP. Gain/loss on termination of lease contracts, documentation charges and other lease income are recognized through statement of profit and loss account when these are realized.

Fees and commission income

Fee commission is recognized at amount that reflects consideration to which the Group expects to be entitled in exchange for providing the services. The Group recognizes fees earned on transaction based arrangements at point in time, when the Group has provided the services to customer. Where the contract requires services to be provided over time, income is recognized on systematic basis over the period of arrangement.

5.15 Lease liabilities against right-of-use assets

The lease liability is initially measured at present value of lease payments to be made over lease term, discounted using the Group's incremental weighted average borrowing rate. The lease liability shall be subsequently measured at amortised cost using the effective interest rate method i.e. increase by interest cost on lease liability and decrease by lease payments made.

5.15.1 Short-term leases and leases of low-value asset

The bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

5.16 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments / changes in laws and changes in estimates made during the current year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial

statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in income statement, except in the case of items credited or charged to equity in which case it is included in equity.

The Group also recognizes deferred tax asset / liability on deficit / surplus on revaluation of property and equipment, NBAs and FVOCI which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS)12, 'Income Taxes'.

5.17 Impairment of non-financial assets

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

5.18 Provisions

Provisions are recorded when the Group has a present obligation as a result of a past event when it is probable that it will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

5.19 Credit loss allowance for claims under guarantees and other off balance sheet obligations

Credit loss allowance for claims under guarantees and other off balance sheet obligations shall be made when the Group has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit & loss account shall be stated net of expected recoveries.

5.20 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the equity.

5.21 Acceptances

Acceptances comprise undertaking by the Group to pay bills of exchange drawn on customer. The Group expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on balance sheet transactions.

5.22 Financial instruments

5.22.1 Financial assets and liabilities

Financial instruments carried on the statement of financial position include cash and balances with treasury banks, balances with other banks, lending to financial institutions, investments, advances, certain receivables, bills payable, borrowing from financial institutions, deposits and other accounts, subordinated debts and other payables. The particular recognition criteria adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.22.2 Off setting

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

5.23 Segment reporting

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

5.23.1 Business segments

Corporate and investment banking

This includes, loans, project finance, real estate finance, export finance, trade finance, commercial & investment banking, and other banking activities with corporate and public sector customers.

Cards and public sector deposits

It includes public sector deposits and related banking services including home remittances and card related banking services to customers of the Bank.

Consumer banking group

It includes private sector deposits and loans under retail finance, agriculture customers, small and medium enterprises and financing under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

Treasury

It includes floating & fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic

The segment pertains to full scale Islamic Banking operations of the Bank.

Others

This includes head office related activities, and all other activities not tagged to the segments above.

5.23.2 Geographical segments

The Group operates only in Pakistan.

5.24 Dividend distribution and appropriations

Dividend distributions and appropriation to reserves are recognized as a liability in the consolidated financial statements in the period in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which they relate.

5.25 Earnings per share

The Group presents Earnings Per Share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

		2025	2024
	Note	Rupees in '000'	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		29,677,504	27,151,411
Foreign currencies		3,411,216	4,132,719
		33,088,720	31,284,130
With State Bank of Pakistan in:			
Local currency current accounts	6.1	64,097,268	56,961,201
Foreign currency current accounts	6.2	2,205,969	3,419,201
Foreign currency deposit accounts	6.3	4,388,833	6,949,509
		70,692,070	67,329,911
With National Bank of Pakistan in:			
Local currency current accounts		8,098,988	2,187,110
Prize bonds		276,310	422,169
Less: Credit loss allowance held against cash and balances with treasury banks		(184,297)	(449,693)
Cash and balances with treasury banks - net of credit loss allowance		111,971,791	100,773,627

6.1 This represents current account maintained with the SBP under the requirements of section 22 "Cash Reserve Requirement" of the Banking Companies Ordinance, 1962.

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

6.3 This includes Special Cash Reserve Account maintained with SBP. This account carries mark-up at the rate ranging from 2.86% to 3.35% per annum (2024: 3.53% to 4.35% per annum) as announced by SBP on monthly basis.

		2025	2024
	Note	Rupees in '000'	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		193,785	228,093
Deposit accounts	7.1	-	14,001
		193,785	242,094
Outside Pakistan:			
Current accounts		5,442,714	3,013,796
Deposit accounts	7.2	-	250,343
		5,442,714	3,264,139
Less: Credit loss allowance held against balances with other banks		(10,020)	(14,522)
Balances with other banks - net of credit loss allowance		5,626,479	3,491,711

7.1 This carries mark-up at rate of nil (2024: 7.75% to 13.5% per annum).

7.2 This carries mark-up at rate of nil (2024: 4.58% per annum).

		2025	2024
	Note	Rupees in '000'	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	8.2	156,438,450	-
Placements	8.3	65,004,000	12,932,190
		221,442,450	12,932,190
Less: Credit loss allowance held against lendings to financial institutions		(20,652)	(40,984)
Lendings to financial institutions - net of credit loss allowance		221,421,798	12,891,206
8.1 Particulars of lending			
In local currency		221,421,798	12,891,206
In foreign currencies		-	-
		221,421,798	12,891,206

8.2 Securities held as collateral against lending to financial institutions

	2025			2024		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	Rupees in '000'					
Market treasury bills	63,607,065	-	63,607,065	-	-	-
Pakistan investment bonds	93,229,367	-	93,229,367	-	-	-
Total	156,836,432	-	156,836,432	-	-	-

Market value of securities held as collateral as at December 31, 2025 amounted to Rs. 154,312,229 thousand (2024: Nil). These carry mark-up ranging from 10.50% to 11.40% (2024: Nil).

8.3 These carry profit at rate ranging from 10.90% to 11.25% per annum (2024: 12.15% to 18.61% per annum) with maturities up to May 19, 2026. Further the placement amounting to Rs. 65,000,000 thousand (2024: Nil) is secured against GOP Ijara Sukuk amounting to Rs 65,000,000 thousand (2024: Nil).

8.4 Lending to financial institutions- Particulars of credit loss allowance

		2025		2024	
		Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
		Rupees in '000'			
Performing	Stage 1	65,004,000	20,652	12,932,190	40,984
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		65,004,000	20,652	12,932,190	40,984

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000'							
Opening balance	40,984	-	-	40,984	28,160	-	-	28,160
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-	-	-	-	-
New financial assets purchased	17,357	-	-	17,357	30,914	-	-	30,914
Financial assets that have been derecognized	(31,541)	-	-	(31,541)	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(6,148)	-	-	(6,148)	(18,090)	-	-	(18,090)
Closing balance	20,652	-	-	20,652	40,984	-	-	40,984

9. INVESTMENTS

	Note	2025				2024			
		Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
9.1 Investments by type:									
Debt Instruments:									
Classified / measured at amortised cost									
Federal government securities 9.1.1 & 9.6.1		118,887,560	-	-	118,887,560	136,638,722	-	-	136,638,722
Non government debt securities		1,541,158	(608,192)	-	932,966	2,122,068	(19,700)	-	2,102,368
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		120,429,118	(608,592)	-	119,820,526	138,761,190	(20,100)	-	138,741,090
Classified / measured at FVOCI									
Federal government securities 9.1.1 & 9.2.1		1,404,750,100	-	8,890,227	1,413,640,327	1,070,021,115	-	1,561,870	1,071,582,985
Mutual fund & investment trust units		3173,426	-	(1,010,953)	2,162,473	3,173,426	-	(73,665)	3,099,761
Non government debt securities		333,956	(190,623)	(17,200)	126,133	8,663,574	(218,400)	(36,508)	8,408,666
		1,408,257,482	(190,623)	7,862,074	1,415,928,933	1,081,858,115	(218,400)	1,451,697	1,083,091,412
Classified / measured at FVTPL									
Federal government securities		1,740,376	-	(19,398)	1,720,978	89,809,611	-	1,842	89,811,453
Non government debt securities		752,199	(122,454)	-	629,745	1,002,106	-	-	1,002,106
		2,492,575	(122,454)	(19,398)	2,350,723	90,811,717	-	1,842	90,813,559
Equity instruments:									
Classified / measured at FVTPL									
Shares									
Listed companies		305,100	-	18,900	324,000	4,618,968	-	833,022	5,451,990
		305,100	-	18,900	324,000	4,618,968	-	833,022	5,451,990
Classified / measured at FVOCI (Non-Reclassifiable)									
Shares									
Listed companies		8,302,634	-	905,627	9,208,261	1,017,302	-	739,747	1,757,049
Unlisted companies		106,358	-	(20,843)	85,515	106,358	-	(81,358)	25,000
Foreign securities		11,957	-	28,079	40,036	11,957	-	-	11,957
		8,420,949	-	912,863	9,333,812	1,135,617	-	658,389	1,794,006
Associate									
Punjab Life Insurance Company Limited		285,225	-	-	285,225	-	-	-	-
Total investments		1,540,190,449	(921,669)	8,774,439	1,548,043,219	1,317,185,607	(238,500)	2,944,950	1,319,892,057

9.1.1 Market treasury bills and Pakistan investment bonds are eligible for re-discounting with SBP.

9.1.2 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

		2025				2024			
		Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying value
Note		Rupees in '000'							
9.2	Investments by segments:								
	Federal government securities:								
	Market treasury bills	359,535,234	-	1,043,328	360,578,562	314,516,192	-	237,198	314,753,390
	Pakistan investment bonds 9.2.1	1,043,183,097	-	7,622,901	1,050,805,998	935,302,371	-	1,038,932	936,341,303
	Ijarah sukuk	118,653,959	-	204,600	118,858,559	44,075,715	-	287,582	44,363,297
	Naya Pakistan certificates	845,532	-	-	845,532	2,575,170	-	-	2,575,170
	Sukuk-baimuajjal with Government of Pakistan	3,160,214	-	-	3,160,214	-	-	-	-
	WAPDA bonds	400	(400)	-	-	400	(400)	-	-
		1,525,378,436	(400)	8,870,829	1,534,248,865	1,296,469,848	(400)	1,563,712	1,298,033,160
	Shares:								
	Listed companies	8,607,734	-	924,527	9,532,261	5,636,270	-	1,572,769	7,209,039
	Unlisted companies	106,358	-	(20,843)	85,515	106,358	-	(81,358)	25,000
		8,714,092	-	903,684	9,617,776	5,742,628	-	1,491,411	7,234,039
	Mutual funds and investment trust units	3,173,426	-	(1,010,953)	2,162,473	3,173,426	-	(73,665)	3,099,761
		3,173,426	-	(1,010,953)	2,162,473	3,173,426	-	(73,665)	3,099,761
	Non government debt securities:								
	Listed	148,318	-	(17,200)	131,118	8,450,159	-	(36,508)	8,413,651
	Unlisted	2,478,995	(921,269)	-	1,557,726	3,337,589	(238,100)	-	3,099,489
		2,627,313	(921,269)	(17,200)	1,688,844	11,787,748	(238,100)	(36,508)	11,513,140
	Foreign securities:								
	Equity securities 9.5	11,957	-	28,079	40,036	11,957	-	-	11,957
	Associates:								
	Punjab Life Insurance Company Limited	285,000	-	-	285,000	-	-	-	-
	Total investments	1,540,190,449	(921,669)	8,774,439	1,548,043,219	1,317,185,607	(238,500)	2,944,950	1,319,892,057

		2025		2024	
	Note	Rupees in '000'			
9.2.1	Investments given as collateral - at cost / amortized cost				
	Market treasury bills	250,420,755	-		
	Pakistan investment bonds	311,423,718	341,915,659		
		561,844,473	341,915,659		
9.2.2	Bai Muajjal Receivable from Government of Pakistan				
	Bai Muajjal Receivable - Gross	4,319,812	-		
	Less: Profit Receivable shown in other assets	(31,458)	-		
	Less: Deferred Income 9.2.2.1	(1,128,140)	-		
	Closing Balance	3,160,214	-		
9.2.2.1	The movement in deferred income during the year is as follows:				
	Opening Balance	-	-		
	Arising during the year	1,159,598	-		
	Less: Recognised during the year	(31,458)	-		
	Closing balance	1,128,140	-		

9.3 Particulars of credit loss allowance / provision for diminution

9.3.1 Investments - exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Rupees in '000'						
Opening balance	2,122,068	-	383,745	3,215,515	-	424,695
New investments	-	-	122,454	-	-	-
Investments derecognized or repaid	(602,521)	-	(27,778)	(1,093,447)	-	(40,950)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	(607,068)	-	607,068	-	-	-
	(1,209,589)	-	701,744	(1,093,447)	-	(40,950)
Amounts written off / charged off	-	-	-	-	-	-
Closing balance	912,479	-	1,085,489	2,122,068	-	383,745

9.3.2 Investments - credit loss allowance / provision in diminution

Opening Balance after impact of adoption of IFRS-09	19,700	-	218,800	37,237	-	259,750
New investments	-	-	122,454	-	-	-
Investments derecognized or repaid	(1,090)	-	(27,778)	(8,271)	-	(40,950)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	(15,461)	-	15,461	-	-	-
	(16,551)	-	110,137	(8,271)	-	(40,950)
Changes in risk parameters (PDs/LGDs/EADs)	(2,024)	-	591,607	(9,266)	-	-
Amounts written off / charged off	-	-	-	-	-	-
Closing balance	1,125	-	920,544	19,700	-	218,800

9.3.3 Particulars of credit loss allowance / provision in diminution against debt securities

Category of classification	2025		2024	
	Cost	Credit loss allowance	Cost	Credit loss allowance
Rupees in '000'				
Domestic				
Performing	Stage 1	912,479	1,125	2,122,068
Underperforming	Stage 2	-	-	-
Non-Performing:	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		1,085,489	920,544	218,800
Total		1,997,968	921,669	2,340,868

9.4 Quality of FVOCI:

Details regarding quality of FVOCI are as follows:

	2025	2024
	Cost / Amortized cost	
Rupees in '000'		
Federal government securities - government guaranteed		
Market treasury bills	358,670,527	257,315,235
Pakistan investment bonds	936,955,410	778,191,211
Ijarah sukuks	109,124,163	34,514,669
	1,404,750,100	1,070,021,115

2025			2024	
Cost				
Rupees in '000'				
Shares				
Listed Companies				
Cement			720,360	-
Industrial metals and mining			59,583	-
Food & personal care products			441,125	-
Commercial banks			2,260,361	-
Fertilizer			881,129	251,759
Investment banks / investment companies / securities companies			14,000	16,495
Oil & gas exploration companies			763,030	-
Oil & gas marketing companies			1,077,042	382,959
Power generation & distribution			1,694,558	124,981
Technology & telecommunication			290,497	-
Textile composite /weaving/ spinning			97,377	237,536
Others			3,572	3,572
			8,302,634	1,017,302
2025			2024	
Unlisted Companies	Cost	Carrying value	Cost	Breakup value
Rupees in '000'				
AI - Baraka Bank Pakistan Limited	25,000	29,939	25,000	26,570
AI - Arabia Sugar Mills Limited	81,358	55,576	81,358	-
	106,358	85,515	106,358	26,570
2025			2024	
Cost				
Rupees in '000'				
Mutual fund & investment trust units				
TPL REIT Limited			3,108,426	3,108,426
NIT Social Impact Fund			65,000	65,000
			3,173,426	3,173,426
Non government debt securities				
Listed				
- AA+, AA, AA-			143,333	179,167
- Unrated			-	8,266,007
			143,333	8,445,174
Unlisted - Unrated			190,623	218,400
			333,956	8,663,574
9.5	Foreign equity securities			
	SWIFT shares		11,957	11,957

This represents 13 shares (2024: 13 shares) of SWIFT purchased by the Bank as per mandatory requirement of the SWIFT by-laws requiring its members to purchase shares allocated on the basis of financial contributions payable to SWIFT.

9.6 Particulars relating to amortised cost are as follows:

	2025	2024
	Cost / Amortized cost	
	Rupees in '000'	
Federal government securities - government guaranteed		
Pakistan investment bonds	106,197,551	136,638,722
Ijara Sukuk	9,529,795	-
Bai Muajjal with Government of Pakistan	3,160,214	-
WAPDA bonds	400	400
	118,887,960	136,639,122
Non government debt securities		
Unlisted		
- AAA	210,000	630,000
- A+, A, A-	724,090	1,492,068
- BBB+, BBB, BBB-	607,068	-
	1,541,158	2,122,068

9.6.1 Market value of investments measured at amortised cost amounted to Rs. 122,858,845 thousand (2024: Rs. 134,938,970 thousand).

10. ADVANCES

		Performing		Non Performing		Total	
	Note	2025	2024	2025	2024	2025	2024
		Rupees in '000'					
Loans, cash credits, running finances, etc.	10.1	728,640,239	681,774,060	41,912,306	51,297,782	770,552,545	733,071,842
Islamic financing and related assets		132,168,449	78,785,554	2,247,218	2,929,643	134,415,667	81,715,197
Bills discounted and purchased		22,547,524	14,511,697	167,222	17,222	22,714,746	14,528,919
Advances - gross		883,356,212	775,071,311	44,326,746	54,244,647	927,682,958	829,315,958
Credit loss allowance against advances:							
-Stage 1		(5,252,138)	(3,583,850)	-	-	(5,252,138)	(3,583,850)
-Stage 2		(1,271,007)	(1,496,892)	(65,865)	(398,607)	(1,336,872)	(1,895,499)
-Stage 3		(972,324)	(290,318)	(35,095,952)	(44,788,446)	(36,068,276)	(45,078,764)
-General Provision	10.4.51	(2,261,840)	-	-	-	(2,261,840)	-
		(9,757,309)	(5,371,060)	(35,161,817)	(45,187,053)	(44,919,126)	(50,558,113)
Advances - net of credit loss allowance		873,598,903	769,700,251	9,164,929	9,057,594	882,763,832	778,757,845

10.1 Includes net investment in finance lease as disclosed below:

	2025				2024			
	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	7,082,058	71,433,738	16,490,172	95,005,968	2,344,482	31,072,340	12,992,508	46,409,330
Residual value	4,256,768	23,113,196	3,834,638	31,204,602	2,268,589	15,321,667	4,027,076	21,617,332
Minimum lease payments	11,338,826	94,546,934	20,324,810	126,210,570	4,613,071	46,394,007	17,019,584	68,026,662
Financial charges for future periods	274,895	579,377	85,639	939,911	577,442	620,978	78,616	1,277,036
Present value of minimum lease payments	11,063,931	93,967,557	20,239,171	125,270,659	4,035,629	45,773,029	16,940,968	66,749,626

10.2 Particulars of advances (gross)

	2025	2024
	Rupees in '000'	
In local currency	909,113,522	815,974,414
In foreign currencies	18,569,436	13,341,544
	927,682,958	829,315,958

10.3 Advances to Women, Women-owned and Managed Enterprises

Women	20,454,756	14,522,801
Women Owned and Managed Enterprises	7,545,536	5,231,595
	28,000,292	19,754,396

10.3.1 Gross loans disbursed to women, women-owned and managed enterprises during the year amounting to Rs. 28,759,187 thousand (2024: Rs. 13,744,925 thousand).

10.4 Particulars of credit loss allowance

10.4.1 Advances - Exposure

		2025				2024			
	Note	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		Rupees in '000'							
Gross carrying amount - current year		748,187,638	26,707,591	54,420,729	829,315,958	652,872,810	145,643,330	52,392,887	850,909,027
Impact of adoption of IFRS-09		-	-	-	-	(11,872,102)	(1,180,984)	1,020	(13,052,066)
New advances		748,187,638	26,707,591	54,420,729	829,315,958	641,000,708	144,462,346	52,393,907	837,856,961
Advances derecognized or repaid		461,055,257	20,656,622	3,240,837	484,952,716	474,170,342	11,638,587	4,594,112	490,403,041
Transfer to stage 1		(358,815,805)	(12,086,762)	(5,969,597)	(376,872,164)	(369,220,297)	(121,719,788)	(8,003,959)	(498,944,044)
Transfer to stage 2		4,292,821	(4,097,172)	(195,649)	-	15,692,404	(15,649,269)	(43,135)	-
Transfer to stage 3		(7,461,200)	8,355,366	(1,209,246)	-	(10,389,443)	10,417,068	(27,625)	-
		(3,771,926)	(1,168,971)	4,940,897	-	(3,066,076)	(2,441,353)	5,507,429	-
		95,614,227	11,659,083	807,242	108,080,552	107,186,930	(117,754,755)	2,026,822	(8,541,003)
Amounts written off	10.51	-	-	(220)	(220)	-	-	-	-
Amounts charged off	10.7	-	-	(9,713,332)	(9,713,332)	-	-	-	-
Closing balance		843,801,865	38,366,674	45,514,419	927,682,958	748,187,638	26,707,591	54,420,729	829,315,958

10.4.2 Advances - Credit loss allowance

Opening balance		3,583,850	1,895,499	45,078,764	50,558,113	5,456,266	3,587,807	45,240,020	54,284,093
New advances		2,544,038	297,506	2,044,303	4,885,847	1,561,856	324,174	2,255,888	4,141,918
Advances derecognized or repaid		(518,409)	(417,069)	(2,227,049)	(3,162,527)	(1,044,140)	(1,233,785)	(5,613,102)	(7,891,027)
Transfer to stage 1		445,856	(350,861)	(94,995)	-	844,949	(826,503)	(18,446)	-
Transfer to stage 2		(76,895)	624,132	(547,237)	-	(156,703)	168,170	(11,467)	-
Transfer to stage 3		(23,799)	(202,859)	226,658	-	(62,268)	(362,246)	424,514	-
		2,370,791	(49,151)	(598,320)	1,723,320	1,143,694	(1,930,190)	(2,962,613)	(3,749,109)
General Provision	10.4.51	2,261,840	-	-	2,261,840	-	-	-	-
Amounts written off	10.51	-	-	(220)	(220)	-	-	-	-
Amounts charged off	10.7	-	-	(9,713,332)	(9,713,332)	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)		(702,503)	(509,476)	1,301,384	89,405	(3,016,110)	237,882	2,801,357	23,129
Closing balance		7513,978	1,336,872	36,068,276	44,919,126	3,583,850	1,895,499	45,078,764	50,558,113

10.4.3 Advances - Credit loss allowance

Performing	Stage 1	843,801,865	-	-	843,801,865	748,187,638	-	-	748,187,638
Performing	Stage 2	-	38,237,355	-	38,237,355	-	26,196,931	-	26,196,931
Underperforming		-	129,319	-	129,319	-	510,660	-	510,660
Non-Performing:									
Other assets especially mentioned		-	-	2,335,969	2,335,969	-	-	467,952	467,952
Substandard		-	-	1,001,064	1,001,064	-	-	3,735,799	3,735,799
Doubtful		-	-	5,474,823	5,474,823	-	-	6,937,906	6,937,906
Loss	Stage 3	-	-	35,385,572	35,385,572	-	-	42,592,332	42,592,332
		-	-	44,197,428	44,197,428	-	-	53,733,989	53,733,989
Underperforming	Stage 3	-	-	1,316,991	1,316,991	-	-	686,740	686,740
Total		843,801,865	38,366,674	45,514,419	927,682,958	748,187,638	26,707,591	54,420,729	829,315,958
Corresponding ECL									
Stage 1 and stage 2		5,252,138	1,336,872	-	6,589,010	3,583,850	1,895,499	-	5,479,349
Stage 3	10.4.31	-	-	36,068,276	36,068,276	-	-	45,078,764	45,078,764
General Provision	10.4.51	2,261,840	-	-	2,261,840	-	-	-	-
		7513,978	1,336,872	36,068,276	44,919,126	3,583,850	1,895,499	45,078,764	50,558,113

10.4.3.1 This includes provision amounting to Rs. 664,883 thousand (2024: Nil) against Excess Over Limit exposure under digital lending portfolio on account of a system glitch, in an application managed by a vendor of the Bank.

10.4.4 Advances include Rs. 44,326,746 thousand (2024: Rs. 54,244,647 thousand) which have been placed under non-performing status as detailed below:

		2025		2024	
Category of classification		Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
Note		Rupees in '000'			
Domestic					
Other assets especially mentioned	Stage 2	129,318	65,865	510,660	398,607
Other assets especially mentioned	Stage 3	2,335,969	523,012	467,952	198,195
Substandard		1,001,064	413,294	3,735,799	1,674,056
Doubtful		5,474,823	2,683,844	6,937,906	3,295,183
Loss		35,385,572	31,475,802	42,592,330	39,621,012
Total	10.7	44,326,746	35,161,817	54,244,647	45,187,053

10.4.5 Particulars of ECL

	2025					2024			
	Note	Stage 3	Stage 1 & 2	General Provision	Total	Stage 3	Stage 1 & 2	General Provision	Total
Rupees in '000'									
Opening balance including impact of adoption of IFRS-09		45,078,764	5,479,349	-	50,558,113	45,236,679	9,047,414	-	54,284,093
Charge for the year	104.51	5,957,488 (4,792,119)	4,569,983 (3,709,031)	2,261,840 -	12,789,311 (8,501,150)	6,447,293 (6,658,465)	2,822,634 (6,409,877)	-	9,269,927 (13,068,342)
Reversals for the year	34	1,165,369	860,952	2,261,840	4,288,161	(211,172)	(3,587,243)	-	(3,798,415)
Amounts written off	10.51	(220)	-	-	(220)	-	-	-	-
Amounts charged off during the year	10.7	(9,713,332)	-	-	(9,713,332)	-	-	-	-
Others		(462,305)	248,709	-	(213,596)	53,257	19,178	-	72,435
Closing balance		36,068,276	6,589,010	2,261,840	44,919,126	45,078,764	5,479,349	-	50,558,113

10.4.5.1 This represents general provision created during the year against advances extended under Public Sector initiatives for the Agriculture and SME sectors on prudence basis. The performance of these advances shall be assessed on quarterly basis to determine adequacy of the general provision created.

10.4.6 Particulars of ECL against advances

In local currency	36,068,276	6,579,178	2,261,840	44,909,294	45,078,764	5,460,529	-	50,539,293
In foreign currencies	-	9,832	-	9,832	-	18,820	-	18,820
	36,068,276	6,589,010	2,261,840	44,919,126	45,078,764	5,479,349	-	50,558,113

10.4.7 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 559,227 thousand (2024: Rs. 312,346 thousand). The FSV benefit availed is not available for cash or stock dividend. Further, the Bank has availed benefit of eligible collaterals for the calculation of ECL amounting to Rs. 2,813,713 thousand (2024: Rs. 1,478,971 thousand).

	Note	2025	2024
		Rupees in '000'	
10.5 Particulars of write offs:			
10.5.1 Against provisions	10.4	220	-
Directly charged to profit and loss account		-	-
		220	-
10.5.2 Domestic			
Write offs of Rs. 500,000 and above	10.6	-	-
Write offs of below Rs. 500,000		220	-
		220	-

10.6 Details of loan write-off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2025 is given in Annexure-I.

10.7 Particulars of charge-off loans:

In compliance with the SBP's BPRD Circular No. 02 of 2024, the Bank has charged-off non-performing loans which are fully provisioned and have been classified as loss for at least five consecutive years.

	2025			2024		
	Number of borrowers	NPL	Credit loss allowance	Number of borrowers	NPL	Credit loss allowance
Rupees in '000'						
Opening balance	-	-	-	-	-	-
Charge-off during the year	73	9,713,332	9,713,332	-	-	-
Recoveries made during the year	73	9,713,332	9,713,332	-	-	-
Amount written-off during the year	-	-	-	-	-	-
Closing balance	73	9,713,332	9,713,332	-	-	-

	Note	2025	2024
		Rupees in '000'	
11 PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	843,391	943,459
Property and equipment	11.2	29,143,775	27,696,490
		29,987,166	28,639,949
11.1 Capital work-in-progress			
Civil works		579,324	802,910
Advances to suppliers		264,067	140,549
		843,391	943,459

	2025						
	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles
							Total
Rupees in '000'							
11.2 Property and equipment							
At January 01, 2025:							
Cost / Revalued amount	5,990,489	10,876,554	1,963,910	6,211,894	4,472,833	6,885,604	37,535,437
Accumulated depreciation	-	-	(640,983)	(2,976,172)	(2,158,472)	(3,304,522)	(9,838,947)
Net book value	5,990,489	10,876,554	1,322,927	3,235,722	2,314,361	3,581,082	27,696,490
Year ended December 31, 2025:							
Opening net book value	5,990,489	10,876,554	1,322,927	3,235,722	2,314,361	3,581,082	27,696,490
Additions	-	-	226,866	143,157	914,494	1,107,315	4,491,745
Disposals - at cost	-	-	(26,046)	(11,408)	(129,339)	(65,477)	(406,698)
Depreciation on disposal	-	-	18,450	11,149	115,190	64,580	383,779
Disposals - at book value	-	-	(7,596)	(259)	(14,149)	(897)	(22,919)
Depreciation charge	-	(544,913)	(142,329)	(670,902)	(576,417)	(1,150,841)	(3,422,148)
Transfers - at cost / revalued amount	336,421	66,399	-	-	-	-	402,820
Depreciation on transfers	-	(2,213)	-	-	-	-	(2,213)
	336,421	64,186	-	-	-	-	400,607
Closing net book value	6,326,910	10,395,827	1,399,868	3,996,131	2,638,289	3,536,659	29,143,775
At December 31, 2025:							
Cost / Revalued amount	6,326,910	10,942,953	2,164,730	7,632,056	5,257,988	7,927,442	42,023,304
Accumulated depreciation	-	(547,126)	(764,862)	(3,635,925)	(2,619,699)	(4,390,783)	(12,879,529)
Net book value	6,326,910	10,395,827	1,399,868	3,996,131	2,638,289	3,536,659	29,143,775
Rate of depreciation (percentage)	-	5%	10%	13.33%	20% - 33.33%	20%	33.33%

	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
Rupees in '000'								
At January 1, 2024 :								
Cost / Revalued amount	2,644,624	10,245,910	1,578,221	4,873,115	3,466,142	5,179,166	899,686	28,886,864
Accumulated depreciation	-	(912,809)	(535,772)	(2,569,529)	(1,807,354)	(2,439,457)	(576,842)	(8,841,763)
Net book value	2,644,624	9,333,101	1,042,449	2,303,586	1,658,788	2,739,709	322,844	20,045,101
Year ended December 31, 2024:								
Opening net book value	2,644,624	9,333,101	1,042,449	2,303,586	1,658,788	2,739,709	322,844	20,045,101
Additions	2,037,002	-	407,634	1,391,760	1,083,915	1,721,194	264,028	6,905,533
Movement in surplus on assets revalued during the year	1,308,863	618,723	-	-	-	-	-	1,927,586
Disposals - at cost	-	-	(21,434)	(41,060)	(77,074)	(14,757)	(29,872)	(184,197)
Depreciation on disposal	-	-	15,311	39,278	69,646	6,575	29,872	160,682
Disposals - at book value	-	-	(6,123)	(1,782)	(7,428)	(8,182)	-	(23,515)
Depreciation charge	-	(467,504)	(121,033)	(445,921)	(420,914)	(871,639)	(211,517)	(2,538,528)
Depreciation adjustment on revaluation surplus	-	1,380,313	-	-	-	-	-	1,380,313
Adjustments - at cost / revalued amount	-	11,921	-	(11,921)	-	-	-	-
Depreciation on adjustments	-	-	-	-	-	-	-	-
Closing net book value	5,990,489	10,876,554	1,322,927	3,235,722	2,314,361	3,581,082	375,355	27,696,490
At December 31, 2024:								
Cost / Revalued amount	5,990,489	10,876,554	1,963,910	6,211,894	4,472,833	6,885,604	1,134,153	37,535,437
Accumulated depreciation	-	-	(640,983)	(2,976,172)	(2,158,472)	(3,304,522)	(758,798)	(9,838,947)
Net book value	5,990,489	10,876,554	1,322,927	3,235,722	2,314,361	3,581,082	375,355	27,696,490
Rate of depreciation (percentage)	-	5%	10%	13.33%	20%-33.33%	20%	33.33%	

11.21 Break-up of depreciation charge for the year is as follows:

	2025	2024
Rupees in '000'		
Property expense:		
Buildings on freehold land	544,913	467,504
Lease hold improvements	670,902	445,921
	1,215,815	913,425
Information technology expenses:		
Computer equipments	1,150,841	871,640
Other operating expenses:		
Furniture and fixtures	142,329	120,522
Electrical and office equipments	576,417	420,764
Vehicles	336,746	211,828
	1,055,492	753,114

11.2.2 Freehold land and buildings on freehold land were revalued on December 31, 2024 by Pakistan Bank's Association (PBA) approved independent valuer (F.K.S. Building Services), on the basis of fair market value. The revaluation surplus as on December 31, 2025 stood at Rs. 3,003,337 thousand and Rs. 5,980,977 thousand in respect of freehold land and buildings on freehold land respectively. Detailed particulars as on December 31, 2025 are as follows:

	Revalued / net book amount	
	2025	2024
	Rupees in '000'	
Freehold land	6,326,910	5,990,489
Buildings on freehold land	10,395,827	10,876,554

11.2.3 Had the freehold land and buildings on freehold land not been revalued, their carrying amounts would have been as follows:

	2025	2024
	Rupees in '000'	
Freehold land	3,323,573	2,987,676
Buildings on freehold land	4,414,850	4,584,148

11.2.4 The gross carrying amount (cost) of fully depreciated assets that are still in use is as follows:

Lease hold improvements	2,124,391	2,141,917
Electrical and office equipments	10,691	8,724
Computer equipments	2,061,935	1,666,010
Vehicles	492,713	469,210
	4,689,730	4,285,861

11.2.5 Detail of property and equipment disposed off to related parties is as follows:

Description	Cost	Book value	Sale Price	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000'						
Mobile Phones	250	174	194	20	Bank's policy	Mr. M.Saqib Sajjad (Ex-employee)
Mobile Phones	250	153	153	-	Bank's policy	Mr. Shoaib Khan (Ex-employee)
Vehicles	4,068	-	5,520	5,520	Sale through auction	Mr. Zeeshan Ch.
Mobile Phones	250	139	188	49	Bank's policy	Mr. Asim Hafeez Qureshi (Ex-employee)
Mobile Phones	475	290	290	-	Bank's policy	Mr. Farid Ahmed Khan (Ex-employee)
Vehicles	4,068	-	5,220	5,220	Sale through auction	Mr. Zeeshan Ch.
Vehicles	1,745	-	2,595	2,595	Sale through auction	Syed Asim Ali

In addition to above, in terms of Bank's policy certain executives of the Bank are entitled to retain mobile phones at the end of useful life or expiry of atleast 2 years at book value. Accordingly, during the year assets having book value of Rs. 3,407 thousand (2024: Rs. 650 thousand) were retained by the employees.

