

ANNUAL REPORT 2024



ایک عزم، ایک پہچان

National Bank اور Pakistan

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# Vision

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

# Mission

We will achieve our Vision by subscribing to the qualities captured by the word 'IMAGINE'

**I**ntegrity is the cornerstone of everything we do

**M**arket leadership is what we aim across all our target sectors

**A**gility and strategic nimbleness will help us adapt to changing market conditions

**G**ood governance and transparency

**I**nnovation to provide for the customer needs of tomorrow

**N**ation building remains our priority

**E**mployee engagement through a merit-based culture

# CORPORATE INFORMATION

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## Board of Directors

Chairman	Mr. Ashraf Mahmood Wathra
Directors	Mr. Farid Malik, CFA Mr. Amjad Mahmood Mr. Ali Syed Mr. Nasim Ahmad
President & CEO	Mr. Rehmat Ali Hasnie

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## Audit Committee

Chairman	Mr. Nasim Ahmad Mr. Farid Malik, CFA Mr. Ali Syed Mr. Amjad Mahmood
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## Chief Financial Officer

Mr. Abdul Wahid Sethi

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## Company Secretary

Syed Muhammad Ali Zamin

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## Auditors

A.F. Ferguson & Co.  
Chartered Accountants

BDO Ebrahim & Co  
Chartered Accountants

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## Legal Advisors

Khalid Anwar & Co.  
Advocates & Legal Consultants

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## Registered & Head Office

NBP Building  
I.I. Chundrigar Road, Karachi, Pakistan.  
Phone: 92-21-99220100 (30 lines),  
92-21-99062000 (60 lines)  
NBP Call Center: 111-627-627

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## Registrar & Share Registration Office

CDC Share Registrar Services Limited  
CDC House, 99-B, Block-B,  
S.M.C.H.S., Main Shahrah-e-Faisal,  
Karachi-74400, Pakistan.  
111-111-500

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## Website

[www.nbp.com.pk](http://www.nbp.com.pk)

# Chairman's Review

## Dear Shareholders,

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

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

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

- Pursuant to the Honourable Supreme Court ruling on the long-standing pensions case, the Bank had to absorb an unprecedented cost of PKR 68 billion. This has been an extra ordinary challenge that would have tested the financial strength of any institution. In the face of this challenge, we have achieved remarkable financial stability which is a testament to the prudent governance, strong risk management and strategic foresight of the Board. Our ability to withstand such an impact while still delivering value, ensuring sustainable returns and resuming dividend payments after seven years speaks volumes about NBP's financial resilience and long-term sustainability.
- After a gap of several years, we are pleased to announce the resumption of dividend payment to our shareholders (subject to approvals required under the law). This milestone is a reflection of our strengthened financial position and unwavering commitment of the Board and management towards creating sustainable value for our shareholders.
- Amidst an evolving financial landscape, we have delivered a robust performance, staying true to our strategic vision and reinforcing our position as Pakistan's premier financial institution. This underscores our strength, resilience and commitment to value creation and accordingly, the Bank retains its position as the highest capitalised Domestic Systemically Important Bank (DSIB) in the country.

## A Conducive Operating Environment

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

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

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

## Maintaining Strong Financial Delivery

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

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

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

The Bank continued its strategic focus on Islamic banking, achieving a remarkable 137.9% YoY asset growth in NBP Aitemaad-the Banks Shariah compliant business, reaching PKR 333.4 Bn while deposits soaring by 171.9% to PKR 309.4 Bn. NBP's financial foundation remains solid, enabling the Bank to drive long term value creation while maintaining strong governance and risk management practices.

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

## Strengthening Risk & Compliance

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

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

## Strengthening NBP for the Future

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

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

With an increasingly dynamic financial sector, NBP is proactively evolving leveraging technology, refining its business model and expanding its strategic initiatives in Agriculture, SMEs, and Trade. Our

unwavering commitment to operational excellence, risk vigilance and regulatory compliance will be key drivers in shaping the Bank's trajectory in the years to come.

### **Commitment to our National Role**

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

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

### **Appreciation**

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

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

To our millions of customers and business partners, your trust and loyalty are the foundation of our success. We remain committed to serving your financial needs with innovation, efficiency and integrity. Most importantly, I acknowledge and greatly appreciate the dedication, resilience and hard work of our employees which drives the Bank's continued growth.

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

**Ashraf Mahmood Wathra**

Chairman

February 28, 2025

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

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

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

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

S.No.	Provision of the Rules	Rule No.	Y	N		
			Tick the relevant box			
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	√			
2.	The Board has the requisite percentage of independent directors. As at December 31, 2024, the Board includes :	3(2)	√			
	Category				Names	Date of appointment
	Independent Directors				- Mr. Ashraf Mahmood Wathra - Mr. Ali Syed - Mr. Nasim Ahmad	18-1-2023 18-1-2023 18-1-2023
	Executive Directors				- Mr. Rehmat Ali Hasnie President/CEO	07-08-2023
	Non-Executive Directors				- Mr. Farid Malik - Mr. Amjad Mahmood	27-8-2023 18-1-2023
3.	A casual vacancy occurring on the board was filled up by the directors within ninety days.	3(4)	N/A			
4.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	√			
5.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as Board members under the provisions of the Ordinance.	3(7)	N/A			
6.	The Chairman of the Board is working separately from the Chief Executive of the Bank.	4(1)	√			
7.	The Chairman has been elected from amongst the independent Directors, except where the Chairman of the Board has been appointed by the Government.	4(4)	√			

8.	The Board has evaluated the candidates for the position of the Chief Executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the Chief Executive has been nominated by the Government)	5(2)	√	
9.	a) The Bank has prepared a “Code of Conduct” to ensure that professional standards and corporate values are in place. 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 <a href="http://www.nbp.com.pk">www.nbp.com.pk</a> . c) The Board has set in place adequate system and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	√  √  √	
10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	√	
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstance considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5) (b)(ii)	√	
12.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Bank.	5(5) (b)(vi)	√	
13.	a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service. b) A committee has been formed to investigate deviations from the Bank’s Code of Conduct.	5(5) (c)(ii)	√  √	
14.	The Board has ensured compliance with the law as well as the Bank’s internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services in accordance with PPRA Rules.	5(5)(c) (iii)	√	
15.	The Board has developed a vision or mission statement, corporate strategy of the Bank.	5(6)	√	
16.	The Board has developed significant policies of the Bank. A complete record of the particulars of the significant policies together with the date on which they were approved or amended has been maintained.	5(7)	√	
17.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Bank as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	√	
18.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	√	
19.	a) The Board has met at least four times during the year. b) Written notices of the Board meetings, along with agenda duly approved by the Chairman, were circulated at least seven days before the meetings.	6(1)  6(2)	√  √	

	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	√																						
20.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	√																						
21.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the Audit Committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	√																						
22.	a) The Board has approved the profit and loss account for and balance sheet as at the end of first, second and third quarter of the year as well as the financial year end. b) The Board has ensured that half yearly accounts are prepared and reviewed by the external auditors. c) The Board has placed the annual financial statements on the Bank's website.	10	√ √ √																						
23.	All the Board members underwent an orientation course arranged by the Bank to apprise them of the material developments and information as specified in the Rules.	11	√																						
24.	a) The Board has formed the requisite committees, as specified in the Rules. b) The committees were provided with written term of reference defining their duties, authority and composition. c) The minutes of the meetings of the committees were circulated to all the Board members. d) The committees were chaired by the following non-executive directors: <table border="1" data-bbox="300 1081 1096 1417"> <thead> <tr> <th>Committees</th> <th>No. of Members</th> <th>Name of Chairman</th> </tr> </thead> <tbody> <tr> <td>Board Audit Committee</td> <td>04</td> <td>Mr. Nasim Ahmad</td> </tr> <tr> <td>Board HR &amp; Remuneration Committee</td> <td>03</td> <td>Mr. Ashraf Mahmood Wathra</td> </tr> <tr> <td>Board Inclusive Development Committee</td> <td>04</td> <td>Mr. Amjad Mahmood</td> </tr> <tr> <td>Board Risk &amp; Compliance Committee</td> <td>03</td> <td>Mr. Ali Syed</td> </tr> <tr> <td>Board Strategy Committee</td> <td>04</td> <td>Mr. Farid Malik</td> </tr> <tr> <td>Board Technology &amp; Digitalization Committee</td> <td>05</td> <td>Mr. Farid Malik</td> </tr> </tbody> </table>	Committees	No. of Members	Name of Chairman	Board Audit Committee	04	Mr. Nasim Ahmad	Board HR & Remuneration Committee	03	Mr. Ashraf Mahmood Wathra	Board Inclusive Development Committee	04	Mr. Amjad Mahmood	Board Risk & Compliance Committee	03	Mr. Ali Syed	Board Strategy Committee	04	Mr. Farid Malik	Board Technology & Digitalization Committee	05	Mr. Farid Malik	12	√ √ √	√
Committees	No. of Members	Name of Chairman																							
Board Audit Committee	04	Mr. Nasim Ahmad																							
Board HR & Remuneration Committee	03	Mr. Ashraf Mahmood Wathra																							
Board Inclusive Development Committee	04	Mr. Amjad Mahmood																							
Board Risk & Compliance Committee	03	Mr. Ali Syed																							
Board Strategy Committee	04	Mr. Farid Malik																							
Board Technology & Digitalization Committee	05	Mr. Farid Malik																							
25.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications.	13	√																						
26.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	√																						
27.	The Bank has adopted International Financial Reporting Standards notified by the Commission in terms of sub- section (1) of section 225 of the Act.	16	√																						
28.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	√																						

29.	The directors, CEO and executives, or their relatives, are not, directly, or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Bank except those disclosed in pattern of shareholding to the Bank.	18	√																
30.	a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. b) The Annual Report of the Bank contains criteria and details of remuneration of each director .	19	√ √																
31.	The financial statements of the Bank were duly endorsed by the Chief Executive and Chief Financial officer, before approval of the Board.	20	√																
32.	The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members as at December 31, 2024: <table border="1" data-bbox="300 682 1096 913"> <thead> <tr> <th>Name of Banker</th> <th>Category</th> <th>Professional background</th> </tr> </thead> <tbody> <tr> <td>Mr. Nasim Ahmad</td> <td>Independent Director</td> <td>Senior Banker</td> </tr> <tr> <td>Mr. Farid Malik</td> <td>Non-Executive Director</td> <td>Finance Professional</td> </tr> <tr> <td>Mr. Amjad Mahmood</td> <td>Non – Executive Director</td> <td>Additional Finance Secretary</td> </tr> <tr> <td>Mr. Ali Syed</td> <td>Independent Director</td> <td>Business Executive</td> </tr> </tbody> </table> The Chief Executive and Chairman of the Board are not members of the Audit Committee.	Name of Banker	Category	Professional background	Mr. Nasim Ahmad	Independent Director	Senior Banker	Mr. Farid Malik	Non-Executive Director	Finance Professional	Mr. Amjad Mahmood	Non – Executive Director	Additional Finance Secretary	Mr. Ali Syed	Independent Director	Business Executive	21 (1) and 21(2)	√	
Name of Banker	Category	Professional background																	
Mr. Nasim Ahmad	Independent Director	Senior Banker																	
Mr. Farid Malik	Non-Executive Director	Finance Professional																	
Mr. Amjad Mahmood	Non – Executive Director	Additional Finance Secretary																	
Mr. Ali Syed	Independent Director	Business Executive																	
33.	a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed. b) The Audit Committee met the external auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives. c) The Audit Committee met the Chief Internal Auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the external auditors.	21(3)	√ √ √																
34.	a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the Audit Committee. b) The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules. c) The internal audit reports have been provided to the external auditors for their review.	22	√ √ √																
35.	The external auditors of the Bank have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	√																
36.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	√																

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

1. The total number of directors are as follows:

**a. Male:** 06

**b. Female:** Nil

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

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

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

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

**a) Board Audit Committee (BAC):**

<b>S. No</b>	<b>Names of Director</b>	<b>Status</b>
1	Mr. Nasim Ahmad	Chairman
2	Mr. Farid Malik	Member
3	Mr. Amjad Mahmood	Member
4	Mr. Ali Syed	Member

**b) Board HR & Remuneration Committee (BHRR):**

<b>S. No</b>	<b>Names of Director</b>	<b>Status</b>
1	Mr. Ashraf Mahmood Wathra	Chairman
2	Mr. Farid Malik	Member
3	Mr. Ali Syed	Member

**c) Board Inclusive Development Committee (BIDC):**

<b>S. No</b>	<b>Names of Director</b>	<b>Status</b>
1	Mr. Amjad Mahmood	Chairman
2	Mr. Ashraf Mahmood Wathra	Member
3	Mr. Nasim Ahmad	Member
4	The President	Member

**d) Board Risk & Compliance Committee (BRCC):**

<b>S. No</b>	<b>Names of Director</b>	<b>Status</b>
1	Mr. Ali Syed	Chairman
2	Mr. Nasim Ahmad	Member
3	The President	Member

**e) Board Strategy Committee (BSC):**

<b>S. No</b>	<b>Names of Director</b>	<b>Status</b>
1	Mr. Farid Malik	Chairman
2	Mr. Amjad Mahmood	Member
3	Mr. Ali Syed	Member
4	The President	Member

**f) Board Technology & Digitalization Committee (BTDC):**

<b>S. No</b>	<b>Names of Director</b>	<b>Status</b>
1	Mr. Farid Malik	Chairman
2	Mr. Ashraf Mahmood Wathra	Member
3	Mr. Amjad Mahmood	Member
4	Mr. Ali Syed	Member
5	The President	Member

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

<b>S. No</b>	<b>Names of Director</b>	<b>Status</b>
1	The President	Chairman
2	Mr. Nasim Ahmad	Member

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

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

7. The Board has set up an effective internal audit function for both local and overseas operations. With regards to NBP-USA, Internal audit function of the Bank is outsourced to an independent professional firm. In addition, audit function in Germany is also outsourced. Both these audit firms are considered suitably qualified, experienced and conversant with the policies and procedures of the Bank and all applicable laws and regulations.
8. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
9. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or directors of the Bank;
10. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
11. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the following non-compliance:

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

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

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

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

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

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

**REHMAT ALI HASNIE**  
President/ CEO

**ASHRAF MAHMOOD WATHRA**  
Chairman

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

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

## INDEPENDENT AUDITORS' REVIEW REPORT

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

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

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

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

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

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

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

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

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

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

## **Statement of Internal Controls 2024**

### **Reporting of Internal Control System**

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

The management and the employees at all levels within the Bank are required to perform their duties as per defined guidelines. The internal control system also requires effective and efficient external and internal reporting, adequate MIS, maintenance of proper records and processes, operational loss database management, compliance with applicable laws and regulations, and internal policies with respect to the conduct of business. The Bank remains cognizant of its responsibility to continuously improve and strengthen its system of internal control on an ongoing basis to address evolving risks and operational challenges

The Bank has successfully implemented Internal Control Over Financial Reporting ("ICFR") roadmap and obtained the statutory auditor's Long Form report for 2023, as mandated by the State Bank of Pakistan. However, management recognizes that while ICFR implementation marks significant progress in financial reporting controls, the broader internal control framework requires further enhancement to ensure comprehensive risk management and operational efficiency.

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

### **Evaluation of Internal Controls**

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

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

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

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

**Haroon Zamir Khan**  
Chief Risk Officer

**Abdul Wahid Sethi**  
Chief Financial Officer

**Muhammad Abdul Moeed**  
Chief Compliance Officer

**Imran Farooqui**  
Group Chief Operations

**Umer Anwer**  
Chief Internal Auditor

# Shariah Board's Annual Report NBP Aitemaad - 2024

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين والصلاة والسلام على سيد الانبياء والمرسلين وعلى آله وصحبه اجمعين ام بعد  
The Board of Directors (BoD) of National Bank of Pakistan (NBP) have entrusted the Shariah Board (SB) with the task to assess the overall Shariah compliance level and environment within NBP Aitemaad Islamic Banking. The objective of the report is to present a view about the overall Shariah compliance level and environment within NBP Aitemaad Islamic Banking.

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

## Shariah Board Opinion

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

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

### 1. Compliance with Directives issued by Shariah Board

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

### 2. Compliance with Shariah related regulatory directives issued by State Bank of Pakistan (SBP)

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

### 3. Shariah Compliance Mechanism

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

#### 4. Shariah Compliance Review (SCR) of Islamic Banking Branches and Departments

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

#### 5. Mechanism ensuring prohibited Income to Charity Account

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

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

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

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

#### 6. Profit and Loss Distribution and Pool Management

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

#### 7. Staff and Customer understanding of Islamic Banking and Finance

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

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

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

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

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

## **9. Provision of adequate resources to Shariah Compliance Department (SCD)**

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

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

## **10. Other Developments**

### **i. Branch Network & Expansion**

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

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

### **ii. Product Development**

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

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

### iii. Asset Review

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

### iv. Liability Review

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

### v. Shariah Board Meetings

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

- Aitemaad Advance Salary Manual and Legal Agreements
- Money Market Procedures Manual
- Aitemaad Hamsafar Auto Finance Policy and Manual (version 3.0)
- Financing Products Policy - Revision
- Deposit Products Manual – Revision
- IBW Policy - Revision
- Addendum – Deposit Products Manual
- CAD manual
- Corporate Commercial Credit Policy
- SME Credit Policy
- Conversion Plan of NBP branches 2025
- Consumer Credit Policy
- IBWs Expansion Plan 2025
- ISAW Annual Plan 2025 and SCD Annual Plan 2025
- Corrective Actions on SCD, ISAW & External Shariah Audit Reports
- Comments on Shariah Standards submitted to SBP

## Recommendations

We advise the Bank to consider the following matters:

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

والله سبحانه وتعالى اعلم  
(رَبَّنَا لَا تُؤَاخِذْنَا إِنْ نَسِينَا أَوْ أَخْطَأْنَا رَبَّنَا وَلَا تَحْمِلْ عَلَيْنَا إصْرًا كَمَا حَمَلْتَهُ عَلَى الَّذِينَ مِنْ قَبْلِنَا رَبَّنَا وَلَا تُحَمِّلْنَا مَا لَا طَاقَةَ لَنَا بِهِ وَاعْفُ عَنَّا وَارْحَمْنَا أَنْتَ مَوْلَانَا فَانصُرْنَا عَلَى الْقَوْمِ الْكَافِرِينَ)

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

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**Mufti Muhammad Ahmed Khan**  
**Member Shariah Board**

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**Mufti Muhammad Sajjad Usmani**  
**Member Shariah Board**

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**Mufti Muhammad Imran**  
**Resident Shariah Board Member**

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**Dr. Mufti Khalil Ahmad Aazami**  
**Member Shariah Board**

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**Mufti Ehsan Waquar Ahmad**  
**Chairman Shariah Board**

## این بی پی اعتماد شریعہ بورڈ سالانہ رپورٹ - ۲۰۲۳

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

الحمد لله رب العالمین والصلاة والسلام علی سید الانبیاء والمرسلین والی وصحبہ اجمعین ام بعد

#

این بی پی کے بورڈ آف ڈائریکٹرز کی طرف سے شریعہ بورڈ پر اعتماد اور بھروسہ کرتے ہوئے انہیں یہ ذمہ داری سونپی گئی کہ وہ این بی پی اسلامی بینکاری کے ماحول اور شرعی احکام کی تعمیل (شریعہ کمپلائنس) کے سلسلے میں نگرانی کریں۔ اس رپورٹ کا مقصد یہ ہے کہ این بی پی اعتماد میں شرعی احکام کی تعمیل کے لحاظ سے عمومی صورتحال کے بارے میں شریعہ بورڈ کا نقطہ نظر پیش کیا جائے۔ ہم بحیثیت شریعہ بورڈ 31 دسمبر 2024 تک بینک میں شرعی احکام کی تعمیل کے لحاظ سے عمومی صورتحال کا جائزہ لے چکے ہیں، جس کا خلاصہ درج ذیل ہے۔

### شریعہ بورڈ کی رائے

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

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

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

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

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

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

### ۳۔ شریعہ کی تعمیل (کمپلائنس) کا طریقہ کار

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

### ۴۔ اسلامک بینکنگ برانچز اور ڈپارٹمنٹس کا شرعی جائزہ

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

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

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

سرمایہ کاری کے شرعی جائزے کے دوران، مباحہ کے ایک معاملہ کو غیر شرعی قرار دیا گیا اور اکیاسی ہزار تین سو اکتیس (81,331) روپے چیرٹی اکاؤنٹ میں منتقل کیے گئے۔ جبکہ دوران سال تاخیر سے ادائیگی کی مد میں تیرا لاکھ دو ہزار، سرسٹھ (1,302,067) روپے چیرٹی وصول کئے گئے ہیں اور چیرٹی اکاؤنٹ میں جمع بھی کردئے گئے ہیں۔ چیرٹی اکاؤنٹ کی تفصیلات درج ذیل ہیں:

رقم ۰۰۰' میں

چیرٹی فنڈ 2024

6368	ابتدائی بیلنس
1,302	دوران سال تاخیر سے ادائیگی کی بناء پر وصول کی جانے والی رقم
284	چیریٹی اکاؤنٹ پر سال کے دوران ادا کیا گیا منافع
7,000	دوران سال چیریٹی کی مد میں کی جانے والی ادائیگیاں
955	اختتامی بیلنس

## ۶۔ نفع اور نقصان کی تقسیم اور پول مینجمنٹ

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

## ۷۔ عملے اور صارفین کی تربیت و آگاہی برائے اسلامی بینکاری اور سرمایہ کاری

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

مزید برآں بینک نے ای لرننگ اور مینجمنٹ کے لیے NIBAF کے ذریعے بھی ٹریننگ سیشنز کا انعقاد کیا ہے۔ بینک کے عملے اور صارفین کے شریعت اور اسلامی بینکاری سے متعلق سوالات کا جواب دینے کے لیے ایک پورٹل "ASKSHARIAH" [askshariah@nbp.com.pk](mailto:askshariah@nbp.com.pk) کے نام سے موجود ہے۔ یہ پلیٹ فارم نہ صرف بینک کے عملے کو اپنے روز مرہ کے کاموں میں شرعی رہنمائی فراہم کرتا ہے، بلکہ یہ عملے اور صارفین کے لیے اسلامی بینکاری کی آگاہی کا ذریعہ بھی ہے۔

## ۸۔ اسلامی بینکاری کی آگاہی اور فروغ اور دیگر سرگرمیاں

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

## ۹۔ شریعت کمپلائنس ڈپارٹمنٹ میں مناسب افرادی وسائل

مناسب عملے کی تعیناتی کے لیے، ایس سی ڈی نئے افراد کی تعیناتی کے لیے درخواست کر چکا ہے۔ اس تناظر میں، ایس سی ڈی کے لئے تین نئے افراد کی تعیناتی کا مرحلہ جاری ہے۔ شریعت کمپلائنس ڈپارٹمنٹ مستقبل کے آپریشنز کے پیش نظر اور برانچز کی تبدیلی کے لیے مزید عملے کی ضرورت کا اندازہ لگا کر انتظامیہ کو آگاہ کرے گا۔

## ۱۰۔ دیگر امور

### ۱۔ برانچ نیٹ ورک اور توسیع

الحمد للہ! این بی پی اسلامک بینکنگ 2005 سے اسلامی بینکاری کی خدمات فراہم کر رہا ہے اور سال 2024 تک 19 سال مکمل ہو چکے ہیں۔

این بی پی اعتماد اسلامک بینکنگ کا برانچ نیٹ ورک سال 2024 میں 19 برانچز کی کنورژن کیساتھ 207 مستقل اسلامک بینکنگ برانچز اور 105 ونڈوز کھولنے کیساتھ 251 اسلامک بینکنگ ونڈوز پر مشتمل ہے۔ این بی پی نے سال 2025 کے لیے 205 ونڈوز کھولنے اور ان میں سے 105 کو اسلامی برانچز میں تبدیل کرنے کی طرف پیش رفت شروع کر دی ہے۔

### ۲۔ مصنوعات سازی (پراڈکٹ ڈیولپمنٹ)

الحمد للہ! سال ۲۰۲۳ میں این بی پی اعتماد نے سرکاری و نیم سرکاری تنخواہ دار ملازمین اور پرائیوٹ شعبوں کے لئے شرعی اصولوں کے مطابق ان کی سرمایہ کاری کی ضرورت کے پیش نظر "اعتماد ایڈوانس سیلری" کے نام سے باقاعدہ پراڈکٹ لانچ کر دی ہے، جس سے نہ صرف بینک کنورژن بلکہ نئے بزنس میں بھی مدد ملے گی۔

جبکہ دوسری کنوینشنل سرمایہ کاری پراڈکٹس بھی شرعی اصولوں کے مطابق تبدیلی کے مراحل میں ہیں، تاہم اس وقت این بی پی اعتماد کے پاس مختلف انواع کی مصنوعات موجود ہیں، جس میں 17 ڈپازٹ اور 10

سرمایہ کاری کی مصنوعات ہیں۔ بینک اپنے قابل قدر صارفین کے لیے 24/7 بینکنگ خدمات فراہم کرنے کے لیے پر عزم ہے۔

### iii۔ سرمایہ کاری کا جائزہ

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

### iv۔ کھاتہ جات (ڈپازٹس) کا جائزہ

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

### v۔ شریعہ بورڈ کے اجتماعات (میٹنگز)

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

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

### سفارشات

بینک کے لیے ہماری سفارشات درج ذیل ہیں:

۱۔ بینک نے ڈپازٹ والے حصے کو مکمل طور پر خود کار کر دیا ہے تاہم تمویلی و سرمایہ کاری والاحصہ” کور بینکنگ“ (CBA) میں بہتری کے ساتھ خود کار بنایا جائے گا۔ اس عمل کو ترجیحی بنیادوں پر مکمل کرنے کی ضرورت ہے۔

واللہ سبحانہ وتعالی اعلم

(رَبَّنَا لَا تُؤَاخِذْنَا إِن سَبَبْنَا أَوْ أَخْطَأْنَا رَبَّنَا وَلَا تَحْمِلْ عَلَيْنَا إِصْرًا كَمَا حَمَلْتَهُ عَلَى الَّذِينَ مِن قَبْلِنَا رَبَّنَا وَلَا تُحَمِّلْنَا مَا لَا طَاقَةَ لَنَا بِهِ وَاعْفُ عَنَّا وَاعْفِرْ لَنَا وَارْحَمْنَا أَنْتَ مَوْلَانَا فَانصُرْنَا عَلَى الْقَوْمِ الْكَافِرِينَ)

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

مفتی محمد سجاد عثمانی  
ممبر شریعہ بورڈ  
این بی پی اعتماد

مفتی محمد احمد خان  
ممبر شریعہ بورڈ  
این بی پی اعتماد

مفتی محمد عمران  
ریزیڈنٹ شریعہ بورڈ ممبر  
این بی پی اعتماد

مفتی احسان وقار احمد  
چیرمین شریعہ بورڈ  
این بی پی اعتماد

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

# NATIONAL BANK OF PAKISTAN

## NOTICE FOR 76<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that 76<sup>th</sup> Annual General Meeting ("AGM") of National Bank of Pakistan (the "Bank") will be held on Tuesday, March 25, 2025 at 04:00 P.M. (PKT) at **National Bank of Pakistan, Head Office Building, I.I. Chundrigar Road, Karachi, Pakistan**, and through electronic means.

The following business will be transacted in the Meeting:

- To confirm the minutes of the Extraordinary General Meetings (EOGMs) of Shareholders held on November 22, 2024, and January 6, 2025, conducted in person and via electronic means.
- To receive, consider and adopt the annual audited unconsolidated and consolidated financial statements of National Bank of Pakistan and its subsidiaries for the year ended December 31, 2024, together with the Directors' Report, Auditors' Report and Chairman's Review Report thereon.

In accordance with Section-223 of the Companies Act 2017 and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the Annual Report of the Bank has been uploaded on the Bank's website which can be downloaded from the following web link or QR enabled code:

<https://www.nbp.com.pk/FinancialStatements/AnnualReports.aspx>



- To appoint auditors for the year ending December 31, 2025, and fix their remuneration. The Board of Directors has recommended the re-appointment of Messrs. PwC A.F. Ferguson & Co., Chartered Accountants at a fee of PKR 45.856 million including some statutory certification and Messrs. BDO Ebrahim & Co., Chartered Accountants at a fee of PKR 38.962 million including some statutory certification, to be auditors of the Bank for the year ending December 31, 2025.
- To consider and approve cash dividend at PKR 8/- per share, i.e., 80% as recommended by the Board of Directors for the year ended December 31, 2024 (subject to approval of Government of Pakistan under Section-17 of The Banks Nationalization Act, 1974).
- To transact any other business with permission of the Chairman.

Karachi

Dated: March 04, 2025

By Order of the Board

Sd/-

S.M. Ali Zamin  
Secretary (Board)

### NOTES:

The Share Transfer Books of the Bank shall remain closed from March 18, 2025 to March 25, 2025 (both days inclusive). Transfers received at Messrs. CDC Share Registrar Services Limited, CDC House 99-B, Block "B", SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, the Bank's Share Registrar, at the close of business on March 17, 2025 will be treated in time to attend the meeting and entitlement.

### PARTICIPATION IN ANNUAL GENERAL MEETING:

The Annual General Meeting is being conducted as per guidelines circulated by SECP. The following arrangements have been made by the Bank to facilitate the maximum participation of shareholders in the AGM through video link facility, either in-person or through appointed proxies:

#### Attending Meeting through Electronic Means

In order to attend the AGM through electronic facility, the members are requested to get themselves registered with CDC Share Registrar Services Limited upto March 24, 2025 till 05:00 P.M. at [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com) or WhatsApp No. 0321-8200864 and they are requested to provide the information as per the below format:

S.#	Company Name	Folio Number / CDC Account #	Name of the Shareholder	CNIC #	Cell #	E-mail Address
	NBP					

The details of electronic facility will be sent to the members at the email address provided by them. The login facility will be opened at 3:30 P.M. on March 25, 2025 enabling the participants to join the proceedings after identification and verification process before joining the meeting, which will start at 4:00 P.M. (sharp).

#### b) Attending Meeting Physically

Arrangements for physical gathering of shareholders have been made at **National Bank of Pakistan, Head Office Building, I.I. Chundrigar Road, Karachi, Pakistan.**

#### c) Attending Meeting through Proxies

- All members, entitled to attend and vote at the Annual General Meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may appoint any person, regardless of whether they are a member or not, as proxy.
- The proxy instrument must be complete in all respects and in order to be effective should be deposited at Office of the Registrar or Office of the Secretary Board, 2nd floor, NBP Head Office, I.I. Chundrigar Road, Karachi not later than 48 hours before the time of holding the meeting.
- For attending the meeting through electronic means (Zoom), proxy form shall be submitted along with proxy holders' email address and mobile number.
- If any member appoints more than one proxy for any one meeting and more than one instrument of the proxy are deposited with the Registrar/Bank, all such instruments of proxy shall be rendered invalid.

#### d) Guidelines for Appointing Proxies:

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations shall submit the proxy form as per the requirements mentioned below:
  - The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form.
  - Attested copy of CNIC or the Passport of the beneficial owner(s) and of the proxy shall be furnished with the proxy form.
- In case of a legal entity, the original or duly authenticated Board of Directors' resolution or power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to Messrs. CDC Share Registrar Services Limited or to the Office of Secretary Board, 2nd floor, NBP Head Office, I.I Chundrigar Road, Karachi.

(Proxy Form is available at NBP website [www.nbp.com.pk](http://www.nbp.com.pk))

• Members are requested to immediately notify any change in their address to the Bank's Registrar/Shares Transfer Agent i.e., Messrs. CDC Share Registrar Services Limited.

### SPECIAL NOTES TO THE SHAREHOLDERS

#### 1. CONVERSION OF PHYSICAL SHARES INTO BOOK-ENTRY FORM:

Shareholders having physical share certificates of the Bank are advised to convert them into Book-Entry Form with CDC to comply with Section-72 of the Companies Act, 2017.

#### 2. UNCLAIMED CASH DIVIDENDS AND SHARE CERTIFICATES

In line with Section-244 of the Act, the Bank has notified shareholders through newspaper announcements about collecting unclaimed shares and unpaid cash dividends. We kindly urge our valued shareholders to reach out to the Bank's Share Registrar, CDC Share Registrar Services Limited, to submit their claims for any unclaimed shares or unpaid cash dividends.

#### 3. REQUIREMENT OF VALID CNIC AND IBAN:

As per requirements issued by the SECP, the payment of cash dividend shall only be made to those shareholders who have provided copies of their valid CNIC/NICOP/Passport (in case of individuals) and NTN (in case of corporate entities) and valid details of designated International Bank Account Number ("IBAN").

#### 4. DEDUCTION OF WITHHOLDING TAX:

Please note that the withholding tax will be deducted at the following rate based on "Active Taxpayer List" (ATL) available at FBR website:

- Persons appearing in Active Taxpayer List: 15%
- Persons not appearing in Active Taxpayer List: 30%.

Further, in case of joint shareholders, tax will be deducted as per their ratio/share (if any) intimated by the same to the Bank's Share Registrar, otherwise, their shareholding will be treated as equal.

#### 5. ELECTRONIC DIVIDEND MANDATE:

Under Section-242 of the Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to their shareholders through electronic mode directly in the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available on the Bank's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, CDC Share Registrar Services, Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahrah-e-Faisal, Karachi - 74400, in case of physical shares.

In case of shares held in CDC, Electronic Dividend Mandate Form must be directly submitted to the shareholder's broker/participant/CDC account services.

In case of non-receipt of information, the Bank will be constrained to withhold payment of dividend to shareholders.