Moreover, during the year computer equipment having book value of nil (2024: Rs. 4,102 thousand) were transferred to BOP Exchange Private Limited.

12 Right-of-use assets

	Note	2025 Rupees in '000'	2024
		Building	
At January 01:			
Cost		19,966,779	17,699,453
Accumulated depreciation		(7,101,015)	(5,275,317)
Net carrying amount		12,865,764	12,424,136
Opening net carrying amount		12,865,764	12,424,136
For the year ended December 31:			
Additions		2,827,409	2,545,251
Terminations - at cost		(298,779)	(277,925)
Depreciation on terminations		126,944	130,928
Terminations - at book value		(171,835)	(146,997)
Depreciation charge	12.1	(2,291,365)	(1,956,626)
Closing net carrying amount		13,229,973	12,865,764
At December 31:			
Cost		22,495,409	19,966,779
Accumulated depreciation		(9,265,436)	(7,101,015)
Net carrying amount		13,229,973	12,865,764

12.1 Right-of-use assets are depreciated over their respective lease term.

13 INTANGIBLE ASSETS

	Note	2025 Rupees in '000'	2024
Intangible in progress		333,273	431,669
Software and long term licenses	13.1	2,394,436	2,056,712
		2,727,709	2,488,381

13.1 Software and long term licenses

	2025				2024			
	Core banking software	Other softwares	Licenses	Total	Core banking software	Other softwares	Licenses	Total
	Rupees in '000'							
At January 01								
Cost	471,900	2,859,354	290,074	3,621,328	471,900	1,905,079	239,438	2,616,417
Accumulated amortization	(314,231)	(1,044,621)	(205,764)	(1,564,616)	(249,037)	(786,070)	(117,165)	(1,152,272)
Net book value	157,669	1,814,733	84,310	2,056,712	222,863	1,119,009	122,273	1,464,145
Year ended December 31								
Opening net book value	157,669	1,814,733	84,310	2,056,712	222,863	1,119,009	122,273	1,464,145
Purchased / capitalized during the year	-	740,307	76,112	816,419	-	954,275	50,636	1,004,911
Amortization charge	(71,196)	(329,549)	(77,950)	(478,695)	(65,194)	(258,551)	(88,599)	(412,344)
Closing net book value	86,473	2,225,491	82,472	2,394,436	157,669	1,814,733	84,310	2,056,712
At December 31								
Cost	471,900	3,599,661	366,186	4,437,747	471,900	2,859,354	290,074	3,621,328
Accumulated amortization	(385,427)	(1,374,170)	(283,714)	(2,043,311)	(314,231)	(1,044,621)	(205,764)	(1,564,616)
Net book value	86,473	2,225,491	82,472	2,394,436	157,669	1,814,733	84,310	2,056,712
Rate of amortization (percentage)	10.00%	13.33%	License term		10.00%	13.33%	License term	
Useful life	10 years	7.5 years	License term		10 years	7.5 years	License term	

13.1.1 The gross carrying amount (cost) of fully amortized other softwares that are still in use is Rs. 660,883 thousand (2024: Rs. 428,845 thousand).

14. DEFERRED TAX ASSETS - NET

2025						
	At January 01	Effect of remeasuremen on adoption of IFRS-09	Recognized in P&L		Recognized in OCI	At December 31
			Current year	Prior year		
Rupees in '000'						
Deductible temporary differences on:						
Right of use assets net of lease liabilities	2,202,388	-	460,488	-	-	2,662,876
Workers Welfare Fund	936,836	-	501,117	-	-	1,437,953
Credit loss allowance against off balance sheet obligations	916,029	-	(554,635)	-	-	361,394
Credit loss allowance against lendings to financial institutions	21,312	-	(10,573)	-	-	10,739
Credit loss allowance against balance with other banks	7,553	-	(2,341)	-	-	5,212
Credit loss allowance against balance with treasury banks	233,840	-	(138,006)	-	-	95,834
Credit loss allowance against investments	10,244	-	355,248	-	-	365,492
Credit loss allowance against acceptance	204,307	-	710,087	-	-	914,394
Credit loss allowance / provision against advances	10,698,002	-	996,137	(790,107)	-	10,904,032
Business losses in subsidiary	154,370	-	(52,852)	(42,284)	-	59,234
	15,384,881	-	2,264,670	(832,391)	-	16,817,160
Taxable temporary differences on:						
Surplus on revaluation of property and equipment	(3,272,050)	-	163,633	-	(1,961)	(3,110,378)
Surplus on revaluation of investments classified as FVOCI	(1,098,443)	(31,631)	-	-	(3,431,514)	(4,561,588)
Unrealized gain of revaluation of securities FVTPL	(432,272)	-	432,272	-	-	-
Accelerated tax depreciation	(1,354,069)	-	(31,402)	-	-	(1,385,471)
Surplus on revaluation of non banking assets	(23,134)	-	1,127	-	(13,347)	(35,354)
	(6,179,968)	(31,631)	565,630	-	(3,446,822)	(9,092,791)
	9,204,913	(31,631)	2,830,300	(832,391)	(3,446,822)	7,724,369
2024						
	At January 01	Impact Adoption of IFRS-09	Recognized in P&L		Recognized in OCI	At December 31
			Current year	Prior year		
Rupees in '000'						
Deductible temporary differences on:						
Deficit on revaluation of investments classified as FVOCI	2,811,262	(2,811,262)	-	-	-	-
Right of use assets net of lease liabilities	1,618,530	-	583,858	-	-	2,202,388
Workers Welfare Fund	642,055	-	294,781	-	-	936,836
Credit loss allowance against off balance sheet obligations	-	747,299	168,730	-	-	916,029
Credit loss allowance against lendings to financial institutions	-	13,798	7,514	-	-	21,312
Credit loss allowance against balance with other banks	-	42,307	(34,754)	-	-	7,553
Credit loss allowance against balance with treasury banks	-	335,701	(101,861)	-	-	233,840
Credit loss allowance against investments	-	18,246	(8,002)	-	-	10,244
Credit loss allowance against acceptance	-	264,948	(60,641)	-	-	204,307
Credit loss allowance / provision against advances	8,416,444	5,279,854	(2,998,296)	-	-	10,698,002
Business losses in subsidiary	72,505	-	44,662	-	37,203	154,370
	13,560,796	3,890,891	(2,104,009)	-	37,203	15,384,881
Taxable temporary differences on:						
Surplus on revaluation of property and equipment	(2,214,474)	-	117,503	-	(1,175,079)	(3,272,050)
Surplus on revaluation of investments classified as FVOCI	-	(385,082)	-	-	(713,361)	(1,098,443)
Unrealized gain of revaluation of securities FVTPL	-	-	(432,272)	-	-	(432,272)
Accelerated tax depreciation	(936,833)	-	(417,236)	-	-	(1,354,069)
Surplus on revaluation of non banking assets	(94,862)	-	1,343	-	70,385	(23,134)
	(3,246,169)	(385,082)	(730,662)	-	(1,818,055)	(6,179,968)
	10,314,627	3,505,809	(2,834,671)	-	(1,780,852)	9,204,913

		2025	2024
	Note	Rupees in '000'	
15. OTHER ASSETS			
Income / mark-up accrued in local currency		65,365,205	58,609,241
Income / mark-up accrued in foreign currencies		243,389	111,762
Advances, deposits, advance rent and other prepayments		3,157,426	3,062,363
Non-banking assets acquired in satisfaction of claims	15.1	3,674,098	4,049,527
Acceptances	22	18,550,252	12,772,495
Branch adjustment account		249,582	16,023
Mark to market gain on forward foreign exchange contracts		216,221	241,385
Stock of stationery		457,899	435,848
Suspense account		13,632	3,907
Zakat recoverable from National Investment Trust Limited (NITL)	15.2	36,790	36,790
Receivable against fraud and forgeries		653,626	418,081
Auto Teller Machine and point of sale receivable - net		48,098	338,296
Inter bank fund transfer and RAAST receivable - net		5,693,033	6,279,814
Receivable against settlement arrangements		219,175	221,905
Receivable against litigation expenses		334,690	312,218
Deferred fair value loss on derecognition of financial asset measured at amortised cost		7,285,045	7,674,252
Deferred fair value loss on remeasurement of staff loans - notional		16,573,483	13,194,712
Receivable against sale of shares - net		3,863	-
Receivable against Pakistan Remittance Initiative (PRI) rebate		2,094,444	355,504
Receivable on account of GoPb transactions		1,768,753	-
Others		2,828,752	2,452,856
		129,467,456	110,586,979
Less: Credit loss allowance / provision against other assets	15.3	(2,867,481)	(1,392,319)
Other assets (net of credit loss allowance / provision)		126,599,975	109,194,660
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24.2	643,475	940,388
Other assets - total		127,243,450	110,135,048
15.1 Market value of non-banking assets acquired in satisfaction of claims - net of credit loss allowance		4,286,697	4,959,038

The carrying and revalued amounts have been determined based on prudence, expected legal enforceability, ease of realization and current market conditions etc. These include assets which are in the process of sale and are stated at their respective sale prices. Latest valuations are carried out by PBA approved independent valuer (F.K.S. Building Services) as on December 31, 2025.

		2025	2024
	Note	Rupees in '000'	
15.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		4,959,039	1,996,956
Additions during the year		442,062	3,141,507
Surplus on revaluation during the year	24.2	26,651	329,416
Disposals during the year - net book value	15.1.2	(708,830)	(486,267)
Transfer to property and equipment - net book value		(400,607)	-
Depreciation charged during the year	32	(31,618)	(22,573)
Closing balance		4,286,697	4,959,039

	2025	2024
	Rupees in '000'	
15.12 Gain on disposal of non-banking assets acquired in satisfaction of claims		
Disposal proceeds	886,628	1,001,102
Less:		
- Cost / revalued amount	708,830	586,289
- Depreciation	-	(100,022)
	708,830	486,267
Gain on sale recognized during the year	177,798	514,835

15.2 This represents zakat deducted on dividends by NITL. The Bank has filed suit against NITL for recovery of the amount. The case was decided in favour of the Bank in 1993 and intra court appeal was filed by the Zakat and Ushr Department against the decision which is still pending. As a matter of prudence, though without prejudice to the Bank's claim against NITL at the court of law, the claim amount has been fully provided for.

	2025	2024
	Rupees in '000'	
	Note	
15.3 Credit loss allowance / provision against other assets		
Advances, deposits, advance rent & other prepayments		311,833
Acceptances		85,180
Income / markup accrued		449,215
Non banking assets acquired in satisfaction of claims		30,876
Zakat recoverable from NITL		36,790
Fraud and forgeries	15.3.2	496,889
Receivable against settlement arrangements		219,175
Receivable against litigation expenses		334,690
Others	15.3.3	902,833
		2,867,481

15.3.1 Movement in credit loss allowance / provision against other assets		
Opening balance		1,392,319
Impact of adoption of IFRS-09		-
Charge for the year		1,610,372
Reversals during the year		(244,914)
	34	1,365,458
Amount written off		(88)
Other adjustments		109,792
Closing balance		2,867,481

15.3.2 This includes credit loss allowance amounted to Rs. 3,006 thousand (2024: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.

15.3.3 This includes amount recoverable from a service provider under settlement against certain disputed transaction. The Bank's claim is under consideration at service provider end, however, provision has been created on prudence basis and without prejudice to the Bank's claim against service provider.

	2025	2024
	Rupees in '000'	
16. CONTINGENT ASSETS		
Contingent assets	Nil	Nil
17. BILLS PAYABLE		
In Pakistan	9,139,194	7,636,873
Outside Pakistan	-	-
	9,139,194	7,636,873

		2025	2024
	Note	Rupees in '000'	
18. BORROWINGS			
Secured			
Borrowings from SBP under:			
Export Refinance Scheme (ERF)	18.1	17,633,451	23,083,370
Long term financing facility (LTFF)	18.2	6,545,639	8,862,770
Financing Facility for Storage of Agriculture Produce (FFSAP)	18.3	400,112	319,557
Financing Scheme for Renewable Energy Performance Platform (REPP)	18.4	4,983,962	5,911,823
Refinancing facility for combating COVID-19	18.5	200,869	494,864
Temporary Economic Refinance Scheme (TERF)	18.6	9,765,661	11,755,342
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	18.7	35,783	42,150
Finance Facility for SAAF Rozgar Reimbursement Credit	18.8	11,654,968	15,636,440
Finance Facility for Shamsi Tawanai Consumer	18.9	38,905	38,526
Islamic Temporary Economic Refinance Facility (ITERF)	18.10	789,014	1,413,043
Refinancing Facility for Modernization of SMEs	18.11	132,875	90,033
Refinance Facility for Working Capital of SMEs	18.12	30,000	-
		52,211,239	67,647,918
Repurchase agreement borrowings	18.13	558,128,341	338,739,825
Borrowings from Pakistan Mortgage Refinance Company Limited	18.14	2,454,656	1,997,198
Total secured		612,794,236	408,384,941
Unsecured			
Call borrowings		5,200,000	200,000
Borrowing from Agence Francaise De Developpment (AFD)	18.15	3,641,599	-
Overdrawn nostro accounts		3,172,157	420,989
Total unsecured		12,013,756	620,989
		624,807,992	409,005,930

- 18.1** These are secured against the Bank's cash and security balances held with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 8.00% per annum (2024: 1.00% to 16.50% per annum) with maturities upto June 28, 2026.
- 18.2** This amount has been obtained for providing long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 7.00% per annum (2024: 1.00% to 16.00% per annum) with maturities upto June 30, 2036.
- 18.3** These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 4.25% per annum (2024: 2.00% to 4.25% per annum) with maturities upto December 30, 2031.
- 18.4** These represent borrowings under scheme of financing facility for renewable energy performance platform. Mark-up on these borrowings is payable quarterly at rate of 2.00% to 3.00% per annum (2024: 2.00% to 3.00% per annum) with maturities upto June 30, 2036.
- 18.5** These represent borrowings under scheme of financing facility for combating COVID-19. Mark-up on these borrowings is payable quarterly at rate of Nil (2024: Nil) with maturities upto June 23, 2027.
- 18.6** These represent borrowings under scheme of temporary economic refinance facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% per annum) with maturities upto January 06, 2033.
- 18.7** These represent borrowings under scheme of financing for women entrepreneurs. Mark-up on these borrowings is payable quarterly at rate of Nil (2024: Nil) with maturities upto April 01, 2030.

- 18.8** These represent borrowings under scheme of financing for SAAF rozgar reimbursement credit. Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% to 3.00% per annum) with maturities upto January 05, 2031.
- 18.9** These represent borrowings under scheme of financing for shamsi tawanai. Mark-up on these borrowings is payable quarterly at rate ranging from 1.00% to 4.00% per annum (2024: 1.00% to 2.00% per annum) with maturities upto December 05, 2031.
- 18.10** These represent borrowings under scheme of Islamic temporary economic refinance facility (ITERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% per annum) with maturities upto April 27, 2032.
- 18.11** These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMEs). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2024: 2.00% per annum) with maturities upto November 11, 2030.
- 18.12** These represent borrowings under scheme of financing facility for working capital of SMEs. Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2024: Nil) with maturities upto September 09, 2026.
- 18.13** These are secured against Pakistan investment bonds (PIBs), carrying mark-up at rate ranging from 10.00% to 11.50% per annum (2024: 13.06% to 14.00% per annum). The carrying value of PIBs & MTBs given as collateral against these borrowings is Rs. 563,136,880 thousand (2024: Rs. 339,822,380 thousand).
- 18.14** These are secured against PIBs and hypothecation charge over mortgage loan portfolio, carrying markup at rates ranging from 6.50% to 9.00% per annum (2024: 6.50% to 13.63% per annum) maturing on June 30, 2031. The carrying value of PIBs given as collateral against these borrowings is Rs. 2,632,095 thousand (2024: Rs. 2,093,280 thousand).
- 18.15** This represents borrowing amounting to USD 13 million obtained from Agence Francaise De Developpment to contribute to climate change mitigation and adaptation in Pakistan by financing eligible investment project(s) as defined in the relevant credit facility agreement. Mark-up on this borrowing is payable quarterly at the rate of 3-month Secured Overnight Financing Rate (SOFR) plus fixed margin. Following the expiry of grace period of sixty (60) months, the Bank is required to repay the principal amount in forty (40) quarterly instalments with last instalment due on June 30, 2039.

	2025	2024
	Rupees in '000'	
18.16 Particulars of borrowings with respect to currencies		
In local currency	617,994,236	408,584,941
In foreign currencies	6,813,756	420,989
	624,807,992	409,005,930

19. DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	457,167,831	12,864,423	470,032,254	339,980,192	10,182,140	350,162,332
Savings deposits	707,245,769	4,948,228	712,193,997	680,865,027	5,613,810	686,478,837
Term deposits	780,906,332	22,400,840	803,307,172	598,218,684	49,773,450	647,992,134
Margin deposits	10,858,217	-	10,858,217	8,776,447	-	8,776,447
	1,956,178,149	40,213,491	1,996,391,640	1,627,840,350	65,569,400	1,693,409,750
Financial institutions:						
Current deposits	2,966,774	2,254,680	5,221,454	1,694,808	1,590,280	3,285,088
Savings deposits	21,498,622	2,838	21,501,460	7,533,559	20,597	7,554,156
Term deposits	27,822,366	-	27,822,366	5,225,157	-	5,225,157
Margin deposits	10,894	-	10,894	90,008	-	90,008
	52,298,656	2,257,518	54,556,174	14,543,532	1,610,877	16,154,409
	2,008,476,805	42,471,009	2,050,947,814	1,642,383,882	67,180,277	1,709,564,159

	2025	2024
	Rupees in '000'	
19.1 Composition of deposits:		
- Individuals	369,953,379	222,777,019
- Private sector	485,678,567	497,060,294
- Government (federal and provincial)	891,149,222	717,809,405
- Public sector entities	249,610,472	255,763,032
- Banking companies	13,563,305	3,696,560
- Non-banking financial institutions	40,992,869	12,457,849
	2,050,947,814	1,709,564,159

19.2 Deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 676,480,231 thousand (2024: Rs. 580,736,877 thousand).

19.3 Current deposits include call deposits amounting to Rs. 47,794,091 thousand (2024: Rs. 30,976,161 thousand).

	2025	2024
	Rupees in '000'	
20. LEASE LIABILITIES		
Outstanding amount at the start of the year	17,101,125	15,727,259
Additions during the year	2,830,502	2,545,251
Interest expense	2,410,483	2,187,160
Terminations during the year	(411,022)	(386,477)
Lease payments including interest	(3,563,730)	(2,972,068)
Outstanding amount at the end of the year	18,367,358	17,101,125
20.1. Contractual maturity of lease liabilities:		
Short-term lease liabilities - within one year	106,595	146,338
Long-term lease liabilities		
- 1 to 5 years	2,361,932	1,631,629
- 5 to 10 years	10,918,723	9,010,163
- More than 10 years	4,980,108	6,312,995
	18,260,763	16,954,787
Total lease liabilities	18,367,358	17,101,125
21. SUBORDINATED DEBTS		
Subordinated perpetual term finance certificates - ADT I	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	3,950,000	3,950,000
Privately placed term finance certificates - II	4,287,100	4,288,820
Privately placed term finance certificates - III	6,993,000	6,995,800
Privately placed term finance certificates - IV	7,564,958	7,567,986
	30,812,558	30,820,106

21.1 Major terms and conditions of subordinated debts are as follows:

Description	ADT - I	ADT - I 2nd issue	TFCs - II	TFCs - III	TFCs - IV
Face value	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR
Listed/unlisted	Listed	Un-listed	Un-listed	Un-listed	Un-listed
Feature	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative

Description	ADT - I	ADT - I 2nd issue	TFCs - II	TFCs - III	TFCs - IV
Issue amount Rs. in '000'	8,017,500	3,950,000	4,300,000	7,000,000	7,569,500
Issue date	June 20, 2022	February 29, 2024	April 23, 2018	April 17, 2023	June 27, 2024
Maturity date	Perpetual	Perpetual	April 23, 2028	April 17, 2033	June 27, 2034
Rating	AA- (by PACRA)	AA- (by PACRA)	AA (by PACRA)	AA (by PACRA)	AA (by PACRA)
Tenor	Perpetual	Perpetual	10 Years.	10 Years.	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment	Not applicable.	Not applicable.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.36% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option	Callable after a period of 05 years. However no put option is available to the investors.				

Description	ADT -I	ADT -I 2nd issue	TFCs - II	TFCs - III	TFCs - IV
Lock in clause	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.				
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.				

	Note	2025 Rupees in '000'	2024
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		41,120,410	58,967,498
Mark-up / return / interest payable in foreign currency		468,035	1,245,364
Mark-up payable on subordinated debts		505,215	680,067
Provision for taxation (provisions less payments)		3,432,608	1,806,749
Sundry creditors and accrued expenses		2,882,729	1,906,368
Lease key money		31,204,602	21,617,332
Acceptances	15	18,550,252	12,772,495
Payable to gratuity fund	40.1.3	704,791	421,347
Gratuity payable to key management personnel		44,318	30,061
Provision for employees compensated absences	40.2.3	207,343	184,746
Unrealized loss on revaluation of foreign bills and trade loans		119,909	113,276
Provision against off-balance sheet obligations	22.1	738,971	1,805,577
Taxes / zakat / import fee payable		1,244,917	3,563,792
Unclaimed dividends		2,586	2,586
Payable to charity fund		4,166	469
Insurance payable against consumer assets financing		1,802,648	1,120,316
Payable against purchase of shares		-	200
Branch adjustment account		-	-
Workers Welfare Fund	22.2	3,050,250	2,086,563
Deferred and unearned income		2,095,729	1,322,348
Clearing and settlement accounts		500,972	1,911,890
Credit loss guarantee received against advances		1,879,765	231,006
Payable on account of GoPb transactions		120,226	-
Others		2,663,396	1,106,866
		113,343,838	112,896,916
22.1 Movement in credit loss allowance held against off-balance sheet obligations			
Opening balance		1,805,577	43,983
Impact of adoption of IFRS-09		-	1,525,099
		1,805,577	1,569,082
Charge for the year		394,861	969,931
Reversals during the year		(1,461,467)	(733,436)
	34	(1,066,606)	236,495
Amount written off		-	-
Closing balance		738,971	1,805,577

- 22.2** Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.

23. SHARE CAPITAL - NET

23.1 Authorized Capital

2025	2024		2025	2024
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Group is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of Directors approved the increase in authorized share capital of the Bank to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Group has initiated the process for necessary amendments in the Bank of Punjab Act, 1989 through the Provincial Assembly of Punjab.

23.2 Issued, subscribed and paid up capital - net

2025	2024		2025	2024
Number of shares			Rupees in '000'	
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at December 31, 2025 (December 31, 2024: 57.47%).

	Note	2025	2024
		Rupees in '000'	
24. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (Deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments	9.1	7,862,074	1,523,058
Securities measured at FVOCI - equity investments	9.1	912,863	587,028
Property and equipment	24.1	8,984,314	9,295,219
Non-banking assets acquired in satisfaction of claims	24.2	643,475	940,388
		18,402,726	12,345,693
Deferred tax on surplus on revaluation of:			
Securities measured at FVOCI - debt instruments	14	(4,088,278)	(793,188)
Securities measured at FVOCI - equity investments	14	(473,309)	(305,255)
Property and equipment	24.1	(3,110,378)	(3,272,050)
Non-banking assets acquired in satisfaction of claims	24.2	(35,354)	(23,134)
		(7,707,319)	(4,393,627)
		10,695,407	7,952,066

		2025	2024
	Note	Rupees in '000'	
24.1 Surplus on revaluation of property and equipment - net of tax			
At January 01		9,295,219	6,213,285
Surplus on land and building recognized during the year		-	3,307,899
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year			
- net of deferred tax		(151,044)	(108,464)
Related deferred tax liability on incremental depreciation charged during the year		(163,633)	(117,501)
Surplus on land & building transferred from non banking assets during the year		3,772	-
At December 31		8,984,314	9,295,219
Less: related deferred tax liability on:			
- surplus as at January 01		(3,272,050)	(2,214,474)
- surplus recognized during the year		-	(1,039,499)
- account of change in deferred tax due to tax rate change		-	(135,580)
- surplus transferred from non banking asset during the year		(1,961)	-
- incremental depreciation charged during the year		163,633	117,503
	14	(3,110,378)	(3,272,050)
		5,873,936	6,023,169
24.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net of tax			
At January 01		940,388	850,610
Surplus recognized during the year	15.11	26,651	329,416
Surplus realized on disposal during the year		(317,625)	(237,053)
Surplus on land and building transferred to property and equipment during the year		(3,772)	-
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year			
- net of deferred tax		(1,040)	(1,240)
Related deferred tax liability on incremental depreciation charged during the year		(1,127)	(1,345)
At December 31		643,475	940,388
Less: related deferred tax liability on:			
- surplus as at January 01		(23,134)	(94,862)
- surplus recognized during the year		(15,308)	(12,930)
- account of change in deferred tax due to tax rate change		-	(5,807)
- surplus transferred to property and equipment during the year		1,961	-
- surplus realized on disposal during the year		-	89,122
- incremental depreciation charged during the year		1,127	1,343
	14	(35,354)	(23,134)
		608,121	917,254
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	159,015,216	159,178,133
Commitments	25.2	629,902,611	353,075,813
Other contingent liabilities	25.3	291,951	291,951
		789,209,778	512,545,897

		2025	2024
	Note	Rupees in '000'	
25.1 Guarantees:			
Financial guarantees		48,606,898	48,123,386
Performance guarantees		34,815,732	28,380,622
Other guarantees:			
Back to back guarantee		47,766,322	47,837,861
Mobilization and bid bond guarantee		15,732,308	14,779,233
Other guarantee		12,093,956	20,057,031
		75,592,586	82,674,125
		159,015,216	159,178,133
25.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		166,340,789	162,730,274
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	265,923,625	120,009,708
- forward Government securities transactions	25.2.2	146,400,000	35,060,700
- forward lending	25.2.3	50,851,386	34,883,622
Commitments for acquisition of:			
- property and equipment		310,087	342,919
- intangible assets		76,724	48,590
		629,902,611	353,075,813
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		138,875,962	76,547,355
Sale		127,047,663	43,462,353
		265,923,625	120,009,708
25.2.2 Commitments in respect of forward Government securities transactions			
Purchase		79,800,000	18,060,700
Sale		66,600,000	17,000,000
		146,400,000	35,060,700
25.2.3 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	25.2.3.1	50,851,386	34,883,622

25.2.3.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2025	2024
	Rupees in '000'	
25.3 Other contingent liabilities	291,951	291,951

For tax years 2014 - 2024, the tax department disputed the Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these consolidated financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

25.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 55,348,429 thousand (2024: Rs. 46,889,928 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to the Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2025	2024
	Rupees in '000'	
26. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	98,023,061	117,843,517
Investments	164,455,831	215,724,812
Lendings to financial institutions	2,079,090	4,435,254
Balances with banks	316,913	789,820
IFRS-09 adjustment - notional		
Staff	1,135,143	3,490,257
Others	378,626	1,581,255
	266,388,664	343,864,915
26.1. Interest income recognised on:		
Financial assets measured at amortised cost	117,639,489	144,995,191
Financial assets measured at FVOCI	141,590,132	186,897,019
Financial assets measured at FVTPL	7,159,043	11,972,705
	266,388,664	343,864,915
27. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits and other accounts	138,211,068	230,485,239
Borrowings	40,295,237	59,338,801
Subordinated debts	4,212,342	6,781,634
Lease liabilities	2,411,301	2,187,160
IFRS-09 adjustment on borrowings - notional	123,164	811,918
	185,253,112	299,604,752

		2025	2024
	Note	Rupees in '000'	
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		464,980	441,883
Consumer finance related fees		855,746	727,578
Card related fees (debit and credit cards)		5,323,653	4,333,898
Credit related fees		1,184,533	931,022
Investment banking fees		923,334	514,611
Branchless banking fees		576,410	170,967
Commission on trade		1,709,522	1,713,160
Commission on guarantees		1,253,782	571,691
Commission on cash management		235,511	216,007
Commission on remittances including home remittances		(711,394)	590,742
Commission on bancassurance		326,032	250,407
Commission on wheat financing		-	27
SMS banking income		1,523,688	1,002,090
		13,665,797	11,464,083
29. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	29.1	4,033,070	10,923,904
Unrealized (loss) / gain - FVTPL	9.1	(498)	848,697
Unrealized gain - deliverable future contracts		-	7,887
		4,032,572	11,780,488
29.1 Realized gain on sale of securities - net:			
Federal government securities		4,215,618	8,086,597
Non government debt instruments		(165,418)	1,705,438
Shares		(17,130)	1,131,869
		4,033,070	10,923,904
29.2 Realized gain on sale of securities - net:			
Net gain/(loss) on financial assets measured at FVTPL:			
Designated upon initial recognition		(102,679)	2,750,306
Mandatorily measured at FVTPL		35,902	1,719,274
Net gain on debt instruments measured at FVOCI		4,099,847	6,454,324
		4,033,070	10,923,904
30. NET (LOSS) / GAIN ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Gain on derecognition on financial assets measured at amortised cost - notional		-	1,563,972
Loss on derecognition on financial assets measured at amortised cost - notional	30.1	(1,072,270)	(403,908)
Loss on derecognition/modification of advances measured at amortised cost - notional		-	(12,510)
		(1,072,270)	1,147,554
30.1	This includes amortization of deferred loss / modification impact(s) on PIA Corporation Limited and other parties.		
30.1.1	SBP through its Circular Letter No. BPRD/BRD/PIAHCL/733688 - 2024 dated August 01, 2024 has allowed staggering of fair value impact related to PIA Corporation Limited over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Group has recognized proportionate amount of 2nd year's 10% of loss in these consolidated financial statements.		