#### 6. DEDUCTION OF ZAKAT ON DIVIDEND ISSUE:

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (PKR 10/- each) under Zakat & Ushr and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat Declaration Form (CZ-50) under Zakat & Ushr Ordinance 1980 and Zakat (Collection & Refund) Rules, 1981 to the Bank's Share Registrar. Shareholders who hold shares with participants / CDC are advised to provide the above Form through the concerned brokers / CDC.

# نیشنل بینک آف پاکستان

## اطلاع برائے مجتہدوں سالانہ اجلاس عام

بذریعہ ہڈانٹس اطلاع دی جاتی ہے کہ نیشنل بینک آف پاکستان کا مجتہدوں سالانہ اجلاس عام بروز منگل، مورخہ 25 مارچ 2025ء، پاکستان کے معیاری وقت کے مطابق شام 04:00 بجے نیشنل بینک آف پاکستان، ہیڈ آفس بلڈنگ، آئی۔آئی۔ چندریگر روڈ، کراچی، پاکستان۔ ذاتی موجودگی اور الیکٹرونک ذرائع پر منعقد ہوگا۔ اجلاس میں درج ذیل کارروائی عمل میں لائی جائے گی:

- مورخہ 22 نومبر 2024 اور 06 جنوری 2025، کو ذاتی موجودگی اور الیکٹرونک ذرائع سے منعقد ہونے والے شیئرز ہولڈرز کے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔
- 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے نیشنل بینک آف پاکستان کے سالانہ آڈٹ شدہ غیر مجموعی اور مجموعی مالی گوشواروں اور اس کے ذیلی اداروں کے مجتمع گوشوارے مع ڈائریکٹرز رپورٹ، آڈیٹرز رپورٹ کے ساتھ چیئرمین کا جائزہ رپورٹ کی وصولی، ان پر غور اور منظوری۔
- کپینز ایکٹ 2017 ("کپینز ایکٹ") کے سیکشن 223 اور ایس اور اے 389 (1) / 2023 مورخہ 21 مارچ 2023 کے تحت بینک کی سالانہ رپورٹ بینک کی ویب سائٹ پر اپ لوڈ کر دی گئی ہے، جسے درج ذیل ویب لنک یا QR فعال کوڈ سے حاصل کیا جاسکتا ہے:

<https://www.nbp.com.pk/FinancialStatements/AnnualReports.aspx>

- 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے طے کرنا۔ بورڈ آف ڈائریکٹرز نے میسرز پی ڈی بی اے ایف فرگوس اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 45.856 ملین روپے بشمول کچھ قانونی سرٹیفیکیشن اور میسرز پی ڈی بی اے ایف اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 38.962 ملین روپے بشمول کچھ قانونی سرٹیفیکیشن کی فیس پر 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے بینک کے آڈیٹرز کے طور پر دوبارہ تعیناتی کی سفارش کی ہے۔
- 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز کی تجویز کے مطابق 8 روپیہ فی شیئر یعنی 80% کی شرح سے کیش ڈیویڈنڈ پر غور اور اس کی منظوری (بینک نیشنلائزیشن ایکٹ 1974 کے سیکشن 17 کے تحت حکومت پاکستان کی منظوری سے مشروط)۔
- چیئرمین کی اجازت سے کسی دیگر کاروباری معاملے پر کارروائی۔

بجلم بورڈ  
سیّد محمد علی ضامن  
سیکرٹری (بورڈ)

کراچی  
مورخہ مارچ 04، 2025

نوٹس:

بینک کی شیئرز انفرسٹریکچر 18 مارچ 2025 سے 25 مارچ 2025 تک (بشمول دونوں ایام) بند رہیں گی۔ تاہم بینک رجسٹر اری، میسرز پی ڈی بی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس 99-بی، بلاک بی سندھی مسلم آپریٹو ہاؤسنگ سوسائٹی (ایس ایم سی ایچ ایس)، مین شارع فیصل، کراچی۔ 74400 کو مورخہ 17 مارچ 2025 تک کاروباری اوقات ختم ہونے سے قبل وصول ہونے والے ٹرانسفرز کو اجلاس میں شرکت اور کسی بھی دیگر استحقاق کے سلسلے میں بروقت تصور کیا جائے گا۔

### سالانہ اجلاس عام میں شرکت

سالانہ اجلاس عام کا انعقاد نیکیو ریٹریڈ اینڈ انویسٹمنٹ کمیشن آف پاکستان (SECP) کے جاری کردہ رجسٹر اری اصولوں کے مطابق کیا جا رہا ہے اور سالانہ اجلاس عام میں شیئرز ہولڈرز کی زیادہ سے زیادہ شرکت کیلئے ویڈیولنک کی سہولت، ذاتی موجودگی پر یا مقرر کردہ پراکسی کے ذریعے شرکت کے انتظامات کئے گئے ہیں۔

الف) اجلاس میں بذریعہ الیکٹرونک ذرائع شرکت

سالانہ اجلاس عام میں الیکٹرونک سہولت کے ذریعے شرکت کرنے والے ممبران سے درخواست کی جاتی ہے کہ مورخہ 24 مارچ 2025 بوقت شام 05:00 بجے تک CDC شیئرز رجسٹرار سروسز لمیٹڈ کی ای میل [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com) یا واٹس ایپ نمبر 0321-8200864 پر خود کو رجسٹر کروائیں اور ان سے التماس ہے کہ وہ مندرجہ ذیل فارمیٹ پر معلومات مہیا کریں:

نمبر شمار	کمپنی کا نام	فولیو نمبر / CDC	شیئرز ہولڈر کا نام	قومی شناختی کارڈ نمبر	موبائل نمبر	ای میل ایڈریس
	این بی پی					

الیکٹرونک سہولت کی تفصیلات ممبران کی طرف سے فراہم کردہ ای میل ایڈریس پر فراہم کردی جائیں گی۔ مورخہ 25 مارچ 2025 کو لاگ ان بھولت دوپہر 03:30 بجے کھول دی جائے گی تاکہ شرکاء اجلاس شروع ہونے کے مقررہ وقت شام 04:00 بجے سے پہلے پہچان اور تصدیق کے عمل سے گزر کر اجلاس میں شریک ہو سکیں۔

ب) اجلاس میں ذاتی طور پر شرکت

نیشنل بینک آف پاکستان، ہیڈ آفس بلڈنگ، آئی۔آئی۔ چندریگر روڈ، کراچی، پاکستان۔ شیئرز ہولڈرز کے لئے روبرو اجتماع کے انتظامات کئے گئے ہیں۔

پ) پراکسی کے ذریعے اجلاس میں شرکت کرنا:

i) تمام ممبران جو کہ سالانہ اجلاس عام میں شرکت اور ووٹ ڈالنے کے اہل ہیں کسی بھی دوسرے ممبر کو تحریری طور پر پراکسی مقرر کر سکتے ہیں۔ ایک قانونی ادارہ رکن ہونے کے ناطے کسی بھی فرد کو قطع نظر، خواہ وہ ممبر ہو یا نہیں، پراکسی کے طور پر تقرری کر سکتا ہے۔

ii) پراکسی انسٹرومنٹ پر لحاظ سے مکمل ہونا ضروری ہے۔ اور موثر ہونے کے لئے اجلاس کے انعقاد سے 48 گھنٹے قبل شیئرز رجسٹرار یا سیکریٹری بورڈ کے دفتر، دوسری منزل، NBP، ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی پر جمع کروانا ہوگا۔

iii) الیکٹرونک سہولت (زوم) کے ذریعے میٹنگ میں شرکت کے لیے پراکسی ہولڈرز کا ای میل ایڈریس اور موبائل نمبر پراکسی فارم میں ہونا لازمی ہے۔

iv) اگر کوئی ممبر کسی ایک میٹنگ کے لئے ایک سے زیادہ ممبرز کو پراکسی مقرر کرتا ہے یا کسی پراکسی کے ایک سے زیادہ انسٹرومنٹس رجسٹرار بینک کے پاس جمع کروائے جاتے ہیں تو پراکسی کے ایسے تمام انسٹرومنٹس کو غلط قرار دیا جائے گا۔

ت) شیئرز ہولڈرز کو پراکسی کی تقرری کے لئے درج ذیل ہدایات پر عمل کرنا ہوگا:

(i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹر ایشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ کی گئی ہیں مندرجہ ذیل تقاضوں کے مطابق پراکسی فارم جمع کروائیں:

الف) پراکسی فارم دو افراد کے بطور گواہ دستخط کے ساتھ جمع کر دیا جائے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

ب) قومی شناختی کارڈ کی تصدیق شدہ کاپی یا نیشنل ماکان اور پراکسی کے سپورٹ کی کاپی پراکسی فارم کے ساتھ پیش کی جائے گی۔

ii) قانونی ادارے کی صورت میں نامزد شخص کے دستخط کے نمونے کے ساتھ اصل یا باضابطہ تصدیق شدہ بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی میں پراکسی فارم کے ساتھ جمع کروانا ہوگا، (اگر وہ پہلے فراہم نہ کر دیے گئے ہوں)۔

(پراکسی فارم این بی پی کی ویب سائٹ [www.nbp.com.pk](http://www.nbp.com.pk) پر بھی دستیاب ہے)

ممبران سے درخواست ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کی اطلاع فوری طور پر بینک کے رجسٹرار / شیئرز انفرسٹریکچر یعنی میسرز پی ڈی بی سی شیئرز رجسٹرار سروسز لمیٹڈ کو دیں۔

### اسپیشل نوٹس

1۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا:

جن شیئرز ہولڈرز کے پاس بینک کے فزیکل شیئرز سرٹیفیکیشن ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ انہیں سی ڈی سی کے ساتھ بک انٹری فارم میں تبدیل کریں تاکہ کپینز ایکٹ 2017 کی سقن 72 کی تعمیل کی جاسکے۔

2۔ غیر دعوی شدہ نقد ڈیویڈنڈز اور شیئرز سرٹیفیکیشن:

ایکٹ کی سقن 244 کے مطابق، بینک نے اخباری اعلانات کے ذریعے شیئرز ہولڈرز کے غیر دعوی شدہ شیئرز اور غیر ادا شدہ نقد ڈیویڈنڈز کے بارے میں مطلع کیا ہے۔ ہم اپنے معزز شیئرز ہولڈرز سے درخواست کرتے ہیں کہ وہ بینک کے شیئرز رجسٹرار سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ سے رابطہ کریں تاکہ اپنے کسی بھی غیر دعوی شدہ شیئرز یا غیر ادا شدہ نقد ڈیویڈنڈز کے دعوے جمع کرا سکیں۔

3۔ درست سی این آئی اور آئی بی اے این کی ضرورت:

ایس ای سی پی کی جانب سے جاری کردہ ہدایات کے مطابق نقد ڈیویڈنڈ کی ادائیگی صرف ان شیئرز ہولڈرز کو کی جائے گی جنہوں نے اپنے درست سی این آئی اور آئی بی اے این اور اپنی اسپورٹ (افراد کی صورت میں) اور این بی اے این (کارپوریٹ اداروں کی صورت میں) کی کاپیاں اور مخصوص بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) کی درست تفصیلات فراہم کی ہیں۔

4۔ وڈ ہولڈنگ ٹیکس کی کٹوتی:

براہ کرم نوٹ کریں کہ ایف بی آر کی ویب سائٹ پر دستیاب "ایکٹیو ٹیکس ریزولوشن (ATL)" کی بنیاد پر وڈ ہولڈنگ ٹیکس کی کٹوتی درج ذیل شرح سے کی جائے گی۔

1۔ فعال ٹیکس دہندگان کی فہرست میں ظاہر ہونے والے افراد: 15%

2۔ فعال ٹیکس دہندگان کی فہرست میں ظاہر نہ ہونے والے افراد: 30%

مزید برآں، مشترکہ شیئرز ہولڈرز کی صورت میں، ان کے تناسب (اگر کوئی ہے) کے مطابق ٹیکس کاٹ لیا جائے گا۔ بصورت دیگر، ان کی شیئرز ہولڈنگ کو مساوی تصور کیا جائے گا۔

5۔ الیکٹرونک ڈیویڈنڈ میٹنگ:

کپینز ایکٹ 2017 کے سیکشن 242 کے تحت، تمام درج کمپنیوں کے لیے لازمی ہے کہ وہ اپنے شیئرز ہولڈرز کو الیکٹرونک ذرائع کے ذریعے براہ راست شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیویڈنڈ ادا کریں۔

براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ وصول کرنے کے لیے فزیکل حصص یافتگان سے درخواست کی جاتی ہے کہ وہ بینک کی ویب سائٹ پر دستیاب کیش ڈیویڈنڈ کے الیکٹرونک کریڈٹ کے لیے بینک میٹنگ فارم پر کریں اور اسے CNIC کی کاپی کے ساتھ دستخط شدہ بھیجیں۔ شیئرز رجسٹرار سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس 99-بی، بلاک بی سندھی مسلم آپریٹو ہاؤسنگ سوسائٹی (ایس ایم سی ایچ ایس)، مین شاہراہ فیصل، کراچی 74400۔

سی ڈی سی میں حصص رکھنے کی صورت میں، الیکٹرونک ڈیویڈنڈ میٹنگ فارم براہ راست شیئرز ہولڈر کے بروکر / شرکت کنندہ سی ڈی سی اکاؤنٹ سروسز میں جمع کرایا جانا چاہیے۔ معلومات نہ ملنے کی صورت میں، بینک شیئرز ہولڈرز کو ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگا۔

6۔ ڈیویڈنڈ پر زکوٰۃ کی کٹوتی:

زکوٰۃ اور عشر "قوانین کے تحت حصص کی ادا شدہ قیمت کے 2.5% کی شرح سے منافع سے کاٹی جائے گی اور اسے مقررہ مدت کے اندر متعلقہ اٹھارٹی کے پاس جمع کرایا جائے گا۔ براہ کرم زکوٰۃ اور عشر آرڈیننس 1980 اور زکوٰۃ (جمع کرنے اور رقم کی واپسی) روٹہ 1981 کے تحت اپنا زکوٰۃ اعلامیہ فارم (GZ-50) بینک کے شیئرز رجسٹرار کو جمع کرائیں۔ حصص یافتگان جو شرکاء سی ڈی سی کے ساتھ حصص رکھتے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ متعلقہ بروکرز / سی ڈی سی کے ذریعے مندرجہ بالا فارم فراہم کریں۔

**Unconsolidated Annual Financial Statements  
For the year ended December 31, 2024**

# Directors' Report to the Members

## Standalone Financial Statements-2024

### Dear Members,

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

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

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

### Operating Context

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

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

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

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

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

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

### Banking Sector in Pakistan

In 2024, Pakistan's banking sector maintained strong profitability amid improving economic conditions. The State Bank of Pakistan reported 11.5% expansion in total banking assets during H1CY24, largely due to increased investments in government securities, albeit limited private sector credit growth. Asset quality remained resilient, with non-performing loans staying contained and provisioning coverage improving to 101% by end Sep'24. The sector's capital buffers remain strong, ensuring financial stability. The implementation of IFRS 9 from January 2024 introduced a more forward-looking

approach to credit loss recognition. While one-time provisions were recorded, the sector’s capital adequacy remained sound, with no major impact on overall solvency.

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

## Navigating A Year of Resilience and Strategic Progress

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

## Strong Financial Delivery

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

### Profitability

		(PKR 'Bn)			
No.	Key Items	2024	2023	Better / (Worse)	
				Amount	%
1	Net Interest Income	170.9	168.7	2.1	1.3% ▲
2	Non-Fund Income	65.4	40.6	24.8	61.1% ▲
<b>3</b>	<b>Total Income</b>	<b>236.3</b>	<b>209.4</b>	<b>27.0</b>	<b>12.9% ▲</b>
4	Operating Exp.	119.8	93.3	(26.4)	(28.3%) ▼
5	Pre-Prov. Profit	116.5	115.7	0.8	0.7% ▲
6	Provision Charge	2.3	14.5	12.2	84.4% ▼
7	Extra Ordinary Pension Exp	57.5	-	(57.50)	- ▼
<b>8</b>	<b>Pre-tax profit</b>	<b>56.7</b>	<b>101.3</b>	<b>(44.6)</b>	<b>(44.0%) ▼</b>
9	Tax	29.8	49.4	19.6	39.7% ▼
<b>10</b>	<b>After-tax profit</b>	<b>26.9</b>	<b>51.8</b>	<b>(25.0)</b>	<b>(48.2%) ▼</b>
11	EPS (Rs.)	12.63	24.37	(11.74)	(48.2%) ▼

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

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

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

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

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

## A Strong Balance Sheet

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

No.	Key Item	(PKR ‘Bn)		
		2024	2023	Growth
1	Investments (net)	4,612.3	4,403.4	4.7%
2	Advances (net)	1,404.9	1,398.1	0.5%
3	Total Assets of the Bank	6,744.1	6,652.7	1.4%
4	Islamic Banking Total Assets	333.4	140.2	137.9%
5	Deposits	3,865.6	3,674.4	5.2%
6	Borrowings	1,937.8	2,177.7	(11.0%)
7	Net Assets	457.0	382.8	19.4%
8	Book Value Per Share	214.8	179.9	19.4%

### Advances

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

### Investments

The Bank’s investments (at cost) amounted to PKR 4,475.3 Bn (2023: PKR 4,393.9 Bn) with a carrying value of PKR 4,612.3 Bn (2023: PKR 4,403.4 Bn). Pursuant to an effective yield/interest rate risk and liquidity management strategy, the Bank is maintaining a diversified investment portfolio across zero risk weighted GoP instruments, high dividend yielding equities and other interest-bearing financial assets with interest sensitive maturity pattern. In the prevailing interest rate scenario and rate expectations, the Bank’s investment book predominantly has a shorter-term maturity profile with 91.7% on the investments held under fair value through other comprehensive income.

### Deposits

As of December 31, 2024, total deposits with the Bank amounted to PKR 3,865.6 Bn as compared to PKR 3,674.4 Bn at the end of 2023. Major share of the Bank’s funding comes from sticky customer deposits that contribute 94.2% of the total deposits. With current deposits amounting to PKR 1,944.1 Bn or 50.3% of the total deposits, the Bank maintains a strong liquidity profile. The Bank maintained its CASA ratio high at 79.4%.

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

## ▪ Islamic Banking

Demonstrating its commitment, the Bank expanded its Islamic Banking footprint in 2024 by adding over 100 Islamic Banking Windows 'IBW', bringing the total to 251, and converting 19 conventional branches into full-fledged Islamic branches. The Islamic banking business is now one of the fastest growing segments within the Bank. NBP Itimad's total assets increased to PKR 333.4 Bn at the end 2024 from PKR 140.2 Bn at the end 2023 recording record growth of 137.9% YoY. Whereas total Islamic banking earning assets recorded a 138.3% YoY growth reaching PKR 298.9 Bn compared to 125.4 Bn at end 2023. NBP Aitemaad offers the entire spectrum of banking products, from large-ticket corporate deals to retail deposits and consumer finance.

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

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

## Strategic Resilience and Shareholder Value Creation

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

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

## Appropriation of Profit

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

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

## Principal Activities

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

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

## Capital Adequacy & Strength

The Bank achieved significant improvements in financial soundness indicators during 2024. Total eligible capital increased by PKR 103.1 Bn or 27.4% to close at PKR 479.8 Bn. While Common Equity Tier 1 Capital (CET1) ratio stood at 20.51% (2023:19.16%), the Total Capital Ratio stood at 27.80% (2023:25.47%) against minimum regulatory requirement of 13.0%. The Bank's Leverage ratio was 3.88% at the end of 2024 (2023: 3.12%). The Bank's liquidity coverage and net stable funding ratios also improved to 206% (2023:176%) and 174% (2023:159%) respectively against their regulatory requirement of 100%.

## Material Events Subsequent to the Balance Sheet Date

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

## Governance & Stewardship by the Board

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

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

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

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

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

## Meeting of the BoD, and BoD Committees Held during 2024

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

## Changes in the Board of Directors

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

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

## Governance

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

Significant investments have been made in advanced technological platforms to strengthen internal controls, anti-money laundering protocols, KYC processes, and data accuracy. These initiatives not only fortify the Bank's governance and compliance posture but also enable the generation of high-quality MIS, supporting agile and data-driven decision-making.

By embedding a culture of risk awareness, transparency, and continuous improvement, the Bank remains well-positioned to navigate emerging challenges while ensuring sustainable growth and long-term value creation.

## De-risking from low-yielding overseas footprint

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

## Compliance & Risk Matters in the New York Branch

The Bank fully complied with the public enforcement actions issued in February 2022 by the New York State Department of Financial Services (NYDFS) and the Federal Reserve Board. It thereafter decided to close the New York branch. With approval from the NYDFS, the bank's New York branch voluntarily surrendered its banking license to NYDFS in October 2024. In December 2024, the Federal Reserve Board terminated the enforcement actions issued to NBP/New York Branch in March 2016 & February 2022.

## Impact of the Government Policies on the Bank's Performance

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

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

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

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

## Principal Risks & Uncertainties Facing the Bank

Given the nature of its business model, the Bank is inherently exposed to a range of financial, operational, regulatory, and strategic risks. The Board of Directors remains actively engaged in ensuring that robust risk management framework and policies are in place to identify, assess, and mitigate these risks in a proactive manner in line with preapproved risk appetite thresholds.

The Bank follows a comprehensive 3-lines of defence risk governance structure, ensuring that emerging risks are detected, evaluated, and addressed through well-defined risk mitigation measures. Adequate resources have been deployed to enhance risk resilience, leveraging advanced analytics, strengthened internal controls, and compliance mechanisms to safeguard financial stability.

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

## Major Developments During the Year

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

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

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

## Remuneration to the Directors

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

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

## Contribution in SBP-led Initiatives

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

Through these initiatives, the Bank continues to play a pivotal role in driving economic growth, enabling businesses, and strengthening financial accessibility across diverse sectors. Further details on the Bank's contributions under these schemes are provided in the relevant sections of this report.

In 2024, the Bank continued to retain its leading position in agriculture financing as evaluated by the SBP. Furthermore, the Bank also remained one of the largest financiers to the SME sector, a matter also acknowledged by the SBP.

## Impact of the Bank's Business on the Environment

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

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

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

## Credit Ratings

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

## Endorsement

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

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

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

## Outlook

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

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

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

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

## Appointment of Auditors

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

## Acknowledgement & Appreciation

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

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

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

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

For and on behalf of the Board of Directors

**Rehmat Ali Hasnie**  
President & CEO

**Ali Syed**  
Director

**Karachi**

**Dated:** February 28, 2025

**A. F. Ferguson & Co.**  
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## INDEPENDENT AUDITORS' REPORT

To the members of National Bank of Pakistan

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

#### Opinion

We have audited the annexed unconsolidated financial statements of National Bank of Pakistan (the Bank), which comprise the unconsolidated statement of financial position as at December 31, 2024, and the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 100 branches which have been audited by us and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	<b>Credit loss allowance against advances</b> (Refer notes 2.9, 11.4 and 34 to the unconsolidated financial statements)	
	The Bank records credit loss allowance against advances in Pakistan operations in accordance with the requirements of IFRS 9.	Our audit procedures to verify credit loss allowance against domestic advances included, amongst others, the following:

S.No.	Key Audit Matter	How the matter was addressed in our audit
	<p>Under IFRS 9, the Bank assesses on a forward-looking basis the Expected Credit Losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments. A lifetime ECL is recorded on advances in which there have been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on advances which are credit impaired as on the reporting date. A 12 months ECL is recorded for advances which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Bank compares the risk of a default occurring on the advances as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12 months ECL are calculated at facility level. The allowance is increased by provisions charged to the unconsolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries.</p> <p>The Bank records charge for Stage 3 exposures based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the State Bank of Pakistan (SBP). This assessment is conducted at the facility level for corporate, commercial, and SME loan portfolios, and at a segment level for the retail portfolio. If one facility of a counterparty becomes 90+ days past due (DPD) or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3.</p> <p>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.</p> <p>Provisions pertaining to overseas advances are made in accordance with the requirements of regulatory authorities of the respective countries.</p> <p>The Bank has recognised a net credit loss allowance against advances amounting to Rs. 6,113.132 million in the unconsolidated statement of profit and loss account in the current year. As at December 31, 2024, the Bank holds a credit loss allowance including general provision of Rs. 267,895.124 million against advances.</p> <p>The determination of credit loss allowance against advances based on the above criteria remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations and the materiality of advances relative to the overall unconsolidated financial statements of the Bank, we considered this area as a key audit matter.</p>	<p>We obtained and updated our understanding of management's assessment of credit loss allowance in respect of advances including the Bank's internal rating model, accounting policy, model methodology including any key changes made during the year.</p> <p>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.</p> <p>The testing of controls included testing of:</p> <ul style="list-style-type: none"> <li>▪ controls over correct classification of advances;</li> <li>▪ controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria;</li> <li>▪ controls over accurate computation and recording of provisions; and</li> <li>▪ controls over the governance and approval process related to provisions, including continuous reassessment by the management.</li> </ul> <p>We selected a sample of loan accounts and performed the following substantive procedures:</p> <ul style="list-style-type: none"> <li>▪ assessed the reasonableness and accuracy of the data used for ECL computation based on accounting records and information system of the Bank as well as the related external sources used for this purpose;</li> <li>▪ checked repayments of loans / mark-up instalments and tested classification of advances based on the number of days overdue;</li> <li>▪ tested the staging of loans and advances as per the criteria of SICR and in accordance with IFRS 9;</li> <li>▪ evaluated the management's assessment for classification of a borrower's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and discussions with the management;</li> <li>▪ assessed the ECL model used by the management to calculate expected credit loss against advances balances of the Bank for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model;</li> <li>▪ assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and</li> <li>▪ assessed the relevant disclosures made in the unconsolidated financial statements to determine whether these are complied with the accounting and reporting standards as applicable in Pakistan.</li> </ul> <p>We issued instructions to auditors of those overseas branches which were selected for audit, highlighting 'Credit loss allowance against financial assets and off-balance items' as a significant risk. The auditors of those branches performed audit procedures to check compliance with regulatory requirements and reported the results thereof to us. We, as auditors of the Bank, evaluated the work performed by the component auditors and the results thereof.</p>

S.No.	Key Audit Matter	How the matter was addressed in our audit
2	<p><b>Pension benefits liability</b> (Refer notes 21, 25.3.3.1, 32.2 and 40.4 to the unconsolidated financial statements)</p>	
	<p>The Bank operates an approved funded pension scheme for its eligible employees. The valuation for pension benefits is carried out annually by the actuary appointed by the management of the Bank using the projected unit cost method.</p> <p>A number of the Bank's employees had filed writ petitions before the Lahore High Court and Peshawar High Court with respect to their pensionary benefits in prior years. The Supreme Court of Pakistan (SCP) in September 2017 after hearing the arguments of both parties decided the case against the Bank. The Bank had subsequently filed review petitions against the judgement of the SCP.</p> <p>During the year, the SCP has by its order dated March 27, 2024, dismissed all the civil review petitions filed by the Bank, as a result of which the Supreme Court's decision dated September 25, 2017 in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement, the Bank has made payments to majority of petitioners as well as non-petitioners. In addition, the SCP has also directed the Bank to pay arrears of any government increases in pension to the petitioners.</p> <p>As a result of the above decision, the management has recognised a past service cost of Rs. 57,550 million based on the valuation carried out by the management's actuary in the unconsolidated financial statements of the Bank for the year ended December 31, 2024. The net present value of the Bank's obligation against pension scheme as at December 31, 2024, amounted to Rs. 75,638 million. The determination of pension benefits liability as per the order of the SCP required certain estimates and judgments to be made including actuarial assumptions. The calculation of pension benefits remains an area of significant estimate and judgment. Because of the significance of the impact of these judgments / estimations and the materiality of the amount in the overall context of the unconsolidated financial statements, we considered this as a key audit matter.</p>	<p>Our audit procedures to verify pension benefits liability included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>▪ Reviewed the Supreme Court's order and checked the Bank's compliance with the judgment, including payments made to pensioners on a test basis;</li> <li>▪ Reviewed minutes of the meeting of the Board of Directors for discussions held with respect to the pension litigation and liability;</li> <li>▪ Obtained and reviewed the management expert's actuarial report supporting the calculation of pension obligations and evaluated key actuarial assumptions;</li> <li>▪ Engaged an independent actuarial expert to assess the reasonableness of the pension liability determined by the management's actuary along with the related assumptions; and</li> <li>▪ Evaluated the adequacy of the disclosures made in the unconsolidated financial statements to ensure compliance with the accounting and reporting standards as applicable in Pakistan.</li> </ul>

**Information Other than the Unconsolidated and Consolidated Financial Statements and Auditors' 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 auditors' 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.

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

The engagement partners on the audit resulting in this independent auditors' report are **Shahbaz Akbar** and **Zulfikar Ali Causer** on behalf of A. F. Ferguson & Co., Chartered Accountants and BDO Ebrahim & Co., Chartered Accountants respectively.