		2025	2024	
31.	OTHER INCOME - NET	Note	Rupees in '000'	
	Rent on property		-	12,949
	Gain on termination of lease liability against right-of-use assets		239,187	239,480
	Gain on sale of property and equipment - net		248,671	45,452
	Gain on disposal of non banking assets acquired in satisfaction of claims - net	151.2	177,798	514,835
	Notice pay on resignations		89,216	63,312
	Claim decided in favour of Bank against litigation		-	331,646
			754,872	1,207,674
32.	OPERATING EXPENSES			
	Total compensation expense	32.1	30,003,569	28,012,913
	Property expense:			
	Rent and taxes		97,892	80,900
	Insurance		19,404	17,228
	Utilities cost		1,985,308	2,086,062
	Security		6,022	2,018
	Repair and maintenance (including janitorial charges)		245,502	252,209
	Depreciation		1,250,857	913,425
	Depreciation on right-of-use assets	12	2,291,365	1,956,626
			5,896,350	5,308,468
	Information technology expenses:			
	Software maintenance		2,026,933	1,519,090
	Hardware maintenance		95,365	92,137
	Depreciation		1,143,701	870,860
	Amortization	13.1	474,548	412,344
	Network charges		630,003	562,754
			4,370,550	3,457,185
	Other operating expenses:			
	Directors' fees and allowances	41.2	58,189	64,908
	Fees and allowances to Shariah Board	41.3	14,070	9,315
	Legal and professional charges		648,620	408,256
	Subscription charges		86,948	89,065
	Outsourced staff services costs	39.1	1,372,118	1,031,140
	Travelling and conveyance		472,952	404,392
	NIFT clearing charges		182,080	107,032
	Depreciation		1,031,458	753,894
	Depreciation on non banking assets	15.11	31,618	22,573
	Depreciation on ijarah assets		849,538	401,096
	Training and development		142,163	137,299
	Postage and courier charges		437,912	360,488
	Stationery and printing		850,268	717,314
	Marketing, advertisement and publicity		624,895	512,598
	Auditors remuneration	32.2	29,140	20,474
	Insurance		202,353	313,269
	Deposit protection fee		929,179	749,017
	Repair and maintenance		1,032,080	818,439
	Promotional expenses for public sector programs		394,063	67,291
	Entertainment expenses		351,152	317,370
	Vehicle running expenses		115,966	108,443
	Fuel for generator		363,774	221,397
	Commission and brokerage		656,704	487,206
	Bank charges		91,001	61,776
	Card related expenses		5,424,733	2,834,102
	SMS banking charges		858,310	731,205
	Branch license fee		35,535	38,766
	CNIC verification / ECIB charges		766,683	384,324
	Organizational development		97,791	85,305
	Cash remittance charges		1,049,938	731,326
	COVID - 19 related expenses		-	39
	Miscellaneous expenses		253,869	444,507
			19,455,100	13,433,626
			59,725,569	50,212,192

Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 3,745,231 thousand (2024: Rs. 2,183,685 thousand). This expense represents payments made to companies incorporated in Pakistan. The Bank has material outsourcing arrangement with "Abacus ELS Private Limited" for third party staff hiring.

	Note	2025 Rupees in '000'	2024
32.1 Total compensation expense			
Managerial remuneration:			
Fixed		21,207,985	17,899,847
Variable cash bonus / awards etc.		2,729,154	2,329,267
Charge for defined benefit plan	40.1.7.1	558,054	469,147
Gratuity expense of key management personnel		14,257	10,626
Charge for compensated absences	40.2.4	52,943	31,077
Contribution to defined contribution plans		703,663	600,570
Medical		586,777	606,599
Conveyance		2,885,766	2,514,075
Liveries		43,509	36,812
Scholarship		81,653	23,831
Sub total		28,863,761	24,521,851
Sign-on bonus		4,665	805
IFRS-09 adjustment for staff loans - notional		1,135,143	3,490,257
Grand Total		30,003,569	28,012,913
During the year sign-on bonus was paid to 04 employees (2024: 03 employees).			
32.2 Auditors remuneration			
Audit fee		9,835	6,719
Fee for half year review and other statutory certifications		8,261	7,126
Special certifications		6,606	3,077
Other services		2,913	1,870
Out of pocket expenses		1,525	1,682
		29,140	20,474
33. OTHER CHARGES			
Penalties imposed by SBP		66,329	6,458
Operational loss		1,265	157
		67,594	6,615
34. CHARGE / (REVERSAL) OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
(Reversal) / charge of credit loss allowance against lending to financial institutions		(20,333)	12,825
Charge / (reversal) of credit loss allowance in value of investments		683,169	(58,487)
Charge / (reversal) of credit loss allowance against loans & advances	10.4.5	4,288,161	(3,798,415)
Reversal of credit loss allowance against balances with treasury banks		(265,396)	(235,411)
Charge / (reversal) of credit loss allowance and provisions against other assets - net	15.3.1	1,365,458	(158,479)
(Reversal) / charge of credit loss allowance against off balance sheet obligations	22.1	(1,066,606)	236,495
Reversal of credit loss allowance against balance with other banks		(4,503)	(71,817)
		4,979,950	(4,073,289)

	Note	2025 Rupees in '000'	2024
35. TAXATION-NET			
Current	35.1	21,099,225	8,280,502
Prior years		805,302	41,932
Deferred		(2,040,193)	2,834,671
	35.3	19,864,334	11,157,105

35.1 This includes provision for super tax for the year in accordance with Income Tax Ordinance, 2001.

35.2 The Government vide Finance Act 2023 & 2025, has enacted super tax at the rate of 10% for indefinite future period of time. Accordingly, the effect of change in deferred tax rate has been recognized in these consolidated financial statements.

	Note	2025 Rupees in '000'	2024
35.3 Relationship between tax expense and accounting profit			
Accounting profit before tax for the year		35,394,368	24,437,162
Effective tax rate		53%	54%
Tax on accounting profit before tax		18,759,015	13,196,067
Tax effect of permanent differences		579,720	(845,162)
Tax effect of prior year		(27,089)	41,932
Cumulative tax effect of change in tax rate		-	(1,378,058)
Others		552,688	142,326
Tax charge for the year		19,864,334	11,157,105
36. BASIC EARNINGS PER SHARE			
Profit after tax for the year (Rs in '000')		15,393,957	13,087,915
Weighted average number of ordinary shares (No.).	23.2	3,271,569,319	3,271,569,319
Basic earnings per share (Rs).		4.71	4.00
37. DILUTED EARNINGS PER SHARE			
There is no dilution effect on basic earnings per share.			
38. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	111,971,791	100,773,627
Balance with other banks	7	5,626,479	3,491,711
Call borrowing	18	(5,200,000)	(200,000)
Overdrawn nostro accounts	18	(3,172,157)	(420,989)
		109,226,113	103,644,349

38.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2025			2024				
	Liabilities		Equity	Liabilities		Equity		
	Subordinated debts	Lease & other liabilities	Un-appropriated profit	Total	Subordinated debts	Lease & other liabilities	Un-appropriated profit	Total
	Rupees in '000'							
Balance as at January 01,	30,820,106	129,998,041	33,046,272	193,864,419	30,204,640	125,117,800	30,502,820	185,825,260
Changes from financing cash flows								
Repayment of subordinated debts	(7548)	-	-	(7548)	(6034)	-	-	(6,034)
Advance subscription money received - Subordinated perpetual term finance certificates ADT - I 2nd issue	-	-	-	-	50000	-	-	50000
Advance subscription money received - privately placed term finance certificates - IV	-	(3,563,730)	-	(3,563,730)	571,500	(2,972,068)	-	571,500
Payment of lease liability against right-of-use-assets	-	-	-	(9160,394)	-	-	(3,271,569)	(2,972,068)
Dividend paid	-	-	-	(9160,394)	-	-	-	(3,271,569)
Total changes from financing cash flows	(7548)	(3,563,730)	(9160,394)	(12,731,672)	615,466	(2,972,068)	(3,271,569)	(5,628,171)
Liability related								
Changes in Other liabilities								
Cash based	-	16,951,260	-	16,951,260	-	5,688,820	-	5,688,820
Non cash based	-	(11,674,375)	-	(11,674,375)	-	2,163,489	-	2,163,489
Total liability related other changes	-	5,276,885	-	5,276,885	-	7,852,309	-	7,852,309
Total equity related other changes	-	-	14,299,090	14,299,090	-	-	5,815,021	5,815,021
Balance as at December 31	30,812,558	131,711,196	38,184,968	200,708,722	30,820,106	129,998,041	33,046,272	193,864,419

	2025	2024
	Number	
39. STAFF STRENGTH		
Permanent	12,924	12,403
On Bank contract	2,282	2,323
Bank's own staff strength at the end of the year	15,206	14,726

39.1 In addition to the above, 2,060 (2024: 1,688) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

40. EMPLOYEE BENEFITS

40.1 Defined benefit plan - gratuity

The Bank operates a funded gratuity scheme for all its permanent employees. The benefits under the scheme are payable on retirement / resignation which is equal to one month's last drawn basic salary for each year of eligible service or part thereof, with effect from January 01, 2008 or date of joining whichever is later, subject to minimum of five years of service. The Group makes annual provision in these consolidated financial statements for its liabilities on the basis of actuarial valuation.

40.1.1 Number of employees under the scheme

The number of employees covered under the following defined benefit scheme are:

	2025	2024
	Number	
- Eligible employees under gratuity scheme	12,924	12,333

40.1.2 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2025 using the "Projected Unit Credit Method". The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table. The principal assumptions used in the valuation were as follows:

	2025	2024
	Per annum	
Discount rate	11.00%	12.25%
Expected rate of return on plan assets	11.00%	12.25%
Expected rate of salary increase	9.00%	10.25%
Average expected remaining working life (years)	8	10

		2025	2024
	Note	Rupees in '000'	
40.1.3 Reconciliation of payable to defined benefit plan			
Present value of obligations	40.14	4,804,496	3,875,383
Fair value of plan assets	40.15	(4,099,705)	(3,526,098)
Benefits payable		-	72,062
Payable to defined benefit plan		704,791	421,347

		2025	2024
	Note	Rupees in '000'	
40.1.4 Movement in present value of defined benefit obligations			
Obligations at the beginning of the year		3,875,383	3,232,365
Current service cost		536,660	418,982
Interest cost		457,236	516,962
Benefits paid during the year		(357,753)	(292,053)
Re-measurement loss / (gain) - other comprehensive income		220,908	(873)
Other adjustment		72,062	-
Obligations at the end of the year		4,804,496	3,875,383
40.1.5 Movement in fair value of plan assets			
Fair value at the beginning of the year		3,526,098	2,561,319
Interest income on plan assets		435,842	466,797
Contribution by the Bank during the year		421,347	690,633
Benefits paid during the year		(357,753)	(239,578)
Remeasurement : return on plan assets excluding interest income		74,171	46,927
Fair value at the end of the year		4,099,705	3,526,098
40.1.6 Movement in payable under defined benefit scheme			
Opening balance		421,347	690,633
Charge for the year	40.1.71	558,054	469,147
Contribution by the Bank during the year		(421,347)	(690,633)
Re-measurement loss / (gain) recognized in other comprehensive income during the year	40.1.72	146,737	(47,800)
Closing balance		704,791	421,347
40.1.7 Charge for defined benefit plans			
40.1.7.1 Cost recognized in profit and loss			
Current service cost		536,660	418,982
Net interest on defined benefit plan		21,394	50,165
		558,054	469,147
40.1.7.2 Re-measurements recognized in other comprehensive income during the year			
Actuarial loss due to changes in financial assumptions		(7,699)	(19,979)
Loss on obligation due to experience adjustments		228,607	19,106
Return on plan assets over interest income		(74,171)	(46,927)
Total remeasurement loss / (gain) recognized in other comprehensive income		146,737	(47,800)
40.1.8 Components of plan assets			
Cash and cash equivalents - net		609,705	726,098
Government securities		2,665,000	1,825,000
Non-Government debt securities		825,000	975,000
		4,099,705	3,526,098

These assets are mostly contained in the form of cash and cash equivalents and government securities so there is no significant risk associated with it. However, investments may be adversely affected by movement in equity and interest rate markets.

40.1.9 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations. The increase / (decrease) in the present value of defined benefit obligations as a result of change in discount rate and salary growth is summarized below:

	2025	2024
	Rupees in '000'	
1% increase in discount rate	(4,436,926)	(3,543,461)
1% decrease in discount rate	5,202,632	4,238,491
1 % increase in expected rate of salary increase	5,202,517	4,238,397
1 % decrease in expected rate of salary increase	(4,436,871)	(3,543,417)
40.1.10 Expected contributions to be paid to the fund in the next financial year	704,791	421,347
40.1.11 Expected charge for the next financial year	692,096	527,593
40.1.12 Maturity profile		
The weighted average duration of the obligation (in years)	8	9

40.1.13 Funding policy

There are no statutory minimum funding requirements. However, contributions to the scheme are made on the basis of actuarial valuations carried in each year.

The Bank's gratuity scheme is mainly subject to following risks:

Asset volatility	The majority of the gratuity fund assets are invested in cash or cash-equivalent, government securities and non government debt securities. Therefore, there is investment risk to the scheme due to fluctuation in interest rate environment or changes in bond yields of debt securities. Also, there is no liquidity investment risk to the scheme. However, investments may be adversely affected by movement in equity and interest rate markets.
Inflation risk	Higher than expected growth in inflation may result in higher than assumed salary increases which will lead to increase in liability. However, assets of the scheme may not be at significant risk due to changes in inflation rate.
Life expectancy / Withdrawal rate	Actuarial valuation assumes heavy withdrawals for younger ages but moderate withdrawal rates are used for older ages. Significant withdrawals of employees having reasonable years of service would cause large benefit payments. Consequently, deficit position of the scheme would deteriorate further. However, availability of cash for benefit payments will not be an issue due to the liquid nature of assets of the Gratuity Fund.

40.2 Defined benefit plan - compensated absences

The Group makes annual provision in these consolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. The employees of the Bank are entitled to take leave as Leave Preparatory to Retirement (LPR) immediately before retirement. These leaves are subject to retirees' un-utilized privilege leave balance with an upper limit of 180 days. Alternatively, the retiree may receive a lump-sum cash amount equal to 180 days basic salary at the time of retirement in lieu of LPR of 180 days. Privilege leave accrues at the rate of 30 days per year. Moreover, any unutilized privilege leaves over 180 days are ignored.

40.2.1 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2025 using the "Projected Unit Credit Method". The principal assumptions used in the valuation were as follows:

	2025	2024
	Per annum	
Discount rate (%)	11.00%	12.25%
Expected rate of eligible salary increase in future years	9.00%	10.25%
Average number of leaves accumulated per annum by the employees (days)	20	20

	2025	2024
	Rupees in '000'	
40.2.2 Movement in present value of defined benefit obligations		
Obligations at the beginning of the year	184,746	163,363
Current service cost	6,097	5,041
Interest cost	20,773	26,551
Benefits paid during the year	(30,346)	(9,694)
Re-measurement loss / (gain)	26,073	(515)
Obligations at the end of the year	207,343	184,746

40.2.3 Movement in payable to defined benefit plan:

Opening balance	184,746	163,363
Charge for the year	52,943	31,077
Benefit paid	(30,346)	(9,694)
Closing balance	207,343	184,746

40.2.4 Charge for defined benefit plan:

Current service cost	6,097	5,041
Interest cost	20,773	26,551
Actuarial loss / (gain) recognized	26,073	(515)
	52,943	31,077

40.2.5 Sensitivity analysis:

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit plan. The increase / (decrease) in the present value of defined benefit plan as a result of change in discount rate and salary growth is summarized below:

	2025	2024
	Rupees in '000'	
Increase in discount rate by 1%	(191,379)	(168,919)
Decrease in discount rate by 1%	224,520	202,052
Increase in expected future increment in salary by 1%	224,560	202,057
Decrease in expected future increment in salary by 1%	(191,441)	(168,921)

40.2.6 Reconciliation of net liability recognized for compensated absences for the five years is as follows:

	2025	2024	2023	2022	2021
	Rupees in '000'				
Opening net liability	184,746	163,363	153,884	133,629	123,506
Net charge for the year	22,597	21,383	9,479	20,255	10,123
	207,343	184,746	163,363	153,884	133,629
Actuarial (loss) / gain on obligation	(26,073)	515	14,623	(2,934)	4,024

40.3 Defined contribution plan

The Bank operates and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made by the Bank and employees at the rate of 8.33% of basic salary.

41. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**41.1 Total compensation expense**

2025										2024			
Note	Chairman	Non-Executive Directors	Members Shariah Board	President / CEO	Key management personnel	Other material risk takers / controllers	Chairman	Non-Executive Directors	Members Shariah Board	President / CEO	Key management personnel	Other material risk takers / controllers	
Rupees in '000													
413	-	58189	14070	-	-	-	-	64908	9315	-	-	-	
Fees and allowances etc. Managerial remuneration													
Fixed	-	-	3776	171083	392529	651480	-	-	2945	140640	367585	584247	
Variable cash bonus / awards	-	-	469	100766	128744	193953	-	-	460	79695	94098	157497	
Charge for defined benefit plan	-	-	-	14257	27405	45916	-	-	-	10626	11522	22644	
Contribution to defined contribution plan	-	-	-	-	17757	30702	-	-	-	-	13329	25801	
Relocation allowance	-	-	-	-	-	960	-	-	-	-	-	960	
Servant salary	-	-	888	720	27771	69772	-	-	222	720	16690	43205	
Club membership	-	-	-	297	14605	7652	-	-	-	380	4981	6339	
Fuel	-	-	1094	-	39982	97116	-	-	941	-	30151	77434	
Others	-	-	805	20366	19201	19809	-	-	265	200	12563	22541	
Total	-	58189	21102	307489	667994	1117360	-	64908	14148	232261	550919	940668	
Number of persons	-	7	4	1	24	60	1	7	4	1	29	60	

41.1.1 During the year 2023, in terms of section 10 (2) of the Bank of Punjab Act, 1989, the GoPb appointed the Chairman of the Board of Directors of the Bank. However during the year 2024 the GoPb de-notified the Chairman.

41.1.2 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

41.1.3 Variable cash bonus / awards includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2025 stood at Rs. 128,175 thousand (2024: Rs. 122,384 thousand).

41.2 Remuneration paid to directors for participation in board and committee meetings

Name of Director	2025								
	Rupees in '000'								
	For Board Committees								
	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation, Performance Evaluation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Environmental, Social & Governance Committee	Islamic Banking Training Plan-2026 Committee	Total amount paid
Dr. Muhammad Amjad Saqib	3,319	1,770	738	3,024	811	2,212	1,106	369	13,349
Mr. Asif Reza Sana	1,844	1,106	369	2,213	1,254	736	369	-	7,891
Mr. Mohammad Mudassir Amray	1,844	369	1,328	-	1,106	1,474	369	-	6,490
Mr. Muhammad Naeem Khan	2,581	1,475	1,549	885	1,475	2,213	811	-	10,989
Mr. Mujahid Sherdil	738	-	-	-	-	-	-	-	738
Mr. Ali Farhan	738	369	369	369	443	367	369	-	3,024
Syed Ghazanfar Abbas Jilani	3,983	1,475	1,475	2,950	1,475	2,653	1,254	443	15,708
Total	15,047	6,564	5,828	9,441	6,564	9,655	4,278	812	58,189

Name of Director	2024								
	Rupees in '000'								
	For Board Committees								
	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation, Performance Evaluation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Environmental, Social & Governance Committee	Islamic Banking Training Plan-2026 Committee	Total amount paid
Dr. Muhammad Amjad Saqib	3,645	3,118	-	3,276	-	2,170	969	-	13,178
Mr. Asif Reza Sana	3,645	2,676	-	3,792	1,412	368	969	-	12,862
Mr. Mohammad Mudassir Amray	3,645	969	1,559	-	969	2,170	969	-	10,281
Mr. Muhammad Naeem Khan	3,645	2,675	1,338	-	1,106	2,170	1,117	-	12,051
Mr. Mujahid Sherdil	231	369	-	-	-	-	-	-	600
Mr. Naveed Akhtar Sharif	-	-	-	-	-	231	-	-	231
Syed Ghazanfar Abbas Jilani	4,234	1,938	1,338	3,276	1,485	2,465	969	-	15,705
Total	19,045	11,745	4,235	10,344	4,972	9,574	4,993	-	64,908

41.3 Remuneration paid to Shariah board members

	2025				2024			
	Chairman	Resident member	Non-resident member	Total amount paid	Chairman	Resident member	Non-resident member	Total amount paid
	Rupees in '000'							
Meeting fee and allowances	5,250	-	8,820	14,070	3,475	-	5,840	9,315
Salary & festival bonus paid to resident member through Bank's payroll	-	7,032	-	7,032	-	4,833	-	4,833
Total amount	5,250	7,032	8,820	21,102	3,475	4,833	5,840	14,148
Number of persons	1	1	2		1	1	2	

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as amortised are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the valuation methodologies.

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.

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

42.1 The Bank measures fair value 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 measurement using inputs other than quoted prices included within Level 1 that are observable for the asset 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).

42.1.1 Valuation techniques used in determination of fair values 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).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair value of open-ended mutual fund units is determined based on their net asset value as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	The fair value of unquoted equity investments is determined using market multiple approach. SWIFT is valued using its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. The Fair value of unquoted preference share is based on discounted cash flow (DCF) method based on investee company's projected cash flows / available financial information. In cases where such projections are not available, the Bank estimates fair value as the lower of the investment's cost or its break-up value.
Property & equipment and non banking assets acquired in satisfaction of claims	Land, buildings on freehold land 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.

42.2 Fair value of financial assets

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:

2025					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Federal government securities	1,415,361,305	-	1,415,361,305	-	1,415,361,305
Shares	9,617,776	9,532,261	85,515	-	9,617,776
Non-Government debt securities	755,878	-	755,878	-	755,878
Mutual funds & investment trust units	2,162,473	2,045,638	116,835	-	2,162,473
Foreign securities	40,036	-	-	40,036	40,036
Associated companies	285,225	-	-	285,225	285,225
Financial assets disclosed but not measured at fair value :					
Government securities	118,887,560	-	122,858,845	-	122,858,845
Non-Government debt securities	932,966	-	932,966	-	932,966
Off balance sheet financial instruments :					
Forward purchase of foreign exchange contracts	137,714,546	-	137,714,546	-	137,714,546
Forward sale of foreign exchange contracts	125,670,026	-	125,670,026	-	125,670,026
Forward purchase of Government Securities transactions	79,800,000	-	79,800,000	-	79,800,000
Forward sale of Government Securities transactions	66,600,000	-	66,600,000	-	66,600,000

		2024			
	Carrying	Fair value			
	value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Federal government securities	1,161,394,438	-	1,161,394,438	-	1,161,394,438
Shares	7,234,039	7,207,469	26,570	-	7,234,039
Non-Government debt securities	9,410,772	-	9,410,772	-	9,410,772
Mutual funds & investment trust units	3,099,761	2,994,767	104,994	-	3,099,761
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value :					
Government securities	136,638,722	-	134,938,970	-	134,938,970
Non-Government debt securities	2,102,368	-	2,102,368	-	2,102,368
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	76,262,665	-	76,262,665	-	76,262,665
Forward sale of foreign exchange contracts	42,936,278	-	42,936,278	-	42,936,278
Forward purchase of Government Securities transactions	18,060,700	-	18,060,700	-	18,060,700
Forward sale of Government Securities transactions	17,000,000	-	17,000,000	-	17,000,000

42.3 Fair value of non financial assets

2025					
	Carrying value /	Fair value			
	Notional value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non Financial assets measured at fair value :					
Property and equipment (land & building)	16,722,737	-	16,722,737	-	16,722,737
Non banking assets acquired in satisfaction of claims	4,286,697	-	4,286,697	-	4,286,697
2024					
	Carrying value /	Fair value			
	Notional value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non Financial assets measured at fair value :					
Property and equipment (land & building)	16,867,043	-	16,867,043	-	16,867,043
Non banking assets acquired in satisfaction of claims	4,959,038	-	4,959,038	-	4,959,038

42.4 The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investment in unquoted equity securities.

Description	Valuation technique	Unobservable input	Discount rate	Relationship of unobservable inputs to fair value
Unquoted equity investments (Income approach)	DCF method	Discount rate	15.40%	Increase / decrease discount rate by 1% with all other variables held constant, would decrease / increase the fair value by Rs. 1.217 million and Rs. 1.261 million respectively.
Unquoted equity investments (market approach)	Price to Book Value	Market multiple/ transaction price	Not applicable	Not applicable

42.5 The following table shows reconciliation of investments Level 3 fair value movement:

	2025	2024
	Rupees in '000'	
Opening balance	97,786	36,957
Impact of adoption of IFRS 9	-	60,829
Balance as at January 01, 2025 after adopting IFRS 9	97,786	97,786
Remeasurement recognised in OCI	27,765	-
Closing balance	125,551	97,786

43. SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2025						
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	54,143,507	9,054,649	22,437,765	156,930,140	21,489,626	2,332,977	266,388,664
Inter segment revenue - net	(22,718,502)	88,423,318	43,683,754	(111,711,350)	(31,516)	2,354,296	-
Non mark-up / return / interest income	2,613,729	7,150,323	2,684,531	6,206,354	534,843	805,611	19,995,391
Total income	34,038,734	104,628,290	68,806,050	51,425,144	21,992,953	5,492,884	286,384,055
Segment total expenses	24,522,782	78,913,484	53,889,918	38,405,088	17,471,319	32,807,371	246,009,962
Profit before credit loss allowance	9,515,952	25,714,806	14,916,132	13,020,056	4,521,634	(27,314,487)	40,374,093
Credit loss allowance - net	(4,545,690)	4,808,187	3,565,261	1,038,887	132,352	(19,047)	4,979,950
Profit / (loss) before tax	14,061,642	20,906,619	11,350,871	11,981,169	4,389,282	(27,295,440)	35,394,143
Balance sheet							
Cash & bank balances	-	190,118	34,287,713	62,569,729	20,550,710	-	117,598,270
Investments - net	903,661	-	-	1,430,455,797	116,683,761	-	1,548,043,219
Net inter segment lending	-	753,710,611	554,686,619	-	3,030,374	32,746,438	1,344,174,042
Lendings to financial institutions	-	-	-	219,424,747	1,997,051	-	221,421,798
Advances - performing	422,531,230	106,517,334	198,855,108	-	130,680,448	15,014,783	873,598,903
- non-performing - net	2,798,404	1,629,792	2,952,000	-	1,777,315	7,418	9,164,929
Others	35,491,690	6,587,853	22,710,766	23,737,472	18,822,850	73,562,036	180,912,667
Total assets	461,724,985	868,635,708	813,492,206	1,736,187,745	293,542,509	121,330,675	4,294,913,828
Borrowings	48,872,487	-	2,626,436	566,500,498	6,808,571	-	624,807,992
Subordinated debts	-	-	-	-	-	30,812,558	30,812,558
Deposits & other accounts	218,020,501	855,075,604	726,703,961	-	251,147,748	-	2,050,947,814
Net inter segment borrowing	177,270,371	-	-	1,166,903,671	-	-	1,344,174,042
Others	17,561,626	13,560,104	84,161,809	2,783,576	11,156,976	11,626,299	140,850,390
Total liabilities	461,724,985	868,635,708	813,492,206	1,736,187,745	269,113,295	42,438,857	4,191,592,796
Equity							103,321,032
Total equity & liabilities							4,294,913,828
Contingencies & commitments	305,984,951	-	27,885,919	417,169,343	46,912,843	364,256	798,317,312

2024

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	78,077,750	268,934	23,647,203	211,571,820	26,160,280	4,138,928	343,864,915
Inter segment revenue - net	(38,973,495)	135,368,052	73,319,913	(176,344,725)	(2,053,265)	8,683,520	-
Non mark-up / return / interest income	3,322,247	5,745,888	1,735,754	11,139,209	749,932	4,120,778	26,813,808
Total income	42,426,502	141,382,874	98,702,870	46,366,304	24,856,947	16,943,226	370,678,723
Segment total expenses	41,715,275	129,747,134	74,429,668	54,847,778	16,814,966	32,760,029	350,314,850
Profit before credit loss allowance	711,227	11,635,740	24,273,202	(8,481,474)	8,041,981	(15,816,803)	20,363,873
Credit loss allowance - net	(3,445,052)	87,456	157,599	(331,542)	(773,424)	231,674	(4,073,289)
Profit / (loss) before tax	4,156,279	11,548,284	24,115,603	(8,149,932)	8,815,405	(16,048,477)	24,437,162
Balance sheet							
Cash & Bank balances	-	256,597	31,394,926	58,945,560	13,668,255	-	104,265,338
Investments - net	998,874	-	-	1,263,371,659	55,521,524	-	1,319,892,057
Net inter segment lending	-	701,461,858	530,415,502	-	10,691,544	25,433,874	1,268,002,778
Lendings to financial institutions	-	-	-	-	12,891,206	-	12,891,206
Advances - performing	477,822,557	34,200,072	153,473,104	-	76,946,920	26,670,763	769,113,416
- non-performing	5,725,650	-	1,462,361	-	2,461,411	(4,993)	9,644,429
Others	28,586,985	1,998,701	22,805,830	26,908,572	14,735,486	68,298,481	163,334,055
Total assets	513,134,066	737,917,228	739,551,723	1,349,225,791	186,916,346	120,398,125	3,647,143,279
Borrowings	49,408,660	-	17,762,197	339,360,814	2,474,259	-	409,005,930
Subordinated debts	-	-	-	-	-	30,820,106	30,820,106
Deposits & other accounts	191,620,436	722,637,779	636,562,579	-	158,743,365	-	1,709,564,159
Net inter segment borrowing	259,843,153	-	-	1,008,159,625	-	-	1,268,002,778
Others	12,261,817	15,279,449	85,226,947	1,705,352	7,812,648	15,348,701	137,634,914
Total liabilities	513,134,066	737,917,228	739,551,723	1,349,225,791	169,030,272	46,168,807	3,555,027,887
Equity							92,115,392
Total equity & liabilities							3,647,143,279
Contingencies & commitments	309,194,746	-	24,055,755	150,522,395	28,092,662	680,339	512,545,897

44. TRUST ACTIVITIES

The Bank act as a custodian for securities held in Investor Portfolio Securities (IPS) accounts. These are not the assets of the Bank and therefore, not included in these consolidated financial statements. Assets held under trust in IPS accounts are shown in the table below:

2025							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuks	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	-	-	-	-	-	-
Corporate	82	32,622,700	28,646,500	13,300	-	-	61,282,500
Employees Funds	16	23,305,800	4,412,000	600,000	-	-	28,317,800
Individuals	1456	723,285	143,700	-	2,222,545	543,549	3,633,079
Others	40	1,127,100	49,934,500	-	-	-	51,061,600
	1607	57,778,885	83,136,700	613,300	2,222,545	543,549	144,294,979
2024							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuks	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	-	-	-	-	-	-
Corporate	79	102,471,839	55,564,900	-	-	-	158,036,739
Employees Funds	14	20,178,955	3,562,000	-	-	-	23,740,955
Individuals	871	1,180,950	92,500	13,300	1,851,430	289,025	3,427,205
Others	35	20,403,500	77,375,504	-	-	-	97,779,004
	1012	144,235,244	136,594,904	13,300	1,851,430	289,025	282,983,903

45. RELATED PARTY TRANSACTIONS

The Group has related party transactions with associate, employee benefit plans, directors and Key Management Personnel. The Groups 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. Remuneration of Directors, key management personnel, Shariah Board and fixed assets sold to related parties are disclosed in Note 41.1, 41.2, 41.3 & Note 11.2.5 respectively. In addition key management personnel are paid terminal and short-term terminal benefits.

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:

2025						2024				
	Director	Key management personnel	Associate	Employee funds	Other related parties	Director	Key management personnel	Associate	Employee funds	Other
	Rupees in '000									
Investments										
Opening balance	-	-	-	-	-	-	-	-	-	-
Investments made during the year	-	-	285,000	-	-	-	-	-	-	-
Investments disposed off during the year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	285,000	-	-	-	-	-	-	-
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances (gross):										
Opening balance	-	567,927	-	-	-	-	474,755	-	-	-
Addition during the year	-	255,954	-	-	30,000	-	262,131	-	-	-
Repaid during the year	-	196,216	-	-	2,316	-	168,959	-	-	-
Closing balance	-	627,665	-	-	27,684	-	567,927	-	-	-
Credit loss allowance held against advances	-	8,735	-	-	89	-	5,306	-	-	-
Fair value loss held against advances	-	235,636	-	-	-	-	257,679	-	-	-
Other assets - markup receivable	-	28,760	-	-	71	-	23,500	-	-	-
Credit loss allowance against other assets	-	706	-	-	5	-	336	-	-	-
Right of use assets	-	-	-	-	79,974	-	-	-	-	58,184
Lease liability against right of use assets	-	-	-	-	5,057	-	-	-	-	17,394
Deposits and other accounts:										
Opening balance	22,222	116,975	-	2,587,664	874,152	9,536	63,441	-	1,185,599	158,150
Received during the year	29,745	2,093,993	122,250,831	6,542,556	361,247,2	112,807	2,533,812	-	25,776,888	19,344,943
Withdrawn during the year	35,423	2,147,951	119,566,217	773,138	2,495,773	100,121	2,480,278	-	24,374,823	18,628,941
Closing balance	16,544	63,017	2,684,614	1,399,082	1,990,851	22,222	116,975	-	2,587,664	874,152
Markup & commission payable	62	289	11,820	-	615	92	605	-	-	3,530
Contingencies (non funded exposure)	-	-	-	-	56,300	-	-	-	-	56,300
Income:										
Mark-up / return / interest earned	-	54,842	-	-	2,426	-	25,711	-	-	-
Fee and commission income	105	3,176	-	-	1,073	5	1,050	-	-	1,049
Expense:										
Mark-up / return / interest expensed	1950	5,723	11,958	136,171	86,299	5,574	15,911	-	276,520	401,360
Depreciation on right of use assets	-	-	-	-	4,542	-	-	-	-	4,426
Markup on lease liability against right of use assets	-	-	-	-	2,384	-	-	-	-	2,186
Training and development	-	-	-	-	11,838	-	-	-	-	-

- 45.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.
- 45.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb 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 detail of transactions are as follows:

	(Audited)	
	2025	2024
	Rupees in '000'	
Advances	6,832,672	9,481,684
Credit loss allowance held against advances	5,148	88,080
Deposits and other accounts	929,677,436	753,243,728
Bills payable	435,155	65,758
Subordinated debts	13,122,981	13,126,352
Acceptances	71,929	71,929
Contingencies and commitments	31,106,542	34,117,577
Credit loss allowance against off balance sheet obligations	107	24,010
Mark-up receivable	7,398,490	3,265,516
Credit loss allowance against other assets	3	111
Mark-up payable on subordinated debts	206,698	299,653
Mark-up payable	34,402,345	36,367,364
Mark-up earned	1,219,608	4,080,981
Mark-up expensed	74,135,065	130,975,704
Fee and commission income	173	109
Income on contingencies and commitments	364,905	221,775
Mark-up expense on subordinated debts	1,771,057	2,884,855

- 45.3 The Bank made contribution of Rs. 703,663 thousand and Rs. 421,347 thousand (December 31, 2024: Rs. 600,571 thousand and Rs. 690,633 thousand) to employees provident fund and gratuity fund during the year respectively.
- 45.4 The Bank has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.
- 45.5 Advances to employees as at December 31, 2025, other than key management personnel, net of deferred fair value adjustments amounted to Rs.17,576,528 thousand (December 31, 2024: Rs. 17,209,106 thousand) with markup receivable of Rs. 1,342,010 thousand (December 31, 2024: Rs.1,080,273 thousand) and markup income of Rs.1,530,374 thousand (December 31, 2024: Rs. 1,227,048 thousand) and fee & commission income of Rs. 85,292 thousand (December 31, 2024: Rs. 39,995 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 472,513 thousand (December 31, 2024: Rs. 475,965 thousand). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2025 stood at Rs. 128,175 thousand (December 31, 2024: Rs. 122,384 thousand).
- 45.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.
- 45.7 The Bank held government securities in fiduciary capacity for its employee fund, GOPb & other related parties in IPS account amounting to Rs. 9,021,700 thousand (December 31, 2024: Rs. 11,496,500 thousand)

	2025 Rupees in '000'	2024
46. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	34,667,575	34,667,575
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	91,882,060	84,015,724
Eligible Additional Tier 1 (ADT 1) Capital	11,967,500	11,967,500
Total Eligible Tier 1 Capital	103,849,560	95,983,224
Eligible Tier 2 Capital	29,371,987	24,833,701
Total Eligible Capital (Tier 1 + Tier 2)	133,221,547	120,816,925
Risk Weighted Assets (RWAs):		
Credit Risk	672,763,927	511,960,742
Market Risk	133,421,822	66,299,796
Operational Risk	131,613,037	95,951,006
Total	937,798,786	674,211,544
Common Equity Tier 1 Capital Adequacy Ratio	9.80%	12.46%
Tier 1 Capital Adequacy Ratio	11.07%	14.24%
Total Capital Adequacy Ratio	14.21%	17.92%

46.1 Capital adequacy framework

The Basel Framework for a capital adequacy is applicable to the Group both at the consolidated level (including the Subsidiary) and on a standalone basis. The Group's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future business developments. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratio compares the amount of eligible capital with the total of risk-weighted assets. The Group monitors and reports its capital ratios under SBP rules, which ultimately determine the regulatory capital required to be maintained by banks and DFIs.

In addition, the SBP requires that the paid up capital of locally incorporated banks should be raised to Rs. 10 billion by December 31, 2013 in a phased manner. The paid-up capital requirement (net of losses) as at December 31, 2025 is Rs. 10 billion.

The SBP requires that banks doing business in Pakistan should maintain regulatory capital for credit, market, and operational risks, the amount of which should at least be equal to 10% plus capital conservation buffer of 2.50% of the risk weighted assets of the Group. However, in order to dampen the effects of COVID - 19, SBP vide Circular No 12 of 2020 dated March 26, 2020, provided relaxation to maintain capital conservation buffer CCB of 1.5% from March, 2020 till further instructions. Accordingly, capital adequacy ratio requirement stood at 11.50% as at December 31, 2025.

Further, under Basel III instructions, Groups are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2025. The Group is fully compliant with prescribed ratios as the Group's CAR is 14.21% whereas CET 1 and Tier 1 ratios stood at 9.80% and 11.07% respectively.

The SBP's regulatory capital as managed by the Group is analyzed into following tiers:

- Tier I capital (CET1), which comprises of highest quality capital element and include fully paid up capital, share premium, reserve for bonus shares, general reserves and accumulated losses.
- Additional Tier I capital (ADT-I), which includes instrument meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares and its premium after all regulatory adjustments applicable on ADT-I.

The deductions from Tier 1 capital include mainly:

- i) Book value of goodwill / intangibles;
- ii) Shortfall in provision;
- iii) Deficit on revaluation of available for sale investments - AFS and fixed assets;
- iv) Defined benefit pension fund asset;
- v) Investment in own shares;
- vi) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
- vii) Investment in mutual funds above a prescribed ceiling;
- viii) Threshold deductions applicable from 2014 on deferred tax assets and certain investments; and
- ix) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position during transition phase.

- Tier II capital, which includes subordinated debt / instruments and its premium, general reserve for loan losses (up to a maximum of 1.25% of CRWA), net of tax revaluation reserves, exchange translation reserves after all regulatory adjustments applicable on Tier-II.

The deductions from Tier 2 include mainly

- i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;
- ii) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Group calculates capital requirement as per regulatory framework, using the following approaches:

Credit risk	Standardized Approach
Market risk	Standardized Approach
Operational risk	Basic Indicator Approach

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Group.

	2025	2024
	Rupees in '000'	
46.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	103,849,560	95,983,224
Total Exposures	3,362,575,836	2,770,015,980
Leverage Ratio	3.09%	3.47%
46.3 Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,044,794,202	828,488,113
Total Net Cash Outflow	517,654,929	434,785,659
Liquidity Coverage Ratio	201.83%	190.55%
46.4 Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,501,658,047	1,308,850,221
Total Required Stable Funding	883,472,667	967,747,619
Net Stable Funding Ratio	169.97%	135.25%

46.4.1. LCR and NSFR included in these consolidated financial statements are same as reported in the unconsolidated financial statements of the Bank.

46.5 The Group availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 14.01%, 3.01% and 169.68% respectively.

46.6 The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time are available at <http://bop.com.pk>.

47. RISK MANAGEMENT

Risk management strategy and processes play a critical role in safeguarding the financial stability of the Group. Effective risk management involves identifying, assessing and mitigating risk through a combination of robust internal controls, risk based policies, procedures and through effective monitoring ensured within the risk management group. By ensuring compliance to the approved policy and procedures, the Group fosters trust and regulatory compliance, thereby ensuring informed decision making by the senior management and the Board.

The Bank's Chief Risk Officer (CRO) has a dotted line reporting to the Board's Risk Management, Compliance & NPL Review Committee (which is a specialized risk oversight Committee established by the BoD). The Board's Risk Management, Compliance & NPL Review Committee assists the BoD in establishing its regular oversight of the Group wide risk management policies, systems, procedures whilst ensuring that the Group's risk taking activities are confined to the approved risk appetite and tolerance thresholds established by the BoD. RMG is comprised of following divisions:

1. Corporate & FI Risk
2. Commercial & SME Risk
3. Consumer, Agri. & Fintech
4. Enterprise Risk Management
5. ESG, Policy & Risk Analytics
6. Information Security
7. Credit Administration
8. Special Assets Management

The risk management function ensures regular reporting to the senior management and Board of Directors through respective committees. In order to generate various reports, risk management function currently relies on Flexcube (Core Grouping System), Loan Origination System (LOS) and Risk Rating System. The Group is constantly investing on upgradation of its IT based infrastructure in order to ensure effective monitoring of its various portfolios through efficient reporting mechanism. The Group's risk management involves the identification, measurement, monitoring, mitigation and controlling of risks to ensure that following primary objectives at minimum are adhered to:

- a. Individuals who take or manage risks clearly understand it in the entire credit value chain;
- b. The Group's risk exposure is within the risk appetite limits duly defined by the regulator or established by Board of Directors;
- c. Risk taking decisions are in line with business strategy and objectives set by the management;
- d. Business decisions optimize the risk-reward trade-off;
- e. Risk taking decisions are explicit and clear; and
- f. Sufficient capital as a buffer is available to take risk

47.1 Credit risk

Credit Risk exposes the Group to a potential financial loss due to its obligor and/or counterparty(ies) failure to meet the contractual obligations. Credit risk can arise from direct lending to Consumer/Retail, Agriculture, SME, Corporate/Commercial clientele, trade finance products and credit derivatives. The Group assesses the credit risk of its clientele on the basis of a well documented and robust credit policy/product manuals and procedures duly approved by the Board along with strict compliance to SBP Prudential Regulations, regulatory and industry specific guidelines issued from time to time. The Group has deployed an economic and statistically balanced Obligor Risk Rating (ORR) model which captures both qualitative (corporate structuring, account behaviour, relationship with Group, market check, internal quality and buyer / supplier concentration. etc.) and quantitative (financials, economics & industry specific) factors of the clients to define credit rating which further complement the in-place credit assessment and management process(es).

To further beef up the credit evaluation process Facility Risk Ratings (FRR) are also assessed to ensure that the Group's credit exposure is maintained within the pre-defined Board approved appetite at all times. The Group has a very strong pre & post credit monitoring and collateral management mechanism thereby ensuring the Groups' interest is safeguarded. The Group monitors its credit portfolio on an ongoing basis by applying various analytical and statistical techniques / methodologies with findings

presented in CRMC and the Board's Risk Management, Compliance and NPL Review Committee (RMC&NPLRC). The Group also continuously monitors the credit ratings via rating migration matrix analysis; in terms of both number of accounts & exposure to identify any credit deterioration that can expose the Group to current and /or potential credit risk.

The risk management function of the Group is regularly conducting assessments of the Group's credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. Stress tests (sensitivity analysis &/or scenario analysis) helps in identifying and analyzing the risks which might be quiescent, but if triggered, can have far-fetching implications for the financial institution. The Group has implemented a very effective stress testing program and stress testing has been made a regular feature of periodic risk assessment and reporting framework.

The main objective of the Group's Credit Policy & Manual is to extend quality credits in accordance with the norms of prudent lending, to ensure health of its portfolio and development of quality assets, it also places utmost emphasis in containing the non-performing portfolio (NPLs) of the Group. The policy serves as a guiding tool on effective management of the Group's credit risk. Furthermore, one of the key objective of credit policy & manual is to ensure compliance to all relevant and latest SBP Prudential Regulations (PRs)/directives/guidelines that must be adhered at all times.

The Group has developed internal risk rating models for its Corporate / Commercial and SE / ME customers whereas for retail portfolio application scorecard is applied for generation of credit score. The external ratings are used for evaluation of FIs and investments in Sukkuk / TFCs. The external rating is then mapped with Group internal risk rating grid for determination of credit score. The risk rating model(s) are applied on both performing and non-performing relationships of the Group.

In line with banking sector best credit risk management practices, the Group conducts a detailed 360-degree due diligence of credit presentations including but not limited to Dynamic Covenant application & periodic rapid portfolio thereby ensuring credit risk at all levels/segments remains within the Board approved appetite and safeguard bank from any un-foreseen losses due to deterioration in credit quality of its lending portfolio. While Corporate, Commercial, SE & ME portfolios are reviewed at an obligor level and the retail portfolio is assessed on portfolio level basis.

The methods deployed by the Group to determine specific and general allowances are as per the approved IFRS 9 related Policies of the Group and SBP IFRS 9 guidelines. Group's Risk Rating models generally covers various qualitative factors in order to gauge the quantum of credit risk at an obligor level. The credit rating assign through risk rating models reflect the credit and financial strength of the customer against SBP prescribed risk rating scale of 1 to 12. Relevant to mention that while allocating the qualitative score, analytical judgement plays an important role. The Group manages past-due loans and impaired assets as per requirements of SBP PRs and IFRS 9 implementation guidelines.

The Group has in place relevant risk rating models for all business segments to evaluate and manage credit risk across its credit portfolio. These models incorporate a mix of quantitative and qualitative factors that assist in calculation of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) at both individual and portfolio levels. These estimates form the basis for assessing expected credit losses (ECL) in compliance with the requirements of SBP IFRS 9 implementation guidelines.

The Group's collateral management mechanism in place ensures that effective credit risk mitigation techniques are deployed to keep the credit risk of Group within Board's approved Credit Risk Appetite. The Group accepts a variety of valid and legally enforceable collaterals including but not limited to real estate, fixed assets, securities, receivables, and cash deposits, to secure its credit exposures while ensuring Group's right of recourse against the collateral held as security. The Group maintains appropriate margins to account for potential fluctuations in the value of collateral and applies prudent valuation practices in accordance with regulatory requirements.

47.1.1 Loans and advances

The Group employs robust methodologies and models for the measurement of key credit risk parameters vis-a-vis Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD)—to estimate expected credit losses (ECL) in compliance with the SBP IFRS 9 Implementation Instructions. The brief synopsis of IFRS-9 related models is given here as under:

1. PD Model estimates the likelihood that a borrower will default on their obligation within a specific time horizon, typically one year. The Group applies Vasicek Approach along with Markov Chain Method for calculation of Corporate/Commercial and SME segment PDs, whereas flow rate based approach is used for the calculation of PDs related to Consumer and Agri. segments.
2. LGD is an estimate of the magnitude of loss expected to be sustained on an exposure upon default by a borrower/customers and is expressed as a percentage of the exposure outstanding as of the expected date of default. The Group calculates historical LGD based on workout approach, where as Jacob Frye Model is being deployed for conversion of Historical LGD into FLI based LGD.
3. The Group has developed an EAD model for the calculation of expected tenor beyond contractual maturities of revolving credit lines.
4. The Groups has developed Credit Conversion Factor (CCF) model for estimating extent of conversion of non-fund based facilities and unutilized portion of irrevocable funded facilities.

EAD as a component of Expected Credit Loss computation represents the amount of potential exposure that is at risk. The EAD methodology adopted by the Group is a measure of expected exposure (or utilization of a facility) when a counterparty defaults.

According to IFRS 9, exposures are required to be categorized into three stages. Stage 1 are performing exposures, stage 2 are performing exposures where credit risk has increased significantly since initial recognition and stage 3 are primarily Credit-Impaired Exposures. Group staging classification criteria is as follows:

Stage 1

Group shall classify a financial asset as Stage 1 where there is no "significant increase in credit risk /decrease in credit quality" since issuance. Risk rating and DPDs parameters are applicable for categorization of Financial Assets as stage 1 as per SBP IFRS 9 implementation instructions.

Stage 2

Group shall classify a financial asset as Stage 2 where exposures have potentially deteriorated in terms of credit quality i.e. significant increase in credit risk. However, classification to Stage 2 should not be considered an indication of default, unless there are other indications of unlikelihood or inability to pay. Exposures with the following characteristics shall be classified in stage 2:

Obligor Risk Rating	Significant change in credit quality grade
1-2	Three notches downgrade
3-5	Two notches downgrade
6 Onwards	One notch downgrade

Stage 3

Group shall classify stage 3, where 'default' has occurred with regards to an obligor. Default will trigger with any of the following events:

- a) The obligor is classified based on objective or subjective criteria as per SBP PRs;
- b) Group concludes (based on internal/external indicators) that the obligor is unwilling or unable to pay its credit obligations, without recourse to punitive actions such as realizing security. Credit Allowance for stage 3 parked financial assets will be taken as a higher of provision calculated under SBP PR8 and ECL computed under IFRS 9 requirements.

Reclassification to Stage 1:

Where there is evidence of significant improvement in credit quality, Group shall reclassify financial asset from Stage 2 to 1. However, the Group would continue to monitor such financial instruments / credit exposures for a probationary / cooling-off period of (03) three months to ascertain if the risk of default has decreased sufficiently before upgrading such financial asset from Stage 2 to Stage 1.

Reclassification to Stage 2:

An exposure cannot be upgraded from Stage 3 to 1 directly and should be upgraded to Stage 2 initially. For the purpose of reversal of provisions, the PRs requirements will be followed for the Stage 3 / classified assets. Group of Punjab is recognizing income on impaired assets (loans classified under PRs i.e., OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of Prudential Regulations issued by SBP.

471.2 Lendings to financial institutions
Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance					
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	2025	2024	2025	2024	2025			2024		
Public / Government	34,223,760	-	-	-	-	-	-	-	-	-
Private	187,218,690	12,932,190	-	-	20,652	-	-	40,984	-	-
	221,442,450	12,932,190	-	-	20,652	-	-	40,984	-	-

471.3 Investment in debt securities
Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance					
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	2025	2024	2025	2024	2025			2024		
Textile	132,222	160,000	132,222	160,000	-	-	132,222	-	-	160,000
Electronics and electrical appliances	16,862	16,862	16,862	-	-	-	16,862	-	-	-
Construction	79,631	79,631	14,631	16,862	-	-	14,631	-	-	16,862
Power (electricity), gas, water, sanitary	210,400	8,896,407	400	14,631	57	-	400	658	-	14,631
Transport, storage and communication	143,333	179,167	-	400	-	-	-	-	-	400
Financial	1,529,265,568	1,300,437,654	26,907	-	-	-	26,907	-	-	-
Services	607,068	607,068	607,068	26,907	-	-	607,068	15,460	-	26,907
Chemical and pharmaceuticals	724,091	885,000	-	-	1,068	-	-	3,582	-	-
	1,531,179,175	1,311,261,789	798,090	218,800	1,125	-	798,090	19,700	-	218,800
Credit risk by public / private sector										
Public / Government	3,160,214	1,296,300,618	-	400	-	-	-	-	-	400
Private	1,528,018,961	14,961,171	798,090	218,400	1,125	-	798,090	19,700	-	218,400
	1,531,179,175	1,311,261,789	798,090	218,800	1,125	-	798,090	19,700	-	218,800

471.4 Advances
Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance					
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	2025	2024	2025	2024	2025			2024		
Agriculture, forestry, hunting and fishing	132,017,308	84,425,424	4,631,946	3,891,749	2,088,497	151,706	2,735,796	361,484	191,285	2,855,076
Oil & gas	-	26,224,470	-	1,359,186	-	-	-	145,685	303	1,359,121
Textile	135,022,034	127,086,005	14,997,618	21,330,747	161,170	287,455	131,20,058	352,346	155,924	19,288,737
Chemical and pharmaceuticals	30,796,245	20,894,384	150,286	545,303	56,039	25,313	105,203	79,669	15,328	308,269
Cement	17,537,342	17,457,402	-	-	18,627	164,784	-	61,146	460,673	-
Sugar	25,316,935	25,578,540	1,275,245	1,826,148	57,339	2,071	1,275,245	107,780	-	1,826,148
Footwear and leather garments	2,814,167	1,989,573	322,076	436,266	4,716	2,589	274,657	5,882	2,017	386,802
Automobile and transportation equipment	6,033,155	2,707,811	132,405	479,284	5,397	993	87,651	5,965	10,493	479,284
Electronics and electrical appliances	4,420,400	1,870,797	22,960	22,640	4,288	169	22,960	5,050	-	22,640
Cable, electrical & engineering	-	15,352,061	-	4,293,522	-	-	-	24,848	43,791	2,805,828
Production & transmission of energy	107,772,151	84,887,688	2,447,430	1,272,320	142,565	314	1,870,802	443,899	-	633,875
Construction	8,937,230	11,950,054	121,326	1,525,346	34,154	3,582	101,488	76,110	15,586	1,425,481
Trading & commerce	96,483,938	58,533,136	4,871,704	5,108,888	240,996	102,606	3,808,005	362,765	87,205	4,321,013
Food & allied	-	29,298,064	-	4,291,519	-	-	-	105,844	61,226	3,609,562
Transport, storage and communication	68,133,923	43,588,683	143,836	505,436	270,383	14,596	102,884	343,704	17,369	322,160
Financial	17,500,197	66,712,026	-	727,129	85,608	-	-	160,045	-	727,129
Fertilizer	-	3,280,084	-	39,902	-	-	-	2,866	-	39,902
Services	62,054,510	75,131,392	3,372,868	3,420,156	284,261	54,515	1,985,426	151,627	46,156	2,368,888
Individuals	68,902,062	61,048,176	2,712,149	2,262,630	1,315,699	347,765	2,439,434	709,358	727,453	1,257,701
Others	143,941,361	71,300,188	9,124,897	906,476	482,399	178,414	8,138,667	77,777	60,690	1,041,148
	927,682,958	829,315,958	44,326,746	54,244,647	5,252,138	1,336,872	36,068,276	3,583,850	1,895,499	45,078,764
Credit risk by public / private sector										
Public / Government	122,978,906	172,570,139	-	-	65,082	-	-	385,779	-	-
Private	804,704,052	656,745,819	44,326,746	54,244,647	5,187,056	1,336,872	36,068,276	3,198,071	1,895,499	45,078,764
	927,682,958	829,315,958	44,326,746	54,244,647	5,252,138	1,336,872	36,068,276	3,583,850	1,895,499	45,078,764

	2025	2024
	Rupees in '000'	
47.15 Contingencies and commitments		
Credit risk by industry sector		
Textile and ginning	17,026,994	21,417,329
Cement	14,544,938	3,739,226
Sugar	2,559,931	3,001,313
Financial	470,510,638	206,351,719
Construction and real estate	37,844,353	31,580,350
Oil and gas	34,070,908	31,959,392
Auto and allied	6,878,203	1,738,277
Food and allied	4,150,937	2,710,030
Chemical and pharmaceuticals	10,025,719	4,339,396
Fertilizers	6,637,376	8,388,478
Cable, electrical and engineering	7,183,443	3,929,787
Production and transmission of energy	44,850,915	37,676,343
Transport, storage and communication	6,463,993	6,256,817
Trading and commerce	17,808,409	11,975,570
Services	94,562,419	123,662,505
Others	14,090,602	13,819,365
	789,209,778	512,545,897
Credit risk by public / private sector		
Public / Government	126,341,681	149,649,666
Private	662,868,097	362,896,231
	789,209,778	512,545,897

47.16 Concentration of advances

The Group's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 242,874,171 thousand (2024: Rs. 342,663,666 thousand).

	2025	2024
	Rupees in '000'	
Funded	144,075,183	223,931,298
Non funded	98,798,988	118,732,368
Total exposure	242,874,171	342,663,666

The sanctioned limits against these top 10 exposures aggregated to Rs. 363,727,201 thousand (2024: Rs. 416,777,453 thousand).

Total funded classified therein

	2025		2024	
	Amount	Credit loss allowance	Amount	Credit loss allowance
	Rupees in '000'			
Other assets specially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	-	-

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

471.7 Advances - province / region-wise disbursement and utilization

Province / Region	2025						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	1,172,582,333	1,077,571,384	76,477,047	5,839,453	71,225	11,886,325	736,899
Sindh	429,232,058	26,573,587	401,105,807	19,432	552,745	980,487	-
KPK including FATA	1,718,038	89,947	-	1,628,091	-	-	-
Baluchistan	500	-	-	-	500	-	-
Islamabad	145,849,324	1,098,322	-	3,109,991	-	141,641,011	-
AJK including Gilgit-Baltistan	181,850	21,784	-	15	-	-	160,051
Total	1,749,564,103	1,105,355,024	477,582,854	10,596,982	624,470	154,507,823	896,950

Province / Region	2024						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	648,090,190	586,493,437	47,934,128	3,992,650	81,783	9,088,138	500,054
Sindh	555,901,508	9,795,958	544,737,387	357,061	577,393	433,709	-
KPK including FATA	395,455	-	-	395,455	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	37,500,661	1,362,155	-	3,281,347	-	32,857,159	-
AJK including Gilgit-Baltistan	53,575	-	-	-	-	-	53,575
Total	1,241,941,389	597,651,550	592,671,515	8,026,513	659,176	42,379,006	553,629

471.8 Credit risk - general disclosures

The Group follows the standardized approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit rating or type of exposure, whichever is applicable.

Under standardized approach, the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. Group utilizes, wherever available, the credit ratings assigned by the SBP recognized ECAIs, viz. PACRA (Pakistan Credit Rating Agency), VIS (Vital Information Systems), Fitch Moody's and Standard & Poors. Credit rating data for advances is obtained from recognized ECAIs and then mapped to SBP's rating grades.

Type of exposures & ECAs used

Exposures	Fitch	Moody's	S&P	PACRA	VIS
Corporate				√	√
Banks	√	√	√	√	√
Sovereigns	√	√	√		
PSEs				√	√
SMEs				√	√

Mapping to SBP rating grades

For all credit exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to SBP rating grades are given below:

Long term ratings grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short term rating grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

Credit exposures subject to standardized approach

		2025			2024		
Exposures	Rating	Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
Rupees in '000							
Corporate	1	123,861,746	(4,558,689)	119,303,057	95,133,865	(2,206,616)	92,927,249
	2	195,450,963	(9,301,541)	186,149,422	148,954,547	(2,206,883)	146,747,663
	3,4	14,137,312	(172,285)	13,965,027	19,056,308	103,430	19,159,738
	5,6	220,023	-	220,023	2,413,602	96,593	2,510,195
	Unrated-100%	62,039,654	(27,606,958)	34,432,696	33,430,096	(870,578)	32,559,518
	Unrated-125%	61,855,833	(7,186,868)	54,668,965	46,920,532	(1,609,701)	45,310,831
Bank	1	250,744,887	-	250,744,887	18,380,663	91,614	18,472,278
	2,3	960,845	(16,384)	944,461	50,986,598	(48,007,159)	2,979,439
	4,5	3,112	-	3,112	-	-	-
	6	125,600	-	125,600	90,972	4,124	95,096
	Unrated	24,453	-	24,453	-	-	-
Public sector enterprises in Pakistan	1	34,180,017	(3,840,079)	30,339,938	39,927,167	(6,252,581)	33,674,586
	2,3	6,720,670	(1,497,423)	5,223,247	57,353,065	(48,744,862)	8,608,203
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	2,070,032	(234,710)	1,835,322	19,979,135	(17,184,536)	2,794,599
Sovereigns and on Government Pakistan or Provisional Government or SBP or Cash	0	306,553,923	(58,173,566)	248,380,357	286,171,488	(18,259,839)	267,911,649
	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4,5	-	-	-	28,126	-	28,126
	6	6,716	-	6,716	-	-	-
	Unrated	-	-	-	-	-	-
Listed equity investments	100%	2,045,638	-	2,045,638	2,994,767	-	2,994,767
Un-listed equity investments	150%	-	-	-	25,000	-	25,000
Non performing loans	150%	20,722	-	20,722	(130,566)	-	(130,566)
	100%	4,602,488	-	4,602,488	7,404,402	-	7,404,402
	50%	2,256,003	-	2,256,003	2,254,844	-	2,254,844
Mortgage	35%	13,372,244	-	13,372,244	13,017,579	833,823	13,851,402
Low Cost Housing	25%	5,550,155	-	5,550,155	5,122,121	753,761	5,875,882
Retail	75%	346,877,581	(74,402,151)	272,475,429	188,160,955	(35,212,404)	152,948,552
Property and equipment	100%	43,217,139	-	43,217,139	41,505,715	-	41,505,715
Deferred tax assets	250%	4,807,781	-	4,807,781	6,107,637	-	6,107,637
Significant investments	250%	285,225	-	285,225	-	-	-
Others	100%	44,240,429	-	44,240,429	110,135,049	(65,513,839)	44,621,210
Total		1,526,231,191	(186,990,654)	1,339,240,536	1,195,423,667	(244,185,653)	951,238,015

471.9 Credit risk: Disclosures with respect to credit risk mitigation for standardized approach

The Group has adopted comprehensive approach of credit risk mitigation for banking book. Under this approach cash, lien on deposits, government securities, and eligible securities etc. are consolidated as eligible collateral. Where the Group's exposure to an obligor is secured by eligible collaterals, the Group reduces its exposure for the calculation of the capital requirement by the realizable amount of the collateral, adjusted for any applicable haircuts.

471.9.1 Credit risk: Disclosures for portfolio subject to the standardized approach

No credit risk mitigation benefit is taken in the trading book. For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net amount for the calculation of risk weighted assets.

47.1.9.2 Equity position risk

The Group takes proprietary equity positions for both short term and long term trading purposes. As of December 31, 2025 the composition of equity investments, is as follows:

	FVTPL	FVOCI	Total
Rupees in '000'			
Ordinary shares (listed) - net of impairment held	-	9,191,608	9,191,608
Ordinary shares (un-listed) - net of impairment held	-	69,975	69,975
Preference shares - net of impairment held	324,000	55,576	379,576
Total	324,000	9,317,159	9,641,159

The Group classify its equity investment portfolio in accordance with the directives of the SBP as follows:

- Investments - Held for trading
- Investments - Available for Sale
- Investments in subsidiaries & associates

47.2 Market risk

Market Risk exposes the Group to a potential financial loss due to adverse movement in systematic risk factors like interest rates, foreign exchange, equity and debt market, credit spreads, commodity prices and overall market's volatility which can hamper the value of Group's investment position(s).

Interest rate risk is the potential negative impact on Group's profitability and/or assets market value due to uncertain movement in interest rates. Interest rate risk can be broadly categorized into the following categories:

- Yield curve risk (parallel, steepness and/or curvature)
- Repricing risk
- Basis risk
- Options risk

Equity price risk arises from an uncertain decline in value of a security and/or portfolio in the future. Adverse movement in equity market or index can have a negative impact on Groups' earnings and/or capital due to Groups investment position in the market.

Foreign exchange risk arises from adverse movement in a Group direct/indirect exposure on a currency. From Groups perspective Forex movement also expose bank to potential credit risk.

Foreign exchange risk can arise from two factors: i. currency mismatches in an institution's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate, and/or ii. currency cash flow mismatches. Such risk continues until the foreign exchange position is fully hedged.

The Group's market risk management structure consists of Risk Management, Compliance and NPL Review Committee (RMC&NPLRC), Assets and Liabilities Committee (ALCO) and independent Enterprise Risk Management (ERM) division. Market risk is an independent risk management function that works in close partnership with the business segments to identify and monitor market risks throughout the Group and to define market risk policies and procedures. ERM division seeks to facilitate efficient risk / return decisions, reduce volatility in operating performance and provide transparency in reporting the Group's market risk profile to the senior management, the Board of Directors and the SBP.