**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

2024	2023		Note	2024	2023
----- USD in 000 -----				----- Rupees in 000 -----	
<b>ASSETS</b>					
1,128,106	1,059,029	Cash and balances with treasury banks	7	314,234,036	294,992,570
204,044	151,948	Balances with other banks	8	56,836,483	42,325,051
107,701	690,829	Lendings to financial institutions	9	30,000,000	192,430,437
16,558,371	15,808,164	Investments	10	4,612,334,198	4,403,364,043
5,043,503	5,019,123	Advances	11	1,404,867,872	1,398,076,820
221,390	204,539	Property and equipment	12	61,668,070	56,974,417
22,680	24,895	Right-of-use assets	13	6,317,624	6,934,471
6,963	5,421	Intangible assets	14	1,939,636	1,510,061
-	-	Deferred tax assets	20	-	-
918,615	919,403	Other assets	15	255,880,334	256,099,568
24,211,373	23,883,351	<b>Total Assets</b>		6,744,078,253	6,652,707,438
<b>LIABILITIES</b>					
93,556	244,123	Bills payable	16	26,060,123	68,000,448
6,956,586	7,818,141	Borrowings	17	1,937,756,922	2,177,743,194
13,877,454	13,191,023	Deposits and other accounts	18	3,865,564,883	3,674,359,379
28,828	29,671	Lease liabilities	19	8,030,117	8,264,782
-	-	Subordinated debt		-	-
146,990	2,585	Deferred tax liabilities	20	40,944,092	720,183
1,467,495	1,223,708	Other liabilities	21	408,770,670	340,863,859
22,570,909	22,509,251	<b>Total Liabilities</b>		6,287,126,807	6,269,951,845
<u>1,640,464</u>	<u>1,374,100</u>	<b>NET ASSETS</b>		<u>456,951,446</u>	<u>382,755,593</u>
<b>REPRESENTED BY</b>					
76,378	76,378	Share capital	22	21,275,131	21,275,131
295,860	283,868	Reserves	23	82,411,898	79,071,471
424,349	228,521	Surplus on revaluation of assets - net of tax	24	118,202,425	63,654,593
843,877	785,333	Unappropriated profit		235,061,992	218,754,398
<u>1,640,464</u>	<u>1,374,100</u>			<u>456,951,446</u>	<u>382,755,593</u>

**CONTINGENCIES AND COMMITMENTS** 25

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Chairman	President / CEO	Chief Financial Officer	Director	Director
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**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>2024</b>		<b>2023</b>				
<b>----- USD in 000 -----</b>		<b>----- Rupees in 000 -----</b>		<b>Note</b>		
3,911,021	3,678,541	Mark-up / return / interest earned		<b>26</b>	1,089,414,852	1,024,657,648
<u>3,297,529</u>	<u>3,072,734</u>	Mark-up / return / interest expensed		<b>27</b>	<u>918,526,698</u>	<u>855,910,064</u>
613,492	605,807	Net mark-up / interest income			170,888,154	168,747,584
<b>NON MARK-UP / INTEREST INCOME</b>						
91,468	79,096	Fee and commission income		<b>28</b>	25,478,533	22,032,182
21,887	18,875	Dividend income			6,096,568	5,257,652
21,228	25,630	Foreign exchange income			5,913,187	7,139,106
-	-	Income / (loss) from derivatives			-	-
100,135	15,739	Gain on securities		<b>29</b>	27,892,519	4,384,060
(2,378)	-	Net loss on derecognition of financial assets measured at amortised cost		<b>30</b>	(662,486)	-
2,541	6,439	Other income		<b>31</b>	707,865	1,793,465
234,881	145,779	Total non-markup / interest income			65,426,186	40,606,465
<u>848,373</u>	<u>751,586</u>	<b>Total income</b>			<u>236,314,340</u>	<u>209,354,049</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>						
636,647	335,113	Operating expenses		<b>32</b>	177,337,946	93,345,714
-	-	Workers' welfare fund			-	-
147	1,027	Other charges		<b>33</b>	40,967	285,940
636,794	336,140	Total non-markup / interest expenses			177,378,913	93,631,654
<u>211,579</u>	<u>415,446</u>	Profit before credit loss allowance / provisions			<u>58,935,427</u>	<u>115,722,395</u>
8,108	51,945	Credit loss allowance / provisions and write offs - net		<b>34</b>	2,258,369	14,469,305
<u>203,471</u>	<u>363,501</u>	<b>PROFIT BEFORE TAXATION</b>			<u>56,677,058</u>	<u>101,253,090</u>
107,023	177,392	Taxation		<b>35</b>	29,811,314	49,412,628
<u>96,448</u>	<u>186,109</u>	<b>PROFIT AFTER TAXATION</b>			<u>26,865,744</u>	<u>51,840,462</u>
<b>----- USD -----</b>		<b>----- Rupees -----</b>				
<u>0.05</u>	<u>0.09</u>	<b>Basic earnings per share</b>		<b>36</b>	<u>12.63</u>	<u>24.37</u>
<u>0.05</u>	<u>0.09</u>	<b>Diluted earnings per share</b>		<b>37</b>	<u>12.63</u>	<u>24.37</u>

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Chairman

President / CEO

Chief Financial Officer

Director

Director

**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

2024	2023		Note	2024	2023
----- USD in 000 -----				----- Rupees in '000 -----	
96,448	186,109	Profit after taxation for the year		26,865,744	51,840,462
<b>Other comprehensive income</b>					
<b>Items that may be reclassified to the unconsolidated statement of profit and loss account in subsequent periods:</b>					
(3,592)	34,979	Effect of translation of net investment in foreign branches - net of tax		(1,000,476)	9,743,375
5,939	-	Transfer of exchange loss translation reserves on closure of foreign branches from OCI to unconsolidated statement of profit and loss account		1,654,329	-
154,710	-	Movement in surplus on revaluation of debt investments carried at FVOCI - net of tax		43,094,464	-
(10,605)	-	Gain on sale of debt securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax		(2,953,934)	-
-	75,890	Movement in surplus on revaluation of debt & equity investments at AFS - net of tax		-	21,139,170
146,452	110,869			40,794,383	30,882,545
<b>Items that will not be reclassified to the unconsolidated statement of profit and loss account in subsequent periods:</b>					
(1,621)	(2,137)	Remeasurement loss on defined benefit obligations - net of tax	40.7 & 40.8.2	(451,499)	(595,239)
61,385	-	Movement in surplus on revaluation of equity investments to FVOCI - net of tax		17,098,865	-
6,142	(1,501)	Movement in surplus on revaluation of property and equipment - net of tax	24.1	1,710,846	(418,066)
648	711	Movement in surplus on revaluation of non-banking assets - net of tax	24.2	180,451	198,132
66,554	(2,927)			18,538,663	(815,173)
<u>309,454</u>	<u>294,051</u>	<b>Total comprehensive income</b>		<u>86,198,790</u>	<u>81,907,834</u>

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

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**Chairman**

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**President / CEO**

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**Chief Financial Officer**

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**Director**

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**Director**

**NATIONAL BANK OF PAKISTAN  
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Share capital	Capital reserves			Revenue reserves			Surplus / (deficit) on revaluation of			Unappropriated profit	Total	
	Exchange translation reserve	Statutory reserve	Merger reserve	General loan loss reserve	General reserve	Total	Investments	Property and equipment / Non banking assets	Total			
----- (Rupees in '000) -----												
Balance as at January 01, 2023	21,275,131	21,289,575	41,969,531	363,606	-	521,338	64,144,050	(4,253,682)	47,170,584	42,916,902	172,511,676	300,847,759
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	51,840,462	51,840,462
<b>Other comprehensive income for the year</b>												
Effect of translation of net investment in foreign branches - net of tax	-	9,743,375	-	-	-	-	9,743,375	-	-	-	-	9,743,375
Movement in surplus on revaluation of investments - net of tax	-	-	-	-	-	-	-	21,139,170	-	21,139,170	-	21,139,170
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	-	(595,239)	(595,239)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	(418,066)	(418,066)	-	(418,066)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	198,132	198,132	-	198,132
<b>Total other comprehensive income - net of tax</b>	-	9,743,375	-	-	-	-	9,743,375	21,139,170	(219,934)	20,919,236	51,245,223	81,907,834
Transfer to statutory reserve	-	-	5,184,046	-	-	-	5,184,046	-	-	-	(5,184,046)	-
Transfer from surplus in respect of incremental depreciation on revaluation of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(181,545)	(181,545)	181,545	-
Balance as at December 31, 2023	21,275,131	31,032,950	47,153,577	363,606	-	521,338	79,071,471	16,885,488	46,769,105	63,654,593	218,754,398	382,755,593
Impact of adoption of IFRS 9 - net of tax (note 6.1.1)	-	-	-	-	-	-	-	(1,714,431)	-	(1,714,431)	(10,288,506)	(12,002,937)
<b>Balance as at January 01, 2024 - restated</b>	21,275,131	31,032,950	47,153,577	363,606	-	521,338	79,071,471	15,171,057	46,769,105	61,940,162	208,465,892	370,752,656
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	26,865,744	26,865,744
<b>Other comprehensive income for the year</b>												
Effect of translation of net investment in foreign branches - net of tax	-	(1,000,476)	-	-	-	-	(1,000,476)	-	-	-	-	(1,000,476)
Transfer of exchange loss translation reserves on closure of foreign branches from OCI to unconsolidated statement of profit and loss account	-	1,654,329	-	-	-	-	1,654,329	-	-	-	-	1,654,329
Movement in surplus on revaluation of debt investments through OCI - net of tax	-	-	-	-	-	-	-	43,094,464	-	43,094,464	-	43,094,464
Gain on sale of securities carried at FVOCI reclassified to the unconsolidated statement of profit and loss account - net of tax	-	-	-	-	-	-	-	(2,953,934)	-	(2,953,934)	-	(2,953,934)
Movement in surplus on revaluation of equity investments FVOCI - net of tax	-	-	-	-	-	-	-	17,098,865	-	17,098,865	-	17,098,865
Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,705,679)	-	(2,705,679)	2,705,679	-
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	-	(451,499)	(451,499)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	1,710,846	1,710,846	-	1,710,846
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	180,451	180,451	-	180,451
<b>Total other comprehensive income - net of tax</b>	-	653,853	-	-	-	-	653,853	54,533,716	1,891,297	56,425,013	29,119,924	86,198,790
Transfer to statutory reserve	-	-	2,686,574	-	-	-	2,686,574	-	-	-	(2,686,574)	-
Transfer from surplus in respect of incremental depreciation on revaluation of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(162,750)	(162,750)	162,750	-
Balance as at December 31, 2024	21,275,131	31,686,803	49,840,151	363,606	-	521,338	82,411,898	69,704,773	48,497,652	118,202,425	235,061,992	456,951,446

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements

Chairman

President / CEO

Chief Financial Officer

Director

Director

**NATIONAL BANK OF PAKISTAN**  
**UNCONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

2024	2023		Note	2024	2023
----- USD in '000 -----				Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
203,471	363,501	Profit before taxation		56,677,058	101,253,090
(21,887)	(18,875)	Less: Dividend income		(6,096,568)	(5,257,652)
<u>181,584</u>	<u>344,626</u>			<u>50,580,490</u>	<u>95,995,438</u>
<b>Adjustments:</b>					
(613,492)	(605,807)	Net mark-up / interest income		(170,888,154)	(168,747,584)
9,878	8,859	Depreciation	32	2,751,478	2,467,633
7,028	7,148	Depreciation on right-of-use assets	32	1,957,699	1,990,974
1,824	995	Amortisation	32	507,990	277,042
8,108	51,945	Credit loss allowance / provisions and write offs - net	34	2,258,369	14,469,305
5,939	-	Exchange loss on closure of branches		1,654,329	-
(20,721)	-	Gain on disposal of joint venture		(5,771,860)	-
(11)	(898)	Gain on sale of property and equipment - net	31	(3,142)	(250,247)
3,570	3,148	Amortisation of lease liability against right-of-use assets	27	994,407	876,989
(32,420)	119	Unrealised - measured as FVTPL / held for trading - net	29	(9,030,655)	33,066
(1,887)	-	Fair valuation gain		(525,619)	-
293,806	42,789	Charge for defined benefit plans		81,839,554	11,918,752
<u>(338,378)</u>	<u>(491,702)</u>			<u>(94,255,604)</u>	<u>(136,964,070)</u>
<u>(156,794)</u>	<u>(147,076)</u>			<u>(43,675,114)</u>	<u>(40,968,632)</u>
<b>(Decrease) / increase in operating assets</b>					
582,468	(578,560)	Lendings to financial institutions		162,246,564	(161,157,970)
(58,491)	149,029	Securities classified as FVTPL / held-for-trading securities		(16,292,606)	41,512,120
3,536	(693,748)	Advances		985,014	(193,243,387)
(26,524)	22,191	Other assets (excluding advance taxation & markup receivable)		(7,388,337)	6,181,387
<u>500,989</u>	<u>(1,101,088)</u>			<u>139,550,635</u>	<u>(306,707,850)</u>
<b>Decrease / (increase) in operating liabilities</b>					
(150,567)	45,710	Bills payable		(41,940,325)	12,732,429
(807,276)	805,250	Borrowings from financial institutions		(224,866,764)	224,302,435
686,432	3,619,368	Deposits and other accounts		191,205,504	1,008,175,019
(64,705)	371	Other liabilities (excluding markup payable)		(18,023,590)	103,403
<u>(336,116)</u>	<u>4,470,699</u>			<u>(93,625,175)</u>	<u>1,245,313,286</u>
4,018,539	3,367,052	Interest received		1,119,363,946	937,892,431
(3,285,792)	(2,820,446)	Interest paid / adjusted		(915,257,446)	(785,635,271)
(185,024)	(194,284)	Income tax paid		(51,538,366)	(54,117,686)
(77,367)	(13,188)	Contribution to staff retirement benefits / benefits paid		(21,550,467)	(3,673,558)
<u>478,435</u>	<u>3,561,669</u>	<b>Net cash flow generated from operating activities</b>		<u>133,268,013</u>	<u>992,102,720</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
(593,356)	(3,986,479)	Net investments in securities classified as FVOCI / available-for-sale securities		(165,279,396)	(1,110,433,644)
357,301	660,721	Net divestments in amortised cost securities / held-to-maturity securities		99,526,202	184,043,825
21,887	18,875	Dividends received		6,096,568	5,257,652
29,202	-	Net divestments in joint ventures		8,134,293	-
27,602	-	Net divestments in associates		7,688,441	-
(22,675)	(9,715)	Additions in property and equipment		(6,316,216)	(2,705,991)
(339)	38,044	Effect of translation of net investment in foreign branches		(94,357)	10,597,218
163	1,615	Proceeds from sale of property and equipment		45,498	449,996
<u>(180,215)</u>	<u>(3,276,939)</u>	<b>Net cash flow used in investing activities</b>		<u>(50,198,967)</u>	<u>(912,790,944)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
(9,861)	(12,372)	Payment of lease liability against right-of-use assets	19	(2,746,757)	(3,446,309)
(2)	(27)	Dividend paid	38.1	(652)	(7,567)
<u>(9,863)</u>	<u>(12,399)</u>	<b>Net cash used in financing activities</b>		<u>(2,747,409)</u>	<u>(3,453,876)</u>
288,357	272,331	<b>Increase in cash and cash equivalents</b>		80,321,638	75,857,900
1,021,557	794,984	Cash and cash equivalents at beginning of the year		284,554,663	221,442,758
50,287	4,529	Effects of exchange rate changes on cash and cash equivalents		14,007,564	1,261,569
<u>1,071,844</u>	<u>799,513</u>			<u>298,562,227</u>	<u>222,704,327</u>
<u>1,360,201</u>	<u>1,071,844</u>	<b>Cash and cash equivalents at end of the year</b>	38	<u>378,883,864</u>	<u>298,562,227</u>

The annexed notes 1 to 51 and annexures I and II form an integral part of these unconsolidated financial statements.

Chairman

President / CEO

Chief Financial Officer

Director

Director

**NATIONAL BANK OF PAKISTAN  
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. STATUS AND NATURE OF BUSINESS**

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 (the Companies Act, 2017) and is listed on the Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,503 (December 31, 2023: 1,508) branches in Pakistan including 207 (December 31, 2023: 188) Islamic Banking branches and 16 (December 31 2023: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

The Pakistan Sovereign Wealth Fund Act, 2023 was enacted and became effective during 2023. The shareholding of the Federal Government as per the Bank's Register of Shareholders is 7,895,707 shares only. However, under the said Act, the shares of Federal Government has been shown as 1,608,420,866. The Bank has sought clarification from Federal Government in this respect. Moreover, the process for transfer of shares as defined in NBP Bye-laws, 2015 has not yet been initiated. In view of the foregoing, the Bank's Register of Shareholders continues to show the shareholding position before the enactment of the Act pending completion of transfer formalities and clarification of the Federal Government.

**2 BASIS OF PRESENTATION**

- 2.1** In accordance with the directives of the Federal Government of Pakistan regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade related mode of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.2** Key financial figures of the Islamic banking branches of the Bank have been disclosed in annexure II to these unconsolidated financial statements.
- 2.3** These are the unconsolidated financial statements of the Bank in which the investments in subsidiaries and associates are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees which are done in the consolidated financial statements.
- 2.4** The US Dollar amounts shown on the statement of financial position, statement of profit and loss account, statement of comprehensive income and cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2024 and 2023 as it was the prevalent rate as on December 31, 2024.
- 2.5** These unconsolidated financial statements have been prepared in accordance with the format for preparation of the annual financial statements of banks issued by the State Bank of Pakistan (SBP), vide its BPRD Circular letter No. 13 dated July 01, 2024.
- 2.6 Statement of compliance**
- 2.6.1** These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
  - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

- 2.6.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2022 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard- for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.
- 2.6.3** The SBP has issued BPRD Circular Letter No. 01 of 2025 dated January 22, 2025 in which certain relaxations / clarifications have been provided upon adoption of IFRS 9 which are disclosed in note 6.1 of these unconsolidated financial statements. As allowed by the SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022, IFRS 9 has not been adopted for overseas branches where it is not applicable as per their local regulations for the year ended December 31, 2024.
- 2.6.4** The SBP, vide its BPRD Circular No. 13 dated July 01, 2024, issued the revised forms for the preparation of the annual financial statements of the Banks / DFIs which are applicable for periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these unconsolidated financial statements. There is no impact of this change on these unconsolidated financial statements in terms of recognition and measurement of assets and liabilities except mentioned in note 6.
- 2.6.5** The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.6.6** These unconsolidated financial statements are the separate financial statements of the Bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees.

**2.7 Standards, interpretations of and amendments to published accounting and reporting standards that are effective in the current year.**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024 but are considered not relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these unconsolidated financial statements except for IFRS 9 (Financial Instruments), the impacts of which are disclosed under note 6.1.

**2.8 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective:**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any material effect on the Bank's financial statements except for:

- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in these unconsolidated financial statements.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities and financial assets.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The management is in the process of assessing the impact of these amendments on the unconsolidated financial statements of the Bank.

## 2.9 Critical accounting estimates and judgments

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

### a) Credit Allowance against non-performing loans and advances

The Bank regularly reviews its loan portfolio to assess amount of non-performing loans and determine the provisions required there against at each reporting date. In assessing this requirement, various factors including the days past dues, delinquency in the account, financial position and future business / financial plan of the borrower, value of collateral held and requirements of SBP Prudential Regulations are considered. Credit loss allowances are maintained at the higher of ECL under IFRS 9 or the prudential regulation R-8. The Bank also considers the impact of Forced Sale Value (FSV) of collaterals when determining the amount of provisions. However, no benefit of FSV of non-liquid collateral has been taken into account during the year in calculating the provisioning amount.

General provisions for loan losses for overseas branches are made as per the requirements of the respective central banks.

### b) Fair value of derivatives

The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest and exchange rates over the term of the contract.

### c) Impairment of FVOCI investments

Impairment in respect of unquoted shares is calculated with reference to break-up value. Break-up value is calculated with reference to the net assets of the Investee Company as per the latest available audited financial statements.

Provision and ECL for unquoted debt securities is calculated as per SBP's Prudential Regulations and IFRS-9 respectively.

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' and impairment ECL of stage 3 impairment of FVOCI quoted TFCs, PTC, Ijarah Sukuks & Government Bonds is recognized in accordance with the requirements of Prudential Regulations and other directives issued by SBP as per subjective and objective criteria of Prudential Regulations after taking into account of FSV benefit under Prudential Regulations and IFRS-9.

### d) Amortised Cost investments

The Bank follows the guidance provided in the SBP circulars and IFRS 9 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as Amortised Cost. In making this judgment, the Bank evaluates its intention and ability to hold such investments till maturity.

### e) Income taxes

In making the estimates for current and deferred taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax department and such amounts are shown as contingent liabilities.

### f) Property and Equipment, Non-Banking asset and intangible assets, revaluation, depreciation and amortisation

In making estimates of the depreciation / amortisation method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern.

The Bank also revalues its properties on a periodic basis. Such revaluations are carried out by independent valuer and involves estimates / assumptions and various market factors and conditions.

**g) Defined benefit plans including pension expense**

The liabilities for employees' benefits plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases, future inflation rates and future pension increases as disclosed in note 40. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

**h) Provision against contingencies**

Provision against contingencies is determined based on the management judgement regarding the probability of future outflows of resources embodying economic benefits to settle an obligation arising from past events.

**i) Lease liability against right of use assets**

The Bank applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Bank is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Moreover, management exercises judgement in establishing the discount rate for new leases, utilizing the incremental borrowing rate as a benchmark.

**j) Classification of financial assets and liabilities**

The classification of financial asset is determined through solely payment and principal (SPPI) criteria and business model of the Bank. The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The financial liabilities are being carried at amortised cost except for derivatives which are being measured at FVTPL.

**k) Contingent assets and contingent liabilities**

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed unless the probability of an outflow of resources embodying economic benefits are remote. The Bank uses estimates in determining the probability of inflow or outflow of economic benefits.

**l) Impairment of non-financial assets**

The carrying amount of the assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

**3 BASIS OF MEASUREMENT**

These unconsolidated financial statements have been prepared under the historical cost convention except that:

- i) certain property and equipment and non banking assets acquired in satisfaction of claims are stated at revalued amounts;
- ii) investments classified at fair value through profit and loss and fair value through other comprehensive income are carried at fair value;
- iii) foreign exchange contracts are measured at fair value; and
- iv) staff retirement benefits are carried at present value;

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except for changes mentioned in note 6.1.3.

**4.1 Cash and cash equivalents**

Cash and cash equivalents include cash and balances with treasury banks, balances with other banks and call money lendings, less call borrowings and overdrawn nostro accounts having original maturity of three months or less.

#### **4.2 Investments**

Investments include Federal Government securities, shares, mutual funds, non-Government debt securities, foreign securities, associates and subsidiaries. Classification and measurement of Federal Government securities, shares, mutual funds, non-Government debt securities and foreign securities has been detailed in note 10.

Associates are all entities over which the Bank has significant influence but not control. Investment in associates is carried at cost less accumulated impairment losses, if any.

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

#### **4.3 Repurchase and resale agreements**

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of financial position and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective yield method.

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the statement of financial position, as the Bank does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective yield method.

#### **4.4 Advances**

Loans and advances including net investment in finance lease are stated net of credit loss allowance / provision against non-performing loan and advances. Credit loss allowance / provision against loans and advances in Pakistan operations have been made in accordance with the requirements of the Prudential Regulations and IFRS 9 application instructions issued by the SBP. General provisions against loans and advances in Pakistan operations have been maintained against potential high risk advances based on the management's estimates as disclosed in note 11.5.2. Credit loss allowance / provisions pertaining to overseas loans and advances are made in accordance with the requirements of the regulatory authorities of the respective countries. Advances are written off / charged off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Subsidised loans disbursed under Temporary Economic Refinance Facility (TERF) have been recorded at fair value resulting in recognition of fair value adjustment on initial recognition. Unwinding of income on fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

##### **4.4.1 Islamic financing and related assets**

Under Murabaha financing, funds disbursed for the purchase of goods are recorded as advance against Murabaha finance and the financing is recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

Assets given on Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Ijarah assets are depreciated on a reducing balance basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount.

In Running Musharakah, the Bank and the customer enter into a Musharakah agreement where the Bank agrees to finance the operating activities of the customer's business and share in the statement of profit and loss account in proportion to an agreed ratio at an agreed frequency.

Under Diminishing Musharakah financing, the Bank creates joint ownership with the customer over the tangible assets to fulfil capital expenditure / project requirements. The Bank receives periodic payments from the customer against the gradual transfer of its share of ownership to the customer.

In Istisna transactions, the Bank finances the cost of goods manufactured by the customer. Once the goods are manufactured, these are sold by the customer as an agent of the Bank to recover the cost plus the agreed profit.

Under Tijarah, the Bank purchases the finished goods from the customer against payment, takes possession and appoint customer as an agent to sell these goods to ultimate buyer on deferred payment basis. Profit is recognized on accrual basis over the period of transaction.

Wakalah is an agency contract in which Bank provides funds to the customer who invests it in a Shariah compliant manner.

In Musawamah financing, the Bank purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

#### **4.5 Fixed assets and depreciation**

##### **4.5.1 Property and equipment**

###### **4.5.1.1 Owned assets**

Property and equipment, except land and buildings, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amount. Buildings are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any. The cost and the accumulated depreciation of property and equipment of foreign branches include exchange differences arising on currency translation at the year-end rates. Depreciation is charged to statement of profit and loss account applying the straight line method except buildings, which are depreciated on diminishing balance method at the rates stated in note 13.2. Depreciation on addition is charged from the month in which the assets are available for use and no depreciation is charged in the month the assets are disposed off.

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

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in statement of profit and loss account.

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at statement of financial position date.

Land and buildings' valuations are carried out by professionally qualified valuers with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair value.

- Any revaluation increase arising on the revaluation of such assets is recognised in the statement of comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of profit and loss account, in which case the increase is credited to statement of profit and loss account to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such assets is recognised in statement of profit and loss account to the extent that it exceeds the balance, if any, held in "Surplus on Revaluation of Fixed Assets" relating to a previous revaluation of that asset.
- Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the statement of profit and loss account.
- An amount equal to incremental depreciation for the year net of associated deferred tax is transferred from "Surplus on Revaluation of Fixed Assets" to unappropriated profit through statement of changes in equity to record realization of surplus to the extent of the incremental depreciation charge for the year.
- On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to unappropriated profit.

##### **4.5.2 Capital work-in-progress**

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

##### **4.5.3 Impairment**

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, fixed assets are written down to their recoverable amounts.

The resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount which would have been determined had there been no impairment. Reversal of impairment loss is recognised as income in the statement of profit and loss account.

#### **4.6 Lease liability and right-of-use assets**

The lease liabilities are initially measured at the present value of lease payments that includes:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees, if any;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are to be discounted using the incremental borrowing rate being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

On initial recognition, right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of restoration costs.

The Bank leases various offices / branches for the purpose of its operational activities. Rental contracts are typically made for fixed periods of 3 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

#### **4.7 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The cost and the accumulated amortisation of intangible assets of foreign branches include exchange differences arising on currency translation at the year-end rates. Amortisation is charged to the statement of profit and loss account applying the straight-line method at the rates stated in note 15. Amortisation on additions is charged from the month in which the assets are available for use and no amortisation is charged in the month the intangible assets are disposed off. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### **4.8 Non-banking assets acquired in satisfaction of claims**

In accordance with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by SBP vide its BPRD Circular No. 1 of 2016, dated January 1, 2016, the non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to the statement of profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to the statement of profit and loss account and not capitalized. Depreciation on non-banking assets acquired in satisfaction of claims is charged to the statement of profit and loss account on the same basis as depreciation charged on the Bank's owned fixed assets.

#### **4.9 Deposits and their cost**

Deposits are recorded at the fair value of proceeds received.

Deposit costs are recognised as an expense in the period in which these are incurred using effective yield method.

#### **4.10 Taxation**

##### **4.10.1 Current**

Provision of current taxation is based on taxable income for the year determined in accordance with the prevailing laws of taxation on income earned for local as well as foreign operations, as applicable to the respective jurisdictions. The charge for the current tax also includes adjustments wherever considered necessary relating to prior years, arising from assessments framed during the year.

##### **4.10.2 Deferred**

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax is not recognised on differences relating to investment in subsidiaries and branches to the extent the deductible temporary difference probably will not reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit or deductible temporary differences will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to gain / loss recognised on surplus on revaluation of assets is charged / credited to such account.

#### **4.11 Employee benefits**

##### **4.11.1 Defined benefit plans**

The Bank operates an approved funded pension scheme, an un-funded post retirement medical benefits scheme and an un-funded benevolent scheme for its eligible employees. The Bank also operates an un-funded gratuity scheme for its eligible contractual employees. An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit Method. Remeasurements of the net defined benefit liability / assets which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income. Past-service costs are recognised immediately in the statement of profit and loss account when the plan amendment occurs.

##### **4.11.2 Other employee benefits**

###### **4.11.2.1 Employees' compensated absences**

The Bank also makes provision in these unconsolidated financial statements for its liability towards compensated absences. This liability is estimated on the basis of actuarial advice under the Projected Unit Credit Method.

#### **4.12 Revenue recognition and Mark up / Non Mark Up income**

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

##### **4.12.1 Advances and investments**

Income on loans and advances and debt security investments are recognised on a time proportion basis that takes into account effective yield on the asset. In case of advances and investments, profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis.

Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations issued by SBP.

Where debt securities (excluding held for trading securities / FVTPL) are purchased at a premium or discount, those premiums / discounts are amortised through the statement of profit and loss account over the remaining maturity.

##### **4.12.2 Non mark-up / interest income**

The Bank earns fee and commission income from certain non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The recognition of fee and commission income depends on the purpose for which the fees are received. Fee and commission income is recognised when or as an entity satisfies the performance obligation, either over time or at a specific point of time. Unearned fees and commissions are included under Other liabilities.

Commission on letters of credit and guarantees is recognized on time proportion basis.

Dividend income on equity investments and mutual funds is recognised when right to receive is established.

Gains and losses on disposal of investments, property and equipment, intangible assets and ljarah assets are dealt with through the statement of profit and loss account in the year in which they arise.

Gain or loss on sale / modification of financial assets is included in the unconsolidated statement of profit and loss account in the period in which they arise.

#### **4.12.3 Lease financing**

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the statement of profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

#### **4.13 Net investment in finance lease**

Leases where the bank transfers substantially all the risk and rewards incidental to ownership of the assets to the lessee are classified as finance leases. Net investment in finance lease is recognised at an amount equal to the aggregate of present value of minimum lease payment including any guaranteed residual value and excluding unearned finance income, write-offs and provision for doubtful lease finances, if any.

#### **4.14 Foreign currencies translation and foreign operation**

##### **4.14.1 Foreign currencies translation**

The Bank's unconsolidated financial statements are presented in Pak Rupees (Rs.) which is the Bank's functional and presentation currency.

Foreign currency transactions are converted into Rupees applying the exchange rate at the date of the respective transactions. Monetary assets and liabilities in foreign currencies and assets / liabilities of foreign branches are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at the rates applicable to their respective maturities. All gains or losses on dealing in foreign currencies are taken to the statement of profit and loss account.

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

##### **4.14.2 Foreign operation**

Statement of profit and loss account balances of foreign branches are translated at average exchange rate prevailing during the year. Gains and losses on translation are included in the profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

Statement of financial position balances of foreign branches are translated at exchange rate prevailing at statement of financial position date. Gains and losses on translation are included in the statement of profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

#### **4.15 Credit Allowance for off balance sheet obligations**

ECL for guarantees, claims and other off balance sheet obligations are made when the bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. ECL against off balance sheet items created based on ORR or Days past dues of borrows and based on CCF factor on undrawn commitments. Charge to profit and loss account is stated net of expected recoveries.

#### **4.16 Off setting**

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

#### **4.17 Fiduciary assets**

Assets held in a fiduciary capacity are not treated as assets of the Bank in the statement of financial position.

#### **4.18 Dividend and other appropriations**

Dividend and other appropriation to reserves, except appropriations which are required by the law, are recognised in the Bank's unconsolidated financial statements in the year in which these are approved.

#### 4.19 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the statement of profit and loss account attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. There were no dilutive potential ordinary shares in issue at December 31, 2024.

#### 4.20 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments.

The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

#### 4.21 Acceptances

Acceptances comprise undertakings by the Bank to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as on balance sheet financial assets and financial liabilities.

#### 4.22 Segment reporting

A segment is a distinguishable component of the Bank that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, where as a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Bank's functional and management reporting structure.

##### Business segments

The Bank's primary segment reporting is based on the following business segments:

- i. **Retail Banking Group** includes retail lending and deposits, banking services, cards and branchless banking.
- ii. **Inclusive Development Group** consists of loans to individuals, agriculture, SME, commodity and commercial customers.
- iii. **Corporate and Investment Banking Group** offers a wide range of financial services to medium and large sized public and private sector entities. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services.
- iv. **Treasury** includes fixed income, equity, foreign exchange, credit, funding, own position securities, landings and borrowings and derivatives for hedging and market making.
- v. **International Financial Institution and Remittance Group** includes the results of all international branches, correspondent banking business and global remittances. This represents Bank's operations in 11 countries including Pakistan and 16 branches including one branch in export processing zone in Pakistan.
- vi. **Aitemaad and Islamic Banking Group** provides shariah compliant services to customers including loans, deposits and other transactions.
- vii. **Head Office / Others** includes the head office related activities and other functions which cannot be classified in any of the above segments.

##### Geographical segments

The Bank is managed along the following geographic lines for monitoring and reporting purposes:

- i. Pakistan (including branch in Export Processing Zone)
- ii. Asia Pacific (including South Asia)
- iii. Europe
- iv. United States of America
- v. Middle East

## 5 CLOSURE OF FOREIGN SUBSIDIARIES AND OPERATIONS

In line with SBP Governance Framework 2018, the Board of Directors (BoD) in its 302nd meeting held on January 20 & 21, 2020 had accorded the approval of International Strategy. As per approved Strategy, the BoD allowed closure of all locations in Central Asian Republics. Closure of three (3) locations i.e. Azerbaijan (Baku), Kyrgyzstan (Bishkek) and Kazakhstan (Almaty) got delayed due to challenges faced in the settlement of non-performing loans while others have already been closed.

The tentative timeline for closure of operations at these (3) locations is as under:

1) JSC SB "National Bank of Pakistan in Kazakhstan" Almaty	31.03.2025
2) National Bank of Pakistan, Bishkek Branch – Kyrgyz Republic	31.03.2025
3) National Bank of Pakistan, Baku Branch – Azerbaijan	31.03.2025

The Board of Directors in its 316th meeting held on January 06 & 11, 2021 had accorded the approval to scale down Bangladesh Operations. Later-on, the Board of Directors in its 349th meeting held on June 19, 2023 approved exit from Bangladesh preferably by exploring the options of merger with an existing bank or sale of license / entire business to a new buyer. In this regard, relevant activities have been initiated.

The BoD in its 327th meeting held on January 17, 2022 accorded the approval of exiting from France. After complying to all regulatory requirements, the Bank has closed down its operations in Paris with effect from December 31, 2024.

Further, in line with NBP BoD directives, the Bank voluntarily surrendered its New York Branch's banking license with NYSDFS' approval and closed the branch in October 2024.

## 6 Application of new and revised International Financial Reporting Standards (IFRSs)

### 6.1 IFRS 9 - 'Financial Instruments'

As per the SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on banks with effect from January 01, 2024. IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flows characteristics. The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (Letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions to address the matters raised by the banks to ensure compliance by the timelines. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL, accounting methodology for Islamic Banking Institutions and treatment of charity. Accordingly, the Bank has adopted the treatment as instructed in the aforementioned Letters in these unconsolidated financial statements. In addition, the SBP in a separate instruction SBPHOK-BPRD-RPD-NBP-821909 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

On application of IFRS 9, certain accounting policies have been revised to comply with the requirements of IFRS 9. The revised accounting policies have been disclosed in their respective policy notes in these unconsolidated financial statements.

The SBP has directed the Banks through its BPRD Circular Letter No.1 dated January 22, 2025 to disclose the impact of IFRS 9 on revenue recognition from Islamic Operations which is as follows:

Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations profit / return earned on Islamic financing and related assets in unconsolidated statement of profit and loss account for the year ended December 31, 2024 would have been higher by Rs. 135 million and taxation would have been higher by Rs 73 million. Further, an unappropriated profit in unconsolidated statement of changes in equity would have been higher by Rs 62 million.

## Application to the Bank's financial assets

### Debt based financial assets

Debt based financial assets held by the Bank include: Advances, lending to financial institutions, investment in Federal Government securities, corporate bonds and other private sukus, cash and balances with treasury banks, balances with other banks, and other financial assets.

a) These are measured at amortised cost if these assets meet both of the following conditions and are not designated as fair value through profit and loss (FVTPL):

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

The Bank's business model for these financial assets can still be held to collect (HTC) even when sales of these financial assets occur. However, if more than an infrequent number of sales of significant value are made, the Bank assesses whether and how the sales are consistent with the HTC objective.

b) Debt based financial assets are measured at fair value through other comprehensive income (FVOCI) only if these meet both of the following conditions and are not designated as FVTPL:

- the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

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

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

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics.