The Group is using following techniques for mitigation of market risk:

- Hedging the open positions i.e. taking offsetting positions;
- Portfolio diversification; and
- Limits setting, monitoring and reporting.

The Group is using following techniques for measurement of market risk and all the reports along with suggestive strategies which are escalated to senior management for their review and corrective actions:

- Daily mark to market revaluation of equity, foreign exchange and bonds portfolio;
- Estimated value at risk on equity and foreign exchange exposures;
- Interest rate gap analysis;
- Duration analysis;
- Stress testing of market risk exposures; and
- Scenarios based analysis.

47.2.1 Balance sheet split by trading and banking books

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in '000'						
Cash and balances with treasury banks	111,971,791	-	111,971,791	100,773,627	-	100,773,627
Balances with other banks	5,626,479	-	5,626,479	3,491,711	-	3,491,711
Lendings to financial institutions	221,421,798	-	221,421,798	12,891,206	-	12,891,206
Investments - net	123,279,029	1,424,764,190	1,548,043,219	141,760,857	1,178,131,200	1,319,892,057
Advances - net	882,763,832	-	882,763,832	778,757,845	-	778,757,845
Property and equipment	29,987,166	-	29,987,166	28,639,949	-	28,639,949
Right of use assets	13,229,973	-	13,229,973	12,865,764	-	12,865,764
Intangible assets	2,727,709	-	2,727,709	2,488,381	-	2,488,381
Deferred tax assets - net	7,724,369	-	7,724,369	9,204,913	-	9,204,913
Other assets	127,243,450	-	127,243,450	110,135,048	-	110,135,048
	1,525,975,596	1,424,764,190	2,950,739,786	1,201,009,301	1,178,131,200	2,379,140,501

47.2.2 Foreign exchange risk

The Group's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign currency placements with foreign commercial banks and foreign currency deposits. The Group manages its foreign exchange exposure by matching foreign currency assets and liabilities. Foreign exchange exposure and nostro balances are managed within the statutory limits, as fixed by SBP. Counter parties limits are also fixed to limit risk concentration. Market risk charge calculates on Foreign Exchange Exposure Limit (FEEL) and forward contracts (interest rate) and credit risk charge manage by Group on all forward contracts.

	2025				2024			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
Rupees in '000								
United States Dollar	29,848,837	33,483,424	4,651,942	1,017,355	26,317,176	56,277,023	27,656,964	(2,302,883)
Great Britain Pound Sterling	1,710,908	8,322,637	6,092,368	(519,361)	1,940,082	7,704,171	5,233,783	(530,306)
Euro	1,936,027	3,713,629	1,334,241	(443,361)	2,501,141	3,541,193	410,720	(629,332)
Japanese Yen	10,774	-	-	10,774	15,128	-	-	15,128
Other currencies	541,661	123,476	(34,031)	384,154	345,542	78,879	24,920	291,583
	34,048,207	45,643,166	12,044,520	449,561	31,119,069	67,601,266	33,326,387	(3,155,810)

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	4,496	-	(31,558)
- Other comprehensive income	-	-	-	-

472.3 Equity position risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. The Group's strategy is to invest in equity securities for increase in dividend income and capital gains through market volatility.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 5% change in equity prices on				
- Profit and loss account	-	(16,200)	-	(272,600)
- Other comprehensive income	(102,282)	(465,858)	(149,738)	(89,700)

472.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II specific

Interest rate risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the bank would be negatively affected with the change in the market interest rates. The vulnerability of the Group towards the adverse movements of the interest rate can be gauged by using duration GAP analysis.

Interest rate risk in the banking book is the risk to interest income arising from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. The banking book activities that give rise to interest rate risk include lending activities, balance sheet funding and capital management. Interest rate risk in banking book can be measured by both, changes in net interest income and changes in market value of interest bearing AFS investments. This also refers to the non-trading market risk. To adjust the effective rate sensitivity, the Group is using following strategies after proper analysis of the Group's gaps and prevailing interest rate:

- Reduced asset sensitivity
- Increased asset sensitivity
- Reduced liability sensitivity
- Increased liability sensitivity

The Group's interest rate risk management policy includes following techniques to mitigate potential risks:

- Monitoring and management of interest rate volatility in terms of percentage change in net income through interest sensitive gaps.
- Key consideration in investing in interest rate driven financial instruments.
- Managing volatility in the trading on category / instrument wise basis.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 1% change in interest rates on				
- Profit and loss account	(8,455)	(12,798)	-	(908,136)
- Other comprehensive income	(31,602)	(14,138,833)	-	(10,800,966)

47.2.5 Mismatch of interest rate sensitive assets and liabilities

2025										
Exposed to Yield / Interest risk										
Effective yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Non-interest bearing financial instruments
Rupees in '000										
On-balance sheet financial instruments										
Assets										
Cash and balances with treasury banks	111,971,791	4,615,554	-	-	-	-	-	-	-	107,356,237
Balances with other banks	5,626,479	-	-	-	-	-	-	-	-	5,626,479
Lending to financial institutions	221,421,798	219,442,450	-	1,979,348	-	-	-	-	-	-
Investments - net	1,548,043,219	100,341,634	253,932,231	498,638,107	295,291,285	185,914,331	83,952,027	118,139,085	-	11,834,519
Advances - net	882,763,832	235,925,531	637,770,637	-	-	-	-	-	-	9,067,664
Other assets	111,793,169	-	-	-	-	-	-	-	-	111,793,169
	2,881,620,288	560,325,169	891,702,868	500,617,455	295,291,285	185,914,331	83,952,027	118,139,085	-	245,678,068
Liabilities										
Bills payable	91,391,94	-	-	-	-	-	-	-	-	91,391,94
Borrowings	624,807,992	565,486,440	2,818,349	15,633,687	337,437	4,252,552	7,770,025	3,285,973	18,569,773	6,628,755
Deposits and other accounts	2,050,947,814	1,032,353,313	136,227,042	2,098,188,556	185,524,822	854,633	125,583	1,250	25,001	486,042,315
Subordinated debts	30,812,558	-	3,950,000	26,862,558	-	-	-	-	-	-
Lease liabilities	18,367,358	3,835	3,928	24,451	74,381	247,268	338,153	1,776,511	10,918,723	4,980,108
Other liabilities	113,223,929	-	-	-	-	-	-	-	-	113,223,929
	2,847,298,845	1,597,843,588	142,999,319	252,339,552	185,936,640	5,354,453	8,233,761	5,063,734	29,488,496	615,034,193
On-balance sheet gap	34,321,443	(1,037,518,419)	748,703,549	248,277,903	109,354,645	180,559,878	75,718,266	113,075,351	(29,488,496)	(369,356,125)
Off-balance sheet financial instruments										
Documentary credits and guarantees	325,356,005	-	-	-	-	-	-	-	-	325,356,005
Commitments in respect of:										
- forward foreign exchange contracts - net	11,828,299	-	-	-	-	-	-	-	-	11,828,299
- forward government securities transactions - net	13,200,000	-	-	-	-	-	-	-	-	13,200,000
- forward lending	50,851,386	-	-	-	-	-	-	-	-	50,851,386
Off-balance sheet gap	401,235,690	-	-	-	-	-	-	-	-	401,235,690
Total yield / interest risk sensitivity gap		(1,037,518,419)	748,703,549	248,277,903	109,354,645	180,559,878	75,718,266	113,075,351	(29,488,496)	31,879,565
Cumulative yield / interest risk sensitivity gap		(1,037,518,419)	(288,814,870)	(40,536,967)	-	180,559,878	256,278,144	369,353,495	339,864,999	366,739,455



2024

	Effective yield / Interest rate	Exposed to Yield / Interest risk										Non-interest bearing financial instruments
		Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		100,773,627	6,949,656	-	-	-	-	-	-	-	-	93,823,971
Balances with other banks	10.99%	3,491,711	266,823	-	-	-	-	-	-	-	-	3,224,888
Lending to financial institutions	17.20%	12,891,206	10,914,240	-	-	-	1,976,966	-	-	-	-	-
Investments - net	18.88%	1,319,892,057	246,094,013	393,880,773	314,699,244	215,096,764	26,922,798	3,786,073	71,783,123	37,693,607	-	9,935,662
Advances - net	16.47%	778,757,845	120,941,640	649,399,921	-	-	-	-	-	-	-	8,416,284
Other assets		94,590,402	-	-	-	-	-	-	-	-	-	94,590,402
		2,310,396,848	385,166,372	1,043,280,694	314,699,244	215,096,764	28,899,764	3,786,073	71,783,123	37,693,607	-	209,991,207
Liabilities												
Bills payable		7636,873	-	-	-	-	-	-	-	-	-	7636,873
Borrowings	19.98%	409,005,930	341,469,085	71,99,076	13,841,531	182,176	1,107,572	5,382,310	15,632,652	23,685,540	85,000	420,988
Deposits and other accounts	15.26%	1,709,564,159	217,907,584	796,861,428	171,580,175	159,358,089	34,943	812,249	3,349	-	-	363,006,342
Subordinated debts	22.15%	30,820,106	-	3,950,000	26,870,106	-	-	-	-	-	-	-
Lease liabilities		17,01,125	1,142	5,724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878	-
Other liabilities		112,896,916	-	-	-	-	-	-	-	-	-	112,896,916
		2,287,025,109	559,377,811	808,016,228	212,326,231	159,645,318	1,341,523	6,559,421	16,703,760	32,687,820	6,405,878	483,961,119
On-balance sheet gap												
		23,371,739	(174,211,439)	235,264,466	102,373,013	55,451,446	27,558,241	(2,773,348)	55,079,363	5,005,787	(6,405,878)	(273,969,912)
Off-balance sheet financial instruments												
Documentary credits and guarantees		321,908,407	-	-	-	-	-	-	-	-	-	321,908,407
Commitments in respect of:												
- forward foreign exchange contracts		33,085,002	-	-	-	-	-	-	-	-	-	33,085,002
- forward lending		34,883,622	-	-	-	-	-	-	-	-	-	34,883,622
Off-balance sheet gap												
		389,877,031	-	-	-	-	-	-	-	-	-	389,877,031
Total yield / interest risk sensitivity gap												
		(174,211,439)	235,264,466	102,373,013	55,451,446	27,558,241	(2,773,348)	55,079,363	5,005,787	(6,405,878)		115,907,119
Cumulative yield / interest risk sensitivity gap												
		(174,211,439)	61,053,027	163,426,040	218,877,486	246,435,727	243,662,379	298,741,742	303,747,529	297,341,651		413,248,770

Reconciliation of financial assets and liabilities with total assets and liabilities:

	2025	2024
	Rupees in '000'	
Financial assets	2,881,620,288	2,310,396,848
Non financial assets:		
Property and equipment	29,987,166	28,639,949
Right of use assets	13,229,973	12,865,764
Intangibles	2,727,709	2,488,381
Deferred tax assets - net	7,724,369	9,204,913
Other assets	15,450,281	15,544,646
	69,119,498	68,743,653
Total assets as per statement of financial position	2,950,739,786	2,379,140,501
Financial liabilities	2,847,298,845	2,287,025,109
Non financial liabilities:		
Other liabilities	119,909	1,805,577
Total liabilities as per statement of financial position	2,847,418,754	2,288,830,686

47.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes & controls, people and system or from external events. Potential losses arising out of Operational Risk may not be brought down to zero, however, the Group strives to minimize the operational risk impact through efficient controls & framework, monitoring and responding to any potential risk in a timely manner. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff training and appraisal procedures, including the use of internal audit function. The Group has established a comprehensive Business Continuity Plan (BCP) to deal with the risk of any financial loss and damage to reputation arising from operational risk factors.

The Group uses Risk Control Self Assessment and monitoring of Key Risk Indicators to mitigate operational losses. The Group's operational risk management framework, as laid down in the operational risk policy, duly approved by Board of Directors, is flexible enough to implement in stages and permits the overall risk management approach to evolve in the light of organizational learning and the future needs of the Group. Operational loss events are reviewed and appropriate corrective actions taken on an ongoing basis, including measures to improve control procedures with respect to design and operative effectiveness.

In accordance with the operational risk policy and framework, a database covering losses, control breaches and near misses is being maintained. Major risk events are analyzed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. quarterly updates on operational risk events are presented to senior management and the Risk Management, Compliance and NPL Review Committee (RMC&NPLRC).

47.3.1 Operational risk disclosures Basel-II specific

Currently, the Group is reporting operational risk capital charge under Basic Indicator Approach (BIA). However, the Group took a number of initiatives with respect to operational risk management. The Group will initiate further steps for improvement in operational risk management to adopt next approach of capital charge i.e. Alternative Standardized Approach (ASA) as and when required by regulator.

47.4 Liquidity risk

Liquidity risk is the potential loss to a Group arising from either its inability to meet obligation(s) or to fund increase in assets as they fall due without incurring unacceptable cost or losses. The Group's ALCO is primarily responsible to ensure adequate maintenance and monitoring of liquidity and minimization of liquidity risk by filling in the Asset-Liability gap. The Group manages its liquidity risk by continuous monitoring of the maturity profiles of its assets and liabilities, strengthening of its credit recovery procedures by focusing on retail and medium-sized customers and managing open positions through effective treasury operations. Allocation of funds towards various business prepositions and pricing of assets and liabilities of the Group are given significant importance. Group liquidity risk framework enables management in identification of key drivers of liquidity risk (on/off balance) and developing mitigants there against.

The Group is using following strategies for mitigation of liquidity risk:

- Invest key liquid deposit providers in liquid investment;
- Contingency funding plan;
- Monitoring of advances to deposits ratio;
- Diversification of portfolio;
- Maintaining desirable level of currency wise liquidity; and
- Identify situations or events that may trigger a crisis situation in terms of liquidity.

The Group is using following strategies for mitigation of liquidity risk:

47.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Group

[illegible]



2025

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Rupees in '000														
Assets														
Cash and balances with treasury banks	100773627	100773627	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	3491711	3491711	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	12,891,206	-	5,292,050	1,350,000	6150,000	-	-	-	-	-	99156	-	-	-
Investments	1,319,892,057	2,680,165	-	-	8,549,798	122,155,506	32,098,879	105,747,041	118,672,360	188,431,869	239,741,000	59,315,591	328,915,096	113,584,752
Advances	778,757,845	68,783,888	5,004,274	2,891,827	45,060,135	86,238,719	84,756,037	84,584,940	47,186,286	46,844,913	86,670,767	73,114,904	254,053,313	122,215,842
Property and equipment	28,639,949	21,776	130,656	152,432	370,232	281,989	281,988	767,344	688,724	688,723	2,440,404	2,440,404	4,965,966	15,409,311
Right of Use Assets	12,865,764	-	-	-	947	212	5,542	35,685	23,582	43,978	143,086	226,705	733,134	11,652,893
Intangible assets	2,488,381	886	5,316	6,202	15,061	27,465	27,465	82,395	82,395	82,395	329,580	346,094	659,160	823,967
Deferred tax assets	920,4913	-	-	-	-	-	-	-	-	-	-	-	920,4913	-
Other assets	110,135,048	10,281,503	320,421	482,015	60,095,043	6,152,079	1,854,209	6,732,536	18,136,666	6,740,668	5,609,964	60,138,64	4,039,080	-
	2,379,140,501	186,033,556	10,752,717	4,882,476	120,241,216	214,855,970	119,024,120	197,949,941	168,467,013	242,832,546	335,033,957	141,457,562	373,922,662	263,686,765
Liabilities														
Bills payable	763,6873	7,636,873	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	409,005,930	421,440	140,764,210	491,696	198,712,728	5,994,356	1,204,720	13,841,531	57,421	1,624,755	616,156	5,386,439	15,644,590	24,245,888
Deposits and other accounts	1,709,564,159	1,207,721,303	8,097,286	13,421,901	45,013,961	29,211,633	38,636,578	175,436,966	117,463,175	67,444,706	4,687,544	13,12,838	11,16,268	-
Subordinated debts	30,820,106	-	-	-	-	-	-	3,774	-	3,774	7,548	2,148,948	2,153,916	26,502,146
Lease liabilities	17,101,125	-	-	-	1,142	387	5,337	34,419	42,113	62,940	199,008	364,862	1,067,759	15,323,158
Other liabilities	112,896,916	12,931,336	1,669,289	2,839,376	7,844,011	8,544,804	51,217,2	21,938,886	11,797,249	10,198,958	7,070,476	5,304,602	9,712,766	79,23,451
	2,287,025,109	1,228,710,952	150,530,785	16,752,973	251,571,842	43,751,180	44,968,347	211,255,576	129,359,958	79,335,133	12,580,732	14,517,689	29,695,299	73,994,643
Net assets	92,115,392	(1,042,677,396)	(139,778,068)	(118,704,97)	(131,330,626)	171,104,790	74,055,773	(13,305,635)	39,107,055	163,497,413	322,453,225	126,939,873	344,227,363	189,692,122
Share capital - net	32,462,535													
Reserves	17,710,207													
Surplus on revaluation of assets - net of tax	795,2066													
Non controlling interest	954,312													
Unappropriated profit	33,046,272													
	92,115,392													

47.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

2025

	Total	Upto 1 month	Over 1 to 3 months	Over 3 top 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Rupees in '000										
Assets										
Cash and balances with treasury banks	11,971,791	11,971,791	-	-	-	-	-	-	-	-
Balances with other banks	5,626,479	5,626,479	-	-	-	-	-	-	-	-
Lendings to financial institutions	221,421,798	219,442,450	-	1,979,348	-	-	-	-	-	-
Investments	1,548,043,219	1,006,907	119,433,953	188,204,207	411,131,027	239,312,446	300,667,233	258,762,962	29,524,484	-
Advances	882,763,832	235,925,531	89,730,609	106,911,887	87,992,976	94,946,726	71,022,161	64,920,513	124,425,759	6,887,670
Property and equipment	29,987,166	692,118	681,411	951,834	1,763,103	3,245,076	3,245,076	6,490,152	12,918,396	-
Right of Use Assets	13,229,973	3,355	3,567	231,333	56,685	163,336	222,073	1,251,365	8,233,850	3,272,609
Intangible assets	2,727,709	30,027	60,054	90,081	180,162	360,324	360,324	720,648	926,089	-
Deferred tax assets	7,724,369	-	-	-	-	-	-	7,724,369	-	-
Other assets	12,724,345	14,796,304	71,002,063	15,794,269	9,425,711	7,952,842	8,272,261	-	-	-
	2,950,739,786	589,494,962	280,911,657	313,954,759	510,549,664	345,980,750	383,789,128	339,870,009	176,028,578	10,160,279
Liabilities										
Bills payable	913,9194	913,9194	-	-	-	-	-	-	-	-
Borrowings	624,807,992	572,115,196	2,818,349	13,220,564	379,144	4,336,681	9,575,256	3,301,227	19,036,575	25,000
Deposits and other accounts	2,050,947,814	531,502,087	299,213,699	332,210,027	305,153,654	117,527,966	116,512,874	117,067,283	116,174,357	115,585,867
Subordinated debts	30,812,558	-	-	3,774	3,774	2,148,948	2,148,088	11,656	26,496,318	-
Lease liabilities	18,367,358	3,835	3,928	24,451	74,381	247,268	338,153	1,776,511	11,018,996	4,879,835
Other liabilities	113,343,838	33,985,875	10,280,284	25,383,207	16,015,670	4,217,350	4,917,296	14,642,419	3,900,655	1,082
	2,847,418,754	1,146,746,187	312,316,260	370,842,023	321,626,623	128,478,213	133,491,667	136,799,096	176,626,901	120,491,784
Net assets	103,321,032	(557,251,225)	(31,404,603)	(56,887,264)	188,923,041	217,502,537	250,297,461	203,070,913	(598,323)	(110,331,505)
SShare capital - net	32,452,535									
Reserves	20,897,733									
Surplus on revaluation of assets - net of tax	10,695,407									
Non controlling interest	1,090,389									
Unappropriated profit	38,184,968									
	103,321,032									

Deposit account without contractual maturities have been classified by taking into account historical trend of their withdrawal pattern, which shows that 15% of such deposits mature in each of the first two categories mentioned above and 10% mature in each of the remaining seven categories.



2024

	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
Assets										
Cash and balances with treasury banks	100,773,627	100,773,627	-	-	-	-	-	-	-	-
Balances with other banks	3,491,711	3,491,711	-	-	-	-	-	-	-	-
Lendings to financial institutions	12,891,206	12,792,050	-	-	-	99,156	-	-	-	-
Investments	1,319,892,057	11,229,963	154,254,385	105,747,041	307,104,229	239,741,000	59,315,591	328,915,096	113,584,752	-
Advances	778,757,845	12,174,0123	170,994,756	84,584,940	94,031,199	86,670,767	73,114,904	25,405,313	110,918,149	11,297,694
Property and equipment	28,639,949	675,096	563,977	767,344	1,377,447	2,440,404	2,525,562	4,880,808	12,202,020	3,207,291
Right of Use Assets	12,865,764	947	5,754	35,685	67,560	143,086	226,705	733,134	7,213,645	4,439,248
Intangible assets	2,488,381	27,465	54,930	82,395	164,790	329,580	346,094	659,160	823,967	-
Deferred tax assets	9,204,913	-	-	-	-	-	-	9,204,913	-	-
Other assets	110,135,048	71,178,982	8,006,288	6,732,536	8,554,334	5,609,964	6,013,864	4,039,080	-	-
	2,379,140,501	32,190,9964	333,880,090	197,949,941	411,299,559	335,033,957	141,542,720	373,837,504	244,742,533	18,944,233
Liabilities										
Bills payable	7,636,873	7,636,873	-	-	-	-	-	-	-	-
Borrowings	409,005,930	340,390,074	71,99,076	13,841,531	1,682,176	616,156	5,386,439	15,644,590	24,160,888	85,000
Deposits and other accounts	1,709,564,159	409,610,804	220,432,384	277,159,748	286,630,663	106,410,326	103,035,620	102,839,050	101,722,782	101,722,782
Subordinated debts	30,820,106	-	-	3,774	3,774	7,548	2,148,948	2,153,916	26,502,146	-
Lease liabilities	17,101,125	1,142	5,724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878
Other liabilities	112,896,916	25,284,012	13,666,516	21,938,886	21,996,207	7,070,476	5,304,602	9,526,294	8,108,841	1,082
	2,287,025,109	782,922,905	241,303,700	312,978,358	310,417,873	114,303,514	116,240,471	131,231,609	169,496,937	108,129,742
Net assets	92,115,392	(461,012,941)	92,576,390	(115,028,417)	100,881,686	220,730,443	25,302,249	242,605,895	75,245,596	(89,185,509)
Share capital - net	32,452,535									
Reserves	177,10,207									
Surplus on revaluation of assets - net of tax	7,952,066									
Non controlling interest	954,312									
Unappropriated profit	330,46,272									
	92,115,392									

48. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Bank in its meeting held on 17th February 2026 has proposed a cash dividend of 15% (2024: cash dividend @ 18%). This is in addition to 10% cash dividend already paid during the year bringing the total cash dividend for the year to 25 %. These appropriations will be approved in the forthcoming Annual General Meeting. These consolidated financial statements for the year ended December 31, 2025 do not include the effect of current final cash dividend for year December 31, 2025 which will be accounted for in the consolidated financial statements for the year ending December 31, 2026.

49. DATE OF AUTHORIZATION FOR ISSUE

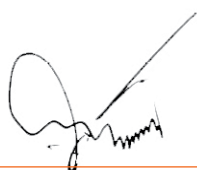
These consolidated financial statements were authorized for issue on 17th February 2026 by the Board of Directors of the Bank.

50. GENERAL

50.1 Figures have been rounded off to the nearest thousand rupees.

50.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the year except for the following:

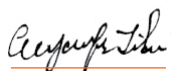
- In 'Other Liabilities', Rs. 1,911,890 thousand related to 'Clearing and settlement accounts', previously included in 'Others' has now been presented separately for better presentation and comparability.



Chief Financial Officer



President



Chairman



Director



Director



STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED DURING THE YEAR ENDED DECEMBER 31, 2025

S. No.	Name and address of the borrower	2	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
					Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1			3	4	5	6	7	8	9	10	11	12	13
Rupees in '000													
1	Khawar Ali Khan (Chak No172/7R Post Office Chak No173 /7R Tehsil Fortabbas District Bahawalnagar)		Khawar Ali Khan (35202-2910436-5)	Muhammad Ali	-	610	-	610	-	-	610	-	610
2	M/S Ali Cold Storage (Pakpattan Road Depalpur)		Muhammad Javed Mansha (35301-7535208-5)	Haji Muhammad Mansha	3,752	7,326	-	11,078	-	-	7,007	-	7,007
3	Javed Akhtar (Chak - 1 Sp Wasaway Wala, Tehsil Depalpur District Okara)		Javed Akhtar (35301-9332338-3)	Niaz Ahmed Khan Wattoo	-	880	-	880	-	-	880	-	880
4	Malik Mujeeb ur Rahman (Jalapur Road Mohallah Dar-Ul- Hadis Muhammadia Lodhran)		Malik Mujeeb ur Rahman (36203-6393598-1)	Muhammad Yousaf	-	1,317	-	1,317	-	-	1,317	-	1,317
5	M/S Cheema Farm House (Bahau Chak Post Office Ghakkar Mandi Tehsil Wazirabad District Gujranwala)		Nazim Ali Cheema (34101-2542074-3)	Akbar Ali Cheema	-	706	-	706	-	-	566	-	566
6	Ali Hasnain & Sunny Mukhtar (Anayin Post Office Depalpur)		Ali Hasnain (35301-4396519-3) Sunny Mukhtar (35301-6703341-3)	Mukhtar Ahmad Mukhtar Ahmad	-	718	-	718	-	-	718	-	718
7	Rafaqat Ali (Village - Post Office Kirto Tehsil Mirdke)		Rafaqat Ali (35401-811363-5)	Muhammad Sarwar	-	1,067	-	1,067	-	-	1,067	-	1,067
8	Rana Abdul Ghani (Hamoon Wala Post Office Fazil Pur District Rajanpur)		Rana Abdul Ghani (32403-1641144-3)	Rana Faqeer Bakhash	-	824	-	824	-	-	824	-	824
9	Farhat Shabir (Hamoon Wala Post Office Fazil Pur District Rajanpur)		Farhat Shabir (32403-1645538-9)	Rana Ghulam Shabir	-	1,313	-	1,313	-	-	1,313	-	1,313
10	Aziz Muhammad (Hamoon Wala Post Office Fazil Pur District Rajanpur)		Aziz Muhammad (32403-1645580-3)	Rana Ghulam Shabir	-	1,355	-	1,355	-	-	1,355	-	1,355

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
11	M/S Mumtaz Sons Proteins Farm (Shahbazpur Road Chak No.2/P Muhammadpur Tehsil Sadiqabad Rahim Yar Khan)	Mumtaz Hussain (31303-2385787-5)	Ghulam Muhammad	9,891	6,779	-	16,670	-	-	6,907	-	6,907
12	Arsian Jattoi (Post Office Khas Chak #368 GB Tehsil Jaranwala Faisalabad)	Arsian Jattoi (33104-7976073-1)	Ghulam Murtaza Jatoi	6,049	6,554	-	12,603	-	-	7,386	-	7,386
13	Zafar Ullah (padhana Chak No 45 Pattoki Kasur)	Zafar Ullah (35201H356231-5)	Barkat Ali	2,233	6,173	-	8,406	-	-	5,636	-	5,636
14	Umer Mehmood (Sahtee Post Office Hujra Shah Muqeem Tehsil Depalpur District Okara)	Umer Mehmood (35301H852441-1)	Haji Muhammad Shafi	800	879	-	1,679	-	-	746	-	746
15	Muhammad Pervez Ahmad (Bharani Kanyawala Post Office Tehsil Lalian)	Muhammad Pervez Ahmad (33201H586352-5)	Falak Sher	1,001	1,066	-	2,067	-	-	1,037	-	1,037
16	Malik Bashir Ahmad (Basti Shah Jamal, Mouza Rawani, Post Office Gelay Wala, Tehsil - District Lodhran)	Malik Bashir Ahmad (36203-1817789-5)	Sultan Bakhsh	880	1,534	-	2,414	-	-	1,425	-	1,425
17	Muhammad Dilshad Khan (Ward2, Jatoi Shumali Post Office - Tehsil Jatoi District M. Garh)	Muhammad Dilshad Khan (32302-1736530-5)	Abdul Hameed Khan	1,900	1,327	-	3,227	-	-	1,327	-	1,327
18	Javed Ullah (Post Office Anyyana Wala Tundy Guru Sheikhpura)	Javed Ullah (35404-9178197-7)	Rai Sher Muhammad	1,640	508	-	2,148	-	-	514	-	514
19	Muhammad Afzal & Ahsan Ullah Safdar Hussain (Bhadray Post Office Kot Jay Singh Tehsil Nowshera Virkan Gujranwala)	Muhammad Afzal (34103-0537131-5) Ahsan Ullah (34103-0537127-7) Safdar Hussain (34103-0537133-5)	Muhammad Khan Muhammad Khan Muhammad Khan	1,196	1,108	-	2,304	-	-	1,093	-	1,093
20	Shahzad Haider Shah (Moza Pindi Shaikh Moosa, Tehsil Tandlianwala, District Faisalabad)	Shahzad Haider Shah (33106-0146459-1)	Safdar Shah	1,393	1,843	-	3,236	-	-	1,958	-	1,958
21	Muhammad Hanif (Chak No. 87/Wb Vehari)	*Muhammad Hanif (36603-9595701-5)	Hakim Ali	1,000	665	-	1,665	-	-	683	-	683
22	Ahmad Nawaz (Nari Miana Post Office Wan Bhachran Tehsil Marwali)	Ahmad Nawaz (38302-1091849-5)	Muhammad Nawaz	840	559	-	1,399	-	-	547	-	547
23	Bahar Ali (Chak Number 47/D Depalpur)	Bahar Ali (35301-8564722-1)	Mohammad Yar	709	1,415	-	2,124	-	-	1,335	-	1,335

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
24	Iftakhar Ahmad (Post Office Adda Chakraia Chak No 87 / Wb District Vehari)	Iftakhar Ahmad (36603-327433-9)	Falik Sher	2,499	1,464	-	3,963	-	-	1,499	-	1,499
25	Noor Muhammad (Khari Koot Post Office Bhera Tehsil Bhalwal District Sargodha Bhera)	Noor Muhammad (38401-0352880-3)	Sardar Khan	324	813	-	1,137	-	-	764	-	764
26	Sheikh Abdul Ghaffar (548/C, Satellite Town Bahawalpur)	Sheikh Abdul Ghaffar (31204-8571906-9)	Sheikh Muhammad Din	2,071	4,831	-	6,902	-	-	5,055	-	5,055
27	Hammad Ahmed Qureshi (193 A 1 Township Lahore)	Hammad Ahmed Qureshi (35202-6684890-9)	Javed Ahmed Qureshi	-	1,803	-	1,803	-	-	1,443	-	1,443
28	Hammad Ahmed Qureshi (193 A 1 Township Lahore)	Hammad Ahmed Qureshi (35202-6684890-9)	Javed Ahmed Qureshi	1,379	2,333	-	3,712	-	-	1,867	-	1,867
29	Hassan Mehmood Shah (H- 2616 Mohalla Makhdoom Pura Bahawalpur)	Hassan Mehmood Shah (31202-2407388-7)	Syed Khair Shah	5,005	3,854	-	8,859	-	-	3,920	-	3,920
30	Malik Ghulam Haider (Village Jadda Post Office, Shahdara Lahore)	Malik Ghulam Haider (35202-8505170-9)	Dil Muhammad	827	2,403	-	3,230	-	-	2,543	-	2,543
31	Zaheer Abbas (Satellite Town Street No 5 House No 2 Near Masjid Al Noor Tehsil District Gujranwala)	Zaheer Abbas (36102-3175871-3)	Muhammad Aslam	1,320	141	-	1,461	-	-	198	334	532
32	Muhammad Usman (Dogar Milk Shop Muzafar Colony, Street# 22, Nawanban Wala Road Faisalabad)	Muhammad Usman (33103-4545895-3)	Chaudhary Muhammad Ahmad Dogar	2,644	163	-	2,807	-	-	312	314	626
33	Zulfiqar Ali Anjum (Dak Khana Dok otta 145 WB Tehsil Melsi Zila Vehari)	Zulfiqar Ali Anjum (36602-0380124-3)	Muhammad Abdullah	3,693	684	-	4,377	-	-	1,042	1,484	2,526
34	Khawar Ali Khan (Chak No172/R Post Office Chak No173 /7R Tehsil Fortabbas District Bahawalnagar)	Khawar Ali Khan (34101-2646992-9)	Siraj Din	2,299	668	-	2,967	-	-	666	6,316	6,982
35	Mehboob Sarwar (Total Naroki Mahja Post Office Pattoki Tehsil Pattoki Distt Kasur)	Mehboob Sarwar (35103-9739486-1)	Ghulam Sarwar	2,325	134	-	2,459	-	-	502	583	1,085
36	99 Super Market (Satellite Town House No 230-C Bahawalpur)	Abdul Rehmaan Javed (31202-5627266-3)	Muhammad Javed Munir	4,800	1,516	-	6,316	-	-	1,245	634	1,879
37	Khokhar Ice Factory (Purani Mandi Mohalla Kashif Chowk Kinal Park Pattoki Distt Kasur)	Muhammad Asif (35103-0387252-5)	Hadayat Ali	6,334	1,922	-	8,256	-	-	1,895	998	2,893