	Provision as per current regulatory framework	Remeasurement (ECL)	Reclassification	ECLs under IFRS 9
-----Rupees in '000-----				
Cash and balances with treasury banks	-	18,713		18,713
Balances with Other Banks	117,033	36	-	117,069
Lending to financial institutions	174,150	9,723	-	183,873
Advances	233,608,873	31,715,097	-	265,323,970
Investments	23,608,927	7,038,193	(12,665,194)	17,981,926
Markup Receivable	-	1,125,218	-	1,125,218
Off-balance sheet obligations	627,494	4,049,283	-	4,676,777
<b>Total</b>	<b>258,136,477</b>	<b>43,956,263</b>	<b>(12,665,194)</b>	<b>289,427,546</b>

### 6.1.1 Adoption impacts

The Bank has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 12,002.937 million has been recorded as an adjustment to equity at the beginning of the current accounting period.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with previous local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024 :

	Balances as at December 31, 2023 (Audited)	Impact due to:					Total impact - gross of tax	Taxation (current and deferred)	Total Impact - net of tax	Balances as at January 01, 2024	IFRS 9 Category
		Recognition of expected credit losses	Adoption of revised classifications under IFRS 9	Classifications due to business model and SPPI assessments	Remeasure- ments	Reversal of provisions held					
(Rupees in '000)											
<b>ASSETS</b>											
Cash and balances with treasury banks	294,992,570	(18,713)	-	-	-	-	-	(18,713)	294,973,857	Amortised cost	
Balances with other banks	42,325,051	(36)	-	-	-	-	-	(36)	42,325,015	Amortised cost	
Lendings to financial institutions	192,430,437	(9,723)	-	-	-	-	-	(9,723)	192,420,714	Amortised cost	
Investments											
- Classified as available for sale	4,081,336,153		(4,081,336,153)			(4,081,336,153)		(4,081,336,153)	-		
- Classified as fair value through other comprehensive income	-	(7,038,193)	4,081,336,153	(135,639,804)	(1,082,064)	3,950,241,284		3,950,241,284	3,950,241,284	FVOCI	
- Classified as held to maturity	272,790,034		(272,790,034)			(272,790,034)		(272,790,034)	-		
- Classified as amortised cost	43,089,648		272,790,034	105,989,524		378,779,558		378,779,558	378,779,558	Amortised cost	
- Classified as held for trading	43,089,648		(43,089,648)			(43,089,648)		(43,089,648)	-		
- Classified as fair value through profit or loss	2,170,920		43,089,648	29,650,280		72,739,927		72,739,927	72,739,927	FVPL	
- Associates	2,170,920					-		-	2,170,920	Outside the scope of IFRS 9	
Joint venture	2,362,433					-		-	2,362,433	Outside the scope of IFRS 9	
- Subsidiary	1,614,855					-		-	1,614,855	Outside the scope of IFRS 9	
	<u>4,403,364,043</u>	<u>(7,038,193)</u>	<u>-</u>	<u>-</u>	<u>(1,082,064)</u>	<u>4,544,934</u>		<u>4,544,934</u>	<u>4,407,908,977</u>		
Advances											
- Classified as amortised cost	1,631,685,693		-	-	(40,426,410)	(40,426,410)		(40,426,410)	1,591,259,283	Amortised cost	
- Classified as fair value through profit or loss	(233,608,873)	(31,715,097)	-	-	-	(31,715,097)		(31,715,097)	(265,323,970)		
- Provisions	<u>1,398,076,820</u>	<u>(31,715,097)</u>	<u>-</u>	<u>-</u>	<u>(40,426,410)</u>	<u>(72,141,507)</u>		<u>(72,141,507)</u>	<u>1,325,935,313</u>		
Property and equipment	56,974,417	-	-	-	-	-	-	-	56,974,417	Amortised cost	
Right-of-use assets	1,510,061	-	-	-	-	-	-	-	1,510,061	Outside the scope of IFRS 9	
Intangible assets	6,934,471	-	-	-	-	-	-	-	6,934,471	Outside the scope of IFRS 9	
Deferred tax asset	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9	
Other assets - financial assets	226,424,116	(1,125,218)	-	-	34,752,344	33,627,126	-	33,627,126	260,051,242	Amortised cost & Other than FA & FL	
Other assets - non financial assets	29,675,452	-	-	-	-	-	-	-	29,675,452	Amortised cost & Other than FA & FL	
	<u>321,518,517</u>	<u>(1,125,218)</u>	<u>-</u>	<u>-</u>	<u>34,752,344</u>	<u>33,627,126</u>		<u>33,627,126</u>	<u>355,145,643</u>		
	<u>6,652,707,438</u>	<u>(39,906,980)</u>	<u>-</u>	<u>-</u>	<u>(6,756,130)</u>	<u>(33,997,919)</u>		<u>(33,997,919)</u>	<u>6,618,709,519</u>		
<b>LIABILITIES</b>											
Bills payable	68,000,448	-	-	-	-	-	-	-	68,000,448	Amortised cost	
Borrowings	2,177,743,194	-	-	-	(6,149,386)	(6,149,386)	-	(6,149,386)	2,171,593,808	Amortised cost	
Deposits and other accounts	3,674,359,379	-	-	-	-	-	-	-	3,674,359,379	Amortised cost	
Lease liability against right-of-use assets	-	-	-	-	-	-	-	-	-		
Sub-ordinated sukus	-	-	-	-	-	-	-	-	-	Amortised cost	
Lease liabilities against right of use assets	8,264,782	-	-	-	-	-	-	-	8,264,782	Amortised cost	
Deferred tax liabilities	720,183	(21,538,570)	1,410,784	232,907	-	(19,894,879)	-	(19,894,879)	(19,174,696)	Outside the scope of IFRS 9	
Other liabilities - non financial liabilities	338,025,095	-	-	-	-	-	-	-	338,025,095	FVPL, Amortised cost & Other than FA & FL	
Other liabilities - financial liabilities	2,838,764	4,049,283	-	-	-	4,049,283	-	4,049,283	6,888,047	FVPL, Amortised cost & Other than FA & FL	
	<u>6,269,951,845</u>	<u>(17,489,286)</u>	<u>1,410,784</u>	<u>232,907</u>	<u>(6,149,386)</u>	<u>(21,994,982)</u>		<u>(21,994,982)</u>	<u>6,247,956,863</u>		
<b>NET ASSETS</b>	<u>382,755,593</u>	<u>(22,417,694)</u>	<u>(1,410,784)</u>	<u>(232,907)</u>	<u>(606,744)</u>	<u>(12,002,937)</u>		<u>(12,002,938)</u>	<u>370,752,655</u>		
<b>REPRESENTED BY</b>											
Share capital	21,275,131	-	-	-	-	-	-	-	21,275,131	Outside the scope of IFRS 9	
Reserves	79,071,471	-	-	-	-	-	-	-	79,071,471	Outside the scope of IFRS 9	
Surplus on revaluation of assets - net of tax	63,654,593	-	(1,714,431)	-	-	(1,714,431)	-	(1,714,431)	61,940,162	Outside the scope of IFRS 9	
Unappropriated profit	218,754,398	(22,417,695)	11,886,775	242,413	-	(10,288,507)	-	(10,288,507)	208,465,891	Outside the scope of IFRS 9	
	<u>382,755,593</u>	<u>(22,417,695)</u>	<u>10,172,344</u>	<u>242,413</u>	<u>-</u>	<u>(12,002,938)</u>		<u>(12,002,938)</u>	<u>370,752,655</u>		

7	<b>CASH AND BALANCES WITH TREASURY BANKS</b>	Note	2024 ----- Rupees in '000 -----	2023
	In hand			
	Local currency		<b>64,951,613</b>	62,369,227
	Foreign currencies		<b>5,781,558</b>	9,651,086
			<b>70,733,171</b>	72,020,313
	With State Bank of Pakistan in			
	Local currency current accounts	7.1	<b>147,167,204</b>	125,791,892
	Foreign currency current accounts	7.2	<b>22,097,814</b>	21,661,443
	Foreign currency deposit accounts	7.2	<b>44,108,393</b>	43,265,618
	Foreign currency collection accounts		<b>212,443</b>	1,498,122
			<b>213,585,854</b>	192,217,075
	With other central banks in			
	Foreign currency current accounts	7.3	<b>24,445,656</b>	25,964,016
	Foreign currency deposit accounts	7.3	<b>4,583,665</b>	4,163,614
			<b>29,029,321</b>	30,127,630
	Prize bonds		<b>904,765</b>	627,552
			<b>314,253,111</b>	294,992,570
	Less: Credit loss allowance held against cash and balances with treasury banks		<b>(19,075)</b>	-
	Cash and balances with treasury banks - net of credit loss allowance		<b>314,234,036</b>	294,992,570

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

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

7.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries and carry interest at the rate of 0 % to 4.50 % per annum (December 31, 2023: 0% to 5.5% per annum).

8	<b>BALANCES WITH OTHER BANKS</b>	Note	2024 ----- Rupees in '000 -----	2023
	In Pakistan			
	In deposit accounts	8.1	<b>21,964</b>	15,285
			<b>21,964</b>	15,285
	Outside Pakistan			
	In current accounts		<b>48,856,615</b>	33,508,579
	In deposit accounts	8.2	<b>7,957,922</b>	8,801,187
			<b>56,814,537</b>	42,309,766
			<b>56,836,501</b>	42,325,051
	Less: Credit loss allowance held against balances with other banks		<b>(18)</b>	-
	Balances with other banks - net of credit loss allowance		<b>56,836,483</b>	42,325,051

8.1 These include various deposits maintained with banks and carry interest at the rates ranging from 9.00 % to 19.6 % per annum (December 31, 2023: 6.00% to 12.70% per annum).

8.2 These include various deposits with correspondent banks outside Pakistan and carry interest at the rates ranging from 1.00 % to 5.44% per annum (December 31, 2023 :1.50% to 7.10% per annum).

	Note	2024	2023
----- Rupees in '000 -----			
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings	9.1	-	9,723
Reverse repurchase agreements	9.2 & 9.5	-	192,420,714
Musharka lending	9.3	30,000,000	-
Letter of placement	9.4	172,150	174,150
		<b>30,172,150</b>	192,604,587
Less: Credit loss allowance held against lending to financial institutions	9.7	(172,150)	(174,150)
Lending to financial institutions - net of credit loss allowance		<b>30,000,000</b>	<b>192,430,437</b>

9.1 These also include zero rate lending to a financial institution amounting to Rs Nil (December 31, 2023: Rs. 9.7 million) which is guaranteed by the SBP.

9.2 These carry mark-up at Nil rates per annum (December 31, 2023: 21.00% to 22.95% per annum) with Nil maturities (December 31, 2023: upto February 7, 2024).

9.3 These carry mark-up at the rates ranging from 12.0% to 12.75% per annum with maturities on January 2, 2025.

9.4 These are overdue placements and full provision has been made against these placements as at December 31, 2024.

	2024	2023
----- Rupees in '000 -----		
<b>9.5 Particulars of lending</b>		
In local currency	30,172,150	192,604,587
	<b>30,172,150</b>	<b>192,604,587</b>

**9.6 Securities held as collateral against lending to financial institutions**

	2024			2023		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	----- Rupees in '000 -----					
Market Treasury Bills	-	-	-	9,485,867	-	9,485,867
Pakistan Investment Bonds	-	-	-	182,934,847	-	182,934,847
Total	-	-	-	192,420,714	-	192,420,714

9.6.1 Market value of the securities under repurchase agreement lendings amounts to Rs. Nil (2023: Rs. 192,518 million).

9.7 Lending to financial institutions - Particulars of credit loss allowance

		2024		2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
----- Rupees in '000 -----					
<b>Domestic</b>					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	172,150	172,150	174,150	174,150
		172,150	172,150	174,150	174,150
Total		172,150	172,150	174,150	174,150
<b>Overseas</b>					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	-	-	-	-
		-	-	-	-
Total		-	-	-	-
<b>2024</b>					
----- Rupees in '000 -----					
	Stage 1	Stage 2	Stage 3	Total	
Balance at the start of the year	-	-	174,150	174,150	
Impact of adoption of IFRS - 9	-	-	9,723	9,723	
Transfer to stage 1	-	-	-	-	
Transfer to stage 2	-	-	-	-	
Transfer to stage 3	-	-	-	-	
Net remeasurement of credit loss allowance	-	-	183,873	183,873	
Financial assets that have been derecognised	-	-	(11,723)	(11,723)	
Balance at the end of the year	-	-	172,150	172,150	
<b>2023</b>					
----- Rupees in '000 -----					
	Stage 1	Stage 2	Stage 3	Total	
Balance at the start of the year	-	-	174,150	174,150	
Transfer to stage 1	-	-	-	-	
Transfer to stage 2	-	-	-	-	
Transfer to stage 3	-	-	-	-	
Net remeasurement of loss allowance	-	-	174,150	174,150	
Financial assets that have been derecognised	-	-	-	-	
Balance at the end of the year	-	-	174,150	174,150	

10 INVESTMENTS

Note

10.1 Investments by types

2024			
Fair value / amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value

Rupees in '000

- Debt Instruments

**Classified / measured at amortised cost**

**Federal Government securities**

-Pakistan investment bonds	10.5.1	222,656,096	-	-	222,656,096
-Ijarah sukuk	10.5.1	14,057,627	-	-	14,057,627
-Foreign currency debt securities	10.5.1	7,104,331	(817,022)	-	6,287,309

**Non Government debt securities**

-Term finance certificates, 'participation term certificates, bond, debentures and sukuk bonds

		383,471	(383,471)	-	-
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**Foreign securities**

-Government debt securities		37,707,456	-	-	37,707,456
-Non-Government debt securities		1,077	-	-	1,077

		281,910,058	(1,200,493)	-	280,709,565
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**Classified / measured at FVOCI**

**Federal Government securities**

-Market treasury bills		1,152,657,126	-	17,688,599	1,170,345,725
-Pakistan investment bonds		2,739,200,656	-	33,084,223	2,772,284,879
-GOP ijarah sukuku		31,090,982	-	587,221	31,678,203
-GOP ijarah sukuku-Traded		29,772,129	-	1,127,871	30,900,000
-GOP ijarah sukuku-Discounted		32,874,030	-	951,840	33,825,870
-Foreign currency debt securities		29,229,000	(6,119,189)	(3,541,998)	19,567,813

**Non Government debt securities**

-Term finance certificates, 'participation term certificates, bond, debentures and sukuk bonds

		39,157,588	(6,984,089)	278,820	32,452,319
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**Foreign securities**

-Government debt securities		3,100,284	-	143,329	3,243,613
-Equity securities-Listed	10.6	463,295	-	52,106,188	52,569,483

		4,057,545,090	(13,103,278)	102,426,093	4,146,867,905
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**Classified / measured at FVTPL**

**Federal Government securities**

-Market treasury bills		35,690,468	-	72,668	35,763,136
-Pakistan investment bonds		20,906,802	-	63,890	20,970,692
		56,597,270	-	136,558	56,733,828

**Instruments mandatorily classified / measured at FVTPL**

**Mutual fund units**

		4,933,558	-	3,192,983	8,126,541
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**Preference shares**

-Listed		1,043,797	-	(51,086)	992,711
-Unlisted		558,284	(558,284)	-	-

**Non Government debt securities**

-Term finance certificates, 'participation term certificates, bond, debentures and sukuk bonds

		9,911,967	-	13,901	9,925,868
		16,447,606	(558,284)	3,155,798	19,045,120

- Equity instruments

**Classified / measured at FVTPL**

Shares

- Listed companies		11,612,714	-	5,738,300	17,351,014
- Unlisted companies		-	-	-	-
		11,612,714	-	5,738,300	17,351,014

2024					
Fair value / amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value		
----- Rupees in '000 -----					
<b>Classified / measured at FVOCI (non-reclassifiable)</b>					
Shares					
- Listed compaies	10.11 & 10.12	44,928,949	-	42,792,188	87,721,137
- Unlisted companies		2,107,198	(573,855)	-	1,533,343
		47,036,147	(573,855)	42,792,188	89,254,480
<b>- Associates</b>					
10.8					
<b>- Listed</b>					
First Credit and Investment Bank Limited		157,431	-	-	157,431
Land Mark Spinning Mills Limited		39,710	(39,710)	-	-
S.G. Allied Business Limited		218,535	(218,535)	-	-
Nina Industries Limited		49,060	(49,060)	-	-
NBP Stock Fund		600,000	-	-	600,000
	10.7	1,064,736	(307,305)	-	757,431
<b>- Unlisted</b>					
Pakistan Emerging Venture Limited		50,563	(50,563)	-	-
National Fructose Company Limited		6,500	(6,500)	-	-
Dadabhoy Energy Supply Company Limited		32,105	(32,105)	-	-
Pakistan Mercantile Exchange Limited		106,539	(106,539)	-	-
	10.9	195,707	(195,707)	-	-
		1,260,443	(503,012)	-	757,431
<b>Subsidiaries</b>					
CJSC Subsidiary Bank of NBP in Kazakhstan		2,185,644	(1,181,867)	-	1,003,777
NBP Exchange Company Limited		300,000	-	-	300,000
NBP Modaraba Management Company Limited		105,000	(105,000)	-	-
Taurus Securities Limited		24,725	-	-	24,725
Cast-N-Link Products Limited		1,245	(1,245)	-	-
NBP Funds Management Limited		336,353	(50,000)	-	286,353
		2,952,967	(1,338,112)	-	1,614,855
<b>Total investments</b>		<b>4,475,362,295</b>	<b>(17,277,034)</b>	<b>154,248,937</b>	<b>4,612,334,198</b>

2023					
Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value		
----- Rupees in '000 -----					
<b>Investments by types</b>					
<b>Held to maturity securities</b>					
<b>Federal Government securities</b>					
-Pakistan investment bonds		213,116,482	-	-	213,116,482
-Ijarah sukuk bonds		14,087,500	-	-	14,087,500
-Foreign Currency Debt securities		4,288,988	-	-	4,288,988
<b>Non Government debt securities</b>					
-Term finance certificates, 'participation term		404,585	(404,585)	-	-
<b>Foreign securities</b>					
-Foreign government debt securities		41,295,981	-	-	41,295,981
-Non-Government debt securities		1,083	-	-	1,083
		273,194,619	(404,585)	-	272,790,034
<b>Available for sale securities</b>					

Investments by types	2023			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- Rupees in '000 -----				
<b>Federal Government securities</b>				
-Pakistan investment bonds	2,926,410,213	-	(25,322,781)	2,901,087,432
-Market treasury bills	954,585,428	-	2,228,157	956,813,585
-Ijarah sukuk bonds	30,424,484	-	(330,520)	30,093,964
-Foreign currency debt securities	40,907,401	-	(10,174,093)	30,733,308
<b>Ordinary Shares</b>				
-Listed Companies	51,691,556	(11,638,688)	22,284,263	62,337,131
-Unlisted Companies	2,107,198	(448,951)	-	1,658,247
<b>Non Government debt securities</b>				
-Term finance certificates, 'participation	53,137,456	(5,857,566)	355,100	47,634,990
<b>Foreign securities</b>				
-Equity securities-Listed	463,294	-	42,171,551	42,634,845
-Foreign government debt securities	3,385,022	-	8,528	3,393,550
<b>Preference shares</b>				
- Listed	1,448,472	(566,446)	161,771	1,043,797
- Unlisted	558,284	(558,284)	-	-
<b>Mutual fund units</b>	2,219,646	(41,167)	1,726,825	3,905,304
	4,067,338,454	(19,111,102)	33,108,801	4,081,336,153
<b>Held for trading securities</b>				
<b>Federal Government securities</b>				
- Market treasury bills	23,341,720	-	7,673	23,349,393
- Pakistan investment bonds	14,665,019	-	(37,878)	14,627,141
- GOP ijarah sukuk bonds	5,038,531	-	(3,521)	5,035,010
<b>Ordinary shares</b>				
- Listed companies	79,317	-	(1,213)	78,104
	43,124,587	-	(34,939)	43,089,648
<b>- Associates</b>				
<b>- Listed</b>				
First Credit and Investment Bank Limited	157,431	(30,428)	-	127,003
Land Mark Spinning Mills Limited	39,710	(39,710)	-	-
S.G. Allied Business Limited	218,535	(218,535)	-	-
Nina Industries Limited	49,060	(49,060)	-	-
NBP Stock Fund	600,000	-	-	600,000
Agritech Limited	3,665,605	(2,221,688)	-	1,443,917
	4,730,341	(2,559,421)	-	2,170,920
<b>- Unlisted</b>				
Pakistan Emerging Venture Limited	50,563	(50,563)	-	-
National Fructose Company Limited	6,500	(6,500)	-	-
Dadabhoy Energy Supply Company Limited	32,105	(32,105)	-	-
Pakistan Mercantile Exchange Limited	106,539	(106,539)	-	-
	195,707	(195,707)	-	-
	4,926,048	(2,755,128)	-	2,170,920
<b>- Joint venture</b>				
United National Bank Limited	2,362,433	-	-	2,362,433
<b>- Subsidiaries</b>				
CJSC Subsidiary Bank of NBP in Kazakhstan	2,185,644	(1,181,867)	-	1,003,777
NBP Exchange Company Limited	300,000	-	-	300,000
NBP Modaraba Management Company Limited	105,000	(105,000)	-	-
Taurus Securities Limited	24,725	-	-	24,725
Cast-N-Link Products Limited	1,245	(1,245)	-	-
NBP Funds Management Limited	336,353	(50,000)	-	286,353
	2,952,967	(1,338,112)	-	1,614,855
<b>Total investments</b>	<b>4,393,899,108</b>	<b>(23,608,927)</b>	<b>33,073,862</b>	<b>4,403,364,043</b>

### 10.1.1 Associates

	Number of shares	Percentage of holding	Country of incorporation	Based on the financial statements as at	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
<b>Listed</b>									
First Credit and Investment Bank Limited	20,000,000	30.77%	Pakistan	September 30, 2024 (Un-audited)	3,876,986	3,049,849	193,194	11,273	40,553
National Fibres Limited	17,030,231	20.19%	Pakistan	N/A	-	-	-	-	-
Liven Pharma Limited (Formerly Land Mark Spinning Mills Limited)	3,970,859	32.79%	Pakistan	September 30, 2024 (Un-audited)	961,561	38,922	88,910	147,588	147,588
SG Allied Businesses Limited	3,754,900	25.03%	Pakistan	September 30, 2024 (Un-audited)	1,526,862	326,234	20,784	2,744	2,744
Nina Industries Limited	4,906,000	20.27%	Pakistan	N/A	-	-	-	-	-
NBP Stock Fund	31,347,444	3.02%	Pakistan	September 30, 2024 (Un-audited)	20,295,382	368,396	1,047,047	820,717	820,717
<b>Unlisted</b>									
Pakistan Emerging Venture Limited	12,500,000	33.3%	Pakistan	June 30, 2022 (Audited)	478	404	56	(385)	(385)
National Fructose Company Limited	1,300,000	39.5%	Pakistan	N/A	-	-	-	-	-
Venture Capital Fund Management	33,333	33.3%	Pakistan	N/A	-	-	-	-	-
Kamal Enterprises Limited	11,000	20.4%	Pakistan	N/A	-	-	-	-	-
Mehran Industries Limited	37,500	32.1%	Pakistan	N/A	-	-	-	-	-
Tharparkar Sugar Mills Limited	2,500,000	21.5%	Pakistan	N/A	-	-	-	-	-
Youth Investment Promotion Society	644,508	25.0%	Pakistan	N/A	-	-	-	-	-
Dadabhoy Energy Supply Company Limited	9,900,000	23.1%	Pakistan	N/A	-	-	-	-	-
K-Agricole Limited	5,000	20.0%	Pakistan	N/A	-	-	-	-	-
New Pak Limited	200,000	20.0%	Pakistan	N/A	-	-	-	-	-
Pakistan Mercantile Exchange Limited	10,653,860	34.0%	Pakistan	June 30, 2024 (Audited)	6,596,805	5,999,049	866,373	291,880	291,880
Prudential Fund Management Limited	150,000	20.0%	Pakistan	N/A	-	-	-	-	-

### 10.1.2 Subsidiaries

CJSC Subsidiary Bank of NBP in Kazakhstan	8,650	100%	Kazakhstan	December 31, 2024	2,749,010	1,960	316,976	174,321	174,321
NBP Exchange Company Limited	99,999,999	100%	Pakistan	December 31, 2024	2,423,305	157,404	539,136	166,050	166,050
NBP Modaraba Management Company Limited	10,500,000	100%	Pakistan	December 31, 2024	143,005	112,125	23,714	13,610	13,610
Taurus Securities Limited	7,875,002	58%	Pakistan	December 31, 2024	1,493,690	1,133,212	275,290	58,371	58,371
Cast-N-Link Products Limited	1,245,000	77%	Pakistan	N/A	-	-	-	-	-
NBP Fund Management Limited	13,499,996	54%	Pakistan	December 31, 2024	4,238,707	2,072,107	3,510,194	1,054,089	1,054,089

## 10.2 Investments by segments

		2024				2023			
		Cost/ amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost /amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Note		Rupees in '000							
<b>Federal Government securities:</b>									
		1,188,347,594	-	17,761,267	1,206,108,861	977,927,148	-	2,235,830	980,162,978
		2,982,763,554	-	33,148,113	3,015,911,667	3,154,191,714	-	(25,360,659)	3,128,831,055
		107,794,768	-	2,666,932	110,461,700	49,550,515	-	(334,041)	49,216,474
		36,333,331	(6,936,211)	(3,541,998)	25,855,122	45,196,389	-	(10,174,093)	35,022,296
		4,315,239,247	(6,936,211)	50,034,314	4,358,337,350	4,226,865,766	-	(33,632,963)	4,193,232,803
<b>Shares</b>									
		56,541,663	-	48,530,488	105,072,151	51,770,873	(11,638,688)	22,283,050	62,415,235
		2,107,198	(573,855)	-	1,533,343	2,107,198	(448,951)	-	1,658,247
		58,648,861	(573,855)	48,530,488	106,605,494	53,878,071	(12,087,639)	22,283,050	64,073,482
	10.11 & 10.12								
<b>Non Government debt securities</b>									
		18,117,959	(166,109)	159,327	18,111,177	14,263,085	(127,305)	301,710	14,437,490
		31,335,067	(7,201,451)	133,394	24,267,010	39,278,956	(6,134,846)	53,390	33,197,500
		49,453,026	(7,367,560)	292,721	42,378,187	53,542,041	(6,262,151)	355,100	47,634,990
<b>Foreign securities</b>									
		40,807,740	-	143,329	40,951,069	44,681,003	-	8,528	44,689,531
		1,077	-	-	1,077	1,083	-	-	1,083
		463,295	-	52,106,188	52,569,483	463,294	-	42,171,551	42,634,845
	10.6	41,272,112	-	52,249,517	93,521,629	45,145,380	-	42,180,079	87,325,459
<b>Preference shares</b>									
		1,043,797	-	(51,086)	992,711	1,448,472	(566,446)	161,771	1,043,797
		558,284	(558,284)	-	-	558,284	(558,284)	-	-
		1,602,081	(558,284)	(51,086)	992,711	2,006,756	(1,124,730)	161,771	1,043,797
<b>Mutual funds units</b>									
		4,933,558	-	3,192,983	8,126,541	2,219,646	(41,167)	1,726,825	3,905,304
<b>Associates</b>									
	10.8								
<b>- Listed</b>									
		157,431	-	-	157,431	157,431	(30,428)	-	127,003
		39,710	(39,710)	-	-	39,710	(39,710)	-	-
		218,535	(218,535)	-	-	218,535	(218,535)	-	-
		49,060	(49,060)	-	-	49,060	(49,060)	-	-
		600,000	-	-	600,000	600,000	-	-	600,000
		-	-	-	-	3,665,605	(2,221,688)	-	1,443,917
	10.7	1,064,736	(307,305)	-	757,431	4,730,341	(2,559,421)	-	2,170,920
<b>- Unlisted</b>									
		50,563	(50,563)	-	-	50,563	(50,563)	-	-
		6,500	(6,500)	-	-	6,500	(6,500)	-	-
		32,105	(32,105)	-	-	32,105	(32,105)	-	-
		106,539	(106,539)	-	-	106,539	(106,539)	-	-
	10.9	195,707	(195,707)	-	-	195,707	(195,707)	-	-
		1,260,443	(503,012)	-	757,431	4,926,048	(2,755,128)	-	2,170,920
<b>Joint venture</b>									
		-	-	-	-	2,362,433	-	-	2,362,433
<b>Subsidiaries</b>									
		2,185,644	(1,181,867)	-	1,003,777	2,185,644	(1,181,867)	-	1,003,777
		300,000	-	-	300,000	300,000	-	-	300,000
		105,000	(105,000)	-	-	105,000	(105,000)	-	-
		24,725	-	-	24,725	24,725	-	-	24,725
		1,245	(1,245)	-	-	1,245	(1,245)	-	-
		336,353	(50,000)	-	286,353	336,353	(50,000)	-	286,353
		2,952,967	(1,338,112)	-	1,614,855	2,952,967	(1,338,112)	-	1,614,855
<b>Total Investments</b>		4,475,362,295	(17,277,034)	154,248,937	4,612,334,198	4,393,899,108	(23,608,927)	33,073,862	4,403,364,043

	2024	2023
	----- Rupees in 000 -----	
10.2.1 Investments given as collateral		
Pakistan investment bonds	1,253,027,780	2,047,337,847
Market treasury bills	602,314,423	17,134,259
	<u>1,855,342,203</u>	<u>2,064,472,106</u>

### 10.3 Particulars of credit loss allowance

#### 10.3.1 Investments - exposure

	2024			
	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in 000 -----			
Opening balance	4,570,839,241	3,000,000	7,382,666	4,581,221,907
Impact of reclassification on adoption of IFRS 9	(1,082,066)	-	-	(1,082,066)
New investment	47,412,986	-	-	47,412,986
Derecognition	-	(135,667)	(617,981)	(753,648)
Other movement	2,486,399	-	325,654	2,812,053
Closing balance	<u>4,619,656,560</u>	<u>2,864,333</u>	<u>7,090,339</u>	<u>4,629,611,232</u>

#### 10.3.2 Investments - Credit loss allowance / Provision for diminution in the value of investments:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	
Opening balance	17,346,776	-	6,262,151	23,608,927	23,150,140
Impact of reclassification on adoption of IFRS 9	(12,246,302)	-	(418,892)	(12,665,194)	-
Impact of ECL recognized on adoption of IFRS 9	106,275	6,502,030	429,888	7,038,193	
	(12,140,027)	6,502,030	10,996	(5,627,001)	-
Charge for the period	138,444	1,073,669	177,179	1,389,291	2,157,756
Reversals for the year	(4,769,441)	(263,551)	(25,642)	(5,058,634)	(1,319,964)
Reversals on disposals	-	-	-	-	(379,005)
	(4,630,997)	810,118	151,537	(3,669,343)	458,787
Other movement	2,486,399	-	325,654	2,812,053	
Exchange adjustment	-	(3,040)	-	(3,040)	-
Transfers in	14,597	140,840	-	155,437	-
Closing balance	<u>3,076,748</u>	<u>7,449,948</u>	<u>6,750,338</u>	<u>17,277,033</u>	<u>23,608,927</u>

#### 10.3.3 Particulars of credit loss allowance against debt securities

Domestic		2024		2023	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----					
Performing	Stage 1	4,362,670	166,530	-	-
Underperforming	Stage 2	2,864,333	110,692	-	-
Non-Performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		7,090,336	7,090,336	6,262,151	6,262,151
Total		<u>14,317,339</u>	<u>7,367,558</u>	<u>6,262,151</u>	<u>6,262,151</u>

Overseas	2024		2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	(Rupees in '000)			
Performing	Stage 1	-	-	-
Underperforming	Stage 2	36,333,331	6,936,211	-
Non-Performing	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		-	-	-
		<u>36,333,331</u>	<u>6,936,211</u>	-
Total		<u>50,650,670</u>	<u>14,303,769</u>	6,262,151

#### 10.4 Quality of securities

Details regarding quality of securities held under "Held to collect and sell" model

##### Federal government securities - Government guaranteed

Market treasury bills  
Pakistan investment bonds  
Ijarah sukuks  
Foreign currency debt securities

2024	2023
Cost	
----- Rupees in 000 -----	
1,152,657,126	954,585,428
2,739,200,656	2,926,410,213
93,737,141	30,424,484
29,229,000	40,907,401
<u>4,014,823,923</u>	<u>3,952,327,526</u>

##### Shares

##### Listed companies

Automobile assembler	2,208,960	2,442,432
Automobile parts and accessories	1,067,760	1,067,760
Cable and electrical goods	143,198	418,994
Cement	3,883,014	3,672,159
Chemical	721,456	711,682
Commercial banks	6,956,013	9,982,145
Engineering	2,983,213	2,149,015
Fertilizer	64,794	3,518,165
Financial services	8,676	-
Food and personal care	928,900	1,606,665
Glass and ceramics	247,794	64,314
Insurance	1,618,305	1,642,671
Investment banks / investment companies / securities companies	502,158	508,688
Leasing companies	10,448	12,594
Leather and tanneries	-	45,731
Oil and gas exploration companies	3,893,860	2,952,721
Oil and gas marketing companies	5,579,778	5,707,820
Paper and board	503,696	670,751
Pharmaceuticals	4,443,579	2,708,507
Power generation and distribution	1,693,525	2,893,502
Real estate investment trust	-	304,025
Refinery	518,262	756,817
Sugar and allied industries	259,483	259,483
Synthetic and rayon	15,499	15,499
Technology and communication	920,318	2,408,109
Textile composite	2,030,003	2,736,219
Textile spinning	669,393	655,195
Transport	687,204	245,937
Tobacco	1,344,213	695,241
Miscellaneous	1,025,447	838,715
	<u>44,928,949</u>	<u>51,691,556</u>

**Unlisted companies**

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
(Rupees in '000)				
Digri Sugar Mills Limited	4,063	135,585	4,063	135,585
Gelcaps Pakistan Limited	4,665	2,961	4,665	2,961
Pakistan Agriculture Storage Service Corporation	5,500	3,551,928	5,500	3,551,928
Al Ameen Textile	328	N/A	328	N/A
Professional Management Modaraba (Formerly Al Zamin Modarba Management (Private) Limited)	1,000	2,134	1,000	2,134
AMZ Venture Limited Class A	123	N/A	123	N/A
Arabian Sea Country Club	6,500	(7,664)	6,500	(7,664)
Atlas Power Limited	375,000	1,286,500	375,000	1,286,500
Attock Textile Mills Limited	200	N/A	200	N/A
Pakistan Mortgage Refinance Company Limited	600,000	1,934,999	600,000	2,156,685
F.T.C. Management Company Private Limited	250	43,779	250	43,779
Fauji Akbar Portia Marines Terminal Limited	321,076	609,635	321,076	609,635
Fauji Oil Terminals and Distribution Limited	10,886	242,555	10,886	183,168
First Women Bank Limited	21,100	59,413	21,100	46,319
Fortune Securities Limited	5,000	6,814	5,000	6,702
Frontier Textile Mills Limited	500	272	500	272
Gulistan Power Generation Limited	2,200	8,096	2,200	8,096
Hazara Woolen Mills Limited	200	N/A	200	N/A
Industrial Development Bank of Pakistan	107	N/A	107	N/A
Inter Asia Leasing Company Limited	500	N/A	500	N/A
ISE Towers REIT Management Company Limited	30,346	63,967	30,346	62,264
Junaid Cotton Mills Limited	327	N/A	327	N/A
Kaisar Arts and Krafts Limited	8,395	N/A	8,395	N/A
Kaytex Mills Limited	3,778	N/A	3,778	N/A
Khushhali Microfinance Bank Limited	225,000	100,075	225,000	178,700
Mian Mohammad Sugar Mills Limited	15	N/A	15	N/A
Muslim Ghee Mills Limited	1,810	N/A	1,810	N/A
Myfip Video Industries Limited	5,373	N/A	5,373	N/A
National Asset Leasing Corporation Limited	14	N/A	14	N/A
National Construction Limited	250	597	250	597
National Institution of Facilitation Technology (Private) Limited	1,526	55,574	1,526	55,574
National Investment Trust Limited	100	700,276	100	700,276
National Woolen Mills Limited	183	N/A	183	N/A
Natover Lease and Refinance	2,602	N/A	2,602	N/A
Nowshehra Engineering Works Limited	41	N/A	41	N/A
Pakistan Export Finance Guarantee Agency Limited	11,529	1,152	11,529	1,152
Pakistan Paper Corporation Limited	373	N/A	373	N/A
Pakistan Telephone Cables	143	N/A	143	N/A
Pakistan Textile City	100,000	12,410	100,000	12,410
Pakistan Tourism Development Corporation	100	138	100	138
People Steel Mills Limited	3,276	N/A	3,276	N/A
Qadri Textile Mills Limited	500	N/A	500	N/A
Rehman Cotton Mills Limited	16,955	107,895	16,955	107,895
Refrigerator Manufacturing Company Limited	4,589	N/A	4,589	N/A
Rousch Power Pakistan Limited	132,888	1,289,634	132,888	1,430,921
Ruby Rice and General Mills Limited	750	N/A	750	N/A
Sahrish Textile Mills	21	N/A	21	N/A
Shoab Capital	272	544	272	544
SME Bank Limited	26,950	(251,145)	26,950	(139,326)
South Asia Regional Fund	287	N/A	287	N/A
Star Salica Industries Limited	267	N/A	267	N/A
Syed Match Industries	2	N/A	2	N/A
Union Insurance Company of Pakistan	4	N/A	4	N/A
Unity Modaraba	28	N/A	28	N/A
Zafar Textiles Mills Limited	257	N/A	257	N/A
Zulsham Engineering Works Limited	330	N/A	330	N/A
Information System Associates Limited	1,719	N/A	1,719	N/A
1 Link (Guarantee) Limited	50,000	733,214	50,000	428,290
Pakistan Corporate Restructuring Company Limited	96,000	60,856	96,000	N/A
Pakvitae (Private) Limited	21,000	907	21,000	N/A
	<b>2,107,198</b>		<b>2,107,198</b>	

**Non government debt securities**

**Listed**

- AAA
- AA+, AA, AA-
- A+, A, A-
- Unrated

2024	2023
<b>Cost</b>	
(Rupees in '000)	
-	-
<b>8,200,000</b>	7,510,782
-	625,000
<b>5,992</b>	6,127,303
<b>8,205,992</b>	14,263,085

**Unlisted**

- AAA
- AA+, AA, AA-
- A+, A, A-
- BBB+, BBB, BBB-
- CCC and below
- Unrated

2024	2023
<b>Cost</b>	
(Rupees in '000)	
<b>14,382,734</b>	18,395,305
-	4,693,580
<b>1,634,071</b>	1,838,372
-	299,760
<b>340,000</b>	-
<b>14,594,791</b>	13,647,354
<b>30,951,596</b>	38,874,371

**Foreign securities**

**Government securities**

USA

2024		2023	
Cost	Rating	Cost	Rating
(Rupees in '000)		(Rupees in '000)	
<b>3,100,284</b>	<b>AA+</b>	3,385,022	AA+

**Equity security**

Bank Al - Jazira

2024		2023	
Cost	Rating	Cost	Rating
(Rupees in '000)		(Rupees in '000)	
<b>463,294</b>	<b>BB+</b>	463,294	BB+

**10.5 Particulars relating to securities classified Under "Held to collect" model**

**Federal government securities - Government guaranteed**

- Market treasury bills
- Pakistan investment bonds
- Sukuk
- Foreign currency debt securities

2024	2023
<b>Cost</b>	
----- Rupees in 000 -----	
-	-
222,656,096	213,116,482
14,057,627	14,087,500
7,104,331	4,288,988
<b>243,818,054</b>	<b>231,492,970</b>

**Non government debt securities**

**Unlisted**

- Unrated

383,471	404,585
<b>383,471</b>	<b>404,585</b>

**Foreign securities**

**Government securities**

- Azerbaijan
- Bangladesh
- Kyrgyzstan
- Kingdom of Saudi Arabia

2024		2023	
Cost	Rating	Cost	Rating
----- Rupees in 000 -----			
-	-	1,028,843	BB+
<b>33,560,065</b>	<b>B+</b>	35,789,601	BB-
-	-	274,586	B3
<b>4,147,391</b>	<b>A</b>	4,202,951	A+
<b>37,707,456</b>		<b>41,295,981</b>	

**Non government debt securities****Listed**

- Unrated

2024	2023
<b>Cost</b>	
----- Rupees in 000 -----	
1,077	1,083
<u>1,077</u>	<u>1,083</u>

- 10.5.1** The market value of securities classified under HTC as at December 31, 2024 amounted to Rs.272,851 million (December 31, 2023: Rs. 251,842 million).

**Investment in shares of a bank incorporated outside Pakistan - Bank Al-Jazira**

- 10.6** The Bank holds 37,916,666 (2023: 30,333,333) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 3.7% (2023: 3.7%) holding in total equity of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006. BAJ's viability rating is BB+ with short term and long term Issuer Default Rating (IDR) at F2 and A- respectively by Fitch Rating Agency.
- 10.7** Aggregate market value of investment in associates (quoted) on the basis of quoted prices amounts to Rs. 1,920 million (2023: Rs. 2,979 million).
- 10.8** Associates with zero carrying amount represent the investments acquired from former National Development Finance Corporation (NDFC) which have negative equity or whose operations were closed at the time of amalgamation.
- 10.9** The details of break-up value based on latest available financial statements of unlisted investments in associates are as follows:

	<b>Year / Period ended</b>	<b>Break-up value Rupees in '000</b>
Pakistan Emerging Venture Limited	June 30, 2022	25
Mehran Industries Limited	June 30, 2001	5,681
Tharparkar Sugar Mills Limited	September 30, 2001	(83,140)
Prudential Fund Management	June 30, 2007	(2,482)
Dadabhoj Energy Supply Company Limited	June 30, 2007	103,952
Pakistan Mercantile Exchange Limited	June 30, 2024	385,901

- 10.11** The investments also include shares acquired under tri-partite consent agreement dated June 29, 2011. These strategic investments comprise of the shares of Pakistan State Oil (38,055,247 shares), shares of Sui Northern Gas Pipeline Limited (18,805,318 shares) and shares of Pakistan Engineering Company (135,242 shares). The cost of these shares amounts to Rs. 4,603 million and market value as at December 31, 2024 amounts to Rs. 18,965 million. These shares have been frozen by the Government of Pakistan for sale in the equity market due to their proposed privatization and can not be sold without concurrence of privatization commission.
- 10.12** The investments also include 31,665,000 shares of Pakistan Reinsurance Company Limited. The cost of these shares amounts to Rs. 220 million and market value as at December 31, 2024 amounts to Rs. 497 million. These shares can not be sold without concurrence of privatization commission.
- 10.13** The investments also include 20,000,000 shares of First Credit and Investment Bank. The cost of these shares amounts to Rs. 157 million and market value as at December 31, 2024 amounts to Rs. 165 million. These shares can not be disinvested without prior consultation with Ministry of Finance.

## 11 ADVANCES

Note	Performing		Non Performing		Total	
	2024	2023	2024	2023	2024	2023
	----- Rupees in 000 -----					
Loans, cash credits, running finances, etc.	1,237,262,018	1,325,183,535	254,074,848	205,630,719	1,491,336,866	1,530,814,254
Islamic financing and related assets	144,913,723	73,125,444	1,985,434	1,550,351	146,899,157	74,675,795
Net investment in finance lease	1,288	16,207	-	-	1,288	16,207
Bills discounted and purchased	21,296,996	12,534,791	13,228,689	13,644,646	34,525,685	26,179,437
Advances - gross	1,403,474,025	1,410,859,977	269,288,971	220,825,716	1,672,762,996	1,631,685,693
Credit loss allowance / provision against advances						
-Stage 1	19,751,831	-	-	-	19,751,831	-
-Stage 2	10,808,620	-	-	-	10,808,620	-
-Stage 3	-	-	225,833,262	-	225,833,262	-
Specific	-	-	-	203,570,752	-	203,570,752
General	11,501,411	30,038,121	-	-	11,501,411	30,038,121
	42,061,862	30,038,121	225,833,262	203,570,752	267,895,124	233,608,873
Advances - net of credit loss allowance / provision	1,361,412,163	1,380,821,856	43,455,709	17,254,964	1,404,867,872	1,398,076,820

### 11.1 Includes net investment in right-of-use assets / finance lease as disclosed below:

	2024				2023			
	Not later than one year	Later than one and 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	-	-	-	-	2,304	-	-	2,304
Residual value	1,288	-	-	1,288	14,064	-	-	14,064
Minimum lease payments	1,288	-	-	1,288	16,368	-	-	16,368
Less: Financial charges for future periods	-	-	-	-	161	-	-	161
	-	-	-	-	161	-	-	161
Present value of minimum lease payments	1,288	-	-	1,288	16,207	-	-	16,207

The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.15% to 11.42% (December 31, 2023: 10.19% to 14.85%) per annum.

### 11.2 These represents financing and related assets placed under shariah permissible modes and presented in Annexure II.

	2024	2023
	-----Rupees in 000 -----	
11.3 Particulars of advances (gross)		
In local currency	1,385,703,091	1,334,480,999
In foreign currencies	287,059,905	297,204,694
	<u>1,672,762,996</u>	<u>1,631,685,693</u>

#### 11.3.1 Advances to Women, Women-owned and Managed Enterprises (gross)

Women, Women Owned and Managed Enterprises	49,015,802	39,824,786
	<u>49,015,802</u>	<u>39,824,786</u>

#### 11.3.2 Advances to Women, Women-owned and Managed Enterprises (Disbursement)

Women, Women Owned and Managed Enterprises	60,465,824	49,876,099
	<u>60,465,824</u>	<u>49,876,099</u>

### 11.4 Particulars of credit loss allowance

#### 11.4.1 Advances - Exposure

	2024			
	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in 000 -----			
Gross carrying amount - Current year	1,304,637,619	106,222,358	220,825,716	1,631,685,693
Exchange Adjustment	(304,488)	(732,289)	(3,795,698)	(4,832,475)
New advances	186,504,452	19,888,009	-	206,392,461
Advances derecognised or repaid	(118,166,261)	(33,912,829)	(6,376,154)	(158,455,244)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(5,618,292)	7,941,420	(2,323,128)	-
Transfer to stage 3	(61,221,026)	(1,764,650)	62,985,676	-
	1,498,873	(7,848,050)	54,286,394	47,937,217
Amounts written off / charged off			(300,894)	(300,894)
Transfer to investments - net			(1,726,547)	(1,726,547)
Closing balance - Current year	<u>1,305,832,004</u>	<u>97,642,019</u>	<u>269,288,971</u>	<u>1,672,762,994</u>

## 11.4.2 Advances - Credit loss allowance / provision

	2024					2023			
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
	-----Rupees in 000 -----					-----Rupees in 000 -----			
Opening balance	-	-	-	203,570,752	30,038,121	233,608,873	190,710,861	17,348,539	208,059,400
IFRS 9 Implementation	15,875,937	11,637,716	226,150,506	(203,570,752)	(18,378,308)	31,715,099	-	-	-
	15,875,937	11,637,716	226,150,506	-	11,659,813	265,323,972	190,710,861	17,348,539	208,059,400
New Advances	7,431,728	2,809,002	9,781,273	-	21,370	20,043,373	8,127,265	14,854,298	22,981,563
Exchange adjustments	-	-	(3,795,696)	-	155,491	(3,640,205)	12,156,348	153,606	12,309,954
Charge for the year	-	-	-	-	-	-	-	-	-
Advances derecognised or repaid	(3,064,006)	(5,900,820)	(4,785,589)	-	(179,826)	(13,930,241)	(8,063,994)	(1,530,934)	(9,594,928)
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	(453,966)	2,568,844	(2,114,878)	-	-	-	-	-	-
Transfer to stage 3	(37,862)	(306,122)	343,984	-	-	-	-	-	-
Other movement	-	-	554,557	-	(155,437)	399,120	-	-	-
Transfer from general to specific provision	-	-	-	-	-	-	787,388	(787,388)	-
	3,875,894	(829,096)	(16,349)	-	(158,402)	2,872,047	13,007,007	12,689,582	25,696,589
Amount written off	-	-	(161,905)	-	-	(161,905)	(102,509)	-	(102,509)
Amount charged off-agriculture financing	-	-	(138,990)	-	-	(138,990)	(44,607)	-	(44,607)
Changes in risk parameters	-	-	-	-	-	-	-	-	-
Closing balance	19,751,831	10,808,620	225,833,262	-	11,501,411	267,895,124	203,570,752	30,038,121	233,608,873

## 11.4.3 Advances - Credit loss allowance / provision details Internal / External rating / stage classification

	2024			
	Stage 1	Stage 2	Stage 3	Total
	-----Rupees in 000 -----			
Outstanding gross exposure				
Domestic				
Performing	Stage 1			1,280,301,979
Under Performing	Stage 2	57,581,172		57,581,172
Non-performing	Stage 3			
Other assets especially mentioned			2,441,119	2,441,119
Substandard			55,792,771	55,792,771
Doubtful			9,732,418	9,732,418
Loss			140,024,609	140,024,609
Sub Total			207,990,917	207,990,917
	1,280,301,979	57,581,172	207,990,917	1,545,874,068
Overseas				
Performing	Stage 1			18,723,265
Under Performing	Stage 2	40,060,847		40,060,847
IFRS 9 Not applicable				6,806,762
Non-performing	Stage 3			
Substandard				
Doubtful			385,067	385,067
Loss			60,912,987	60,912,987
Sub Total			61,298,054	61,298,054
	25,530,027	40,060,847	61,298,054	126,888,928
Total	1,305,832,006	97,642,019	269,288,971	1,672,762,996
Corresponding ECL				
Stage 1 and stage 2	(19,751,831)	(10,808,620)	-	(30,560,451)
Stage 3	-	-	(225,833,262)	(225,833,262)
General	(11,501,411)	-	-	(11,501,411)
	(31,253,242)	(10,808,620)	(225,833,262)	(267,895,124)
Total	1,274,578,764	86,833,399	43,455,709	1,404,867,872

**11.5 Advances include Rs. 269,289 million (2023: Rs 220,826 million) which have been placed under non-performing / stage 3 status as detailed below:-**

Note	2024		2023	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
----- Rupees in 000 -----				
<b>Category of classification in stage 3</b>				
<b>Domestic</b>				
Other Assets Especially Mentioned (OAEM)	2,441,119	1,257,677	2,156,275	60,035
Substandard	55,792,771	3,596,871	6,421,005	1,560,252
Doubtful	9,732,418	7,655,002	11,443,314	5,980,028
Loss	140,024,609	137,730,472	136,013,278	133,633,669
Total	207,990,917	150,240,022	156,033,872	141,233,984
<b>Overseas</b>				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	385,067	192,534	400,925	200,463
> 365 days	60,912,987	58,684,587	64,390,919	62,136,305
Total	61,298,054	58,877,121	64,791,844	62,336,768
Stage 3 as per IFRS-9	-	16,716,120	-	-
	<u>269,288,971</u>	<u>225,833,263</u>	<u>220,825,716</u>	<u>203,570,752</u>

**11.6 Particulars of credit loss allowance / provision against advances**

Note	2024					2023			
	Stage 1	Stage 2	Stage 3	Specific	General	Total	Specific	General	Total
----- Rupees in 000 -----									
Opening balance	-	-	-	203,570,752	30,038,121	233,608,873	190,710,861	17,348,539	208,059,400
Impact of adoption IFRS-9	15,875,937	11,637,716	226,150,506	(203,570,752)	(18,378,308)	31,715,099	-	-	-
Opening balance restated	15,875,937	11,637,716	226,150,506	-	11,659,813	265,323,972	190,710,861	17,348,539	208,059,400
Exchange adjustments	-	-	(3,795,696)	-	155,491	(3,640,205)	12,156,348	153,606	12,309,954
Charge for the year	7,431,728	2,809,002	9,781,273	-	21,370	20,043,373	8,127,265	14,854,298	22,981,563
Reversals	(3,064,006)	(5,900,820)	(4,785,589)	-	(179,826)	(13,930,241)	(8,063,994)	(1,530,934)	(9,594,928)
	4,367,722	(3,091,818)	4,995,684	-	(158,456)	6,113,132	63,271	13,323,364	13,386,635
Amounts written off	-	-	(161,905)	-	-	(161,905)	(102,509)	-	(102,509)
Amounts charged off - agriculture financing 11.6.4	-	-	(138,990)	-	-	(138,990)	(44,607)	-	(44,607)
Transfer from general to specific provision	-	-	-	-	-	-	787,388	(787,388)	-
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	(453,966)	2,568,844	(2,114,878)	-	-	-	-	-	-
Transfer to stage 3	(37,862)	(306,122)	343,984	-	-	-	-	-	-
Other movements	-	-	554,557	-	(155,437)	399,120	-	-	-
Closing balance	19,751,831	10,808,620	225,833,262	-	11,501,411	267,895,124	203,570,752	30,038,121	233,608,873

**11.6.1 Particulars of credit loss allowance / provision against advances**

	2024					2023			
	Stage 1	Stage 2	Stage 3	Specific	General	Total	Specific	General	Total
----- Rupees in 000 -----									
In local currency	19,751,831	10,660,785	166,956,141	-	11,410,985	208,779,742	141,233,984	29,767,923	171,001,907
In foreign currencies	-	147,835	58,877,121	-	90,426	59,115,382	62,336,768	270,198	62,606,966
	19,751,831	10,808,620	225,833,262	-	11,501,411	267,895,124	203,570,752	30,038,121	233,608,873

**11.6.2** General provision includes provision amounting to Rs.90 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates where IFRS 9 has not been implemented. This general provision can be maintained till December 31, 2026 under BPRD circular No. 1 of 2025 dated January 22, 2025.

**11.6.3** The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2024. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations. Further SBP has allowed specific relaxation on the requirement for ECL against overdue foreign currency loans of certain Public Sector Entities, either uptill December 31, 2024 or permanently.

**11.6.4** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	2024	2023
----- Rupees in 000 -----			
<b>11.7 Particulars of write offs:</b>			
<b>11.7.1</b> Against credit loss allowance	12.5	161,905	102,509
Directly charged to profit and loss account	12.6.2	-	-
		161,905	102,509
<b>11.7.2</b> Write offs of Rs. 500,000 and above			
- Domestic		105,616	41,087
- Overseas		3,951	8,219
Write offs of Below Rs. 500,000		52,338	53,203
		161,905	102,509

**11.7.3 Details of loan write off of Rs. 500,000/- and above**

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-I to the unconsolidated financial statements (except where such disclosure is restricted by overseas regulatory authorities).

	Note	2024	2023
----- Rupees in 000 -----			
<b>12 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	12.1	1,569,889	1,623,424
Property and equipment	12.2	60,098,181	55,350,993
		61,668,070	56,974,417
<b>12.1 Capital work-in-progress</b>			
Civil works		1,500,429	1,553,964
Equipment		10,727	10,727
Advances to suppliers		58,733	58,733
		1,569,889	1,623,424

## 12.2 Property and equipment

2024									
Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Total

----- Rupees in '000 -----

### At January 1, 2024

Cost / revalued amount	21,472,756	21,087,923	7,530,744	5,592,516	7,876,062	5,722,646	8,465,351	2,267,913	165,253	80,181,164
Accumulated depreciation	-	-	(2,079,851)	(1,622,643)	(6,378,609)	(5,458,311)	(7,552,141)	(1,573,364)	(165,253)	(24,830,172)
Net book value	<u>21,472,756</u>	<u>21,087,923</u>	<u>5,450,893</u>	<u>3,969,873</u>	<u>1,497,453</u>	<u>264,335</u>	<u>913,210</u>	<u>694,549</u>	<u>-</u>	<u>55,350,993</u>

### Year ended December 2024

Opening net book value	21,472,756	21,087,923	5,450,893	3,969,873	1,497,453	264,335	913,210	694,549	-	55,350,993
Additions	-	-	476,884	140,068	1,047,475	2,556,460	997,577	186,714	-	5,405,178
Movement in surplus on assets revalued during the year	907,301	615,760	559,908	255,139	-	-	-	-	-	2,338,109
Disposals	-	-	-	-	(9,436)	(21,010)	(5,489)	(134,087)	-	(170,022)
Depreciation charge	-	-	(292,682)	(195,611)	(677,807)	(724,165)	(515,971)	(325,928)	-	(2,732,163)
Depreciation adjustment - disposal	-	-	-	-	7,687	20,826	4,914	94,240	-	127,666
Exchange rate adjustments	-	-	-	(33,649)	(19,851)	98,261	(86,524)	125	-	(41,638)
Other adjustments / transfers	-	(12,102)	-	-	(167,839)	-	-	-	-	(179,941)
Closing net book value	<u>22,380,057</u>	<u>21,691,581</u>	<u>6,195,004</u>	<u>4,135,820</u>	<u>1,677,681</u>	<u>2,194,707</u>	<u>1,307,717</u>	<u>515,613</u>	<u>-</u>	<u>60,098,181</u>

### At December 31, 2024

Cost / revalued amount	22,380,057	21,691,581	8,567,537	5,954,074	8,726,410	8,356,357	9,370,915	2,320,665	165,253	87,532,851
Accumulated depreciation	-	-	(2,372,533)	(1,818,254)	(7,048,730)	(6,161,650)	(8,063,199)	(1,805,052)	(165,253)	(27,434,670)
Net book value	<u>22,380,057</u>	<u>21,691,581</u>	<u>6,195,004</u>	<u>4,135,820</u>	<u>1,677,681</u>	<u>2,194,707</u>	<u>1,307,717</u>	<u>515,613</u>	<u>-</u>	<u>60,098,181</u>

Rate of depreciation (percentage)	-	-	5% on book value	5% on book value	20% on cost	33.33% on cost	20% - 50% on cost	20% on cost	20% on cost
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2023									
Free hold land	Lease hold land	Building on free hold land	Building on lease hold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Total

----- Rupees in '000 -----

### At January 1, 2023

Cost / revalued amount	21,472,756	21,087,923	7,465,497	5,600,717	7,440,946	5,230,143	7,962,155	2,028,545	165,253	78,453,935
Accumulated depreciation	-	-	(1,784,985)	(1,424,821)	(5,874,872)	(4,885,776)	(7,014,159)	(1,278,315)	(165,253)	(22,428,181)
Net book value	<u>21,472,756</u>	<u>21,087,923</u>	<u>5,680,512</u>	<u>4,175,896</u>	<u>1,566,074</u>	<u>344,367</u>	<u>947,996</u>	<u>750,230</u>	<u>-</u>	<u>56,025,754</u>

### Year ended December 2023

Opening net book value	21,472,756	21,087,923	5,680,512	4,175,896	1,566,074	344,367	947,996	750,230	-	56,025,754
Additions	-	-	65,247	97,784	727,024	467,203	502,393	287,290	-	2,146,941
Movement in surplus on assets revalued during the year	-	-	-	17,842	-	-	-	-	-	17,842
Disposals	-	-	-	(178,130)	(11,512)	(6,860)	(8,187)	(49,592)	-	(254,281)
Depreciation charge	-	-	(294,866)	(201,572)	(512,782)	(579,394)	(545,169)	(322,740)	-	(2,456,523)
Depreciation adjustment - disposal	-	-	-	3,750	9,045	6,859	7,187	27,691	-	54,532
Exchange rate adjustments	-	-	-	54,303	13,269	32,160	8,990	1,670	-	110,392
Other adjustments / transfers	-	-	-	-	(293,665)	-	-	-	-	(293,665)
Closing net book value	<u>21,472,756</u>	<u>21,087,923</u>	<u>5,450,893</u>	<u>3,969,873</u>	<u>1,497,453</u>	<u>264,335</u>	<u>913,210</u>	<u>694,549</u>	<u>-</u>	<u>55,350,993</u>

### At December 31, 2023

Cost / revalued amount	21,472,756	21,087,923	7,530,744	5,592,516	7,876,062	5,722,646	8,465,351	2,267,913	165,253	80,181,164
Accumulated depreciation	-	-	(2,079,851)	(1,622,643)	(6,378,609)	(5,458,311)	(7,552,141)	(1,573,364)	(165,253)	(24,830,172)
Net book value	<u>21,472,756</u>	<u>21,087,923</u>	<u>5,450,893</u>	<u>3,969,873</u>	<u>1,497,453</u>	<u>264,335</u>	<u>913,210</u>	<u>694,549</u>	<u>-</u>	<u>55,350,993</u>

Rate of depreciation (percentage)	-	-	5% on book value	5% on book value	20% on cost	33.33% on cost	20% - 50% on cost	20% on cost	20% on cost
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### 12.2.1 Revaluation of Properties

The properties of the Bank have been revalued by the independent professional valuer as at December 31, 2024. The revaluation was carried out by independent professional valuers, KGT (Pvt) Limited & IMTECH (Pvt). Ltd (PBA registered valuers) on the basis of professional assessment of present market values. The total surplus against revaluation of property and equipment as at December 31, 2024, amounts to Rs. 2,290 million. Had there been no revaluation, the carrying amount of the revalued assets at December 31, 2024, would have been as follows:

	2024	2023
	----- (Rupees in '000) -----	
Freehold land	1,132,637	1,132,637
Leasehold land	890,025	890,025
Building on freehold land	1,538,271	1,076,598
Building on leasehold land	<u>2,142,244</u>	<u>2,006,052</u>
	<u>5,703,177</u>	<u>5,105,312</u>
<b>12.2.2</b> Carrying amount of temporarily idle property of the Bank	<u>5,705,101</u>	<u>5,583,785</u>
<b>12.2.3</b> The cost of fully depreciated assets still in use		
Furniture and fixtures	2,797,954	2,232,841
Electrical and office equipment	5,894,886	3,640,626
Computer and peripheral equipment	4,426,063	3,390,782
Vehicles	<u>1,641,622</u>	<u>1,417,915</u>
	<u>14,760,525</u>	<u>10,682,164</u>

### 12.3 Details of disposals of property and equipment to related parties

The particulars of disposal of property and equipment to related parties (employees / ex-employees) are given below:

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
----- (Rupees in '000) -----							
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Shaukat Mahmood
Vehicles	2,380	436	476	40	As per Entitlement	Employee	Mr. Muddassir Nabi
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Farooq Hassan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Abdul Majed Arshad
Vehicles	2,875	527	575	48	As per Entitlement	Ex-Employee	Mr. Ahmad Naseem
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr. Muhammad Aqib Malik
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Mashkoor Ahmad Khan
Vehicles	2,525	505	505	-	As per Entitlement	Ex-Employee	Mr. Danish Bin Inbsat
Vehicles	2,875	527	575	48	As per Entitlement	Employee	Mr. Mirza Asim Baig
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr. Farooq Ahmed Soomro
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr. Sarfaraz Ahmed
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr. Kamran Masud Khan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Shaikh Tariq Abdullah
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Wajahat Malik
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Javed Iqbal Bangash
Vehicles	2,380	476	476	-	As per Entitlement	Employee	Mr. Abid Kitchlew
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Asad Ullah Saleem
Vehicles	2,625	525	525	-	As per Entitlement	Ex-Employee	Mr. Rashid Mirza
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Mirza Babur Baig
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr. Mashooq Ali Khawaja
Vehicles	2,380	754	754	-	As per Entitlement	Ex-Employee	Mr. Salman Talat
Vehicles	2,623	1,224	1,224	-	As per Entitlement	Ex-Employee	Mr. Shabbir Ahmed Khan
Vehicles	8,008	3,337	3,337	-	As per Entitlement	Ex-Employee	Mr. Tauqeer Mazhar
Vehicles	4,003	2,868	2,868	-	As per Entitlement	Ex-Employee	Mr. Zubaid Ali Sheikh
Vehicles	2,875	671	671	-	As per Entitlement	Ex-Employee	Mr. Khadim Hussain
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr. Inam Malik
Vehicles	2,855	333	333	-	As per Entitlement	Ex-Employee	Mr. Tariq Zafar Iqbal
Vehicles	2,824	1,600	1,600	-	As per Entitlement	Ex-Employee	Mr. Asir Hasan
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr. Pir Bakhsh
Vehicles	2,875	335	335	-	As per Entitlement	Ex-Employee	Mr. Ovais Asad Khan
Vehicles	2,723	908	908	-	As per Entitlement	Ex-Employee	Ms. Zahida Hameed
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr. Syed Azhar Ali

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
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------(Rupees in '000)-----

Vehicles	2,803	701	701	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhery
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr.Syed Muhammad Nadeem Kazmi
Vehicles	2,695	719	719	-	As per Entitlement	Ex-Employee	Ms.Hufrish Rayomand Shroff
Vehicles	1,922	1,514	1,514	-	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Ahmer Liquat
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mahmood Akhtar Nadeem
Vehicles	2,775	1,064	1,064	-	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Vehicles	2,695	943	943	-	As per Entitlement	Employee	Mr.Azam Durrani Sahib
Vehicles	2,824	1,506	1,506	-	As per Entitlement	Ex-Employee	Mr.Kashif Latif
Vehicles	8,008	1,602	1,602	-	As per Entitlement	Employee	Mr.Amin Manji
Vehicles	2,695	943	943	-	As per Entitlement	Ex-Employee	Mr.Yawar Hasan Zaidi
Vehicles	2,695	943	943	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr. Pir Buksh
	<u>132,758</u>	<u>39,741</u>	<u>40,056</u>	<u>315</u>			

Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr. Khadim Hussain
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Computer and peripheral equipment	285	-	29	29	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Ex-Employee	Mr.Danish Bin Inbsat
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Shahidullah
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Shamsuddin Ahmed Siddiqui
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Ms.Farheen Yousuf
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Mukesh Kumar Jeswani
Computer and peripheral equipment	139	-	14	14	As per Entitlement	Ex-Employee	Mr.Arbab Ali Bugti
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	115	-	12	12	As per Entitlement	Employee	Mr.Syed Abbas Raza
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Bhawan Parkash
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Employee	Mr.Abdul Munir
Computer and peripheral equipment	90	-	9	9	As per Entitlement	Employee	Ms.Mizna Shahab
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Ainain Khalid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Mr.Asad Ullah Saleem
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Abdul Haddi Farooqi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Irfan Malik
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdus Salam Mazhar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Nabeel Usman
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Shahryar Khan
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Faraz Sabir
Computer and peripheral equipment	124	-	12	12	As per Entitlement	Employee	Mr.Usman Farooq
Computer and peripheral equipment	121	-	12	12	As per Entitlement	Employee	Mr.Shujat Habib
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Ms. Saeeda Shabbir
Computer and peripheral equipment	109	-	11	11	As per Entitlement	Employee	Mr.Muhammad Shahid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Ms.Teemar Nauman
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.S.M Ayub
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Mashood Shahid
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Employee	Mr.Faizan Razi
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Muhammad Salman Asghar
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Asim Nizam
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.Atta Ur Rehman
Computer and peripheral equipment	125	-	12	12	As per Entitlement	Employee	Mr.Amjad Latif
Computer and peripheral equipment	112	-	11	11	As per Entitlement	Employee	Mr.Usman Nayyar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Waseem Azhar
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	101	-	10	10	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Ex-Employee	Ms.Shahla Ghulam Hussain
Computer and peripheral equipment	244	-	-	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	185	46	46	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	95	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Ex-Employee	Mr. Tariq Zafar Iqbal
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmad Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmad Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Ex-Employee	Ms. Asra Adnan
Computer and peripheral equipment	118	-	12	12	As per Entitlement	Ex-Employee	Mr.Muhammad Yousuf Raza
Computer and peripheral equipment	126	-	13	13	As per Entitlement	Ex-Employee	Mr.Fateh Shahab Kazi
Computer and peripheral equipment	320	80	80	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhry
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Rashid Mirza

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
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------(Rupees in '000)-----

Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Computer and peripheral equipment	190	58	58	-	As per Entitlement	Ex-Employee	Mr.S.M Nadeem Kazmi
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Anwar Ahmed
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Employee	Mr.Osaman Malik
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr. Syed Imran Ghani
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Abdul Rahim
Computer and peripheral equipment	156	-	16	16	As per Entitlement	Employee	Mr.Masood Kurshid Shamsi
Computer and peripheral equipment	117	-	13	13	As per Entitlement	Employee	Mr.Fahd Zaheer
Computer and peripheral equipment	66	-	7	7	As per Entitlement	Employee	Mr.Abid Iqbal
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Employee	Ms.Fauzia Mumtaz
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr. Shoaib Hassan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Awais Memon
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Syed Arsalan Ahmed
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Warda
Computer and peripheral equipment	179	-	18	18	As per Entitlement	Employee	Mr.Wajahit Malik
Computer and peripheral equipment	162	-	16	16	As per Entitlement	Employee	Ms.Nadia Ahmer
Computer and peripheral equipment	325	-	33	33	As per Entitlement	Employee	Mr.Muhammad Ismail Usuf
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Ahmed Waheed
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Rayhan Kamal
Computer and peripheral equipment	193	-	19	19	As per Entitlement	Employee	Mr.Sheikh Zeeshan Ali
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Muhammad Waseem Khan
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr. Farhan Javid Durrani
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr.Nabeel Aslam
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Rashid Ata
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Omer Farooq Mukaty
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Irfan Jan Muhammad
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Naveed Zaidi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Shahzad Rafique
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr.M.Kashif Khan
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Sohail Ahmed Memon
Computer and peripheral equipment	176	-	18	18	As per Entitlement	Employee	Mr.Amin Manji
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Ms.Mehrosh Zulfiqar Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Employee	Mr.Zahir Khurshid
Computer and peripheral equipment	116	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	200	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	240	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	124	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Yasir Jamali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Shahb Uddin Shaikh
Computer and peripheral equipment	186	-	19	19	As per Entitlement	Employee	Mr.Awais Zafar Khan
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Ms.Nusrat Mumtaz
Computer and peripheral equipment	140	-	14	14	As per Entitlement	Employee	Mr.Rashid Nazir
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Employee	Mr.Muhammad Saqib
Computer and peripheral equipment	114	-	11	11	As per Entitlement	Ex-Employee	Ms.Hira Bari
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Javed Ahmed Siddique
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Hassan Jameel
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Asad Ali Shah
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Fariha
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Employee	Mr.Nasir Mahmood
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Employee	Mr.Muhammad Irfan
Computer and peripheral equipment	363	-	36	36	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	160	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	223	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Sohail Ahmed
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Abid Umar Farooq
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Rehan Meer
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Ajaz Hyder
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Rizwan Masood
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Haffer Sial
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Muhammad Asim Baig
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.S.M.Jawad Ul Hassan Rizvi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Asad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Rehan Ali Khan
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Ali Nouman
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Mr.Muhammad Nasim
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Faisal Rasheed

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
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------(Rupees in '000)-----

Computer and peripheral equipment	64	-	6	6	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Computer and peripheral equipment	59	-	6	6	As per Entitlement	Employee	Mr.Riaz Asim
Computer and peripheral equipment	171	-	17	17	As per Entitlement	Ex-Employee	Mr.M.Nasir Yousuf
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Ex-Employee	Mr.Naveed Aslam
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Ex-Employee	Mr.Khurram Shehzad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Nadeem Hami
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Mr.Kashif Masood
Computer and peripheral equipment	120	-	12	12	As per Entitlement	Employee	Mr.Sunain Qamar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Shaiikh Tariq Abdullah
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Khalid Ahmed Ghori
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Muhammad Omair Sabir
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Muhammad Naeem Hanif
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Farzan Nazeer
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Shafiq Ahmed Akhund
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Riaz Hussain
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Naveed Ali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Kamran
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Zulfiqar Jadavjee
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Syed Anjum Naseer
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Rajesh Kumar
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Aqib Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
	<u>21,010</u>	<u>184</u>	<u>2,077</u>	<u>1,892</u>			

Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Electrical & Office equipments	194	-	-	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Shabbir Ahmed Khan
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Salim Khowaja
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Electrical & Office equipments	97	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	110	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	225	113	113	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Electrical & Office equipments	225	84	84	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	25	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	50	6	6	-	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Syed M.Nadeem Kazmi
Electrical & Office equipments	244	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	298	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	28	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	32	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Faisal Khan
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Masroor Raza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Muhammad Hasnain Raza
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Mohad Hasnain Raza
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	128	-	-	-	As per Entitlement	Employee	Mr.Fouad Farrukh
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
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------(Rupees in '000)-----

Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Mr.Muhammad Kashif Khan
Electrical & Office equipments	225	66	66	-	As per Entitlement	Ex-Employee	Mr.Syed Azhar Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Fateh M. Shahab Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Yawar Hassan Zaidi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hussan Zaig
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Electrical & Office equipments	155	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Electrical & Office equipments	15	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Pir Baksh
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Khalid Saeed Quershi
Electrical & Office equipments	800	307	307	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
	<u>5,489</u>	<u>575</u>	<u>575</u>	<u>-</u>			
Furniture and fixture	190	41	41	-	As per Entitlement	Ex-Employee	Mr.Muhammad Iqbal Umrani
Furniture and fixture	160	9	9	-	As per Entitlement	Ex-Employee	Mr.Muhammad Khalid Paracha
Furniture and fixture	200	65	65	-	As per Entitlement	Ex-Employee	Mr.Inam Malik Svp
Furniture and fixture	265	41	41	-	As per Entitlement	Ex-Employee	Mr.Arshad Hussain
Furniture and fixture	150	-	-	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed
Furniture and fixture	160	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Arif
Furniture and fixture	281	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Saleem Awan
Furniture and fixture	175	1	1	-	As per Entitlement	Ex-Employee	Mr.Muhammad Anwaer Moten
Furniture and fixture	190	35	35	-	As per Entitlement	Ex-Employee	Mr.Mashooq Ali Khawajah
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Shahidullah
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Tanvir Ahmed Khan
Furniture and fixture	200	33	33	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Furniture and fixture	200	60	60	-	As per Entitlement	Ex-Employee	Mr.Pir Baksh
Furniture and fixture	160	8	8	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hassan Zaighum
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Mr.Adnan Ahmed Waraich
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Syed Asim Raza
Furniture and fixture	160	64	64	-	As per Entitlement	Ex-Employee	Mr.Karim Bukhsh
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Muhammad Nawaz Bhinder
Furniture and fixture	244	42	42	-	As per Entitlement	Ex-Employee	Mr.Junaid Shaifqat Sheikh
Furniture and fixture	160	40	40	-	As per Entitlement	Ex-Employee	Mr.Mukhtar Ahmed
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Furniture and fixture	89	13	13	-	As per Entitlement	Ex-Employee	Ms.Afshan Shakeel
Furniture and fixture	190	5	5	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Furniture and fixture	138	39	39	-	As per Entitlement	Ex-Employee	Mr.Atif Iqbal
Furniture and fixture	160	24	24	-	As per Entitlement	Ex-Employee	Mr.Shaukat Raza
Furniture and fixture	160	19	19	-	As per Entitlement	Ex-Employee	Mr.Sohail Raza
Furniture and fixture	200	38	38	-	As per Entitlement	Ex-Employee	Mr.Yawar Hassan Zaidi
Furniture and fixture	190	21	21	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq
Furniture and fixture	190	25	25	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed Kazi
Furniture and fixture	160	56	56	-	As per Entitlement	Ex-Employee	Mr.Nasir Zafar
Furniture and fixture	160	61	61	-	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Mohammad Mueen Qureshi
Furniture and fixture	190	24	24	-	As per Entitlement	Ex-Employee	Mr.Abdul Majeed Rajpar
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Tanveer Tassawar
Furniture and fixture	160	31	31	-	As per Entitlement	Ex-Employee	Mr.Muhammad Naeem
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Vijay Kumar Avp
Furniture and fixture	165	40	40	-	As per Entitlement	Ex-Employee	Mr.Zahid Hussain
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Masoom Shah
Furniture and fixture	160	29	29	-	As per Entitlement	Ex-Employee	Mr.Gharib Nawaz
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Israr Ahmed
Furniture and fixture	160	4	4	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	100	-	-	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	160	25	25	-	As per Entitlement	Ex-Employee	Mr.Javed Irfan
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Late Muhammad Din
Furniture and fixture	190	74	74	-	As per Entitlement	Ex-Employee	Mr.Nazir Shah
Furniture and fixture	190	36	36	-	As per Entitlement	Ex-Employee	Mr.Dr Anwar Ali Khowaja
Furniture and fixture	160	11	11	-	As per Entitlement	Ex-Employee	Mr.Abdul Rasheed
Furniture and fixture	160	36	36	-	As per Entitlement	Ex-Employee	Mr.Rab Dino Thebo
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Hussain Ali
Furniture and fixture	160	12	12	-	As per Entitlement	Ex-Employee	Mr.Naseer Ahmed Gabol
Furniture and fixture	200	12	12	-	As per Entitlement	Ex-Employee	Ms.Zahida Hamid
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Ms.Kashif Hussain Shah
	<u>9,436</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>			
	<u>168,693</u>	<u>42,250</u>	<u>44,458</u>	<u>2,207</u>			

**13 RIGHT-OF-USE ASSETS**

	2024			2023		
	Buildings	Others	Total	Buildings	Others	Total
	Rupees in 000					
At January 1, 2024						
Cost	6,934,471	-	6,934,471	14,530,913	-	14,530,913
Accumulated depreciation	-	-	-	(7,822,509)	-	(7,822,509)
Net carrying amount at January 1, 2024	6,934,471	-	6,934,471	6,708,404	-	6,708,404
Additions during the year	1,340,852	-	1,340,852	2,239,854	-	2,239,854
Disposals during the year	-	-	-	22,813	-	22,813
Depreciation charge for the year	1,957,699	-	1,957,699	1,990,974	-	1,990,974
Net carrying amount at December 31, 2024	6,317,624	-	6,317,624	6,934,471	-	6,934,471

	Note	2024	2023
		Rupees in 000	
Capital work-in-progress		929,882	441,922
Intangible assets	14.1	1,009,754	1,068,139
		<u>1,939,636</u>	<u>1,510,061</u>

	2024		
	Core Banking Application	Computer software	Total
	Rupees in 000		
<b>14.1 At January 1, 2024</b>			
Cost	2,913,952	2,844,454	5,758,406
Accumulated amortization	(2,913,952)	(1,776,315)	(4,690,267)
Net book value	-	1,068,139	1,068,139
<b>Year ended December 2024</b>			
Opening net book value	-	1,068,139	1,068,139
Additions:			
- developed internally	-	-	-
- directly purchased	-	476,613	476,613
- through business combinations	-	-	-
	-	476,613	476,613
Amortization charge	-	(507,990)	(507,990)
Exchange rate adjustments	-	(27,008)	(27,008)
Other adjustments	-	-	-
Closing net book value	-	1,009,754	1,009,754
<b>At December 31, 2024</b>			
Cost	2,913,952	3,294,059	6,208,011
Accumulated amortization	(2,913,952)	(2,284,305)	(5,198,257)
Net book value	-	1,009,754	1,009,754
Rate of amortization (percentage)	33.33 % on cost	33.33 % on cost	
Useful life	3 years	3 years	

	2023		
	Core Banking Application	Computer software	Total
	Rupees in 000		
<b>At January 1, 2023</b>			
Cost	2,913,952	2,046,931	4,960,883
Accumulated amortization	(2,913,952)	(1,499,273)	(4,413,225)
Net book value	-	547,658	547,658
<b>Year ended December 2023</b>			
Opening net book value	-	547,658	547,658
Additions:			
- developed internally	-	-	-
- through acquisitions / purchased	-	679,533	679,533
- through business combinations	-	-	-
Amortization charge	-	679,533	679,533
Exchange rate adjustments	-	(277,042)	(277,042)
Other adjustments	-	88,778	88,778
Closing net book value	-	29,212	29,212
	-	1,068,139	1,068,139
<b>At December 31, 2023</b>			
Cost	2,913,952	2,844,454	5,758,406
Accumulated amortization	(2,913,952)	(1,776,315)	(4,690,267)
Net book value	-	1,068,139	1,068,139
Rate of amortization (percentage)	33.33 % on cost	33.33 % on cost	
Useful life	3 years	3 years	

	Note	2024	2023
----- Rupees in 000 -----			
<b>14.2</b>	The cost of fully amortised intangible assets that are still in use.		
	Core Banking Application	2,913,952	2,913,952
	Computer software	960,396	916,177
		<u>3,874,348</u>	<u>3,830,129</u>
<b>15</b>	<b>OTHER ASSETS</b>		
	Income / return / mark-up accrued in local currency	149,041,479	185,622,776
	Income / return / mark-up accrued in foreign currencies	11,074,757	4,442,554
	Advances, deposits, advance rent and other prepayments	15.1 42,497,343	2,848,659
	Advance taxation (payments less provisions) & income tax refunds receivable	15.7 -	920,050
	Compensation for delayed tax refunds	22,129,925	22,129,925
	Non-banking assets acquired in satisfaction of claims	15.4 1,153,069	1,169,898
	Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
	Commission receivable on Government treasury transactions	5,290,234	5,182,665
	Stationery and stamps on hand	452,880	472,575
	Barter trade balances	195,399	195,399
	Receivable on account of Government transactions	15.2 323,172	323,172
	Receivable from Government under VHS scheme	15.3 418,834	418,834
	Receivable against sale of shares	64,990	31,276
	Acceptances	9,580,543	8,100,364
	Receivable from SBP	-	24,698,013
	Deferred fair value loss	15.8 12,587,242	-
	Others	11,748,252	9,027,170
		<u>266,766,542</u>	<u>265,791,753</u>
	Less: Provision held against other assets	15.5 12,655,396	12,495,413
	Less: Credit loss allowance held against markup receivable	15.6 1,225,858	-
	Other assets (Net of credit loss allowance & provision)	<u>252,885,288</u>	<u>253,296,340</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.4 & 24.2 2,995,046	2,803,228
	<b>Other assets - Total</b>	<u><u>255,880,334</u></u>	<u><u>256,099,568</u></u>

- 15.1** This includes Rs. 800 million (2023: Rs. 1,400 million) advance against Pre-IPO placement of Term Finance Certificates and prepaid staff benefits amounting to Rs. 37,632 million (2023: nil).
- 15.2** This represents amount receivable from GoP on account of encashment of various instruments handled by the Bank for GoP as an agent of the SBP. Due to uncertainty about its recoverability, full amount has been provided for.
- 15.3** This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from GoP. Due to uncertainty about its recoverability, full amount has been provided for.

	2024	2023
	----- Rupees in 000 -----	
<b>15.4</b> Market value of Non-banking assets acquired in satisfaction of claims	<u>4,148,115</u>	<u>3,973,126</u>

An independent valuation of the Bank's non-banking assets was performed by an independent professional valuer to determine the fair value of the assets as at December 31, 2024. The valuation was carried out by Imtech (Pvt) Limited (Pakistan Banks' Association registered valuer) on the basis of an assessment of present market values.

	2024	2023
	----- Rupees in 000 -----	
<b>15.4.1 Non-banking assets acquired in satisfaction of claims</b>		
Opening Balance	3,973,126	3,699,943
Additions	1,115	-
Revaluation	191,818	283,228
Depreciation	(17,944)	(10,045)
Closing Balance	<u>4,148,115</u>	<u>3,973,126</u>

**15.5 Provision held against other assets**

Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	800,000	800,000
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,566,759	4,377,337
Ex-MBL / NDFC - other assets	760,941	760,941
Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC)	208,423	208,423
Others	5,132,719	5,162,158
	<u>12,655,396</u>	<u>12,495,413</u>

**15.5.1 Movement in provision held against other assets**

Opening balance	12,495,413	-
Charge for the year	(33,596)	239,045
Other movement	211,518	57,519
Adjustment against provision	(17,939)	(45,194)
Closing balance	<u>12,655,396</u>	<u>12,495,413</u>

**15.6 Credit loss allowance held against mark-up receivable**

Opening balance	-	-
Impact of ECL recognition on adoption of IFRS-9	1,125,218	-
Charge for the period	100,640	-
Closing balance	<u>1,225,858</u>	<u>-</u>

- 15.7** During the year, the Bank has adjusted an amount of Rs. 8,797 million (2023: Rs. 9,099 million) against its advance tax liability and demand of previous tax year against income tax refunds receivables. Further, refunds amounting to Rs. Nil million (2023: 10,650 million) were also determined.
- 15.8** This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these unconsolidated financial statements.

	Note	2024	2023
		----- Rupees in 000 -----	
<b>16</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	25,878,780	67,822,126
	Outside Pakistan	181,343	178,322
		<u>26,060,123</u>	<u>68,000,448</u>
<b>17</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	Borrowings from State Bank of Pakistan		
	Under Export Refinance Scheme	17.2      25,676,900	29,815,400
	Under Financing Scheme for Renewable Energy	17.3      1,393,611	1,289,488
	Under Refinance Facility for Modernization of SMEs	17.4      135,466	95,111
	Under Financing Facility for Storage of Agriculture Produce (FFSAP)	17.5      365,850	599,548
	Under Long-Term Financing Facility (LTFF)	17.6      13,716,223	17,197,820
	Under Temporary Economic Refinance Facility	17.7      13,612,139	22,827,889
	Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	17.8      99,514	29,220
	Under Refinance Facility for Combating Covid-19	17.9      21,131	45,352
	Under Export Refinance Scheme for Bill Discounting	17.10      2,207,230	2,606,143
		<u>57,228,064</u>	<u>74,505,971</u>
	Repurchase agreement borrowings	17.11      1,855,342,203	2,064,472,106
	<b>Total secured</b>	<u>1,912,570,267</u>	<u>2,138,978,077</u>
	<b>Unsecured</b>		
	Call borrowings	17.11      21,989,167	19,434,142
	Overdrawn nostro accounts	197,488	19,330,975
	Borrowing from Pakistan Mortgage Refinance Company	3,000,000	-
	<b>Total unsecured</b>	<u>25,186,655</u>	<u>38,765,117</u>
		<u>1,937,756,922</u>	<u>2,177,743,194</u>
<b>17.1</b>	<b>Particulars of borrowings with respect to currencies</b>		
	In local currency	1,918,267,755	2,140,248,077
	In foreign currencies	19,489,167	37,495,117
		<u>1,937,756,922</u>	<u>2,177,743,194</u>
<b>17.2</b>	The Bank has entered into an agreement with the SBP for extending export finance to customers. As per the terms of the agreement, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP. These borrowings are repayable within 180 days. These carry mark-up at rates ranging from 8.00% to 15.50% (2023: 13.00% to 19.00%) per annum.		
<b>17.3</b>	These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These borrowings shall be repayable for a maximum period of twelve years. These carry mark-up at rates ranging from 2.00% to 3.00% (2023: 2.00% to 3.00%) per annum.		
<b>17.4</b>	These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up of new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These borrowings shall be repayable for a maximum period of ten years and carry mark-up at rates up to 2.00 % (2023: 2.00%) per annum.		
<b>17.5</b>	These borrowings have been obtained from the SBP for providing financing facilities to develop the agricultural produce marketing and enhance storage capacity, to encourage Private Sector to establish Silos, Warehouses and Cold Storages. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 2.50% (2023: 2.5% to 3.5%) per annum.		
<b>17.6</b>	These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 16.00 % (2023: 4.00% to 19.00%) per annum.		

- 17.7 These borrowings have been obtained from the SBP with a view to support businesses to continue payment of wages and salaries to their workers and employees in the aftermath of corona virus (COVID-19) outbreak. These borrowings are repayable for a maximum period of 2.5 years. These carry mark-up at rates ranging from 0% (2023: 0%) per annum.
- 17.8 These borrowings have been obtained from the SBP for improving access to finance for the women entrepreneurs, a refinance cum credit guarantee scheme is being launched for the women borrowers across the country. Under the scheme, refinancing will be provided by State Bank of Pakistan at 0% to participating financial institutions for onward lending to women entrepreneurs across the country at a mark-up rate of upto 5% per annum.
- 17.9 These borrowings have been obtained from the SBP with a view to provide long term local currency finance for imported and locally manufactured medical equipment to be used for combating COVID – 19. The facility will be available to all the Hospitals and Medical Centres duly registered with respective provincial / federal agencies / commissions and engaged in controlling & eradication of COVID – 19. These borrowings are repayable for a maximum period of 5 years. These carry mark-up at rates at 0.00 % (2023: 0.00%) per annum.
- 17.10 These borrowings have been obtained from the SBP for providing export bill discounting facilities to customers. These carry mark-up at rates ranging from 1.00. % to 2.00% per annum (2023: 1.00% to 2.00% per annum)
- 17.11 Mark-up / interest rates and other terms are as follows:
- Repurchase agreement borrowings carry mark-up ranging from 12% to 14% per annum (2023: 21.75% to 23.00% per annum) having maturity from January 2, 2025 to January 24, 2025.
  - Call borrowings carry interest ranging from 4.44 % to 14.10% per annum (2023: 5.50% to 21.80% per annum).
- 17.12 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.
- 17.13 Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 1,855,342 million (2023: Rs. 2,064,472 million).

## 18 DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees in 000 -----						
<b>Customers</b>						
Current deposits - remunerative	925,418,336	-	925,418,336	692,443,686	-	692,443,686
Current deposits - non-remunerative	697,490,426	150,386,822	847,877,248	656,289,463	161,079,615	817,369,078
Savings deposits	920,944,729	166,983,905	1,087,928,634	766,301,047	134,394,831	900,695,878
Term deposits	508,608,226	259,883,774	768,492,000	509,997,709	232,985,846	742,983,555
Others	11,713,858	6,711	11,720,569	13,082,003	7,182	13,089,185
	<b>3,064,175,575</b>	<b>577,261,212</b>	<b>3,641,436,787</b>	<b>2,638,113,908</b>	<b>528,467,474</b>	<b>3,166,581,382</b>
<b>Financial institutions</b>						
Current deposits	169,952,266	836,653	170,788,919	459,284,217	1,386,759	460,670,976
Current deposits - Remunerative	4,215,100	-	4,215,100	6,310,317	-	6,310,317
Savings deposits	32,225,617	4,214,835	36,440,452	18,946,277	4,644,674	23,590,951
Term deposits	8,683,690	3,999,936	12,683,626	13,569,258	3,636,495	17,205,753
Others	-	-	-	-	-	-
	<b>215,076,673</b>	<b>9,051,424</b>	<b>224,128,097</b>	<b>498,110,069</b>	<b>9,667,928</b>	<b>507,777,997</b>
	<b>3,279,252,248</b>	<b>586,312,636</b>	<b>3,865,564,883</b>	<b>3,136,223,977</b>	<b>538,135,402</b>	<b>3,674,359,379</b>

	2024	2023
	----- Rupees in 000 -----	
18.1 Composition of deposits		
- Individuals	1,453,740,882	1,220,898,183
- Government (Federal and Provincial)	1,511,800,469	1,255,786,576
- Public sector entities	324,537,753	385,531,338
- Banking companies	179,401,406	472,952,639
- Non-banking financial institutions	44,726,690	34,825,358
- Private sector	351,357,683	304,365,285
	<b>3,865,564,883</b>	<b>3,674,359,379</b>

18.2 Foreign currencies deposits include deposit of foreign branches amounting to Rs. 104,461 million (2023: Rs. 99,316 million).

18.3 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,201,539 million (2023: Rs. 1,013,777 million) including Islamic branches.

19 LEASE LIABILITIES	2024	2023
	----- Rupees in 000 -----	
Outstanding amount at the start of the year	8,264,782	8,267,949
Additions during the year	1,604,213	1,826,267
Lease payments including interest	(2,746,757)	(2,626,949)
Interest expense	994,407	810,696
Exchange difference	(86,528)	7,721
Closure of branch	-	(20,902)
Outstanding amount at the end of the year	<u>8,030,117</u>	<u>8,264,782</u>

#### 19.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	1,608,757	1,686,569
Long-term lease liabilities		
- 1 to 5 years	4,262,238	4,664,319
- 5 to 10 years	1,479,550	1,913,894
- More than 10 years	679,572	-
	<u>6,421,360</u>	<u>6,578,213</u>
Total lease liabilities	<u>8,030,117</u>	<u>8,264,782</u>

#### 20 DEFERRED TAX LIABILITIES

2024					
At January 01, 2024	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At December 31, 2024

----- Rupees in 000 -----

##### Deductible temporary differences on

- Tax losses carried forward	10,705	-	10,705	-	-	10,705
- Post retirement employee benefits	6,862,010	-	6,862,010	-	530,021	7,392,031
- Net credit loss allowance against investments	236,751	3,448,715	3,685,466	462,747	-	4,148,213
- Net credit loss allowance against loans and advances	10,143,512	15,540,398	25,683,910	(2,819,683)	-	22,864,227
- Net credit loss allowance against off-balance sheet obligations	115,222	1,984,149	2,099,371	(348,145)	-	1,751,226
- Excess of accounting book values over tax written down values of property and equipment	1,661,181	-	1,661,181	(57,563)	-	1,603,618
- Other credit loss allowance	105,416	551,357	656,773	52,333	-	709,106
- Provision against contingencies	-	-	-	221,741	-	221,741
- Net credit loss allowance against Balance with other banks	-	18	18	(10)	-	8
- Net credit loss allowance against Balance with other Central bank	-	9,169	9,169	189	-	9,358
- Net credit loss allowance against lending to financial institution	-	4,764	4,764	(5,056)	-	(292)
- Right of use assets	651,852	-	651,852	238,644	-	890,496
	<u>19,786,649</u>	<u>21,538,570</u>	<u>41,325,219</u>	<u>(2,254,803)</u>	<u>530,021</u>	<u>39,600,437</u>

##### Taxable temporary differences on

- Surplus on revaluation of property and equipment	(3,322,829)	-	(3,322,829)	176,312	(627,264)	(3,773,781)
- Surplus on revaluation of investments	(16,223,312)	(5,657,733)	(21,881,045)	-	(53,632,462)	(75,513,507)
- Surplus on revaluation of non-banking assets	(106,848)	-	(106,848)	-	(11,367)	(118,215)
- Gain on sale of Equity Shares - FVOCI	-	-	-	-	-	-
- Opening impact IFRS-9	-	(232,907)	(232,907)	-	-	(232,907)
- Exchange translation reserve	(853,843)	-	(853,843)	-	(52,276)	(906,119)
- Reclassification / Re-measurement of Investments on adoption of IFRS-9	-	(3,057,980)	(3,057,980)	3,057,980	-	-
	<u>(20,506,832)</u>	<u>(8,948,620)</u>	<u>(29,455,452)</u>	<u>3,234,292</u>	<u>(54,323,369)</u>	<u>(80,544,529)</u>
	<u>(720,183)</u>	<u>12,589,950</u>	<u>11,869,767</u>	<u>979,489</u>	<u>(53,793,348)</u>	<u>(40,944,092)</u>

2023					
At January 01, 2023	Impact of adoption of IFRS 9	At January 1 2023	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At Dec 31 2023
----- Rupees in 000-----					
Deductible temporary differences on					
- Tax losses carried forward	10,705	-	10,705	-	10,705
- Post retirement employee benefits	7,352,695	-	7,352,695	(490,685)	6,862,010
- Provision for diminution in the value of investments	236,751	-	236,751	-	236,751
- Provision against loans and advances	12,925,197	-	12,925,197	(2,781,685)	10,143,512
- Provision against off-balance sheet obligations	115,222	-	115,222	-	115,222
- Excess of accounting book values over tax written down values of property and equipment	1,506,288	-	1,506,288	154,893	1,661,181
- Other provisions	105,416	-	105,416	-	105,416
- Accelerated tax depreciation	-	-	-	-	-
- Right of use assets	670,604	-	670,604	(18,752)	651,852
	22,922,878		22,922,878	(2,645,544)	19,786,649
Taxable temporary differences on					
- Surplus on revaluation of fixed assets	(3,061,347)	-	(3,061,347)	174,426	(3,322,829)
- Surplus on revaluation of investments	3,208,913	-	3,208,913	-	(16,223,312)
- Surplus on revaluation of non-banking assets	(21,752)	-	(21,752)	-	(106,848)
- Exchange translation reserve	(749,289)	-	(749,289)	-	(853,843)
	(623,475)		(623,475)	174,426	(20,506,832)
	22,299,403		22,299,403	(2,471,118)	(20,548,468)

21 OTHER LIABILITIES	Note	2024	2023
		----- Rupees in 000-----	
Mark-up / return / interest payable in local currency		198,302,520	194,548,283
Mark-up / return / interest payable in foreign currencies		2,126,296	2,611,281
Unearned commission and income on bills discounted		316,175	101,350
Accrued expenses		15,235,759	13,684,726
Advance payments		335,630	346,109
Current taxation (provisions less payments)		14,337,001	-
Unclaimed dividends		173,632	174,284
Mark to market loss on forward foreign exchange contracts		379,658	6,676,880
Branch adjustment account		3,772,016	1,659,214
Payable to defined benefit plan:			
Pension fund	40.4	75,638,568	22,944,893
Post retirement medical benefits	40.4	39,745,198	34,833,112
Benevolent fund	40.4	1,882,384	1,613,699
Gratuity scheme	40.4	4,852,558	4,575,660
Compensated absences	40.4	10,227,411	9,632,176
Staff welfare fund		371,257	371,257
Liabilities relating to barter trade agreements		4,280,203	4,321,484
Provision against contingencies	21.1	5,343,606	4,698,118
Credit loss allowance against off-balance sheet obligations	21.2	1,726,164	627,494
Payable to brokers		30,288	735,663
PIBs short selling		-	10,241,337
Acceptances		9,580,543	8,100,364
Others		20,113,803	18,366,475
		<u>408,770,670</u>	<u>340,863,859</u>
<b>21.1 Provision against contingencies</b>			
Opening balance		4,698,118	4,170,799
Charge for the year		426,424	384,838
Other movement		219,064	142,481
Closing balance		<u>5,343,606</u>	<u>4,698,118</u>

	2024	2023
	----- Rupees in 000 -----	
<b>21.2 Credit loss allowance against off-balance sheet obligations</b>		
Opening balance	627,494	627,494
Impact of adoption of IFRS-9	4,049,283	
Reversals for the year	<u>(669,509)</u>	<u>-</u>
	(669,509)	-
Transfer out	<u>(2,281,104)</u>	<u>-</u>
Closing balance	<u>1,726,164</u>	<u>627,494</u>

## 22 SHARE CAPITAL

### 22.1 Authorized capital

2024	2023		2024	2023
----- Number of shares -----			----- Rupees in 000 -----	
<u>2,500,000,000</u>	<u>2,500,000,000</u>	Ordinary shares of Rs.10/- each	<u>25,000,000</u>	<u>25,000,000</u>

### 22.2 Issued, subscribed and paid up

2024	2023		2024	2023
----- Number of shares -----			----- Rupees in 000 -----	
		<b>Ordinary shares</b>		
140,388,000	140,388,000	Fully paid in cash	1,403,880	1,403,880
1,987,125,026	1,987,125,026	Issued as bonus shares	19,871,251	19,871,251
-	-	Issued for consideration other than cash	-	-
<u>2,127,513,026</u>	<u>2,127,513,026</u>		<u>21,275,131</u>	<u>21,275,131</u>
-	-	Less: Discount on issue of shares	-	-
<u>2,127,513,026</u>	<u>2,127,513,026</u>		<u>21,275,131</u>	<u>21,275,131</u>

The Federal Government and Pakistan Sovereign Wealth Fund (PSWF) holds 75.60% (2023: Federal Government and SBP 75.60%) shares of the Bank.

**22.3** The Pakistan Sovereign Wealth Fund Act, 2023 became effective during the 2023. Under the said Act, the SBP's shareholding in the Bank stands transferred to the Pakistan Sovereign Wealth Fund (PSWF).

	2024	2023
	----- Number of shares -----	
<b>Shares of the Bank held by subsidiary and associate</b>		
Following shares were held by the associate of the Bank as of year end:		
First Credit & Investment Bank Limited	<u>70,000</u>	<u>70,000</u>
	<u>70,000</u>	<u>70,000</u>

## 23 RESERVES

### Exchange translation reserve

This comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### Statutory reserve

Every bank incorporated in Pakistan is required to transfer 20% of their profits to a statutory reserve until the reserve equals share capital, thereafter 10% of the profits of the Bank are to be transferred to this reserve.

### Merger reserve

As per the Scheme of Amalgamation, all the assets, liabilities and obligations of NBP Leasing Limited were merged with, transferred to, vested in and assumed by the Bank as at the effective date July 31, 2017. The reserve represents the excess of net assets transferred to the Bank over its investment in NBP Leasing Limited.