S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
38	Karamat Ali (House # 529 C Block Pak Arab Society Lahore)	Karamat Ali (35201011681-7)	Niaz Muhammad	2,240	910	-	3,150	-	-	927	647	1,574
39	Muhammad Nouman (House No 367 Baryon Delhi Gate Mohallah Gareeba Abad Multan)	Muhammad Nouman (36302-6449267-7)	Muhammad Shafiq	1,686	331	-	2,017	-	-	335	561	896
40	Muhammad Ahmad (Basti Tali Wala Ganesh Pura PO Minchinabad Tehsil Minchinabad District Bahawalnagar)	Muhammad Ahmad (31105-8683238-7)	Qasim	1,345	247	-	1,592	-	-	286	248	534
41	Muhammad Suleman (Mundhali PO Lodhran Tehsil And Distt.Lodhran)	Muhammad Suleman (36203-6838057-1)	Riaz Ahmad	1,744	319	-	2,063	-	-	329	248	577
42	Ali Autos (House # Daa-279 Raja Town Haroon Chowk ,Khana Kak Rawalpindi)	Raja Anees Ahmed Dhanyal (37405-5523175-9)	Raja Bradar Hussain Dhanyal	5,758	1,959	-	7,717	-	-	2,151	1,288	3,439
43	Chaudhry Imran Ali (House # 70 Monallah Khabana Zahra Near Punjab Society Lahore)	Chaudhry Imran Ali (35202-3935524-1)	Chaudhry Gulzar Ali	2,596	554	-	3,150	-	-	615	699	1,314
44	Fahad Amir Ud Din (Stop Sarahey Kharboza Near G & Co Generator Centre G.T Road Tarnol Islamabad)*	Fahad Amir Ud Din (37405-6769751-5)	Ameer Ud Din	859	165	-	1,024	-	-	173	400	573
45	Hussain Badshah Agri Farm (Muhallah Saadat Colony Khan Pur Rahim Yar Khan)	Syed Hussain Badshah (313017920669-5)	Tanvir Hussain Shah	9,872	2,054	-	11,926	-	-	2,757	1,606	4,363
46	Muhammad Dildar (Mangalwi Card Center Near Post Office Lodhran)	Muhammad Dildar (3610-34343879-5)	Dildar	1,448	177	-	1,625	-	-	189	588	777
47	Badl Uz Zaman (Zaman House Near Thana Saddar Khan Pur Road Rahim Yar Khan)	Badl Uz Zaman (31303-4379401-9)	Muhammad Anwar Chaudhry	1,486	209	-	1,695	-	-	273	232	505
48	Google Mobiles And Computers City (Tariq Colony Nazd Masjid Gama Minchinabad District Bahawalnagar)	Muhammad Aqib (31105-9946168-7)	Muhammad Ismail	3,428	232	-	3,660	-	-	1,072	551	1,623
49	Muhammad Kashif (Chah Hammar Wala ,Malan Haans PO Lodhran Tehsil And District Lodhran)	Muhammad Kashif (32102-6840480-9)	Muhammad Sadq	1,963	435	-	2,398	-	-	573	459	1,032

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
50	Irfan Ali (Cheema Town Habib Colony St No 8 House No 55 Bahawalpur)	Irfan Ali (532018713191-9)	Abdul Sattar	2,800	898	-	3,698	-	-	1,044	1,225	2,269
51	Muhammad Intizar (PO Adda Parmit Samra Tehsil O Zila Lodharan Bahawalpur)	Muhammad Intizar (36203-9691322-5)	Muhammad Yousaf	1,709	303	-	2,012	-	-	426	332	758
52	Mubeen Ali (House No 367-D, Mumtaz Abad, Rohani Road, Multan)	Mubeen Ali (36302-0399152-7)	Muhammad Yameen	1,812	602	-	2,414	-	-	659	603	1,262
53	Mehran Sami & Company (Smc-Private) Limited (68W/3rd Floor, East Sama Plaza, Blue Area, Jinnah Avenue, Islamabad)	Abdul Sami (45203-8434063-3)	Nazir Ahmad	13,622	4,466	-	18,088	-	-	5,666	4,058	9,724
54	Sajjad Ali (Afzal Karyana Store-House#128 Sultanabad, Westridge II Rawalpindi)*	Sajjad Ali (37405-0667760-3)	Anayat Ali	1,427	95	-	1,522	-	-	140	635	775
55	Jalees Fareed (Office No 19-20 White Center Plaza Near Shall Petrol Pump Chaudhary Bostan Khan Road Rawalpindi)	Jalees Fareed (37405-7361053-5)	Muhammad Fareed Khan	1,868	211	-	2,079	-	-	394	265	659
56	Sobia Khurram (House No. 532/D, Muhalla Mumtazabad Colony, Multan)	Sobia Khurram (36302-5410154-8)	Khurram Saeed	1,717	228	-	1,945	-	-	380	236	616
57	Ali Zain (Kacha Jumra PO Khass Chak No 187 Rb Bilo Ana Chak Jumra Faisalabad)	Ali Zain (33101-0902680-5)	Muhammad Ashraf	2,235	408	-	2,643	-	-	689	445	1,134
58	Bilal Ismail Zuberi (House No 62/15Th Commercial Street DHA Phase 04 Karachi)	Bilal Ismail Zuberi (42201-9835743-5)	Muhammad Hasan Zuberi	11,304	1,845	-	13,149	-	-	1,845	-	1,845
59	Muhammad Kamil Khan (House # 135-D Block-Z Mohallah Model Town Sadiq Abad)	Muhammad Kamil Khan (45504-1145042-1)	Muhammad Jamil Khan	569	223	-	792	-	-	223	1,144	1,367
60	Ghulam Mustafa (Punjab Police Department Police Station Rojhan)	Ghulam Mustafa (324037201548-5)	Lal Baksh	477	153	-	630	-	-	199	936	1,135
61	Allah Ditta (Allah Ditta Traders Adda Bhawana Chak # 232 Jb Dis Jhang)	Allah Ditta (33202-0999074-9)	Bahadar Khan	313	69	-	382	-	-	64	552	616

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
62	Yasir Mehmood (PO Aourti Chak 757 Gb Teh Pirmahal Distt. Toba Tek Singh)	Yasir Mehmood (37405-2478624-1)	Sheikh Muhammad	1,104	121	-	1,225	-	-	260	261	521
63	Muhammad Naseer (Sunshine Hair Fashion Ghaliah Mandi Road Labour Colony)	Muhammad Naseer (31202-6286847-9)	Bashir Ahmad	430	147	-	577	-	-	147	965	1,112
64	Shakeel Iqbal (Dera Muhammadi Chah Tobay Wala, POKhana Ram Kali, Dera Budhoo Malkitensiil And District Multan)	Shakeel Iqbal (36303-0557482-1)	Muhammad Iqbal	2,374	481	-	2,855	-	-	763	663	1,426
65	IZ Enterprises (House No. C-79 Bostan-E-Rafi, Malir City, Karachi)	Izhar Hussain (42101-2259178-1)	Muhammad Akbar	2,777	864	-	3,641	-	-	1,262	292	1,554
66	Syed Sajid Hussain Shah (Gargodha Road H.No B171/021 Street No 24 Mohallah Faizabad Gujrat)	Syed Sajid Hussain Shah (34201-0579781-9)	Bashir Hussain Shah	689	319	-	1,008	-	-	339	944	1,283
67	Khalid Hussain (Alpa Sadhari Po Khas Tehsil Pattok)	Khalid Hussain (35103-2182194-3)	Muhammad Soba Sardar	877	322	-	1,199	-	-	317	1,343	1,660
68	ZK Enterprises (Shop # 2 Plot # B-101 Gawallor Co-Operative Housing Society Scheme 33 Gulzar-E-Hijri Karachi)	ZK Enterprises (42201-8465855-7)	Muhammad Awais Khan	2,022	194	-	2,216	-	-	521	200	721
69	Haider Abbas (House 26 St 3 Gujarpura Pindi Rajputan KLP)	Haider Abbas (37405-9985855-3)	Muhammad Sarwar	1,753	200	-	1,953	-	-	385	773	1,158
70	Ghulam Ahmad (Street No 1, Mukhtyar Town Al Mustafa Road Multan)	Ghulam Ahmad (36302-9223476-1)	Shahid Hussain	1,842	99	-	1,941	-	-	315	595	910
71	Shahid & Brothers (Shop # 3, Main Bazaar, Jhumra Road, Khurrianwala, Faisalabad)	Shahid Naseem (33104-4136443-3)	Haji Abdul Ghani	-	1,650	-	1,650	-	-	878	-	878
72	AL Fazal Rice Mills (Manak, Tehsil & District Narowal)	Muhammad Riaz Goraya (34501-6519544-7) Anjum Nadeem Butt (34501-4073956-9) Zulfiqar Haider (34502-7921668-1) Sajjad Ahmed Malik (34502-1510635-7) Jahangir Ijaz (34501-3247226-9)	Fazal Din Muhammad Amin Rehmat Ali Malik Maqsood Ahmed Alijaz UI Hassan	4,991	6,590	-	11,581	-	-	4,221	-	4,221
73	Nasir Traders (Dajal Road Jampur, Jampur)	Muhammad Nasir Bashir (32402-1431764-9)	Bashir Ahmed	-	4,506	-	4,506	-	-	3,596	-	3,596



Annexure I

S. No.	Name and address of the borrower	3	4	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
74	Pangold Enterprises (04 km Burewala Road Vehari)	Khurshed Ahmad (35202-8703269-9) Naveed Anwar (35202-3798076-3) Wahid Anwar (36601-1155156-1) Ms Kaneez Akhtar (35202-6382706-6)	Shah Muhammad Khurshed Ahmed Khurshed Ahmed Khurshed Ahmed	97	3,737	-	3,834	-	-	1,421	-	1,421
75	Usman Rice Mills (Hameed Pur Kallan Tehsil Kamoke Dist. Gujranwala)	Umer Ashraf Sandho (34102-0464501-3) Hamid Imran (34102-0464511-3) Muhammad Ashraf Sandhu (34102-0464500-7)	Muhammad Ashraf Fateh Muhammad Muhammad Ashraf	4,493	34,142	-	38,635	-	-	19,147	-	19,147
76	Shan Traders (Hameed Pur Klan Tehsil Kamoke Dist. Gujranwala)	Umer Ashraf Sandho (34102-0464501-3)	Muhammad Ashraf	-	5,058	-	5,058	-	-	1,201	-	1,201
77	Rizwan Commission Shop (Mangowal Gharbi, Gujrat)	Muhammad Arif (34201-0359551-7)	Muhammad Anayait	34	8,737	-	8,771	-	-	4,717	-	4,717
78	Sajid Mehmood Cotton Ginners (Kachi Muhammad Khan Kip Road Liaquatpur)	Malik Khalid Mehmood (31302-2152648-5) Malik Sajid Mehmood (31302-2152625-1)	Malik Jind Wadda Malik Jind Wadda	-	52,269	-	52,269	-	-	27,449	-	27,449
79	Mohammad Usman (Shop No. 83 Tolinton Market Lahore)	Muhammad Usman (32202-9108879-9)	Sheikh Abdul Rehman	389	1,860	-	2,249	-	-	643	-	643
80	Sultan Weaving Factory (Chak # 67 JB, Sadhar By-Pass, Mulla Pur Road, Jhang Road, Faisalabad)	Muhammad Sultan (33100-3181749-9)	Muhammad Akhtar	4,270	5,137	-	9,407	-	-	2,438	-	2,438
81	Iqra Enterprises (House # 5, Street # 14, Chowk Ahmad Park, Ravi Road, Lahore)	Muhammad Saleem Akbar (35202-3772243-5)	Muhammad Akbar Khan	10,109	9,348	-	19,457	-	-	6,420	-	6,420
82	Jilani Agro Services (Head Bakini, Tehsil Jatoli, Dist. Muzaffargarh)	Zafar Hayat (32302-8088208-5)	Muhammad Hayat	3,768	19,292	-	23,060	-	-	8,390	-	8,390
83	S.S.B. Rice Mills (Plot # 112, Industrial Estate Phase Im Multan)	Shafiqat Rasool (33201-4069281-7) Muhammad Saqlain (33201-2000216-1) Zohab Shafiqat (36302-1148347-1)	Muhammad Hussain Muhammad Hussain Shafaq Rasool	-	16,387	-	16,387	-	-	7,755	-	7,755
84	Javed Traders (House No175, Block Z, Mouza Malgeo, Housing Colony, Near Umar Hospital, Tehsil & District Nankana Sahib)	Muhammad Asif (35402-1936730-5)	Muhammad Ramzan Javid	10,130	11,895	-	22,025	-	-	7,320	-	7,320

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13

Rupees in '000

85	Asif Mehmood Shah Bukhari (Chungi # 1 Haji Pura Multan)	Asif Mehmood Shah Bukhari (36302-5315755-1)	Manzoor Hussain	495	1,392	-	1,887	-	-	713	-	713
86	Muhammad Hanif Weaving (Factory Jhang Road, Sadhar)	Muhammad Hanif (33100-2389019-1)	Muhammad Bux	-	15,568	-	15,568	-	-	4,645	-	4,645
87	Anwar & Brothers (Ghalla Mandi kamoke)	Anwar Ali Khan (34102-0452452-5)	Ghulam Mohy ud Din Khan	208	4,222	-	4,430	-	-	1,479	-	1,479
88	S T Enterprises (Room # 13, 4Th Floor, Imtiaz Plaza, 85-Mall Road, Lahore)	Mian Shanzad Waseem (late) (502-50-358662)	Mian Waseem	1,709	2,250	-	3,959	-	-	3,241	-	3,241
89	Haji Rauf Hussain Cloth Merchant (Main Bazar, Tehsil Jatoli, Distt. Muzaffargarh)	Mian Badar Masood (32302-2843981-3)	Rauf Hussain	481	1,502	-	1,983	-	-	832	-	832
90	Abid Shehzad & Co. (General Bus Stand Main Road, Satellite Town, Sargodha)	Abid Shahzad (38403-2110419-1)	Munawar Hussain	55	1,939	-	1,994	-	-	554	-	554
91	Al Haq Traders (House # 1-S13, Block # 08, Sargodha)	Muhammad Azhar ul Haq (38403-2070079-5)	Fazal Haq	2,680	9,081	-	11,761	-	-	4,596	-	4,596
92	Iqbal Garments (Iqbal Garments, Main Market, Shart Bazar Kabirwala, Distt Khanewal)	Muhammad Iqbal (36102-2762921-5)	Muhammad Sharif	1,200	1,672	-	2,872	-	-	575	-	575
93	Al-Sahil Textiles (11-km Jaranwala Road, Faisalabad)	Mian Mulazam Hussain Arif (33100-6706995-1)	Muhammad Ramzan Javed	6,635	19,776	-	26,411	-	-	12,024	-	12,024
94	Hanif Metal Store (Bhaghatpura Hadbast Mauza Ram Kishan Wala, Lahore)	Muzamil Amin (35202-4390222-7)	Choudhary Muhammad Amin	406	4,025	-	4,431	-	-	1,214	-	1,214
95	Muhammad Mushtaq (Ghais Pur, PO Alma Qazian, Tehsil & Distt Narowal)	Muhammad Mushtaq (3450119134631)	Namat Ali	2,062	1,577	-	3,639	-	-	975	-	975
96	Rehman Industries (Bhara Glai # 2 Bhowana Bazar Faisalabad)*	Uneeb-Ur-Rehman (33100-9450376-3)	Saeed-ur-Rehman	7,772	18,643	-	26,415	-	-	9,887	-	9,887



S. No.	Name and address of the borrower	3	4	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2			5	6	7	8	9	10	11	12	13
Rupees in '000												
97	Saith Saree House (205/206, Panorama Centre, The Mall Road, Lahore)	Zubair Bashir (35202-7992389-1)	Muhammad Bashir	5701	13325	-	19026	-	-	8,762	-	8,762
98	Asad Traders (Marah Basni, PO Ramke Chattha Dist. Hafizabad)	Afzal Nawaz (34301-1668130-1)	Muhammad Nawaz	-	34,792	-	34,792	-	-	12,882	-	12,882
99	Dadu Energy (Pvt) Limited (CL 5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi)	Khawaja Nimr Majid (42000-1246900-5) Sultan Ahmed (41303-1538710-7)	*Khawaja Anver Majid Muhammad Younis	9,345	6,985	-	16,330	-	-	3,960	-	3,960
100	Ittehad Textile Industries Pvt Ltd (Dost Street Samundri Road, Faisalbad)	Nazim Shehzad (33100-7992549-1) Ahmad Sultan Nazim Sheikh (33100-8229322-7) Muhammad Naeem Akhtar (33100-2090470-3)	*Haji Maqsood Ahmad Nazim Shahzad Faqir Muhammad	177,010	43,042	-	220,052	-	-	24,640	-	24,640
101	Khawaja Spinning Mills Limited (10-L, Ferozpur Road, Gulberg-III, Lahore)	Khawaja Muhammad Tanveer (34101-4358809-7) Aliva Tanveer (34101-9415962-2) Nazish Jehanzeb (35202-3499088-0)	*Khawaja Muhammad Ishaq Khawaja Muhammad Tanveer Muhammad Ishaq	64,152	130,006	-	194,158	-	-	60,790	-	60,790
102	OK Feed Mills (Pvt.) Ltd (39-C, Ahmad Block, New Garden Town, Lahore)	Syed Mushahid Shah (35202-6321378-9) Nageen Mushahid (35202-5141026-6)	*Syed Mujahid Shah Syed Mushahid Shah	-	41,871	-	41,871	-	-	41,871	-	41,871
103	Kamran Textile (Pvt) Limited (05 km. Jairanwala Road, Khurrianwala, Faisalabad)	Muhammad Bashir Sheikh (42301-6076549-5) Muhammad Farooq Bashir (42000-0574080-9) Muhammad Sajid Bashir (42000-0574079-5) Jawad Kamran (42000-5672982-5) Fawad Kamran (42000-5588432-5) Fahad Kamran (42000-9558885-1)	Sheikh Abdur Raheem Muhammad Bashir Sheikh Muhammad Bashir Sheikh Muhammad Farooq Bashir Muhammad Farooq Bashir Muhammad Sajid Bashir	252,776	245,937	-	498,713	-	-	75,536	-	75,536

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
104	Lucky Linker (Pvt) Ltd (Khanewal Road, Opp TTC, Multan)	Chaudhry Muhammad Ramzan (36302-755085-9) Zaheer Ahmad Babar (36302-5370175-9) Tariq Mehmood Khan (36302-2715595-7)	Rehmat Ali Bashir Ahmad Mumtaz Muhammad Tufail Khan	-	24,358	-	24,358	-	-	7858	-	7858
105	I.U. Rehman Textile Mills (Pvt) Ltd. (H# 66-68, Bosan Road, Nasheman Colony, Multan)	Ishtiaq ur Rehman (35200-9670992-3) Muhammad Ali Rehman Khan (36302-0513842-7)	Abdur Rehman Ishtiaq ur Rehman	39809	136654	-	176,463	-	-	34,250	-	34,250
106	Super Tech Casting Private Limited (H# 221, St# 5, Cavalry Ground, Lahore Cantt.)	Muhammad Ishaq Mirza (35201-2638870-5) Shahida Ishaq (35201-1156661-0) Waqas Gohar (35201-2104130-9) Ahsan Gohar (35201-1880812-9)	Muhammad Ismail Muhammad Ishaq Mirza Muhammad Ishaq Mirza Muhammad Ishaq Mirza	8,724	31,892	-	40,616	-	-	13,662	-	13,662
107	Noor Fatima Fabrics (Pvt.) Limited (5 km Jarawala Road, Khurrinawala Faisalabad.)	Ajmal Farooq (33100-2966254-3) Muhammad Ali Shahid (33100-9910974-3) Shazia Yasmeen (33100-0894883-0) Robina Yasmeen (33100-0904750-0) Tahira Saleem (33100-0894883-8)	Abdul Ghani Muhammad Shahid Iqbal Muhammad Atif Ajmal Farooq Muhammad Shahid Iqbal	70618	40,742	-	111,360	-	-	22,183	-	22,183
108	Punjab Enterprises (H# 347, Quaid-e-Azam Road, Jimnah Colony, Sialkot)	Ch. Arshad Javed Waraich (Late) (34603-8979862-1)	Muhammad Hussain	206,360	142,784	-	349,144	-	-	193,914	-	193,914
109	Aehsun Muhammad Hamayun Shaikh (Ismael Alwane-Science, Shahrah Roomi, Off Ferozpur Road, Lahore.)	Aehsan Humayun Shaikh (35201-5252539-3)	Humayun Naseer Shaikh	7276	61,185	-	68,461	-	-	22,240	-	22,240
				1,060,705	1,304,923	-	2,365,628	-	-	753,799	34,657	788,456

ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the December 31, 2025, the Bank is operating 210 Islamic banking branches (2024: 210 Islamic banking branches) and 534 Islamic banking windows (2024: 258 Islamic banking windows).

STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Note	2025 Rupees in '000'	2024
ASSETS			
Cash and balances with treasury banks		17,123,462	12,893,765
Balances with other banks		3,427,248	774,490
Due from financial institutions	1	1,997,051	14,769,016
Investments	2	116,683,760	55,521,524
Islamic financing and related assets - net	3	132,457,763	79,408,331
Property and equipment		2,347,799	2,184,672
Right-of-use assets		3,301,907	3,148,547
Intangible assets		11,708	13,053
Due from Head Office		3,030,374	10,691,544
Other assets		13,161,436	9,389,214
Total assets		293,542,508	188,794,156
LIABILITIES			
Bills payable		1,185,243	865,968
Due to financial institutions	4	6,808,571	2,108,804
Deposits and other accounts	5	251,147,748	158,743,365
Due to head office		-	-
Lease liabilities		4,390,951	3,923,690
Subordinated debt		-	-
Other liabilities		5,580,782	3,022,990
Total liabilities		269,113,295	168,664,817
NET ASSETS		24,429,213	20,129,339
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		14,001	30,832
Surplus on revaluation of assets		312,447	385,024
Unappropriated profit	6	22,102,765	17,713,483
		24,429,213	20,129,339
CONTINGENCIES AND COMMITMENTS	7		

ISLAMIC BANKING BUSINESS

STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	Note	Rupees in '000'	
Profit / return earned	8	21,489,626	26,160,280
Profit / return expensed	9	10,421,523	13,709,472
Net profit / return		11,068,103	12,450,808
Fee and commission income		931,855	502,176
Dividend income		-	-
Foreign exchange loss		(264,934)	(226,054)
Income / (loss) from derivatives		-	-
(Loss) / gain on securities		(204,625)	359,067
Other income		72,547	114,743
		534,843	749,932
Total income		11,602,946	13,200,740
Other expenses			
Operating expenses		7,080,684	5,158,636
Workers Welfare Fund		-	-
Other charges		628	123
		7,081,312	5,158,759
Profit before credit loss allowance		4,521,634	8,041,981
Charge / (reversal) of credit loss allowance and write offs - net		132,352	(773,424)
Profit before taxation		4,389,282	8,815,405
Taxation	10	-	-
Profit after taxation		4,389,282	8,815,405

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,389,282	8,815,405
Less: dividend income	-	-
	4,389,282	8,815,405
Adjustments for:		
Depreciation on property and equipment	409,382	242,456
Amortization on intangible assets	2,109	1,704
Depreciation on ijarah assets under IFAS - 2	793,471	353,078
Depreciation right-of-use assets	563,040	423,035
Markup on lease liability against right-of-use assets	508,539	460,686
Amortization of premium on debt securities - net	624,638	98,672
Gain on termination of lease liability against right-of-use assets	(104,659)	(104,659)
Gain on sale of property and equipment - net	(872)	(872)
Realized loss / (gain) on sale of securities - net	204,625	(359,067)
(Reversal) / charge of credit loss allowance against lending to financial institutions	(38,035)	12,825
Charge / (reversal) of credit loss allowance for diminution in value of investments	588,492	(17,537)
Reversal of credit loss allowance against loans & advances	(348,962)	(965,244)
(Reversal) / charge of credit loss allowance against balances with treasury banks	(2,688)	14,714
Credit loss allowance against other assets - net	8,349	16,879
(Reversal) / charge of credit loss allowance against off balance sheet obligations	(76,616)	167,572
Charge / (reversal) of credit loss allowance against balance with other banks	1,812	(2,633)
	3,132,625	341,609
	7,521,907	9,157,014
(Increase) / decrease in operating assets:		
Lendings to financial institutions	12,810,000	(10,875,000)
Advances	(53,493,941)	26,531,397
Others assets	3,880,599	(11,821,583)
	(36,803,342)	3,834,814
Increase in operating liabilities:		
Bills payable	319,275	155,134
Due to financial institutions	4,699,767	31,191
Deposits and other accounts	92,404,383	45,410,867
Other liabilities	2,617,577	(40,330,899)
	100,041,002	5,266,293
Net cash flow from operating activities	70,759,567	18,258,121
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments	(62,552,846)	(12,171,898)
Investments in property and equipment & intangible assets	(672,123)	(1,165,810)
Net cash used in investing activities	(63,224,969)	(13,337,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(653,019)	(639,907)
Net cash used in financing activities	(653,019)	(639,907)
Net increase in cash and cash equivalents	6,881,579	4,280,506
Impact of ECL on cash and cash equivalents	876	(35,705)
Cash and cash equivalents at beginning of the year	13,668,255	9,423,454
Cash and cash equivalents at end of the year	20,550,710	13,668,255

1. DUE FROM FINANCIAL INSTITUTIONS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Unsecured Placement	2,000,000	-	2,000,000	14,810,000	-	14,810,000
Less: Credit loss allowance Stage-1	(2,949)	-	(2,949)	(40,984)	-	(40,984)
	1,997,051	-	1,997,051	14,769,016	-	14,769,016

2. INVESTMENTS BY SEGMENTS

	Note	2025				2024			
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
Amortised cost									
Federal Government securities									
- Ijara Sukuk		9,529,795	-	-	9,529,795	9,561,046	-	-	9,561,046
- Bai Maujjal		3,160,214	-	-	3,160,214	-	-	-	-
Non Government debt securities	21	1,541,158	(608,192)	-	932,966	2,122,068	(19,700)	-	2,102,368
		14,231,167	(608,192)	-	13,622,975	11,683,114	(19,700)	-	11,663,414
FVOCI									
Federal Government securities									
- Ijara Sukuk		102,565,732	-	172,852	102,738,584	34,514,669	-	287,582	34,802,251
Non Government debt securities		-	-	-	-	8,266,007	-	(15,008)	8,250,999
		102,565,732	-	172,852	102,738,584	42,780,676	-	272,574	43,053,250
FVTPL									
Federal Government securities									
- Islamic Naya Pakistan Certificate		322,201	-	-	322,201	804,860	-	-	804,860
		322,201	-	-	322,201	804,860	-	-	804,860
Total investments		117,119,100	(608,192)	172,852	116,683,760	55,268,650	(19,700)	272,574	55,521,524
2.1 Particlurs of credit loss allowance		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Non Government debt securities		1,124	-	607,068	608,192	19,700	-	-	19,700

	Note	2025	2024
		Rupees in '000'	
3. ISLAMIC FINANCING AND RELATED ASSETS - NET			
Ijarah	3.1	8,515,516	3,472,893
Murabaha	3.2	261,848	272,036
Musharaka		20,428,804	8,198,268
Diminishing musharaka		75,135,626	42,190,942
Payment against documents		55,304	55,304
Waqala		4,107,244	7,064,896
Istisna		15,786,835	10,565,509
Musawamah financing		8,732,339	7,731,982
Tijarah financing		1,392,151	2,163,367
Gross islamic financing and related assets		134,415,667	81,715,197
Less: Credit loss allowance / provision against islamic financings			
Stage 1		469,962	468,232
Stage 2		218,987	281,189
Stage 3		1,268,955	1,557,445
		1,957,904	2,306,866
Islamic financing and related assets - net of credit loss allowance		132,457,763	79,408,331

3.1 Ijarah

	2025								
	Cost				Depreciation			Book value	
	As at Jan 01, 2025	Additions	Deletion / adjustment	As at Dec 31, 2025	As at Jan 01, 2025	Deletion / adjustment	Charge for the year	As at Dec 31, 2025	as at Dec 31, 2025
	Rupees in '000'								
Plant and machinery	56,251	72,679	-	128,930	9,467	-	19,937	29,404	99,526
Vehicles	2,606,537	6,387,704	(340,636)	8,653,605	492,631	(122,449)	773,534	1,143,716	7,509,889
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,312,203	-	(406,102)	906,101	-	-	-	-	906,101
Total	4,151,588	6,460,383	(746,738)	9,865,233	678,695	(122,449)	793,471	1,349,717	8,515,516

	2024								
	Cost				Depreciation			Book value	
	As at Jan 01, 2024	Additions	Deletion / adjustment	As at Dec 31, 2024	As at Jan 01, 2024	Deletion / adjustment	Charge for the year	As at Dec 31, 2024	as at Dec 31, 2024
	Rupees in '000'								
Plant and machinery	29,766	53,430	(26,945)	56,251	18,451	(17,668)	8,684	9,467	46,784
Vehicles	1,434,450	1,851,435	(679,348)	2,606,537	212,910	(64,673)	344,394	492,631	2,113,906
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,218,305	500,000	(406,102)	1,312,203	-	-	-	-	1,312,203
Total	2,859,118	2,404,865	(1,112,395)	4,151,588	407,958	(82,341)	353,078	678,695	3,472,893

3.1.1 Future ijarah payments receivable

	2025				2024			
	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'				Rupees in '000'			
Ijarah rental receivables	708,638	7,045,562	761,316	8,515,516	597,106	2,342,603	533,184	3,472,893

	Note	2025	2024
		Rupees in '000'	
3.2 Murabaha			
Murabaha financing	3.2.1	224,729	235,148
Advances for murabaha		37,119	36,888
		261,848	272,036
3.2.1			
Murabaha receivable - gross	3.2.2	285,229	295,417
Deferred murabaha income	3.2.4	(6,338)	(3,008)
Profit receivable shown in other assets		(54,162)	(57,261)
Murabaha financings		224,729	235,148
3.2.2			
The movement in murabaha financing during the year is as follows:			
Opening balance		295,417	1,000,684
Sales during the year		624,610	921,776
Adjusted during the year		(634,798)	(1,627,043)
Closing balance		285,229	295,417

	Note	2025 Rupees in '000'	2024
3.2.3	Murabaha sale price	294,509	303,435
	Murabaha purchase price	(224,728)	(235,148)
		69,781	68,287
3.2.4	Deferred murabaha income		
	Opening balance	3,008	45,018
	Arising during the year	33,003	42,978
	Recognized during the year	(29,673)	(84,988)
	Closing balance	6,338	3,008

3.3 Islamic financing and related assets include Rs. 2,247,218 thousand (2024: Rs. 2,929,643 thousand) which have been placed under non-performing status.