	Note	2024	2023
		----- Rupees in 000 -----	
<b>24 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI - Debt	10.1 & 24.3	50,319,905	-
- Securities measured at FVOCI - Equity	10.1 & 24.3	94,898,376	-
- Available for sale securities		-	33,108,801
- Property and Equipment	24.1	49,394,599	47,395,553
- Non-banking assets acquired in satisfaction of claims	24.2	2,995,046	2,803,228
		197,607,926	83,307,582
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		(26,166,351)	-
- Securities measured at FVOCI - Equity		(49,347,156)	-
- Available for sale securities		-	(16,223,312)
- Property and equipment	24.1	(3,773,779)	(3,322,829)
- Non-banking assets acquired in satisfaction of claims	24.2	(118,215)	(106,848)
		(79,405,501)	(19,652,989)
		<u>118,202,425</u>	<u>63,654,593</u>
<b>24.1 Surplus on revaluation of property and equipment</b>			
Surplus on revaluation of property and equipment as at January 1		47,395,553	47,733,682
Recognised during the year	12.2	2,338,109	17,842
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		-	-
Related deferred tax liability on incremental depreciation charged during the year		(162,750)	(181,545)
Surplus on revaluation of property and equipment as at December 31		(176,313)	(174,426)
		49,394,599	47,395,553
Less: related deferred tax liability on:			
- revaluation as at January 1		(3,322,829)	(3,061,347)
- revaluation recognised during the year		(423,824)	(8,743)
- rate adjustment		(203,439)	(427,165)
- incremental depreciation charged during the year		176,313	174,426
		(3,773,779)	(3,322,829)
		<u>45,620,820</u>	<u>44,072,724</u>
<b>24.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims</b>			
Surplus on revaluation as at January 1		2,803,228	2,520,000
Recognised during the year		191,818	283,228
Surplus on revaluation as at December 31		2,995,046	2,803,228
Less: related deferred tax liability on:			
- revaluation as at January 1		(106,848)	(21,752)
- revaluation recognised during the year		(4,826)	(82,060)
- rate adjustment		(6,541)	(3,036)
		(118,215)	(106,848)
		<u>2,876,831</u>	<u>2,696,380</u>

	Note	2024	2023
		----- Rupees in 000 -----	
<b>24.3</b>	<b>Securities which will be recycled to the unconsolidated statement of profit and loss account</b>		
	- Securities measured at FVOCI - Debt	50,319,905	-
	<b>Securities which will not be recycled to the unconsolidated statement of profit and loss account</b>		
	- Securities measured at FVOCI - Equity	94,898,376	-

## 25 CONTINGENCIES AND COMMITMENTS

-Guarantees	25.1	513,080,260	346,487,980
-Commitments	25.2	2,319,154,517	2,362,684,359
-Other contingent liabilities	25.3	26,536,608	26,628,229
		<u>2,858,771,385</u>	<u>2,735,800,568</u>

### 25.1 Guarantees:

Financial guarantees		461,985,681	227,063,459
Performance guarantees		51,094,580	119,424,521
Other guarantees		-	-
		<u>513,080,260</u>	<u>346,487,980</u>

### 25.2 Commitments:

Documentary credits and short-term trade-related transactions			
- letters of credit		1,585,818,397	1,633,847,479
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	637,181,340	655,935,358
- forward government securities transactions	25.2.2	79,587,535	27,318,929
- forward lending	25.2.3	15,467,596	44,432,555
Commitments for acquisition of:			
- operating property and equipment		1,082,641	1,129,442
Other commitments	25.2.5	17,008	20,596
		<u>2,319,154,517</u>	<u>2,362,684,359</u>

#### 25.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		419,040,101	412,870,783
Sale		218,141,239	243,064,575
		<u>637,181,340</u>	<u>655,935,358</u>

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

#### 25.2.2 Commitments in respect of forward government securities transactions

	2024	2023
	----- Rupees in 000 -----	
Purchase	74,167,535	11,493,136
Sale	5,420,000	15,825,793
	<u>79,587,535</u>	<u>27,318,929</u>

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

	2024	2023
	----- Rupees in 000 -----	
<b>25.2.3 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to lend	<u>15,467,596</u>	<u>44,432,555</u>
	<u>15,467,596</u>	<u>44,432,555</u>

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

	Note	2024	2023
		----- Rupees in 000 -----	
<b>25.2.5 Other commitments</b>			
Professional services to be received		<u>17,008</u>	<u>20,596</u>

<b>25.3 Other contingent liabilities</b>	25.3.1	<u>26,536,608</u>	<u>26,628,229</u>
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**25.3.1** Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (2023: Rs. 1,597 million).

### **25.3.2 Taxation**

- The return of income for tax year 2024 has been filed which is treated to be deemed assessment order.
- Honourable ATIR has passed appellate order for tax year 2005 against monitoring order and held that the proceedings are time barred. However, the order of the DCIR remanded back to the assessing officer with the instruction to proceed further if any information is already available with the tax department.
- Honourable ATIR has passed appellate order for tax year 2009 against monitoring order and the order passed by the DCIR has been annulled.
- An assessment order was issued by the ACIR for the tax year 2023. In this assessment, the tax authorities have made certain additions. The Bank has contested these additions before the Appellate Tribunal.
- The aggregate effect of contingencies as on Dec 31, 2024 including amount of Rs. 716 million (December 31, 2023: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 35,160 million (December 31, 2023: Rs. 34,730 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expect favorable outcome upon decisions of pending appeals.

### **25.3.3 Contingencies in respect of employees benefits and related matters**

The following are the details of the contingencies arising out of the various legal cases pending adjudication in respect of employees' benefits and related matters. The Bank considers that except for Pensionary benefits note 25.3.3.1, the financial impact of other matters is impracticable to determine with sufficient reliability.

#### **25.3.3.1 Pensionary benefits to retired employees**

The Honorable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, dismissed all the civil review petitions filed by NBP (CRPs No 368 to 409 etc.), as a result of which the Supreme Court decision dated 25th September 2017, in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement bank has made payments to majority of petitioners as well as non-petitioners.

The Honorable Supreme Court has also directed NBP to pay the arrears of any government increases in pension but to only pensioners who are directly involved and are parties in the aforesaid litigation. However, as things stand at the moment, an off- shoot of the said litigation is presently pending final adjudication in the Supreme Court wherein a different class of pensioners are claiming payment of government increases in pension from NBP. In this case, the Supreme Court has granted NBP interim relief and has suspended the operation of the judgment of the Lahore High Court which had directed NBP to pay such pension increases. As a result, there are now two different views of the Honorable Supreme Court vis a vis the payment of government increases in pension to the pensioners of NBP and the legal position is far from being clear or certain. However, as a matter of abundant caution the Bank has incorporated financial impact in these unconsolidated financial statements for the year ended December 31, 2024.

### 25.3.3.2 Regularizing the temporary hires / workers deployed by service provider companies under outsourcing arrangements

The Bank outsourced certain non-core jobs to various service provider companies after entering into contracts with them. The resources deployed by the service provider companies were their employees and the said companies have had sole administrative control over these resources. Some of these resources filed writ petitions before the High Courts and National Industrial Relations Commission (NIRC) seeking to be absorbed by the Bank in its regular service based on grounds that they were in fact employees of the Bank. Presently, there are 6 cases on appeal pending at the Supreme Court where these have been clubbed to be heard as one. The Chief Justice of Pakistan has constituted a larger bench comprising of five Judges being headed by himself for adjudication. The case is ongoing and is presently adjourned for a date to be fixed. A favorable outcome of this case is expected.

### 25.3.3.3 Litigation related to management trainee program

Following the litigation arising out of the order dated September 21, 2016 passed by the Supreme Court in our CA No.1644/2013 out of our CPLA No. 805/2013 filed against order dated March 13, 2013 of the Division Bench of Sindh High Court, Sukkur in CP No. D-417/2010 (the "Decision"), the Bank has substantially paid all the petitioners and non petitioners in accordance with court orders or on the basis of out of court settlements. The matter is now closed.

### 25.4 Foreign exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporter namely: M/S Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has also adjudicated penalty of Rs. 1,020 million, arbitrarily on the Bank. The Bank has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgments. The Honorable High Court has granted relief to the Bank by way of interim orders.

As advised by our counsel, NBP has also filed a Constitutional Petition challenging the constitution of the Appellate Board by the Commission and has obtained restraining order on the ground that the Appellate Board constituted by the Commission lacks legal merit in the light of Supreme Court ruling. Our counsel has concluded his arguments in respect of the Foreign Exchange Regulation Appellate Board constitution. However, another petition filed by another company whereby challenging the constitutionality of the Competition Act was also tagged with the petitions filed by the banks.

Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore, no provision has been made against the impugned penalty.

### 25.5 Compliance and risk matters relating to anti-money laundering at the New York Branch

The bank fully complied with the public enforcement actions issued in February 2022 by the New York State Department of Financial Services (NYDFS) and the Federal Reserve Board. It thereafter decided to close the New York branch. With approval from the NYDFS, the bank's New York branch voluntarily surrendered its banking license to the NYDFS in October 2024. In December 2024, the Federal Reserve Board terminated the enforcement actions issued to NBP/New York Branch in March 2016 & February 2022. The NYDFS does not have a practice of terminating enforcement actions.

	2024	2023
	----- Rupees in 000 -----	
<b>26 MARK-UP / RETURN / INTEREST EARNED</b>		
Loans and advances	233,285,305	221,787,037
Investments	842,031,448	773,985,390
Lendings to financial institutions	10,809,789	27,619,480
Balances with banks	3,288,310	1,265,741
	<u>1,089,414,852</u>	<u>1,024,657,648</u>
<b>27 MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits	460,511,904	365,117,330
Borrowings	8,956,569	6,988,812
Cost of foreign currency swaps against foreign currency deposits / borrowings	15,257,391	14,293,880
Financial charges lease liability against right of use assets	994,407	810,696
Securities sold under repurchase agreements	432,806,427	468,699,346
	<u>918,526,698</u>	<u>855,910,064</u>

28	<b>FEE AND COMMISSION INCOME</b>	Note	2024 ----- Rupees in 000 -----	2023 ----- Rupees in 000 -----
	Branch banking customer fees		1,872,522	1,836,285
	Consumer finance related fees		829,131	537,528
	Card related fees (debit and credit cards)		4,895,488	3,018,522
	Credit related fees		311,778	355,727
	Investment banking fees		382,569	479,928
	Commission on trade		2,447,629	2,431,771
	Commission on guarantees		1,767,688	815,499
	Commission on cash management		56,703	98,999
	Commission on remittances including home remittances		1,731,603	1,813,156
	Commission on bancassurance		273,804	227,995
	Commission on government transactions		10,862,413	10,319,641
	Others		47,205	97,131
			<u>25,478,533</u>	<u>22,032,182</u>
29	<b>GAIN ON SECURITIES</b>			
	Realized	29.1	18,861,864	4,417,126
	Unrealized - measured as FVTPL / held for trading - net	29.1 & 10.1	9,030,655	(34,939)
	Unrealized - Short selling		-	1,873
			<u>27,892,519</u>	<u>4,384,060</u>
29.1	Realized gain on:			
	Federal Government securities		9,222,915	1,289,150
	Shares	29.1.1	9,730,047	3,171,618
	Foreign securities		(91,098)	(43,642)
			<u>18,861,864</u>	<u>4,417,126</u>
29.1.1	The transaction for the sale of the Bank's shareholding in United National Bank Limited (UNBL UK) was concluded after obtaining all the regulatory approvals on July 01, 2024.			
29.1.2	During the year, the Bank has divested its interest in its associate, Agritech Limited, through a negotiated transaction. The transaction was completed on October 15, 2024.			
29.2	<b>Net gain on financial assets / liabilities measured at FVTPL:</b>	Note	2024 ----- Rupees in 000 -----	2023 ----- Rupees in 000 -----
	Designated upon initial recognition		11,354,387	-
	Mandatorily measured at FVTPL		3,155,798	-
			14,510,185	-
	Net gain on financial assets measured at FVOCI - Debt		6,421,595	-
			<u>20,931,780</u>	<u>2,756,317</u>
30	<b>NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>			
	Loss on derecognition of financial assets measured at amortised cost	30.1	(662,486)	-
30.1	This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these unconsolidated financial statements.			
31	<b>OTHER INCOME</b>	Note	2024 ----- Rupees in 000 -----	2023 ----- Rupees in 000 -----
	Rent on property		90,766	74,695
	Gain on sale of property and equipment - net		3,142	250,247
	Postal, SWIFT and other charges recovered / reversed		214,222	131,783
	Compensation for delayed delivery of vehicles		-	1,009
	Compensation for delayed tax refunds	31.1	-	1,320,345
	Tender money		-	2,307
	Early settlement of staff loan		319,333	-
	Others		80,402	13,079
			<u>707,865</u>	<u>1,793,465</u>
31.1	This represents compensation for delayed refunds determined under Section 171 of Income Tax Ordinance 2001.			

32	OPERATING EXPENSES	Note	2024	2023
		----- Rupees in 000 -----		
	<b>Total compensation expense</b>	32.2	136,338,769	56,391,759
	<b>Property expense</b>			
	Rent and taxes		1,613,522	1,241,018
	Insurance	32.3	38,603	59,269
	Utilities cost		3,343,168	2,871,400
	Security (including guards)		4,552,832	4,043,661
	Repair and maintenance (including janitorial charges)		1,687,577	1,463,325
	Depreciation		488,292	496,438
	Depreciation on non - banking assets		17,944	10,045
	Depreciation on Ijarah assets		1,371	1,065
	Depreciation on right-of-use assets		1,957,699	1,990,974
	Others		12,268	-
			13,713,276	12,177,195
	<b>Information technology expenses</b>			
	Software maintenance		3,303,574	2,803,333
	Hardware maintenance		159,744	137,903
	Depreciation		724,165	579,394
	Amortisation		507,990	277,042
	Network charges		1,000,925	892,901
	IT Manage services		1,916,306	2,611,550
	Others		4,193	-
			7,616,897	7,302,123
	<b>Other operating expenses</b>			
	Directors' fees and allowances		95,191	88,232
	Fees and allowances to Shariah Board		19,203	17,123
	Legal and professional charges		1,325,623	2,154,647
	Outsourced services costs	32.1	1,470,838	931,924
	Travelling and conveyance		1,729,596	1,896,767
	NIFT clearing charges		279,744	255,128
	Depreciation		1,519,706	1,380,691
	Training and development		184,211	108,655
	Postage and courier charges		354,468	409,561
	Communication		1,657,138	1,211,017
	Stationery and printing		2,502,964	2,083,204
	Marketing, advertisement & publicity		1,760,370	1,153,625
	Donations	32.5	148,764	45,104
	Auditors remuneration	32.6	362,910	360,590
	Property and equipment / Non-banking asset deficit		12,102	-
	Financial charges on leased assets		205,683	66,293
	Entertainment		477,034	335,999
	Clearing charges, verification and licence fee		499,229	565,390
	Brokerage		250,050	158,589
	Insurance general		1,043,258	742,120
	Vehicle expenses		268,449	257,265
	Deposit premium expense		1,636,619	1,392,861
	Repairs and maintenance general		1,147,359	1,374,253
	Others		718,495	485,599
			19,669,004	17,474,637
			177,337,946	93,345,714

**32.1** Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 1,548 million (2023: Rs. 931.9 million). Out of this cost, Rs. 1,536 million (2023: Rs. 919.4 million) pertains to the payment to companies incorporated in Pakistan and Rs. 12.2 million (2023: Rs. 12.5 million) pertains to payment to companies incorporated outside Pakistan. Total Cost of outsourced activities for the year given to related parties is Rs. Nil (2023: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017. The material outsourcing arrangements along with their nature of services are as follows:

Name of Company	Nature of Services	2024	2023
		----- Rupees in 000 -----	
HTECH Solutions (Private) Limited	Call centre management	168,497	122,541

During the year, outsourcing services were hired in respect of sales, call centre services, IT support & Services, Cash sorting, protocol services, collection services, and engineering services.

32.2 Total compensation expense	Note	2024	2023
		----- Rupees in 000 -----	
Fees and allowances etc		-	-
Managerial remuneration			
i) Fixed		18,827,523	16,303,729
ii) Variable			
a) Cash bonus / awards etc.		6,211,113	5,479,182
b) Bonus and awards in shares etc.		-	-
Charge for defined benefit plan	25.3.3.1	81,402,315	11,918,752
Rent and house maintenance		6,864,132	6,283,545
Utilities		3,185,126	2,667,271
Medical		5,626,612	4,602,916
Conveyance		5,465,882	4,250,732
Club Membership and Subscription		153,640	93,718
Education Allowance		1,820,867	1,818,799
Insurance		374,809	462,205
Honorarium to Staff and Staff Welfare		231,091	445,175
Overtime		49,460	45,892
Special Duty Allowance		1,369	3,621
Islamic Banking Allowance		1,070	-
Washing Allowance		13,232	14,208
Key Allowance		70,804	70,501
Unattractive Area Allowance		83,185	68,690
Leave Encashment		12,766	12,021
Teaching Allowance		13,004	10,864
Incentive on CASA deposits mobilization		76,656	35,378
Meal Allowance		444,646	246,262
Staff Incentive		15,632	8,421
Liveries		13	19
Inchamber Allowance		617	-
Inflationary Allowance		-	648,818
Saturday Allowances		158,454	162,405
Severe Winter Allowance		57,338	54,480
Hill Allowance		46,379	34,530
ATM Cash Replenish Allowance		21,325	20,593
PhD Allowance		12,844	10,098
Hardship Allowance		3,110	-
Other retirement benefits of international branches		-	132,036
Staff Loan - notional cost	32.4	4,605,524	-
Others		488,232	486,898
		136,338,769	56,391,759
		136,338,769	56,391,759

**32.3** This includes Rs. 3.935 million (2023: Rs.3.422 million) insurance premium against directors' liability insurance.

**32.4** This refers to unwinding of notional deferred cost on subsidised staff loans fair valuation under IFRS-9.

32.5	Donations include following amounts:	2024	2023
		----- Rupees in 000 -----	
	Special Olympics Pakistan	5,500	-
	Afzaal Memorial Thalassaemia Foundation	5,000	-
	Family Educational Services Foundation	15,000	-
	Child Aid Association	2,000	-
	Marie Adelaide Leprosy Centre	2,500	-
	Child Life Foundation	10,000	-
	Akhuwat	14,000	-
	Karwan-e-Hayat	12,600	-
	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	38,511	26,549
	Pakistan Alliance For Girls Education Trust	5,300	-
	The Hunar Foundation	15,000	-
	Strengthening Participatory Organization	11,314	-
	Tehzibul Akhlaq Trust	7,000	-
	Sindh community Foundation	5,037	-
	The Citizen Foundation (TCF)	-	7,255
	Network of Organizations Working for	-	5,000
	Women Empowerment Group (WEG)	-	6,300
		<u>148,764</u>	<u>45,104</u>

32.5.1 None of the Directors, Sponsor shareholders and Key Management Personnel or their spouse have an interest in the Donee.

32.6	Auditors' remuneration	A.F.Ferguson & Co.	BDO Ebrahim & Co.	2024	2023
		-----Rupees in 000-----			
	Audit fee	33,000	28,132	61,132	35,949
	Special certifications	2,825	2,307	5,132	2,527
		<u>35,825</u>	<u>30,439</u>	<u>66,264</u>	<u>38,476</u>
	Other special certification and sundry advisory	31,340	6,790	38,130	81,871
	Out-of-pocket expenses	10,175	10,175	20,350	9,000
	Sales Tax	3,680	3,249	6,929	12,922
	Fee for audit of foreign branches including advisory service and out-of-pocket expenses	-	-	231,238	218,321
		<u>81,020</u>	<u>50,653</u>	<u>362,910</u>	<u>360,590</u>

33	OTHER CHARGES	Note	2024	2023
			----- Rupees in 000 -----	
	Penalties imposed by State Bank of Pakistan		33,471	270,073
	Penalties imposed by other regulatory bodies (Central bank of International branches)		7,496	15,867
	Penalties imposed by other regulatory bodies (Regulators of subsidiaries)		-	-
			<u>40,967</u>	<u>285,940</u>

34	CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET		2024	2023
			----- Rupees in 000 -----	
	Net reversal of credit loss allowance against lending to financial institutions	9.7	(9,723)	-
	Reversal / Net credit loss allowance / provision against investments	10.3.2	(3,669,343)	458,787
	Reversal / Net credit loss allowance / provision against loans and ad	11.6	6,113,132	13,386,635
	Provision against other assets	15.5.1	(33,596)	239,045
	Other credit loss allowance against contingencies	21.1	426,424	384,838
	Net credit loss allowance against markup receivable	15.6	100,640	-
	Net reversal of credit loss allowance against off balance Sheet	21.2	(669,509)	-
	Net reversal of credit loss allowance against cash and balance with other banks		(18)	-
	Net credit loss allowance against cash and balance with treasury banks		362	-
			<u>2,258,369</u>	<u>14,469,305</u>

35	TAXATION	Note	2024	2023
			----- Rupees in 000 -----	
	Current			
	For the year	35.1	30,790,803	53,264,509
	Prior years		-	(6,322,999)
			30,790,803	46,941,510
	Deferred			
	For the year		(979,489)	(5,602,109)
	Prior years		-	8,073,227
			(979,489)	2,471,118
			<u>29,811,314</u>	<u>49,412,628</u>
<b>35.1</b>	Current taxation includes Rs. Nil (2023: Rs. Nil) of overseas branches.			
<b>35.2</b>	<b>Relationship between tax expense and accounting profit</b>			
	Accounting Profit Before Tax		56,677,058	101,253,090
	Income tax at statutory rate @ 44% (2023: 39%)		24,937,906	39,488,705
	Super tax at statutory rate @ 10% (2023: 10%)		5,667,706	10,125,309
	Increase / (decrease) in taxes resulting from:			
	Inadmissible items		22,122	140,111
	Prior year taxation		-	1,750,228
	Impact of change in tax rate		(700,835)	(1,716,671)
	Reduced rate on SME / Housing		-	-
	Others		(115,585)	(375,054)
	Tax charge for current and prior years		<u>29,811,314</u>	<u>49,412,628</u>
<b>36</b>	<b>BASIC EARNING PER SHARE</b>			
	Profit for the year (Rupees in 000's)		26,865,744	51,840,462
	Weighted average number of ordinary shares (Number in 000's)		2,127,513	2,127,513
	Basic earnings per share (Rupees)		<u>12.63</u>	<u>24.37</u>
<b>37</b>	<b>DILUTED EARNING PER SHARE</b>			
	Profit for the year (Rupees in 000's)		26,865,744	51,840,462
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares) (Number in 000's)		2,127,513	2,127,513
	Diluted earnings per share (Rupees)		<u>12.63</u>	<u>24.37</u>
<b>38</b>	<b>CASH AND CASH EQUIVALENTS</b>			
	Cash and balance with treasury banks		314,234,036	294,992,570
	Balance with other banks		56,836,483	42,325,051
	Musharka / clean money lending		30,000,000	9,723
	Call borrowings		(21,989,167)	(19,434,142)
	Overdrawn nostro accounts		(197,488)	(19,330,975)
			<u>378,883,864</u>	<u>298,562,227</u>
<b>38.1</b>	<b>Reconciliation of movements of liabilities to cash flow used in financing activities:</b>		<b>2024</b>	
			<b>Lease Obligation</b>	<b>Unclaimed Dividend</b>
			----- Rupees in 000 -----	
	Balance as at January 1, 2024		8,264,782	174,284
	Changes from financing cashflows			
	Payment of lease obligation / dividend		(2,746,757)	(652)
	Total charges from financing activities		(2,746,757)	(652)
	Other charges			
	Renewed lease during the year		1,604,213	-
	Interest unwinding		994,407	-
	Foreign exchange gain		(86,528)	-
	Total other charges		2,512,092	-
	Balance as at December 31, 2024		<u>8,030,117</u>	<u>173,632</u>

	2023	
	Lease Obligation	Unclaimed Dividend
	----- Rupees in 000 -----	
Balance as at January 1, 2023	8,267,949	181,851
Changes from financing cashflows		
Payment of lease obligation / dividend	(3,446,309)	(7,567)
Total charges from financing activities	(3,446,309)	(7,567)
Other charges		
Renewed lease during the year	2,239,854	
Interest unwinding	810,696	
Foreign exchange gain	392,592	
Total other charges	3,443,142	-
Balance as at December 31, 2023	8,264,782	174,284

39 STAFF STRENGTH	2024	2023
	----- Numbers -----	
Permanent	9,051	9,542
On the Bank's contract	5,747	5,420
Bank's own staff strength at the end of the year	14,798	14,962

39.1 In addition to the above, 1,957 (2023: 1,722) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services. Out of these, 1,951 employees are working domestically (2023: 1,708) and 6 (2023: 14) abroad respectively.

#### 40 DEFINED BENEFIT PLAN

##### 40.1 General description

General description of the type of defined benefit plan and accounting policy for remeasurements of the net defined liability / asset is disclosed in note 4.11 to the unconsolidated financial statements.

##### 40.2 Number of employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2024	2023
	----- Numbers -----	
Pension fund	9,051	9,542
Post retirement medical expense	9,051	9,542
Benevolent scheme	9,051	9,542
Gratuity scheme	5,551	5,185
Compensated absences	9,051	9,542

##### 40.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2024 using the following significant assumptions:

	2024	2023
	----- Per annum -----	
Discount rate	12.25%	15.50%
Expected rate of return on plan assets	12.25%	15.50%
Expected rate of salary increase	10.75%	15.50%
Expected rate of increase in pension	107% for next one year	80% for next one year, 11% onwards
Expected rate of increase in medical benefit	12.25%	15.50%

Note	2024					2023						
	Rupees in 000											
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
<b>40.4 Reconciliation of (receivable from) / payable to defined benefit plans</b>												
Present value of obligations	177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
Fair value of plan assets	(101,540,358)	-	-	-	-	(101,540,358)	(80,646,300)	-	-	-	-	(80,646,300)
Payable	75,638,568	39,745,198	1,882,384	4,852,558	10,227,411	132,346,119	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540
<b>40.5 Movement in defined benefit obligations</b>												
Obligations at the beginning of the year	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840	89,128,297	29,176,898	1,697,838	3,767,858	8,734,235	132,505,126
Current service cost	2,577,250	890,143	42,294	628,666	17,341	4,155,694	1,082,972	771,209	42,912	543,697	12,352	2,453,142
Past Service due to early retirement gratuity	57,549,870	-	149	80,555	356,535	57,987,109	28,590	14,663	503	136,889	613,761	794,406
Other payments	-	-	-	-	-	-	137,070	-	-	-	-	137,070
Adjustment against contingency reserve	78,513	12,814	118	-	11,273	102,718	158,428	34,152	332	-	19,326	212,238
Interest cost	24,875,597	5,288,935	235,391	694,031	1,463,426	32,557,380	12,665,122	4,137,561	232,065	536,448	1,247,384	18,818,580
Benefits paid by the bank	(22,508,104)	(1,421,895)	(190,094)	(196,086)	(381,432)	(24,697,611)	(3,565,262)	(1,283,994)	(194,781)	(136,429)	(263,173)	(5,443,639)
Re-measurement gain - Profit and Loss	-	-	-	-	(871,908)	(871,908)	-	-	-	-	(731,709)	(731,709)
Re-measurement loss / (gain) - OCI	11,014,607	142,089	180,827	(930,268)	-	10,407,255	3,955,976	1,982,623	(165,170)	(272,803)	-	5,500,626
Obligations at the end of the year	177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
<b>40.6 Movement in fair value of plan assets</b>												
Fair value at the beginning of the year	80,646,300	-	-	-	-	80,646,300	66,064,403	-	-	-	-	66,064,403
Interest income on plan assets	12,425,960	-	-	-	-	12,425,960	9,552,737	-	-	-	-	9,552,737
Contribution by the bank - net	1,501,147	-	-	-	-	1,501,147	1,403,168	-	-	-	-	1,403,168
Benefits paid	(22,508,104)	-	-	-	-	(22,508,104)	(3,565,262)	-	-	-	-	(3,565,262)
Benefits paid on behalf of fund	20,049,320	-	-	-	-	20,049,320	1,795,181	-	-	-	-	1,795,181
Actuarial loss on Assets	-	-	-	-	-	-	5,396,073	-	-	-	-	5,396,073
Re-measurements: Net return on plan assets over interest income gain / (loss)	40.8.2	9,425,735	-	-	-	9,425,735	-	-	-	-	-	-
Fair value at the end of the year	101,540,358	-	-	-	-	101,540,358	80,646,300	-	-	-	-	80,646,300

Note	2024					2023						
	Rupees in 000											
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
<b>40.7 Movement in (receivable) / payable under defined benefit schemes</b>												
Opening balance	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540	23,063,894	29,176,898	1,697,838	3,767,858	8,734,235	66,440,723
Charge / (reversal) for the year	72,576,757	6,179,078	277,834	1,403,252	965,394	81,402,315	4,361,017	4,908,770	274,977	1,080,145	528,027	11,152,936
Past Service due to early retirement gratuity	-	-	-	-	-	-	-	14,663	503	136,889	613,761	765,816
Adjustment against contingency reserve	78,513	12,814	118	-	11,273	102,718	158,428	34,152	332	-	19,326	212,238
Contribution by the bank - net	(1,501,147)	-	-	-	-	(1,501,147)	(1,403,168)	-	-	-	-	(1,403,168)
Re-measurement loss / (gain) recognised in OCI during the year	1,588,872	142,089	180,827	(930,268)	-	981,520	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553
40.8.2 Benefits paid by the bank	(20,049,320)	(1,421,895)	(190,094)	(196,086)	(381,432)	(22,238,827)	(1,795,181)	(1,283,994)	(194,781)	(136,429)	(263,173)	(3,673,558)
Closing balance	75,638,568	39,745,198	1,882,384	4,852,558	10,227,411	132,346,119	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540
<b>40.8 Charge for defined benefit plans</b>												
<b>40.8.1 Cost recognised in profit and loss</b>												
Current service cost	2,577,250	890,143	42,294	628,666	17,341	4,155,694	1,082,972	771,209	42,912	543,697	12,352	2,453,142
Past Service due to early retirement gratuity	57,549,870	-	149	80,555	356,535	57,987,109	28,590	14,663	503	136,889	613,761	794,406
Other payments	-	-	-	-	-	-	137,070	-	-	-	-	137,070
Actuarial gain recognized - Profit and Loss	-	-	-	-	(871,908)	(871,908)	-	-	-	-	(731,709)	(731,709)
Net interest on defined benefit asset / liability	12,449,637	5,288,935	235,391	694,031	1,463,426	20,131,420	3,112,385	4,137,561	232,065	536,448	1,247,384	9,265,843
	72,576,757	6,179,078	277,834	1,403,252	965,394	81,402,315	4,361,017	4,923,433	275,480	1,217,034	1,141,788	11,918,752
<b>40.8.2 Re-measurements recognised in OCI during the year</b>												
Loss / (gain) on obligation												
Financial assumptions	(14,151,479)	(1,265,384)	283,033	(952,228)	-	(16,086,059)	6,789,410	1,411,977	(82,933)	(19,843)	-	8,098,611
Experience adjustment	25,166,086	1,407,473	(102,206)	21,960	-	26,493,314	(2,833,434)	570,646	(82,237)	(252,960)	-	(2,597,985)
Return on plan assets over interest income	(9,425,735)	-	-	-	-	(9,425,735)	(5,396,073)	-	-	-	-	(5,396,073)
Total re-measurements recognised in OCI	1,588,872	142,089	180,827	(930,268)	-	981,520	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553

2024                      2023  
----- Rupees in 000 -----

**40.9 Components of plan assets - Pension Fund**

Cash and cash equivalents - net	355,898	430,000
Government securities	65,336,734	63,789,305
Shares	750,702	7,509,967
Non-government debt securities	100,000	100,000
Mutual Funds	2,150,000	8,817,027
	<b>68,693,334</b>	<b>80,646,299</b>

**40.9.1** The Funds primarily invests in government securities which do not carry any significant credit risk. These are subject to interest rate risk based on market movements. Investment in term finance certificates are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Administrator of the Pension fund.

**40.10 Sensitivity analysis**

The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarised as below:

	2024					
	Pension fund	Post retirement medical scheme	Benevolent Scheme	Gratuity Scheme	Compensated absences	Total
	----- Rupees in 000 -----					
1% increase in discount rate	(12,447,836)	(4,042,779)	(101,895)	(472,319)	(609,055)	(17,673,885)
1% decrease in discount rate	14,688,020	4,928,173	113,896	518,951	685,551	20,934,591
1 % increase in expected rate of salary increase	4,164,175	1,073,996	4,307	545,732	736,656	6,524,865
1 % decrease in expected rate of salary increase	(3,807,334)	(976,377)	(4,651)	(501,769)	(664,258)	(5,954,389)
1% increase in expected rate of pension increase	10,878,833	1,714,662	-	-	-	12,593,496
1% decrease in expected rate of pension increase	(9,527,743)	(1,487,129)	-	-	-	(11,014,872)
1% increase in expected rate of medical benefit increase	-	1,835,515	-	-	-	1,835,515
1% decrease in expected rate of medical benefit increase	-	(1,554,021)	-	-	-	(1,554,021)

**40.11 Expected contributions to be paid to the fund in the next financial year** 1,750,151

**40.12 Expected charge for the next financial year** 20,042,835

**40.13 Maturity profile**

The weighted average duration of the obligation (in years)	<b>8.27</b>
Pension fund	7.66
Post retirement medical scheme	11.29
Benevolent scheme	5.73
Gratuity scheme	10.21
Compensated absences	6.33

**40.14 Funding policy**

The bank should disclose the policy followed for funding the staff retirement benefit schemes.

Current Assets	Amount	Percentage
	Rupees in '000	
Cash and cash equivalents - net	355,898	0.52%
Government securities	65,336,734	95.11%
Shares	750,702	1.09%
Non-Government debt securities	100,000	0.15%
Mutual funds	2,150,000	3.13%
	<b>68,693,334</b>	<b>100.00%</b>

Bank will continue to invest with the same percentage in the asset categories mentioned but increase the assets gradually so that there is no deficit in the pension fund.

**40.15** Significant risks associated with the staff retirement benefit schemes are as follows:

<b>Asset volatility</b>	The risk arises when the future earnings are lower than expectation. This risk is measured at a plan level over the obligation period of the current population. The company assets are either invested in fixed securities or cash.
<b>Changes in bond yields</b>	The risk arises when the actual return on plan assets is lower than expectation.
<b>Inflation risk</b>	The most common type of retirement benefit is one where the benefit is linked with last drawn salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
<b>Life expectancy / withdrawal rate</b>	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population. The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.
<b>Investment Risk</b>	The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

**41** **DEFINED CONTRIBUTION PLAN**

**Provident Fund**

The NBP employees Provident Fund was created under National Bank of Pakistan Employees Provident Fund Rules on April 01, 1950, under the Provident Fund Act, 1925. The Rules have been superseded by revised NBP Employees' Provident Fund Rules which came into force on January 01, 1958.