4 DUE TO FINANCIAL INSTITUTIONS

Secured - Borrowings from SBP under:			
Islamic Export Re-Finance scheme (IERF)	4.1	540,000	779,900
Islamic Long Term Financing Facility (ILTFF)	4.2	82,557	96,316
Financing Facility for Storage of Agriculture Produce (FFSAP)	4.3	185,000	185,000
Finance Facility for Islamic Temporary Economic Refinance Facility (ITERF)	4.4	789,014	1,047,588
Finance facility for Modernization of SMEs	4.5	12,000	-
Unsecured			
Call borrowings		5,200,000	-
		6,808,571	2,108,804

4.1. These represent borrowings made under the scheme for providing financing to exporters for adoption of new technologies and modernization of plant and machinery. These borrowings carry profit payable quarterly at rates ranging from 7.50% to 08.00% per annum (2024: 10% to 14.50% per annum) with maturities upto June 16, 2026.

4.2 This amount has been obtained for providing long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 7.00% per annum (2024: 4.00% to 16.00% per annum) with maturities upto June 30, 2036.

4.3 These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 4.25% per annum (2024: 4.25% per annum) with maturities upto December 30, 2031.

4.4 These represent borrowings under scheme of Islamic temporary economic refinance facility (ITERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2024: 1.00% per annum) with maturities upto April 27, 2032.

4.5 These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMEs). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2024: 2.00% per annum) with maturities upto March 31, 2026.

5. DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers						
Current deposits	83,549,224	2,152,123	85,701,347	37,466,351	1,243,324	38,709,675
Savings deposits	125,553,606	485,182	126,038,788	102,120,880	497,296	102,618,176
Term deposits	31,464,235	6,432,976	37,897,211	11,353,436	4,455,062	15,808,498
Margin deposits	41,434	-	41,434	35,364	-	35,364
	240,608,499	9,070,281	249,678,780	150,976,031	6,195,682	157,171,713
Financial institutions						
Current deposits	48,653	69,567	118,220	49,334	103,629	152,963
Savings deposits	1,350,573	-	1,350,573	1,418,456	186	1,418,642
Term deposits	-	-	-	-	-	-
Margin deposits	175	-	175	47	-	47
	1,399,401	69,567	1,468,968	1,467,837	103,815	1,571,652
	242,007,900	9,139,848	251,147,748	152,443,868	6,299,497	158,743,365

		2025	2024
		Rupees in '000'	
5.1 Composition of deposits			
- Individuals		68,315,002	22,026,152
- Private sector		98,324,280	82,794,052
- Government		81,722,797	50,487,277
- Public sector entities		1,316,700	1,864,232
- Banking companies		181,131	130,234
- Non-banking financial institutions		1,287,838	1,441,418
		251,147,748	158,743,365

5.2 This includes deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 134,208,748 thousand (2024: Rs 88,107,446 thousand).

5.3 Current deposits include call deposits amounting to Rs. 6,266,180 thousand (2024: Rs. 2,472,287 thousand).

		2025	2024
		Rupees in '000'	
6. ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT			
Opening balance		17,713,483	10,393,540
Impact of adoption of IFRS-09		-	(1,495,462)
Islamic banking profit for the year		4,389,282	8,815,405
Closing balance		22,102,765	17,713,483
7. CONTINGENCIES AND COMMITMENTS			
- Guarantees		6,251,417	10,387,396
- Commitments		40,661,426	17,705,266
		46,912,843	28,092,662
7.1 Guarantees:			
Financial guarantees		18,200	18,200
Performance guarantees		2,488,032	1,419,293
Other guarantees		3,745,185	8,949,903
		6,251,417	10,387,396

7.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		14,627,627	4,075,301
Commitments in respect of - forward lending	7.2.1	21,457,478	9,078,833
Commitments in respect of purchase forward foreign exchange contracts		4,553,767	4,548,013
Commitments for acquisition of :			
- property and equipment		1,513	3,119
- intangible assets		21,041	-
		40,661,426	17,705,266
7.2.1 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend		21,457,478	9,078,833

7.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

8. PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT			
Profit earned on:			
Financing		11,156,798	16,658,578
Investments		9,191,692	7,982,396
Placements		1,029,822	1,068,460
Deposits with financial institutions		-	80
IFRS-09 adjustment for staff finance - notional		111,314	450,766
		21,489,626	26,160,280
9. PROFIT ON DEPOSITS AND OTHER DUES EXPENSED			
Deposits and other accounts		9,739,590	11,003,221
Markup on lease liability against right-of-use assets		508,539	460,686
Markup on borrowings		197,571	155,296
Profit on deposits from conventional Head Office		31,517	2,053,266
IFRS-09 adjustment on borrowings - notional		(55,694)	37,003
		10,421,523	13,709,472

10. The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 2,463,265 thousand (2024: Rs. 4,015,417 thousand).

	2025	2024
	Rupees in '000'	
11. CHARITY FUND		
Opening balance	76,730	39,321
Additions during the year :		
Received from customers on account of delayed payment	58,647	60,935
Profit on charity saving account	4,282	3,924
	62,929	64,859
Payments / utilization during the year :		
Education	(30,000)	(11,920)
Welfare works	(5,000)	(7,000)
Health	(42,000)	(8,530)
	(77,000)	(27,450)
Closing balance	62,659	76,730

12. POOL MANAGEMENT

- 12.1 BOP TAQWA islamic banking division is maintaining following pools for profit declaration and distribution.

i) General pool	ii) Special pool-I (Equity)
iii) Special pool-II	iv) Special pool-IV
v) Special pool-VII (PER)	vi) Special pool-HX
vii) Special pool-XIII	viii) Special pool-XIV
ix) Special pool-XV	x) Special pool-XVI
xi) Special pool-XVII	xii) Special pool-XVIII
xiii) Special pool-XIX	xiv) Special pool-XX
xv) Special pool-XXI	xvi) Special pool-XXII
xvii) Special pool-XXIII	xviii) Special pool-XXIV
xix) Special pool-XXV	xx) Special pool-XXVI
xxi) Special pool-XXVII (IERS Pool)	xxii) Special pool-XXVIII
xxiii) Special pool-XXIX	xxiv) Special pool-XXX
xxv) Special pool-XXXI	xxvi) Special pool-XXXII
xxvii) Special pool-XXXIII	xxviii) Special pool-XXXIV
xxix) Special pool-XXXV	xxx) Special pool-XXXVI
xxxi) Special pool-XXXVII	xxxii) Special pool-XXXVIII
xxxiii) Special pool-XXXIX	xxxiv) Special pool-XXXX
xxxv) Special Saving Pool-I	xxxvi) RFC Special Pool-I
xxxvii) Taqwa Foreign Currency USD Pool	xxxviii) Taqwa Foreign Currency GBP Pool
xxxix) Taqwa Foreign Currency EURO Pool	xxxx) USD special pool-I
xxxxi) USD special pool-II	xxxxii) USD special pool-III
xxxxiii) USD special pool-IV	xxxxiv) USD RFC Special Pool-I
xxxxv) GBP RFC Special Pool-I	xxxxvi) EUR RFC Special Pool-I
xxxxvii) Taqwa Foreign Currency CHF Pool	xxxxviii) EURO special pool-I

Appart from above, BOP Taqwa Islamic banking division also maintaining Musharakah based treasury Pool as and when required.

12.2 General pool

The general pool comprises of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as fund manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pool is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of period concerned.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-Islamic Banking Division (IBD) as Mudarib.

a) Weightages for distribution of profit in general pool

Profit is calculated on the basis of daily product balance in Mudaraba based depositors' accounts and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment.
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, Islamic Banking Institutions and Shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.3 Special pools

The special pools comprise of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as Fund Manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pools is calculated on all the remunerative assets booked by the Bank

and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of concerned period.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-TAQWA as Mudarib.

a) Weightages for distribution of profit in special pools

Profit is calculated on daily product basis and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, islamic banking institutions and shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.4 Avenues / sectors of economy / business where mudaraba based deposits have been deployed:

	2025	2024
	Rupees in '000'	
Federal and provincial governments	2,252,685	2,269,926
Due from GOP - bai muajjal	3,160,214	-
Placement with Financial Institutions	2,000,000	14,810,000
Ijara sukuk	112,095,527	44,075,715
Transport, storage, logistics and communication	562,820	155,214
Manufacturing and trading of food items	5,274,289	6,024,272
Manufacture of pesticides and other agro-chemical product	99,475	60,639
Power generation	33,393,068	17,599,980
Manufacture of paper, paperboard and products thereof	37,000	37,000
Consumer car Ijarah	6,696,182	1,629,192
Consumer Housing / LCH	1,978,200	1,811,652
Textile composite / other	9,272,638	5,975,674
Cement & allied	6,364,090	2,862,154
Iron & steel industry	4,642,279	3,572,712
Rubber / plastic products etc.	2,572,459	247,850
Others	66,566,048	53,101,804
	256,966,974	154,233,784

12.5 Charging expenses

The direct expenses are being charged to the pool, while indirect expenses including the establishment cost is being borne by BOP IBD as Mudarib. The direct expenses to be charged to the pool may include cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee or documentation charges, brokerage fee for purchase of securities/commodities etc.

	2025	2024
	Rupees in '000'	
Credit loss allowance / provisions		
Murabaha	897	65,338
Istisna	6,067	28,900
Ijarah	(154,112)	246,217
Diminishing Musharika	(180,310)	1,835,027
Musharaka	-	44,675
Musawamah financing	1,377	39,470
Payment against documents	30,395	24,909
Tijarah financing	-	8,037
Waqala	-	14,293
	(295,686)	2,306,866

12.6 Mudarib share (in amount and percentage of distributable income):

	2025		2024	
	Rupees in	Percentage	Rupees in	Percentage
		%	'000'	%
Rabbul mal	9,079,229	61.79%	13,129,999	65.62%
Mudarib	5,614,958	38.21%	6,880,087	34.38%
Distributable income	14,694,187	100.00%	20,010,086	100.00%

12.7 Amount & percentage of mudarib share transferred to depositors through Hiba:

	2025	2024
	Rupees in '000'	
Mudarib share	5,614,958	6,880,087
Hiba	572,094	229,371
Hiba percentage of mudarib share	10.19%	3.33%

This is not a special hiba as such. This hiba has been distributed across the Board to all the account holders.

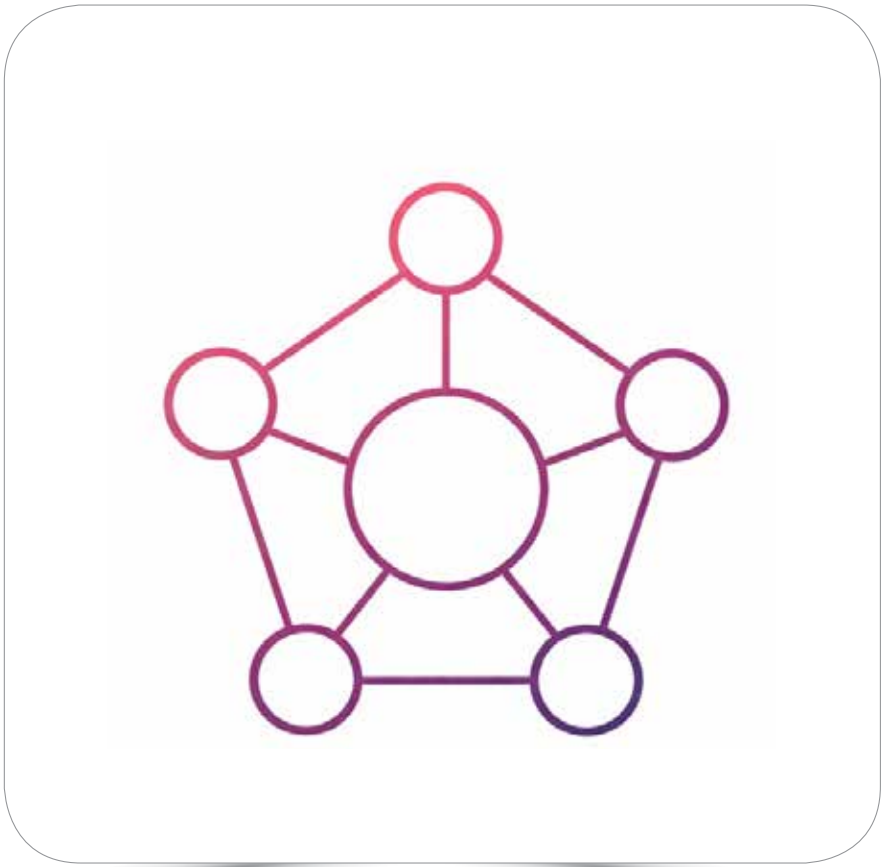
12.8 Profit rate earned vs. profit rate distributed to the depositors during the year:

	2025	2024
	Rupees in '000'	
Profit rate earned	12.15%	19.45%
Profit rates distributed to depositors	4.95%	10.04%

08.

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

A shareholding pattern refers to the distribution of BOP's ownership among its shareholders.



PATTERN OF SHAREHOLDING OF SHARES

AS ON DECEMBER 31, 2025

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total	From		To		Physical	CDC	Total	
941	6,575	7,516	FROM	1	TO	100	33,208	238,650	271,858	0.0083
1,415	5,122	6,537	FROM	101	TO	500	374,252	1,512,565	1,886,817	0.0577
643	3,407	4,050	FROM	501	TO	1,000	462,055	2,747,452	3,209,507	0.0981
1,064	7,216	8,280	FROM	1,001	TO	5,000	2,271,835	18,885,741	21,157,576	0.6467
173	2,366	2,539	FROM	5,001	TO	10,000	1,202,518	18,104,950	19,307,468	0.5902
53	1,025	1,078	FROM	10,001	TO	15,000	660,664	13,051,318	13,711,982	0.4191
29	684	713	FROM	15,001	TO	20,000	504,992	12,452,896	12,957,888	0.3961
22	486	508	FROM	20,001	TO	25,000	499,445	11,278,378	11,777,823	0.3600
15	338	353	FROM	25,001	TO	30,000	407,442	9,534,565	9,942,007	0.3039
43	217	260	FROM	30,001	TO	35,000	1,394,676	7,082,638	8,477,314	0.2591
3	225	228	FROM	35,001	TO	40,000	113,746	8,637,286	8,751,032	0.2675
6	143	149	FROM	40,001	TO	45,000	252,550	6,147,056	6,399,606	0.1956
3	264	267	FROM	45,001	TO	50,000	144,988	13,004,826	13,149,814	0.4019
2	99	101	FROM	50,001	TO	55,000	103,968	5,228,201	5,332,169	0.1630
	99	99	FROM	55,001	TO	60,000		5,750,963	5,750,963	0.1758
2	74	76	FROM	60,001	TO	65,000	123,397	4,660,209	4,783,606	0.1462
	53	53	FROM	65,001	TO	70,000		3,641,614	3,641,614	0.1113
2	61	63	FROM	70,001	TO	75,000	146,392	4,488,191	4,634,583	0.1417
1	47	48	FROM	75,001	TO	80,000	77,189	3,687,824	3,765,013	0.1151
	39	39	FROM	80,001	TO	85,000		3,239,126	3,239,126	0.0990
	36	36	FROM	85,001	TO	90,000		3,177,088	3,177,088	0.0971
	38	38	FROM	90,001	TO	95,000		3,548,808	3,548,808	0.1085
1	166	167	FROM	95,001	TO	100,000	98,766	16,526,912	16,625,678	0.5082
	49	49	FROM	100,001	TO	105,000		5,023,616	5,023,616	0.1536
	32	32	FROM	105,001	TO	110,000		3,454,713	3,454,713	0.1056
2	19	21	FROM	110,001	TO	115,000	223,875	2,133,053	2,356,928	0.0720
	26	26	FROM	115,001	TO	120,000		3,077,465	3,077,465	0.0941
	30	30	FROM	120,001	TO	125,000		3,703,362	3,703,362	0.1132
	23	23	FROM	125,001	TO	130,000		2,933,737	2,933,737	0.0897
	17	17	FROM	130,001	TO	135,000		2,249,927	2,249,927	0.0688
	20	20	FROM	135,001	TO	140,000		2,749,535	2,749,535	0.0840
	13	13	FROM	140,001	TO	145,000		1,865,516	1,865,516	0.0570
	40	40	FROM	145,001	TO	150,000		5,963,454	5,963,454	0.1823
	17	17	FROM	150,001	TO	155,000		2,596,000	2,596,000	0.0794
	13	13	FROM	155,001	TO	160,000		2,049,511	2,049,511	0.0626
	18	18	FROM	160,001	TO	165,000		2,940,406	2,940,406	0.0899
	12	12	FROM	165,001	TO	170,000		2,012,512	2,012,512	0.0615
	7	7	FROM	170,001	TO	175,000		1,218,126	1,218,126	0.0372
	15	15	FROM	175,001	TO	180,000		2,679,213	2,679,213	0.0819
	12	12	FROM	180,001	TO	185,000		2,188,457	2,188,457	0.0669
	9	9	FROM	185,001	TO	190,000		1,700,397	1,700,397	0.0520
	12	12	FROM	190,001	TO	195,000		2,315,723	2,315,723	0.0708
	42	42	FROM	195,001	TO	200,000		8,388,305	8,388,305	0.2564
	17	17	FROM	200,001	TO	205,000		3,447,332	3,447,332	0.1054
	9	9	FROM	205,001	TO	210,000		1,868,273	1,868,273	0.0571
	5	5	FROM	210,001	TO	215,000		1,070,282	1,070,282	0.0327
	5	5	FROM	215,001	TO	220,000		1,093,625	1,093,625	0.0334
	11	11	FROM	220,001	TO	225,000		2,447,955	2,447,955	0.0748
	10	10	FROM	225,001	TO	230,000		2,275,943	2,275,943	0.0696
1	4	5	FROM	230,001	TO	235,000	234,679	932,562	1,167,241	0.0357
	5	5	FROM	235,001	TO	240,000		1,188,487	1,188,487	0.0363
	5	5	FROM	240,001	TO	245,000		1,213,526	1,213,526	0.0371
	25	25	FROM	245,001	TO	250,000		6,213,686	6,213,686	0.1899

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total		From	To		Physical	CDC	Total	
	5	5	FROM	250,001	TO	255,000		1,263,172	1,263,172	0.0386
	3	3	FROM	255,001	TO	260,000		771,621	771,621	0.0236
	5	5	FROM	260,001	TO	265,000		1,315,705	1,315,705	0.0402
	2	2	FROM	265,001	TO	270,000		536,410	536,410	0.0164
	9	9	FROM	270,001	TO	275,000		2,462,410	2,462,410	0.0753
	7	7	FROM	275,001	TO	280,000		1,950,364	1,950,364	0.0596
	6	6	FROM	280,001	TO	285,000		1,697,468	1,697,468	0.0519
	2	2	FROM	285,001	TO	290,000		574,500	574,500	0.0176
	3	3	FROM	290,001	TO	295,000		874,050	874,050	0.0267
	41	41	FROM	295,001	TO	300,000		12,289,768	12,289,768	0.3757
	5	5	FROM	300,001	TO	305,000		1,522,735	1,522,735	0.0465
	4	4	FROM	305,001	TO	310,000		1,235,800	1,235,800	0.0378
	4	4	FROM	310,001	TO	315,000		1,254,667	1,254,667	0.0384
	4	4	FROM	315,001	TO	320,000		1,280,000	1,280,000	0.0391
	10	10	FROM	320,001	TO	325,000		3,236,589	3,236,589	0.0989
	4	4	FROM	325,001	TO	330,000		1,310,955	1,310,955	0.0401
	1	1	FROM	330,001	TO	335,000		334,011	334,011	0.0102
	4	4	FROM	335,001	TO	340,000		1,360,000	1,360,000	0.0416
	4	4	FROM	340,001	TO	345,000		1,374,500	1,374,500	0.0420
	5	5	FROM	345,001	TO	350,000		1,741,255	1,741,255	0.0532
	3	3	FROM	350,001	TO	355,000		1,059,524	1,059,524	0.0324
	2	2	FROM	355,001	TO	360,000		718,261	718,261	0.0220
	3	3	FROM	365,001	TO	370,000		1,108,929	1,108,929	0.0339
	2	2	FROM	370,001	TO	375,000		744,250	744,250	0.0227
	3	3	FROM	380,001	TO	385,000		1,152,787	1,152,787	0.0352
	4	4	FROM	385,001	TO	390,000		1,551,900	1,551,900	0.0474
	3	3	FROM	390,001	TO	395,000		1,181,521	1,181,521	0.0361
	16	16	FROM	395,001	TO	400,000		6,390,372	6,390,372	0.1953
	2	2	FROM	400,001	TO	405,000		807,000	807,000	0.0247
	4	4	FROM	405,001	TO	410,000		1,635,542	1,635,542	0.0500
	4	4	FROM	410,001	TO	415,000		1,651,831	1,651,831	0.0505
	1	1	FROM	415,001	TO	420,000		420,000	420,000	0.0128
	5	5	FROM	420,001	TO	425,000		2,115,569	2,115,569	0.0647
	4	4	FROM	425,001	TO	430,000		1,703,397	1,703,397	0.0521
	4	4	FROM	430,001	TO	435,000		1,737,209	1,737,209	0.0531
	6	6	FROM	445,001	TO	450,000		2,695,152	2,695,152	0.0824
	3	3	FROM	450,001	TO	455,000		1,359,531	1,359,531	0.0416
	1	1	FROM	455,001	TO	460,000		460,000	460,000	0.0141
	2	2	FROM	460,001	TO	465,000		923,593	923,593	0.0282
	1	1	FROM	465,001	TO	470,000		468,000	468,000	0.0143
	3	3	FROM	470,001	TO	475,000		1,416,101	1,416,101	0.0433
	3	3	FROM	475,001	TO	480,000		1,435,175	1,435,175	0.0439
	2	2	FROM	490,001	TO	495,000		987,000	987,000	0.0302
	24	24	FROM	495,001	TO	500,000		11,995,698	11,995,698	0.3667
	3	3	FROM	500,001	TO	505,000		1,508,587	1,508,587	0.0461
	4	4	FROM	505,001	TO	510,000		2,033,450	2,033,450	0.0622
	1	1	FROM	510,001	TO	515,000		513,000	513,000	0.0157
	2	2	FROM	515,001	TO	520,000		1,040,000	1,040,000	0.0318
	2	2	FROM	520,001	TO	525,000		1,049,000	1,049,000	0.0321
	2	2	FROM	525,001	TO	530,000		1,052,625	1,052,625	0.0322
	3	3	FROM	530,001	TO	535,000		1,600,900	1,600,900	0.0489
	2	2	FROM	535,001	TO	540,000		1,075,939	1,075,939	0.0329
	2	2	FROM	540,001	TO	545,000		1,083,869	1,083,869	0.0331
	9	9	FROM	545,001	TO	550,000		4,945,370	4,945,370	0.1512
	3	3	FROM	550,001	TO	555,000		1,664,000	1,664,000	0.0509
	1	1	FROM	555,001	TO	560,000		556,337	556,337	0.0170
	1	1	FROM	565,001	TO	570,000		567,342	567,342	0.0173
	1	1	FROM	570,001	TO	575,000		575,000	575,000	0.0176

No. of Shareholders			-----Shareholding-----			Total Shares Held			Percentage
Physical	CDC	Total	From		To	Physical	CDC	Total	
	2	2	FROM	575,001	TO 580,000		1,158,000	1,158,000	0.0354
	1	1	FROM	580,001	TO 585,000		581,296	581,296	0.0178
	2	2	FROM	585,001	TO 590,000		1,180,000	1,180,000	0.0361
	2	2	FROM	590,001	TO 595,000		1,184,900	1,184,900	0.0362
	10	10	FROM	595,001	TO 600,000		6,000,000	6,000,000	0.1834
	1	1	FROM	600,001	TO 605,000		604,000	604,000	0.0185
	2	2	FROM	610,001	TO 615,000		1,225,780	1,225,780	0.0375
	4	4	FROM	615,001	TO 620,000		2,476,550	2,476,550	0.0757
	1	1	FROM	620,001	TO 625,000		623,750	623,750	0.0191
	1	1	FROM	625,001	TO 630,000		626,551	626,551	0.0192
	1	1	FROM	635,001	TO 640,000		640,000	640,000	0.0196
	1	1	FROM	655,001	TO 660,000		657,500	657,500	0.0201
	1	1	FROM	670,001	TO 675,000		671,875	671,875	0.0205
	1	1	FROM	675,001	TO 680,000		680,000	680,000	0.0208
	1	1	FROM	680,001	TO 685,000		680,625	680,625	0.0208
	1	1	FROM	690,001	TO 695,000		690,200	690,200	0.0211
	7	7	FROM	695,001	TO 700,000		4,898,089	4,898,089	0.1497
	5	5	FROM	700,001	TO 705,000		3,506,176	3,506,176	0.1072
	1	1	FROM	710,001	TO 715,000		711,625	711,625	0.0218
	2	2	FROM	730,001	TO 735,000		1,464,756	1,464,756	0.0448
	1	1	FROM	735,001	TO 740,000		735,500	735,500	0.0225
	3	3	FROM	745,001	TO 750,000		2,250,000	2,250,000	0.0688
	5	5	FROM	750,001	TO 755,000		3,761,812	3,761,812	0.1150
	1	1	FROM	755,001	TO 760,000		760,000	760,000	0.0232
	2	2	FROM	770,001	TO 775,000		1,544,813	1,544,813	0.0472
	5	5	FROM	795,001	TO 800,000		3,999,990	3,999,990	0.1223
	3	3	FROM	800,001	TO 805,000		2,405,267	2,405,267	0.0735
	1	1	FROM	805,001	TO 810,000		809,709	809,709	0.0247
	1	1	FROM	815,001	TO 820,000		820,000	820,000	0.0251
	1	1	FROM	835,001	TO 840,000		840,000	840,000	0.0257
	1	1	FROM	840,001	TO 845,000		843,675	843,675	0.0258
	3	3	FROM	850,001	TO 855,000		2,561,371	2,561,371	0.0783
	1	1	FROM	855,001	TO 860,000		858,000	858,000	0.0262
	1	1	FROM	860,001	TO 865,000		865,000	865,000	0.0264
	1	1	FROM	865,001	TO 870,000		870,000	870,000	0.0266
	1	1	FROM	875,001	TO 880,000		877,242	877,242	0.0268
	2	2	FROM	895,001	TO 900,000		1,800,000	1,800,000	0.0550
	2	2	FROM	910,001	TO 915,000		1,828,484	1,828,484	0.0559
	1	1	FROM	915,001	TO 920,000		919,062	919,062	0.0281
	1	1	FROM	955,001	TO 960,000		958,000	958,000	0.0293
	1	1	FROM	975,001	TO 980,000		978,000	978,000	0.0299
	2	2	FROM	980,001	TO 985,000		1,967,981	1,967,981	0.0602
	1	1	FROM	985,001	TO 990,000		990,000	990,000	0.0303
	12	12	FROM	995,001	TO 1,000,000		12,000,000	12,000,000	0.3668
	1	1	FROM	1,005,001	TO 1,010,000		1,010,000	1,010,000	0.0309
	1	1	FROM	1,015,001	TO 1,020,000		1,016,187	1,016,187	0.0311
	1	1	FROM	1,030,001	TO 1,035,000		1,032,000	1,032,000	0.0315
	2	2	FROM	1,070,001	TO 1,075,000		2,148,137	2,148,137	0.0657
	6	6	FROM	1,095,001	TO 1,100,000		6,598,703	6,598,703	0.2017
	2	2	FROM	1,100,001	TO 1,105,000		2,209,218	2,209,218	0.0675
	1	1	FROM	1,105,001	TO 1,110,000		1,109,347	1,109,347	0.0339
	2	2	FROM	1,130,001	TO 1,135,000		2,266,000	2,266,000	0.0693
	1	1	FROM	1,145,001	TO 1,150,000		1,150,000	1,150,000	0.0352
	1	1	FROM	1,155,001	TO 1,160,000		1,159,484	1,159,484	0.0354
	2	2	FROM	1,170,001	TO 1,175,000		2,343,036	2,343,036	0.0716
	2	2	FROM	1,195,001	TO 1,200,000		2,400,000	2,400,000	0.0734
	1	1	FROM	1,205,001	TO 1,210,000		1,210,000	1,210,000	0.0370
	1	1	FROM	1,215,001	TO 1,220,000		1,218,904	1,218,904	0.0373

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total		From	To		Physical	CDC	Total	
	1	1	FROM	1,220,001	TO	1,225,000		1,223,000	1,223,000	0.0374
	1	1	FROM	1,230,001	TO	1,235,000		1,235,000	1,235,000	0.0377
	2	2	FROM	1,235,001	TO	1,240,000		2,475,000	2,475,000	0.0757
	1	1	FROM	1,250,001	TO	1,255,000		1,251,836	1,251,836	0.0383
	1	1	FROM	1,260,001	TO	1,265,000		1,263,009	1,263,009	0.0386
	1	1	FROM	1,295,001	TO	1,300,000		1,297,533	1,297,533	0.0397
	1	1	FROM	1,305,001	TO	1,310,000		1,307,197	1,307,197	0.0400
	1	1	FROM	1,310,001	TO	1,315,000		1,311,474	1,311,474	0.0401
	1	1	FROM	1,315,001	TO	1,320,000		1,316,348	1,316,348	0.0402
	1	1	FROM	1,320,001	TO	1,325,000		1,320,313	1,320,313	0.0404
	1	1	FROM	1,330,001	TO	1,335,000		1,335,000	1,335,000	0.0408
	1	1	FROM	1,370,001	TO	1,375,000		1,375,000	1,375,000	0.0420
	1	1	FROM	1,395,001	TO	1,400,000		1,395,280	1,395,280	0.0426
	2	2	FROM	1,400,001	TO	1,405,000		2,804,598	2,804,598	0.0857
	1	1	FROM	1,405,001	TO	1,410,000		1,405,600	1,405,600	0.0430
	1	1	FROM	1,440,001	TO	1,445,000		1,442,698	1,442,698	0.0441
	1	1	FROM	1,480,001	TO	1,485,000		1,481,500	1,481,500	0.0453
	1	1	FROM	1,485,001	TO	1,490,000		1,489,638	1,489,638	0.0455
	2	2	FROM	1,495,001	TO	1,500,000		3,000,000	3,000,000	0.0917
	1	1	FROM	1,500,001	TO	1,505,000		1,500,687	1,500,687	0.0459
	1	1	FROM	1,520,001	TO	1,525,000		1,525,000	1,525,000	0.0466
	1	1	FROM	1,545,001	TO	1,550,000		1,550,000	1,550,000	0.0474
	1	1	FROM	1,555,001	TO	1,560,000		1,555,256	1,555,256	0.0475
	1	1	FROM	1,575,001	TO	1,580,000		1,577,046	1,577,046	0.0482
	1	1	FROM	1,580,001	TO	1,585,000		1,580,975	1,580,975	0.0483
	1	1	FROM	1,595,001	TO	1,600,000		1,600,000	1,600,000	0.0489
	1	1	FROM	1,605,001	TO	1,610,000		1,608,750	1,608,750	0.0492
	2	2	FROM	1,640,001	TO	1,645,000		3,285,095	3,285,095	0.1004
	2	2	FROM	1,645,001	TO	1,650,000		3,297,232	3,297,232	0.1008
	2	2	FROM	1,665,001	TO	1,670,000		3,336,750	3,336,750	0.1020
	1	1	FROM	1,700,001	TO	1,705,000		1,702,375	1,702,375	0.0520
	1	1	FROM	1,705,001	TO	1,710,000		1,705,114	1,705,114	0.0521
	1	1	FROM	1,715,001	TO	1,720,000		1,716,511	1,716,511	0.0525
	1	1	FROM	1,745,001	TO	1,750,000		1,750,000	1,750,000	0.0535
	1	1	FROM	1,795,001	TO	1,800,000		1,800,000	1,800,000	0.0550
	1	1	FROM	1,815,001	TO	1,820,000		1,817,000	1,817,000	0.0555
	2	2	FROM	1,845,001	TO	1,850,000		3,699,452	3,699,452	0.1131
	1	1	FROM	1,895,001	TO	1,900,000		1,900,000	1,900,000	0.0581
	1	1	FROM	1,915,001	TO	1,920,000		1,917,000	1,917,000	0.0586
	1	1	FROM	1,920,001	TO	1,925,000		1,921,000	1,921,000	0.0587
	1	1	FROM	1,945,001	TO	1,950,000		1,946,080	1,946,080	0.0595
	4	4	FROM	1,995,001	TO	2,000,000		8,000,000	8,000,000	0.2445
	1	1	FROM	2,005,001	TO	2,010,000		2,005,100	2,005,100	0.0613
	1	1	FROM	2,040,001	TO	2,045,000		2,040,318	2,040,318	0.0624
	1	1	FROM	2,060,001	TO	2,065,000		2,062,090	2,062,090	0.0630
	1	1	FROM	2,095,001	TO	2,100,000		2,100,000	2,100,000	0.0642
	1	1	FROM	2,225,001	TO	2,230,000		2,227,362	2,227,362	0.0681
	1	1	FROM	2,295,001	TO	2,300,000		2,300,000	2,300,000	0.0703
	1	1	FROM	2,415,001	TO	2,420,000		2,415,875	2,415,875	0.0738
	1	1	FROM	2,420,001	TO	2,425,000		2,421,046	2,421,046	0.0740
	1	1	FROM	2,445,001	TO	2,450,000		2,450,000	2,450,000	0.0749
	1	1	FROM	2,460,001	TO	2,465,000		2,460,506	2,460,506	0.0752
	2	2	FROM	2,495,001	TO	2,500,000		5,000,000	5,000,000	0.1528
	1	1	FROM	2,500,001	TO	2,505,000		2,500,250	2,500,250	0.0764
	1	1	FROM	2,540,001	TO	2,545,000		2,545,000	2,545,000	0.0778
	1	1	FROM	2,545,001	TO	2,550,000		2,547,500	2,547,500	0.0779
	1	1	FROM	2,590,001	TO	2,595,000		2,593,000	2,593,000	0.0793
	1	1	FROM	2,595,001	TO	2,600,000		2,600,000	2,600,000	0.0795

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total		From	To		Physical	CDC	Total	
1	1	1	FROM	2,645,001	TO	2,650,000		2,647,620	2,647,620	0.0809
1	1	1	FROM	2,660,001	TO	2,665,000		2,665,000	2,665,000	0.0815
2	2	2	FROM	2,695,001	TO	2,700,000		5,400,000	5,400,000	0.1651
1	1	1	FROM	2,730,001	TO	2,735,000		2,731,155	2,731,155	0.0835
1	1	1	FROM	2,775,001	TO	2,780,000		2,778,000	2,778,000	0.0849
1	1	1	FROM	2,785,001	TO	2,790,000		2,785,537	2,785,537	0.0851
1	1	1	FROM	2,835,001	TO	2,840,000		2,839,561	2,839,561	0.0868
1	1	1	FROM	2,850,001	TO	2,855,000		2,853,643	2,853,643	0.0872
1	1	1	FROM	2,885,001	TO	2,890,000		2,885,781	2,885,781	0.0882
2	2	2	FROM	2,995,001	TO	3,000,000		6,000,000	6,000,000	0.1834
2	2	2	FROM	3,000,001	TO	3,005,000		6,000,086	6,000,086	0.1834
1	1	1	FROM	3,005,001	TO	3,010,000		3,009,000	3,009,000	0.0920
1	1	1	FROM	3,130,001	TO	3,135,000		3,132,168	3,132,168	0.0957
1	1	1	FROM	3,195,001	TO	3,200,000		3,197,087	3,197,087	0.0977
1	1	1	FROM	3,245,001	TO	3,250,000		3,250,000	3,250,000	0.0993
1	1	1	FROM	3,250,001	TO	3,255,000		3,250,500	3,250,500	0.0994
1	1	1	FROM	3,295,001	TO	3,300,000		3,300,000	3,300,000	0.1009
1	1	1	FROM	3,300,001	TO	3,305,000		3,301,500	3,301,500	0.1009
1	1	1	FROM	3,325,001	TO	3,330,000		3,325,914	3,325,914	0.1017
1	1	1	FROM	3,350,001	TO	3,355,000		3,352,914	3,352,914	0.1025
1	1	1	FROM	3,495,001	TO	3,500,000		3,500,000	3,500,000	0.1070
1	1	1	FROM	3,505,001	TO	3,510,000		3,508,046	3,508,046	0.1072
1	1	1	FROM	3,545,001	TO	3,550,000		3,546,000	3,546,000	0.1084
1	1	1	FROM	3,705,001	TO	3,710,000		3,707,500	3,707,500	0.1133
1	1	1	FROM	3,810,001	TO	3,815,000		3,814,134	3,814,134	0.1166
1	1	1	FROM	3,915,001	TO	3,920,000		3,916,000	3,916,000	0.1197
1	1	1	FROM	3,925,001	TO	3,930,000		3,928,329	3,928,329	0.1201
1	1	1	FROM	3,975,001	TO	3,980,000		3,979,000	3,979,000	0.1216
1	1	1	FROM	3,995,001	TO	4,000,000		4,000,000	4,000,000	0.1223
1	1	1	FROM	4,095,001	TO	4,100,000		4,100,000	4,100,000	0.1253
1	1	1	FROM	4,145,001	TO	4,150,000		4,150,000	4,150,000	0.1269
1	1	1	FROM	4,330,001	TO	4,335,000		4,332,875	4,332,875	0.1324
1	1	1	FROM	4,340,001	TO	4,345,000		4,342,500	4,342,500	0.1327
1	1	1	FROM	4,495,001	TO	4,500,000		4,500,000	4,500,000	0.1375
1	1	1	FROM	4,705,001	TO	4,710,000		4,709,354	4,709,354	0.1439
1	1	1	FROM	4,755,001	TO	4,760,000		4,756,462	4,756,462	0.1454
1	1	1	FROM	5,115,001	TO	5,120,000		5,117,000	5,117,000	0.1564
1	1	1	FROM	5,260,001	TO	5,265,000		5,264,130	5,264,130	0.1609
1	1	1	FROM	5,300,001	TO	5,305,000		5,305,000	5,305,000	0.1622
1	1	1	FROM	5,420,001	TO	5,425,000		5,425,000	5,425,000	0.1658
1	1	1	FROM	5,640,001	TO	5,645,000		5,642,520	5,642,520	0.1725
1	1	1	FROM	5,805,001	TO	5,810,000		5,808,509	5,808,509	0.1775
1	1	1	FROM	5,945,001	TO	5,950,000		5,948,202	5,948,202	0.1818
1	1	1	FROM	5,975,001	TO	5,980,000		5,978,224	5,978,224	0.1827
1	1	1	FROM	6,350,001	TO	6,355,000		6,354,500	6,354,500	0.1942
1	1	1	FROM	6,495,001	TO	6,500,000		6,500,000	6,500,000	0.1987
1	1	1	FROM	6,695,001	TO	6,700,000		6,700,000	6,700,000	0.2048
1	1	1	FROM	6,735,001	TO	6,740,000		6,737,000	6,737,000	0.2059
1	1	1	FROM	6,995,001	TO	7,000,000		7,000,000	7,000,000	0.2140
1	1	1	FROM	7,040,001	TO	7,045,000		7,041,250	7,041,250	0.2152
1	1	1	FROM	7,170,001	TO	7,175,000		7,174,300	7,174,300	0.2193
1	1	1	FROM	7,205,001	TO	7,210,000		7,207,889	7,207,889	0.2203
1	1	1	FROM	7,265,001	TO	7,270,000		7,268,000	7,268,000	0.2222
1	1	1	FROM	7,505,001	TO	7,510,000		7,509,412	7,509,412	0.2295
1	1	1	FROM	7,800,001	TO	7,805,000		7,801,000	7,801,000	0.2384
1	1	1	FROM	8,150,001	TO	8,155,000		8,150,451	8,150,451	0.2491
1	1	1	FROM	8,305,001	TO	8,310,000		8,306,909	8,306,909	0.2539
1	1	1	FROM	10,850,001	TO	10,855,000		10,854,266	10,854,266	0.3318

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total		From	To		Physical	CDC	Total	
	1	1	FROM	11,025,001	TO	11,030,000		11,028,056	11,028,056	0.3371
	1	1	FROM	11,045,001	TO	11,050,000		11,048,873	11,048,873	0.3377
	1	1	FROM	13,585,001	TO	13,590,000		13,590,000	13,590,000	0.4154
	1	1	FROM	14,995,001	TO	15,000,000		15,000,000	15,000,000	0.4585
	1	1	FROM	15,485,001	TO	15,490,000		15,489,324	15,489,324	0.4735
	1	1	FROM	18,005,001	TO	18,010,000		18,005,659	18,005,659	0.5504
	1	1	FROM	18,110,001	TO	18,115,000		18,114,916	18,114,916	0.5537
	1	1	FROM	21,255,001	TO	21,260,000		21,256,000	21,256,000	0.6497
	1	1	FROM	24,895,001	TO	24,900,000		24,900,000	24,900,000	0.7611
	1	1	FROM	32,015,001	TO	32,020,000		32,018,001	32,018,001	0.9787
	1	1	FROM	36,295,001	TO	36,300,000		36,297,844	36,297,844	1.1095
	1	1	FROM	47,055,001	TO	47,060,000		47,056,742	47,056,742	1.4384
	1	1	FROM	68,380,001	TO	68,385,000		68,383,732	68,383,732	2.0902
	1	1	FROM	87,485,001	TO	87,490,000		87,488,112	87,488,112	2.6742
	1	1	FROM	94,050,001	TO	94,055,000		91,051,014	91,051,014	2.7831
	1	1	FROM	1,880,260,001	TO	1,880,265,000		1,880,263,495	1,880,263,495	57.4728
4,422	29,840	34,262					1,889,594,132	1,381,975,187	3,271,569,319	100.0000

CATEGORIES OF SHAREHOLDERS

AS ON DECEMBER 31, 2025

Shareholder Category	No. of Shareholders			Total No. of Shares Held			Percentage
	Physical	CDC	Total	Physical	CDC	Total	
DIRECTORS	0	3	3	0	9,279	9,279	0.0003%
GOVERNMENT HOLDING	1	0	1	1,880,263,495	0	1,880,263,495	57.4728%
ASSOCIATED COMPANIES	0	0	0	0	0	0	0.0000%
FOREIGN FUNDS	29	14	43	78,104	113,488,592	113,566,696	3.4713%
INDIVIDUALS (FOREIGN)	0	17	17	0	1,886,065	1,886,065	0.0577%
INDIVIDUALS (LOCAL)	4,359	29,562	33,921	9,059,939	840,635,517	849,695,456	25.9721%
BANK/NBFI/FIN.INST./INSURANCE CO/ MODARABAS MUTUAL FUNDS	18	39	57	108,561	116,884,362	116,992,923	3.5760%
LEASING COMPANIES	0	2	2	0	3,928	3,928	0.0001%
CHARITABLE TRUSTS	0	4	4	0	366,203	366,203	0.0112%
COOPERATIVE SOCIETIES	0	0	0	0	0	0	0.0000%
NIT	0	4	4	0	3,307,467	3,307,467	0.1011%
ICP	1	0	1	1,205	0	1,205	0.0000%
JOINT STOCK COMPANIES	14	178	192	82,828	210,831,595	210,914,423	6.4469%
OTHERS	0	17	17	0	94,562,179	94,562,179	2.8904%
TOTAL	4,422	29,840	34,262	1,889,594,132	1,381,975,187	3,271,569,319	100.0000%

CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

AS ON DECEMBER 31, 2025

Sr. No.	Name	No. of Shares Held	Percentage

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

Mutual Funds (Name Wise Detail)

1	CDC - TRUSTEE AFVF-ALFALAH FINANCIAL VALUE PLAN-I	425,000	0.0130%
2	CDC - TRUSTEE AKD INDEX TRACKER FUND	506,695	0.0155%
3	CDC - TRUSTEE ALFALAH FINANCIAL VALUE PLAN-II	155,500	0.0048%
4	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1,716,511	0.0525%
5	CDC - TRUSTEE ALFALAH GHP INCOME FUND	978,000	0.0299%
6	CDC - TRUSTEE ALFALAH GHP INCOME FUND - MT	5,264,130	0.1609%
7	CDC - TRUSTEE ALFALAH GHP INCOME MULTIPLIER FUND	1,032,000	0.0315%
8	CDC - TRUSTEE ALFALAH GHP INCOME MULTIPLIER FUND MT	7,174,300	0.2193%
9	CDC - TRUSTEE ALFALAH GHP STOCK FUND	5,808,509	0.1775%
10	CDC - TRUSTEE ALFALAH GHP MTS FUND - MT	18,114,916	0.5537%
11	CDC - TRUSTEE ALFALAH SAVINGS GROWTH FUND - MT	3,132,168	0.0957%
12	CDC - TRUSTEE APF-EQUITY SUB FUND	471,000	0.0144%
13	CDC - TRUSTEE ATLAS STOCK MARKET FUND	6,354,500	0.1942%
14	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	100,000	0.0031%
15	CDC - TRUSTEE HBL - STOCK FUND	1,375,000	0.0420%
16	CDC - TRUSTEE HBL EQUITY FUND	750,000	0.0229%
17	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	982,981	0.0300%
18	CDC - TRUSTEE HBL INVESTMENT FUND	165,000	0.0050%
19	CDC - TRUSTEE JS GLOBAL BANKING SECTOR EXCHANGE TRADED FUND	1,642,095	0.0502%
20	CDC - TRUSTEE LAKSON INCOME FUND	255,000	0.0078%
21	CDC - TRUSTEE NBP FINANCIAL SECTOR FUND	2,040,318	0.0624%
22	CDC - TRUSTEE NBP SARMAYA IZAFAT FUND	422,000	0.0129%
23	CDC - TRUSTEE NBP STOCK FUND	7,207,889	0.2203%
24	CDC - TRUSTEE UBL GROWTH AND INCOME FUND	3,916,000	0.1197%

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. MUHAMMAD NAEEM KHAN (CDC)	3,093	0.0001%
2	MR. ASIF REZA SANA (CDC)	3,093	0.0001%
3	MR. MOHAMMAD MUDASSIR AMRAY (CDC)	3,093	0.0001%

Public Sector Companies & Corporations:	1,880,263,495	57.4728%
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	47,007,339	1.4368%

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	GOVERNMENT OF THE PUNJAB	1,880,263,495	57.4728%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	Name	Sale	Purchase
1	Mr. Nadeem Arif Butt (Executive)	50,000	Purchase
	Mr. Nadeem Arif Butt (Executive)	50,000	Sale
2	Mr. Muhammad Rauf (Executive)	40,000	Purchase
	Mr. Muhammad Rauf (Executive)	40,000	Sale

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that 35th Annual General Meeting (AGM) of the members of The Bank of Punjab (BOP) will be held on **Thursday, March 26, 2026 at 11:00 a.m. at Avari Hotel, Shahrah-e-Quaid-e-Azam, Lahore** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of 34th Annual General Meeting held on 25-03-2025.
2. To receive, consider and adopt the Annual Audited Financial Statements of The Bank of Punjab for the year ended December 31, 2025 together with the Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act") and pursuant to SRO 389(I)/2023 dated March 21, 2023, the Annual Report 2025 of the Bank has been uploaded on the website of the Bank which can be downloaded from the following web link or QR enabled code:

Weblink: <https://www.bop.com.pk/Annual%20Accounts>

QR Code:



3. To consider and approve Final Cash Dividend @ 15% i.e. Rs.150/- per share on every share of Rs.10/- each as recommended by the Board of Directors for the Financial year ended December 31, 2025. This is in addition to the Interim Dividend @ 10% i.e. Rs. 100/- per share already paid.
4. To appoint Auditors for the year ending December 31, 2026 and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and approve amendments in the Board's Remuneration Policy of the Bank, if deemed fit, to pass, with or without modification(s), the following resolution.

"Resolved that Increase in the scale of Director's Remuneration including remuneration paid to Chairman for attending BOD and Sub-Committee meetings, other than President & CEO, be and is hereby approved."

"Further Resolved that Board Remuneration Policy be amended to include clause 4.1.2, clause 4.3.1, clause 5.1.2, clause 5.1.4 and clause 6.1.3, according to the remuneration approved above on post-facto basis i.e. effective from January 01, 2026, be and is hereby approved."

6. To consider and approve Capital Injection of Rs. 1 Billion in BOP Exchange (Private) Limited, (wholly owned subsidiary of the Bank).

Accordingly, if deemed fit, to pass, with or without modification(s), the following resolution.

“Resolved that the injection of the additional capital PKR 1.0/- billion in BOP Exchange (Private) Limited to meet required regulatory capital requirement and support Business growth, be and is hereby approved.”

OTHER BUSINESS:

7. To transact any other business with the permission of the Chair.

By order of the Board

Lahore: March 05, 2026

Kamran Hafeez
Company Secretary

NOTES:

1. The Share Transfer Books of the Bank shall remain closed for transfer from **20-03-2026 to 26-03-2026** (both days inclusive). Transfers received at **M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on Thursday, March 19, 2026** will be treated in time for the purpose of above entitlement to the transferees.
2. All members are entitled to attend the meeting; however, the right of vote is restricted to those who are registered as such for a period of not less than three months prior to the date of the meeting as per Section 17(1) of The Bank of Punjab Act, 1989.
3. Proxies in order to be effective must be deposited at the **Corporate Affairs Department of the Bank, BOP Tower, 10-B, Block-E-II, Main Boulevard, Gulberg-III, Lahore** not less than 48 hours before the meeting. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Bank.
4. A member is entitled to appoint another member as proxy to attend the meeting.
5. The members should quote their Folio number in all correspondence with the Bank and at the time of attending the Meeting.
6. Members are requested to promptly notify any change in their addresses to our Registrar **M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore** before book closure so that the above entitlement be dispatched at the correct addresses.
7. CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular 01 dated January

26, 2000 issued by the Securities & Exchange Commission of Pakistan:

A. FOR ATTENDING THE MEETING

- i) In case of individual, the account holder or sub-account holder shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors; resolution/ power of attorney with specimen signature of the nominee shall have to be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES

- i) In case of individual, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall have to be submitted (unless it has been provided earlier) along with proxy form to the Company.
8. Entry of the member or his/her duly authorized person will be on strict identification as per specimen signature on the Bank's record.
9. Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if Bank receives consent form from the members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least **7 days prior** to the date of meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to the Corporate Affairs Department, Lahore.

I/We _____ of _____ being a member of The Bank of Punjab, holding _____ ordinary shares as per registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of Member(s)

The Bank will intimate members regarding venue of conference facility at least 5 days before the date of General meeting along with complete information necessary to enable them to access such facility.

SPECIAL NOTES TO THE SHAREHOLDERS

Deduction of Withholding Tax on Dividend

Pursuant to the provisions of the section 150 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance 2001, have been revised as follows:

Filer 15% Non-Filer 30%

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

Deduction of Withholding Tax on Dividend in case of Joint Account Holders

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar Office M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore latest by **Thursday, 19-03-2026**, otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company		The Bank of Punjab
Folio No. / CDS A/c. No.		
No. of Shares Held		
Principal Shareholder	Name & CNIC	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder(s)	Name & CNIC	
	Shareholding Proportion (No. of Shares)	

Signature of Shareholder _____

EXEMPTION OF WITHHOLDING TAX: -

Withholding Tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore up to **Thursday, 19-03-2026**.

SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. The shareholders while sending CNIC must quote their respective Folio numbers. It may be noted that in case of non-receipt the copy of CNIC, the Bank would be constrained to withhold dividend payment.

ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in CDS-Sub Account or CDC Investor Account) or to our Share Registrar, M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. The shareholders while sending the Zakat Declarations, as the case may be must quote company name and their respective Folio numbers.

Shareholders should also notify to Bank's share Registrar M/s. Corplink (Pvt.) Limited regarding any change in their addresses.

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provision of Section 242 of the Companies Act, 2017 requires the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. The shareholders who have not provided their bank account details so far are advised to provide their below electronic dividend mandate information to Bank's Share Registrar (**in case of physical Share**) at the address given above and updates their CDC accounts/Sub-accounts as the case may be, enabling the Bank to credit your future dividend promptly, if any.

Folio No./Investor Account Number / CDC Sub Account No.	
Title of Account	
IBAN Number	
Bank Name	
Branch	
Branch Address	
Mobile Number	
CNIC No. (Mandatory)	
Email Address	

Signature of Shareholder _____

REPLACEMENT OF PHYSICAL SHARES INTO CDC ACCOUNT

Members who hold physical shares, are advised to convert their shares into CDC in terms of Section 72 of the Companies Act, 2017.

UNCLAIMED DIVIDEND / SHARES

Shareholders who could not collect their previous dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

VIRTUAL PARTICIPATION IN THE AGM

Members interested to participate in the AGM proceedings via video link are required to provide following details at corporate.affairs@bop.com.pk

Name of Shareholder(s)	CNIC No.	Folio No. / CDC A/c.#	No. of Shares	Cell #	Email Address

Video Link to join the AGM will be shared with only those members whose emails, containing all the required particulars, are received at the above email address by the end of business on **Tuesday, March 24, 2026**. The Login facility will be opened at **10:45 a.m.** on **26th March 2026** enabling the participants to join the proceedings which will start at **11:00 a.m.** sharp.

PROHIBITION REGARDING DISTRIBUTION OF GIFTS TO MEMBERS

The SECP, vide Circular No. 2 of 2018 dated February 9, 2018 and S.R.O 452(I)/2025 dated March 17, 2025, has notified that no gift in any form or manner shall be distributed to shareholders at the Annual General Meeting.

POSTAL BALLOT/E-VOTING

Procedure for E-Voting:

- Details of the e-voting facility will be shared through an e-mail with those members of the Bank who have their valid CNIC numbers, cell numbers and e-mail addresses available in the register of members of the Bank by the close of business of **March 19, 2026** by M/s Corplink (Private) Limited (being the e voting service provider).
- Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- E-Voting lines will start from **March 23, 2026 at 09:00 a.m. and shall close on March 25, 2026 at 5:00 p.m.**
- Members can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper along with copy of valid Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Bank's registered address, **The Bank of Punjab, BOP Tower, Head Office, Corporate Affairs Department, 10-B, Block-E/II, Main Boulevard, Gulberg-III, Lahore** or email at corporate.affairs@bop.com.pk one day before the AGM on **March 25, 2026** during working hours. The signature on the ballot paper shall match with the signature on CNIC.

SPECIAL BUSINESS

A STATEMENT UNDER BANK'S BYE-LAW # 18-IV(II) AND UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017.

This statement set out material facts concerning the special business to be transacted at 35th Annual General Meeting.

AGENDA ITEM NO. 05:

TO CONSIDER AND APPROVE AMENDMENTS IN THE BOARD REMUNERATION POLICY OF THE BANK.

The Board of Directors in their 326th meeting have recommended for approval of the shareholders the amendments in Board's Remuneration Policy of the Bank for attending the Board and its Committee(s) meetings in Compliance of State Bank of Pakistan BPRD Circular 05 of 2021 dated November 22, 2021 (G-14) and amended vide BPRD Circular Letter No. 24 of 2025 dated December 12, 2025.

The Board of Directors have noted that in line with the parameters outlined in the SBP circular(s), BOP falls in the first category with an Asset size of over Rs. 2.5 trillion and profit above Rs. 5 billion after tax. A review report on Board remuneration was requested from M/s. KPMG. Wherein among other things a detailed analysis of the Banking industry vis a vis peer Banks and BOP remuneration position is presented. After due deliberations, it is recommended that approval of the shareholders be requested to increase the Board and Committees meeting fee in the Annual General Meeting. The Board also proposed that the Policy be amended on post-facto basis and revisions shall be effective from January 01, 2026, after the approval of shareholders in Annual General Meeting.

AGENDA ITEM NO. 06:

TO CONSIDER AND APPROVE CAPITAL INJECTION OF RS. 1 BILLION IN BOP EXCHANGE (PRIVATE) LIMITED, (WHOLLY OWNED SUBSIDIARY OF THE BANK).

Bank's Board of Directors in its meeting held on 17.02.2026 have approved the Injection of an additional capital of PKR 1.0 billion in BOP Exchange Private Limited to meet required regulatory Capital requirements and support the company's expanding Business operations including foreign currency export activities and strengthen liquidity.

Enhanced capital enables the BOP Exchange Company to fully capitalize market opportunities, process higher export volumes and sustainably scale local buy/sell operations. Accordingly, shareholders are requested to pass, with or without modification(s) the following resolution:

"Resolved that the injection of the additional capital PKR 1.0/- billion in BOP Exchange (Private) Limited to meet required regulatory capital requirement and support Business growth, be and is hereby approved."



Registered Office Address: **THE BANK OF PUNJAB**, Head Office, BOP Tower,
10th Floor, 10-B, Block-E-2, Main Boulevard, Gulberg-III, Lahore
Contact: +92 42 35783976 Website: www.bop.com.pk

BALLOT PAPER FOR VOTING THROUGH POST

**For the Special Business at the Annual General Meeting of The Bank of Punjab to be held on
Thursday, March 26, 2026 at 11:00 a.m at Avari Hotel, Shahra-e-Quaid-e-Azam, Lahore**

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

Business Address: The Chairman, The Bank of Punjab, Head Office, BOP Tower, 10th Floor, 10-B, Block-E-2, Main Boulevard, Gulberg-III, Lahore.

Attention: Company Secretary:

Designated email address: corporate.affairs@bop.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of Body Corporate, Corporation and Federal Government.)	
Name and CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory.	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We assent to the Resolutions (FOR)
1	<u>Agenda Item No. 05</u> “Resolved that Increase in the scale of Director’s Remuneration including remuneration paid to Chairman for attending BOD and Sub-Committee meetings, other than President & CEO, be and is hereby approved.” “Further Resolved that Board Remuneration Policy be amended to include clause 4.1.2, clause 4.3.1, clause 5.1.2, clause 5.1.4 and clause 6.13.1, according to the remuneration approved above on post-facto basis i.e. effective from January 01, 2026, be and is hereby approved.”			

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We assent to the Resolutions (FOR)
2	<u>Agenda Item No. 06</u> “Resolved that the injection of the additional capital PKR 1.0/- billion in BOP Exchange (Private) Limited to meet required regulatory capital requirement and support Business growth, be and is hereby approved.”			

Signature of shareholder(s)

Place: _____

Date: _____

NOTES:

1. Duly filled postal ballot should be sent to chairman at above mentioned postal or email address.
2. Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting till **5.00 p.m. March 25, 2026**. Any postal ballot received after this, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. Ballot Paper Form has also been placed on the Bank's website i.e. www.bop.com.pk. Members may download Ballot Paper Form from the website or use the original/photocopy as published in newspapers.
7. Results of the voting shall be placed on the website of the Bank.

FORM OF PROXY

I/We _____ S/o D/o W/o _____ of _____
 _____ being a member of The Bank of Punjab and
 holder of _____ ordinary shares as per share Registered Folio No. _____ and/or CDC
 Participant ID No. _____ and Account/Sub-Account No. _____ do hereby appoint Mr./Mrs./Mis
 s _____ Folio No./CDC No. _____ CNIC # _____ of
 _____ as my/our proxy and to attend, speak and vote for me/us on my/our behalf at the
 Annual General Meeting of the Bank to be held on **Thursday, March 26, 2026 at 11:00 a.m. at Avari Hotel,
 Lahore** and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally
 present at such meeting.

Signed this _____ Day of _____ 2026.

**Affix
Revenue
Stamp of Rs.50/-**

Signature
The signature should
agree with the specimen
registered with the
Company

WITNESSES:

1. Signature: _____
 Name: _____
 Address: _____

2. Signature: _____
 Name: _____
 Address: _____

CNIC or
Passport No. _____

CNIC or
Passport No. _____

IMPORTANT NOTES:

1. A member entitled to attend and vote at a meeting is entitled to appoint another person as a proxy to attend, speak and vote for him/her. The proxy appointed should be a member of The Bank of Punjab.
2. For additional copies of the instrument of proxy, the shareholder may use photocopies of the instrument.
3. An instrument of proxy and a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney must be valid and deposited at the Registered Office of the Bank not less than 48 hours before the time of the meeting. In calculating the 48 hours, no account shall be taken of any part of the day that is not a working day.
4. **For CDC Account holders/Corporate Entities:**
 - i) Attested copies of Computerized National Identity Cards (CNIC) or the Passport of the beneficial owners and the proxy shall be provided with proxy form.
 - ii) The proxy shall produce his/her original CNIC or Passport at the time of meeting.
 - iii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted along with proxy form to the company.
5. If a member appoints more than one proxy and more than one instrument of proxies are deposited with the Share Registrar, all such instruments of proxy shall be rendered invalid.
6. Members are requested to immediately notify changes in their registered address, if any, to Bank's Share Registrar **M/s. CORPLINK (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore** before start of the book closure so that entitlement, if any, be dispatched at the correct address.

The Company Secretary

THE BANK OF PUNJAB

BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III,
Lahore.
Ph: 35783700-10

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پراکسی فارم

میں/ہم _____ ولد/بنت/زوجہ _____ ساکن _____ بحیثیت بینک آف پنجاب کے ممبر/ممالک _____
 عدد عام حصص بمطابق شیئرز رجسٹر فوئیو نمبر/ CDC اکاؤنٹ نمبر/ ذیلی اکاؤنٹ نمبر _____
 بحیثیت ممبر بینک آف پنجاب محترم/محترمہ _____ فوئیو نمبر/ CDC اکاؤنٹ نمبر/ ذیلی اکاؤنٹ نمبر _____
 شناختی کارڈ نمبر _____ ساکن _____ کو اپنی/اپنے الیماء پر بطور مختار (پراکسی) مقرر کرتا/کرتی/کرتے ہیں/تاکہ میری/ہماری جگہ میری/ہماری طرف سے بینک کے سالانہ اجلاس عام (AGM) میں جو بروز جمعرات مورخہ 26 مارچ 2026 کو 11:00 am بجے بمقام آداری ہوٹل، شارع قائد اعظم، لاہور مختار (پراکسی) شرکت کرے، بولے اور حق رائے دہی استعمال کرے۔

دستخط بتاریخ _____ 2026ء

گواہ نمبر 1:

دستخط _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

گواہ نمبر 2:

دستخط _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

اہم نوٹ:

- (1) میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار کن کسی دوسرے حصص دار کو شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی مقرر کرنے کا حقدار ہے۔
- (2) شیئر ہولڈر پراکسی کے لیے اضافی فوٹو کا پتہ استعمال کر سکتا ہے۔
- (3) پراکسی پاور آف اتارنی یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت اس پر دستخط کیے گئے ہیں۔ یا اس طرح کے پاور آف اتارنی کی درست نوٹرائزڈ کاپی اجلاس کے مقرر کردہ وقت سے 48 گھنٹے قبل بینک کے رجسٹرڈ آفس میں جمع کروانا ضروری ہوگا۔
- (4) CDC اکاؤنٹ ہولڈر/کارپوریٹ اداروں کے لیے:
- (i) Beneficial Owner کی CNIC یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ مہیا کیا جائے گی۔
- (ii) اجلاس میں شرکت کے لیے پراکسی کے ساتھ اصل کپیڈ فرائزڈ شناختی کارڈ یا اصل پاسپورٹ مہیا کرنا ہوگا۔
- (iii) کارپوریٹ ممبر کی صورت میں بورڈ آف ڈائریکٹرز کی ریزولوشن/پاور آف اتارنی اور نمائندہ کے دستخط کے نمونے جمع پراکسی فارم بینک میں جمع کروانا ضروری ہوں گے۔
- (5) اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور پراکسی کے ایک سے زیادہ فارم جمع کرواتا ہے تو اس طرح کے تمام پراکسیوں کو مسٹر/میسز/ڈاکٹر یا جانیگا۔
- (6) ممبران سے التماس ہے کہ ان کے پتہ میں اگر کوئی تبدیلی ہو تو اسے فوری طور پر ہمارے رجسٹر اریسٹرز کارپولنک (پرائیویٹ) لمیٹڈ واقع گلزار کینڈ 1-K کمرشل ماڈل ٹاؤن لاہور کو مطلع کریں تاکہ ان کی ہر قسم کی ڈاک کی ترسیل کو یقینی بنایا جائے۔

The Company Secretary

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BOP Tower, 10-B, Block-E-II,
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