As per rules, the Officers, Executives and Clerical and Non Clerical staff in regular cadre make monthly contribution of 10% and 12.5% of their basic salary respectively towards the fund and the bank has to pay interest on balances of member's provident fund half yearly.

This scheme covers 8,808 employees (2023: 9,313 employees).

**42** **COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**

**42.1** **Total compensation expense**

Items	2024						
	Directors (Note 42.3)			Members shariah board (Note 42.4)	President / CEO (Note 42.1.1)	Key management personnel	Other material risk takers / controllers
	Chairman	Executives (other than CEO)	Non-executives				
	----- Rupees in 000 -----						
Fees and allowances etc.	13,440	-	81,751	12,257	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	2,287	108,000	207,006	1,084,323
ii) Variable							
a) Cash bonus / awards	-	-	-	958	-	161,945	535,662
b) Bonus and awards in shares	-	-	-	-	-	-	-
Charge for defined benefit plan	-	-	-	753	19,799	80,166	746,489
Contribution to defined contributor	-	-	-	-	-	-	-
Rent and house maintenance	-	-	-	1,258	12,000	113,853	537,955
Utilities	-	-	-	526	2,168	47,525	220,076
Medical	-	-	-	469	-	43,943	242,790
Conveyance	-	-	-	574	-	42,984	245,243
Others *	-	-	-	121	5,499	9,167	196,944
<b>Total</b>	<b>13,440</b>	<b>-</b>	<b>81,751</b>	<b>19,203</b>	<b>147,466</b>	<b>706,589</b>	<b>3,809,482</b>
Number of persons	1	-	5	5	1	22	272

**42.1.1** This represents compensation from January 1, 2024 to December 31, 2024 paid to President / CEO upon approval of compensation package by shareholders in Extra Ordinary General Meeting held on November 22, 2024. Last year, upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 26.129 million was paid from August 07, 2023 till December 31, 2023 to the President which has been adjusted in 2024, while the actual amount for the period August 7, 2023 to December 31, 2023 as per compensation package approved by shareholders amounted to Rs 52.891 million.

\* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

**42.2** The total amount of deferred bonus as at December 31, 2024 for the Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 266.2 million (2023: Rs. 233.6 million). The deferred bonus is held in a trust fund.

Items	2023						
	Directors			Members shariah board	President / CEO (Note 42.2.1)	Key management personnel	Other material risk takers / controllers
	Chairman	Executives (other than CEO)	Non-executives				
----- Rupees in 000 -----							
Fees and allowances etc.	11,786	-	76,446	11,370	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	1,972	9,405	193,791	1,062,350
ii) Variable							
a) Cash bonus / awards	-	-	-	809	-	156,328	549,076
Charge for defined benefit plan	-	-	-	594	6,915	68,901	503,701
Rent and house maintenance	-	-	-	1,085	6,001	106,585	533,924
Utilities	-	-	-	394	2,182	38,697	189,209
Medical	-	-	-	325	1,800	32,471	210,759
Conveyance	-	-	-	444	1,501	37,840	283,510
Others *	-	-	-	130	35,136	14,090	221,535
<b>Total</b>	<b>11,786</b>	<b>-</b>	<b>76,446</b>	<b>17,123</b>	<b>62,940</b>	<b>648,703</b>	<b>3,554,064</b>
Number of persons	1	**6		5	1	29	287

**42.2.1** This represents amount of compensation paid to President in the capacity of Acting President uptill August 6, 2023 as per entitlement of SEVP / Group Chief and also included payment of Gratuity as end service benefit (Rs. 33.416 million included in Others). Upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 22.963 million has been paid from August 07, 2023 till December 31, 2023 to the President which will be adjusted from his salary on approval.

\* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

\*\* Mr. Asif Jooma retired on March 08, 2023.

#### 42.3 Remuneration paid to Directors for participation in board and committee meetings

Sr. No.	Name of director	2024								
		Meeting Fees and Allowances Paid								
		For Board Committees								
For Board Meetings	Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Board Strategy Committee	Allowances *	Total amount paid		
----- Rupees in 000 -----										
1	Mr. Ashraf Mahmood Wathra	6,240	-	-	4,800	480	1,920	-	-	13,440
2	Mr. Farid Malik	5,200	5,200	-	4,000	1,600	-	400	2,279	18,679
3	Mr. Amjad Mahmood	5,200	5,200	-	-	1,600	1,600	400	147	14,147
4	Mr. Ali Syed	5,200	5,200	3,600	4,000	1,600	-	400	41	20,041
5	Mr. Nasim Ahmad	5,200	5,200	4,800	-	-	1,600	-	5,305	22,105
6	Mr. Ahsan Ali Chughtai ***	2,400	1,600	2,400	-	-	-	-	379	6,779
	<b>Total amount paid</b>	<b>29,440</b>	<b>22,400</b>	<b>10,800</b>	<b>12,800</b>	<b>5,280</b>	<b>5,120</b>	<b>1,200</b>	<b>8,151</b>	<b>95,191</b>

\* Allowances include accommodation and travel expenses as per Board Remuneration Policy.

\*\* Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).

\*\*\* Retired on June 20, 2024.

Sr. No.	Name of director	2023								
		Meeting Fees and Allowances Paid								
		For Board Committees								
For Board Meetings	Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Allowances *	Total Amount Paid			
----- Rupees in 000 -----										
1	Mr. Ashraf Mahmood Wathra	6,720	-	-	3,840	-	960	266	11,786	
2	Mr. Farid Malik	3,950	2,950	150	3,000	1,350	-	2,171	13,571	
3	Mr. Ahsan Ali Chughtai	4,750	3,900	7,000	300	-	-	579	16,529	
4	Mr. Amjad Mahmood	4,200	3,750	1,200	-	1,750	550	105	11,555	
5	Mr. Ali Syed	4,600	3,750	3,750	2,700	1,600	-	-	16,400	
6	Mr. Nasim Ahmad	4,450	3,600	4,000	-	150	550	4,291	17,041	
7	Mr. Asif Jooma***	600	300	150	300	-	-	-	1,350	
	<b>Total amount paid</b>	<b>29,270</b>	<b>18,250</b>	<b>16,250</b>	<b>10,140</b>	<b>4,850</b>	<b>2,060</b>	<b>7,412</b>	<b>88,232</b>	

\* Allowances include accommodation and travel expenses.

\*\* Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).

\*\*\* Retired on March 08, 2023.

#### 42.4 Remuneration paid to Shariah Board Members

Items	2024				2023			
	Chairman	Resident Member	Non-Resident Members	Total	Chairman	Resident Member	Non-Resident Members	Total
----- Rupees in 000 -----								
Retainer fee and fixed remuneration	4,438	6,946	7,818	19,202	4,050	5,753	7,320	17,123
Total amount	4,438	6,946	7,818	19,202	4,050	5,753	7,320	17,123
Total number of persons	1	1	3	5	1	1	3	5

#### 43 FAIR VALUE MEASUREMENTS

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

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

##### 43.1 Fair value of financial assets

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

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

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

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

The table below analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2024				Total
	Carrying Value	Level 1	Level 2	Level 3	
<b>On balance sheet financial instruments</b>	----- Rupees in 000 -----				
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	1,206,108,861	-	1,206,108,861	-	1,206,108,861
- Pakistan Investment Bonds	2,793,255,571	-	2,793,255,571	-	2,793,255,571
- GOP Ijarah Sukuks	96,404,073	64,725,870	31,678,203	-	96,404,073
- Foreign Currency Debt securities	19,567,813	-	19,567,813	-	19,567,813
<b>Ordinary Shares</b>					
- Listed Companies	105,072,151	105,072,151	-	-	105,072,151
<b>Preference shares</b>					
- Listed	992,711	992,711	-	-	992,711
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	42,378,187	18,111,177	24,267,010	-	42,378,187
<b>Mutual Fund units</b>	8,126,541	2,994,767	5,131,774	-	8,126,541
<b>Foreign Securities</b>					
- Government debt securities	3,243,613	-	3,243,613	-	3,243,613
- Equity Securities - Listed	52,569,483	52,569,483	-	-	52,569,483
	<b>4,327,719,004</b>	<b>244,466,159</b>	<b>4,083,252,845</b>	<b>-</b>	<b>4,327,719,004</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Pakistan Investment Bonds	222,656,096	-	222,656,096	-	222,656,096
- Ijarah Sukuks	14,057,627	-	14,057,627	-	14,057,627
- Foreign Currency Debt securities	6,287,309	-	6,287,309	-	6,287,309
<b>Foreign Securities</b>					
- Government debt securities	37,707,456	-	37,707,456	-	37,707,456
- Non-Government debt securities	1,077	-	1,077	-	1,077
	<b>280,709,565</b>	<b>-</b>	<b>280,709,565</b>	<b>-</b>	<b>280,709,565</b>
	<b>4,608,428,569</b>	<b>244,466,159</b>	<b>4,363,962,410</b>	<b>-</b>	<b>4,608,428,569</b>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
<b>Commitments</b>					
Foreign exchange contracts purchase and sale	637,181,340	-	(379,658)	-	(379,658)
Forward government securities transactions	79,587,535	-	(774,179)	-	(774,179)
<b>On balance sheet financial instruments</b>	----- Rupees in 000 -----				
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- Ijarah Sukuks	35,128,974	-	35,128,974	-	35,128,974
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
<b>Ordinary Shares</b>					
- Listed Companies	62,415,235	62,415,235	-	-	62,415,235
<b>Preference shares</b>					
- Listed	1,043,797	1,043,797	-	-	1,043,797
<b>Mutual Fund units</b>	3,905,304	-	3,905,304	-	3,905,304
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	47,634,990	14,437,490	33,197,500	-	47,634,990
<b>Foreign Securities</b>					
- Government debt securities	3,393,550	-	3,393,550	-	3,393,550
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	<b>4,122,767,554</b>	<b>120,531,367</b>	<b>4,002,236,187</b>	<b>-</b>	<b>4,122,767,554</b>

2023					
Carrying Value	Level 1	Level 2	Level 3	Total	
----- Rupees in 000 -----					
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	161,108	-	161,108	-	161,108
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,611	-	4,243,611
<b>Foreign Securities</b>					
- Government debt securities	41,295,981	-	41,295,981	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,951,142	-	252,002,876	-	252,002,876
	4,395,718,696	120,531,367	4,254,239,063	-	4,374,770,430
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts purchase and sale	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

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

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

#### 43.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

2024					
Carrying Value	Level 1	Level 2	Level 3	Total	
----- Rupees in 000 -----					
Land & building (fixed assets)	54,402,463		54,402,463		54,402,463
Non-banking assets acquired in satisfaction of claims	4,148,115		4,148,115		4,148,115
	58,550,578	-	58,550,578		58,550,578
2023					
Carrying Value	Level 1	Level 2	Level 3	Total	
----- Rupees in 000 -----					
Land & building (fixed assets)	51,981,445		51,981,445		51,981,445
Non-banking assets acquired in satisfaction of claims	3,973,126		3,973,126		3,973,126
	55,954,571	-	55,954,571		55,954,571

43.3 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

44. SEGMENT INFORMATION

44.1 Segment Details with respect to Business Activities

	2024									
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance Group	Alteamaad and Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
(Rupees in '000)										
<b>Unconsolidated statement of profit and loss</b>										
Net mark-up / return / profit	(362,654,307)	35,736,621	10,187,073	456,133,827	9,621,304	16,938,715	4,924,921	170,888,154	-	170,888,154
Inter segment revenue - net	464,832,128	(37,960,949)	14,808,636	(459,753,500)	-	(6,695,912)	24,769,597	-	-	-
Non mark-up / return / interest income	19,678,664	627,068	6,392,275	33,223,860	1,070,296	485,813	3,948,210	65,426,186	-	65,426,186
Total income	121,856,485	(1,597,260)	31,387,984	29,604,187	10,691,600	10,728,616	33,642,728	236,314,340	-	236,314,340
Segment direct expenses	47,265,374	703,657	1,499,610	703,145	12,020,880	4,009,762	485,931	66,688,359	-	66,688,359
Inter segment expense allocation	-	-	-	-	-	-	110,690,554	110,690,554	-	110,690,554
Total expenses	47,265,374	703,657	1,499,610	703,145	12,020,880	4,009,762	111,176,485	177,378,913	-	177,378,913
Credit loss allowance / provisions and write offs - net	(1,191,982)	5,043,441	3,007,751	115,163	695,102	386,001	(5,797,107)	2,258,369.00	-	2,258,369
Profit / (loss) before tax	75,783,093	(7,344,358)	26,890,623	28,785,879	(2,024,382)	6,332,853	(71,736,650)	56,677,058	-	56,677,058
<b>Unconsolidated statement of financial position</b>										
Cash and Bank balances	104,896,522	12,700,078	323,160	180,215,699	44,644,915	28,290,145	-	371,070,519	-	371,070,519
Investments	-	-	17,474,258	4,401,774,189	66,807,281	123,905,109	2,373,361	4,612,334,198	-	4,612,334,198
Net inter segment lending	2,654,121,574	-	15,212,340	-	-	-	385,852,374	3,055,186,288	(3,055,186,288)	-
Lendings to financial institutions	-	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000
Advances - performing	255,462,856	302,527,511	635,160,249	-	68,891,051	144,913,723	(3,481,365)	1,403,474,025	-	1,403,474,025
- non-performing	4,049,155	77,623,629	25,911,005	-	61,298,054	1,985,434	98,421,694	269,288,971	-	269,288,971
Credit loss against advances	(5,322,616)	(30,305,806)	(71,341,462)	-	(59,115,382)	(2,677,968)	(99,131,890)	(267,895,124)	-	(267,895,124)
Advances - net	254,189,395	349,845,335	589,729,791	-	71,073,723	144,221,189	(4,191,561)	1,404,867,872	-	1,404,867,872
Others	35,950,181	4,380,238	32,592,996	95,122,683	9,494,765	6,998,746	141,266,055	325,805,664	-	325,805,664
<b>Total assets</b>	<b>3,049,157,671</b>	<b>366,925,651</b>	<b>655,332,546</b>	<b>4,677,112,571</b>	<b>192,020,684</b>	<b>333,415,189</b>	<b>525,300,229</b>	<b>9,799,264,541</b>	<b>(3,055,186,288)</b>	<b>6,744,078,253</b>
Borrowings	-	6,146,011	54,082,053	1,858,039,691	19,489,167	-	-	1,937,756,922	-	1,937,756,922
Deposits and other accounts	2,880,350,380	-	567,480,954	-	104,461,295	309,438,082	3,834,172	3,865,564,883	-	3,865,564,883
Net inter segment borrowing	-	340,348,843	-	2,631,278,091	67,253,026	16,306,328	-	3,055,186,288	(3,055,186,288)	-
Others	168,807,292	20,430,796	33,766,775	21,551,859	4,215,864	5,057,921	229,974,495	483,805,003	-	483,805,002
<b>Total liabilities</b>	<b>3,049,157,672</b>	<b>366,925,650</b>	<b>655,329,782</b>	<b>4,510,869,641</b>	<b>195,419,352</b>	<b>330,802,331</b>	<b>233,808,667</b>	<b>9,342,313,096</b>	<b>(3,055,186,288)</b>	<b>6,287,126,807</b>
Equity	-	-	2,764	166,242,930	(3,398,669)	2,612,858	291,491,562	456,951,445	-	456,951,446
<b>Total equity and liabilities</b>	<b>3,049,157,672</b>	<b>366,925,650</b>	<b>655,332,546</b>	<b>4,677,112,571</b>	<b>192,020,683</b>	<b>333,415,189</b>	<b>525,300,230</b>	<b>9,799,264,541</b>	<b>(3,055,186,288)</b>	<b>6,744,078,253</b>
Contingencies and commitments	-	69,715,086	2,006,678,247	732,236,471	22,505,325	-	27,636,257	2,858,771,385	-	2,858,771,385

2023									
Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking Group	Treasury	International, Financial Institution and Remittance	Alteamaad & Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
(Rupees in '000)									
<b>Profit and loss account</b>									
Net mark-up / return / profit	(288,653,905)	44,446,578	30,024,021	372,043,914	676,660	11,604,875	(1,394,559)	168,747,584	168,747,584
Inter segment revenue - net	426,952,717	(44,570,637)	(14,722,482)	(394,040,795)	-	(3,783,783)	30,164,980	-	-
Non mark-up / return / interest income	16,879,805	469,040	5,475,249	15,013,398	948,566	379,522	1,440,885	40,606,465	40,606,465
Total income	155,178,617	344,981	20,776,798	(6,983,483)	1,625,226	8,200,614	30,211,306	209,354,049	209,354,049
Segment direct expenses	36,682,759	3,763,540	1,353,645	489,431	10,080,124	3,497,535	454,803	56,321,837	56,321,837
Inter segment expense allocation	-	-	-	-	-	-	37,309,817	37,309,817	37,309,817
Total expenses	36,682,759	3,763,540	1,353,645	489,431	10,080,124	3,497,535	37,764,620	93,631,654	93,631,654
Provision and write off-net	(392,545)	1,421,129	13,619,854	1,778,752	(682,121)	1,173,602	(2,449,366)	14,469,305	14,469,305
Profit / (loss) before tax	118,888,403	(4,839,688)	5,803,289	(9,251,666)	(7,772,777)	3,529,477	(5,103,948)	101,253,090	101,253,090
<b>Statement of financial position</b>									
Cash and Bank balances	25,780,334	2,327,011	309,620	253,026,662	45,582,613	10,291,381	-	337,317,621	337,317,621
Investments	-	-	29,881,757	4,238,437,789	79,712,923	51,544,718	3,786,856	4,403,364,043	4,403,364,043
Net inter segment lending	2,848,709,058	-	-	-	-	-	305,771,087	3,154,480,145	(3,154,480,145)
Lendings to financial institutions	-	-	-	192,430,437	-	-	-	192,430,437	192,430,437
Advances - performing	236,148,640	263,088,116	719,724,952	-	69,139,462	73,125,444	49,633,363	1,410,859,977	1,410,859,977
- non-performing	4,151,922	24,855,686	25,215,003	-	64,791,844	1,550,350	100,260,911	220,825,716	220,825,716
Provision against Advances	(8,543,697)	(21,077,228)	(34,670,159)	-	(62,606,767)	(1,550,875)	(105,160,147)	(233,608,873)	(233,608,873)
Advances - net	231,756,865	266,866,574	710,269,796	-	71,324,539	73,124,919	44,734,127	1,398,076,820	1,398,076,820
Others	45,196,987	4,100,249	37,794,142	117,135,121	8,304,683	5,155,676	103,831,659	321,518,517	321,518,517
<b>Total assets</b>	3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	140,116,694	458,123,729	9,807,187,583	(3,154,480,145) 6,652,707,438
Borrowings	-	5,171,334	69,334,637	2,085,073,081	18,164,142	-	-	2,177,743,194	2,177,743,194
Deposits and other accounts	2,949,740,794	-	510,139,226	-	99,315,779	113,801,806	1,361,774	3,674,359,379	3,674,359,379
Net inter segment borrowing	-	249,921,195	169,394,086	2,620,973,252	90,971,376	23,220,236	-	3,154,480,145	(3,154,480,145)
Others	201,702,450	18,201,305	29,358,657	51,337,605	6,639,026	3,494,866	107,115,161	417,849,272	417,849,272
<b>Total liabilities</b>	3,151,443,244	273,293,834	778,226,606	4,757,384,138	215,090,323	140,516,910	108,476,935	9,424,431,600	(3,154,480,145) 6,269,951,455
Equity	-	-	28,709	43,645,871	(10,165,565)	(400,216)	349,646,794	382,755,593	382,755,593
<b>Total equity and liabilities</b>	3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	140,116,694	458,123,729	9,807,187,583	(3,154,480,145) 6,652,707,438
<b>Contingencies and commitments</b>	-	90,350,773	1,864,882,509	727,686,842	25,102,178	-	27,778,266	2,735,800,568	- 2,735,800,568

#### 44.2 Segment Details with respect to geographical locations

2024						
Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total	
----- (Rupees in '000) -----						
<b>Profit and loss account</b>						
Net mark-up / return / profit	161,266,850	2,973,269	145,520	748,228	5,754,285	170,888,154
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	64,355,890	361,691	273,941	198,787	235,876	65,426,186
Total income	225,622,741	3,334,960	419,462	947,015	5,990,161	236,314,340
Segment direct expenses	54,667,477	2,279,161	1,358,227	6,908,222	1,475,273	66,688,359
Inter segment expense allocation	110,690,554	-	-	-	-	110,690,554
Total expenses	165,358,031	2,279,161	1,358,227	6,908,222	1,475,273	177,378,913
Credit loss allowance	1,559,318	225,446	3	(385,503)	859,105	2,258,369
Profit / (loss) before tax	58,705,392	830,354	(938,768)	(5,575,704)	3,655,783	56,677,058
<b>Statement of financial position</b>						
Cash and Bank balances	326,425,604	25,458,301	10,804,570	5,257,264	3,124,781	371,070,519
Investments	4,545,526,917	40,273,421	-	3,958,760	22,575,101	4,612,334,198
Net inter segment lending	67,253,026	-	-	-	-	67,253,026
Lendings to financial institutions	30,000,000	-	-	-	-	30,000,000
Advances - performing	1,334,582,974	46,867,609	0	-	22,023,442	1,403,474,025
- non-performing	207,990,917	49,785,668	1,905,119	-	9,607,267	269,288,971
Credit loss against advances	(208,779,742)	(49,798,232)	(1,905,119)	-	(7,412,030)	(267,895,124)
Advances - net	1,333,794,149	46,855,045	0	-	24,218,679	1,404,867,872
Others	316,310,898	3,381,504	22,122	262,572	5,828,566	325,805,664
<b>Total assets</b>	<b>6,619,310,594</b>	<b>115,968,270</b>	<b>10,826,692</b>	<b>9,478,595</b>	<b>55,747,126</b>	<b>6,811,331,279</b>
Borrowings	1,918,267,755	6,977,772	-	-	12,511,395	1,937,756,922
Deposits and other accounts	3,761,103,587	48,907,231	6,450,502	4,519,881	44,583,681	3,865,564,883
Net inter segment borrowing	-	61,452,445	4,279,997	3,589,328	(2,068,744)	67,253,026
Others	479,589,138	293,849	96,193	1,442,455	2,383,367	483,805,002
<b>Total liabilities</b>	<b>6,158,960,480</b>	<b>117,631,297</b>	<b>10,826,692</b>	<b>9,551,664</b>	<b>57,409,699</b>	<b>6,354,379,833</b>
Equity	460,350,114	(1,663,027)	-	(73,069)	(1,662,573)	456,951,446
<b>Total equity and liabilities</b>	<b>6,619,310,594</b>	<b>115,968,270</b>	<b>10,826,692</b>	<b>9,478,595</b>	<b>55,747,125</b>	<b>6,811,331,279</b>
<b>Contingencies and commitments</b>	<b>2,836,266,060</b>	<b>13,008,078</b>	<b>627,153</b>	<b>-</b>	<b>8,870,094</b>	<b>2,858,771,385</b>
----- (Rupees in '000) -----						
2023						
Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total	
----- (Rupees in '000) -----						
<b>Profit and loss account</b>						
Net mark-up / return / profit	168,070,924	(2,358,459)	130,022	1,055,688	1,849,409	168,747,584
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	39,657,899	230,877	353,114	200,284	164,291	40,606,465
Total income	207,728,823	(2,127,582)	483,136	1,255,972	2,013,700	209,354,049
Segment direct expenses	46,241,714	2,526,822	1,409,334	4,394,781	1,749,186	56,321,837
Inter segment expense allocation	37,309,817	-	-	-	-	37,309,817
Total expenses	83,551,531	2,526,822	1,409,334	4,394,781	1,749,186	93,631,654
Provision and write off-net	15,151,429	(148,451)	539	-	(534,212)	14,469,305
Profit / (loss) before tax	109,025,863	(4,505,953)	(926,737)	(3,138,809)	798,726	101,253,090
<b>Statement of financial position</b>						
Cash and Bank balances	291,735,008	24,736,961	10,517,717	8,252,155	2,075,780	337,317,621
Investments	4,323,651,120	43,999,021	-	5,301,911	30,411,991	4,403,364,043
Net inter segment lending	90,971,180	-	-	-	-	90,971,180
Lendings to financial institutions	192,430,437	-	-	-	-	192,430,437
Advances - performing	1,341,720,515	43,244,999	3	32	25,894,428	1,410,859,977
- non-performing	156,033,871	53,001,981	2,045,768	-	9,744,096	220,825,716
Provision against Advances	(171,001,908)	(52,862,087)	(2,045,768)	(15,437)	(7,683,673)	(233,608,873)
Advances - net	1,326,752,478	43,384,893	3	(15,405)	27,954,851	1,398,076,820
Others	313,258,791	4,669,880	130,707	1,726,464	1,732,675	321,518,517
<b>Total assets</b>	<b>6,538,799,014</b>	<b>116,790,755</b>	<b>10,648,427</b>	<b>15,265,125</b>	<b>62,175,297</b>	<b>6,743,678,618</b>

2023						
Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total	
----- (Rupees in '000) -----						
Borrowings	2,159,579,052	8,299,024	-	-	9,865,118	2,177,743,194
Deposits and other accounts	3,575,043,600	46,442,386	4,705,117	7,801,287	40,366,989	3,674,359,379
Net inter segment borrowing	-	64,906,376	5,733,903	6,298,940	14,031,961	90,971,180
Others	411,255,209	1,442,636	209,407	1,821,640	3,120,380	417,849,272
<b>Total liabilities</b>	<b>6,145,877,861</b>	<b>121,090,422</b>	<b>10,648,427</b>	<b>15,921,867</b>	<b>67,384,448</b>	<b>6,360,923,025</b>
Equity	392,921,153	(4,299,667)	-	(656,742)	(5,209,151)	382,755,593
<b>Total equity and liabilities</b>	<b>6,538,799,014</b>	<b>116,790,755</b>	<b>10,648,427</b>	<b>15,265,125</b>	<b>62,175,297</b>	<b>6,743,678,618</b>
<b>Contingencies and commitments</b>	<b>2,710,698,390</b>	<b>12,116,117</b>	<b>808,936</b>	<b>430,156</b>	<b>11,746,969</b>	<b>2,735,800,568</b>

#### 45. TRUST ACTIVITIES

##### 45.1. Endowment Fund

Students Loan Scheme was launched by Government of Pakistan in collaboration with major commercial banks with a view to extend financial help by way of mark-up free loan to the meritorious students without sufficient resources for pursuing scientific technical and professional education within Pakistan.

The Scheme is being administered by a high powered committee headed by the Deputy Governor, State Bank of Pakistan and the Presidents of NBP, HBL, UBL, MCB, ABL and the Deputy Secretary, Ministry of Finance as member and Senior Director of IH&SME Finance Department (Infrastructure, Housing & SME Finance Department) as a secretary of the Committee. The State Bank of Pakistan has assigned National Bank of Pakistan to operate the scheme.

The Committee in its meeting held on August 7, 2001 approved creation of Endowment Fund initially at an amount of Rs. 500 million, Rs. 396 million were transferred from the old Qarz-e-Hasna (Defunct) Fund, Rs. 50 million contributed by the Government of Pakistan and Rs. 54 million were contributed by participating banks (HBL, NBP and UBL 25% each, MCB 17.5% and ABL 7.5%).

The amount of the Endowment Funds in investments stands at Rs. 1,045.2 million as at December 31, 2024 (2023: Rs. 936.8 million).

45.2. The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these unconsolidated financial statements. Assets held under trust are shown in the table below:

Category	No. of IPS Accounts	As at December 31, 2024				Total
		Securities Held (Face Value)				
		Market Treasury Bills	Pakistan Investment	Government Ijarah Sukuks		
----- (Rupees in '000) -----						
Assets Management Companies	48	-	-	-	-	-
Charitable institutions	6	-	-	-	-	-
Companies	49	197,964,850	145,097,700	-	-	343,062,550
Employee Funds	49	131,428,285	515,439,700	-	-	646,867,985
Individuals	2,820	3,449,070	52,200	-	-	3,501,270
Insurance Companies	8	65,180,000	176,685,400	-	-	241,865,400
Non-Government Organizations	-	-	-	-	-	-
Others	104	301,544,070	777,591,430	-	-	1,079,135,500
<b>Total</b>	<b>3,084</b>	<b>699,566,275</b>	<b>1,614,866,430</b>	<b>-</b>	<b>-</b>	<b>2,314,432,705</b>

Category	No. of IPS Accounts	As at December 31, 2023				Total
		Securities Held (Face Value)				
		Market Treasury Bills	Pakistan Investment	Government Ijarah Sukuks		
----- (Rupees in '000) -----						
Assets Management Companies	48	-	-	-	-	-
Charitable institutions	6	-	-	-	-	-
Companies	42	203,783,170	59,782,300	24,417,400	-	287,982,870
Employee Funds	47	55,528,855	429,482,600	-	-	485,011,455
Individuals	2,317	3,008,590	63,200	-	-	3,071,790
Insurance Companies	8	49,300,000	172,939,300	-	-	222,239,300
Non-Government Organizations	-	-	-	-	-	-
Others	97	164,055,135	544,853,930	-	-	708,909,065
<b>Total</b>	<b>2,565</b>	<b>475,675,750</b>	<b>1,207,121,330</b>	<b>24,417,400</b>	<b>-</b>	<b>1,707,214,480</b>

46 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, associates, joint ventures, employee benefit plans and its directors and Key Management Personnel. The details of investment in subsidiaries, joint venture and associated undertaking and their provisions are stated in note 10 of the unconsolidated financial statements of the Bank.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements are as follows:

	2024								2023									
	Director s	Key manage-ment personnel	Subsidiarie s	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties	Director s	Key manage-ment personnel	Subsidiarie s	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties
	(Rupees in '000)																	
<b>Balances with other banks</b>																		
In current accounts	-	-	-	-	-	-	-	-	279,616	-	-	-	-	425,938	-	-	-	-
	-	-	-	-	-	-	-	-	279,616	-	-	-	-	425,938	-	-	-	-
<b>Investments</b>																		
Opening balance	-	-	-	-	-	-	-	-	4,921,177	-	-	-	-	-	-	-	-	6,512,634
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,021)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	(4,921,077)	-	-	-	-	-	-	-	-	(1,150,536)
Closing balance	-	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	4,921,177
<b>Credit loss allowance for diminution in value of investments</b>																		
value of investments	-	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	164,975
<b>Advances</b>																		
Opening balance	-	265,788	317,063	2,540,453	-	-	-	-	-	-	339,734	227,063	2,665,220	-	-	-	-	2,085,795
Addition during the year	-	75,194	135,000	-	-	-	-	-	-	-	24,777	764,000	-	-	-	-	-	-
Repaid during the year	-	(99,509)	-	(2,357,281)	-	-	-	-	-	-	(58,217)	(674,000)	(124,767)	-	-	-	-	(520,649)
Transfer in / (out) - net	-	17,139	-	-	-	-	-	-	-	-	(40,506)	-	-	-	-	-	-	(1,565,146)
Closing balance	-	258,612	452,063	183,172	-	-	-	-	-	-	265,788	317,063	2,540,453	-	-	-	-	-
<b>Credit loss allowance held against advances</b>																		
advances	-	-	217,063	183,172	-	-	-	-	-	-	-	217,063	2,540,453	-	-	-	-	-



**RELATED PARTY TRANSACTIONS**

	2024							2023								
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Other related parties
	(Rupees in '000)							(Rupees in '000)								
<b>Income</b>																
Mark-up / return / interest earned	-	13,918	52,268	-	-	-	-	-	3,054	1,928	-	-	-	-	422,679	
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend income	-	-	297,000	111,506	-	-	81,180	-	-	186,300	-	-	-	-	144,720	
Net gain on sale of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent income / Lighting & Power and Bank charges	-	-	21,585	6,451	-	-	21,027	-	-	21,399	6,077	-	-	-	21,027	
<b>Expense</b>																
Mark-up / return / interest paid	3,065	8,898	130,337	31,800	-	95,946	1,816,643	952,971	292	7,496	162,076	108,007	31,505	150,743	1,844,455	297,705
Expenses paid to company in which Director of the bank is interested as CEO and director	-	-	-	-	-	-	-	926,655	-	-	-	-	-	-	-	598,462
Remuneration to key management executives including charge for defined benefit plan	-	854,055	-	-	-	-	-	-	-	711,643	-	-	-	-	-	-
Contribution for other corporate & social responsibility paid to company in which Directors of the bank is interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid to subsidiaries	-	-	24,327	-	-	-	-	-	-	-	11,182	-	-	-	-	-
Directors fee & other allowances	95,191	-	-	-	-	-	-	-	88,232	-	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**46.1 Transactions with Government-related entities**

The entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking service to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 10,862 million (2023: 10,320 million) for the year ended December 31, 2024. As at the statement of financial position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 620,914 million (2023: 602,707 million), Rs. 1,864,349 million (2023: 1,622,331 million) and Rs. 1,798,996 million (2023: 1,780,517 million), respectively and income earned on advances and investment and profit paid on deposits amounted to Rs. 74,854 million (2023: 77,719 million) and Rs. 277,132 million (2023: 184,042 million) respectively.

## 47 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- to comply with the capital requirements set by the regulators of the banking markets where the Bank operates;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

The SBP has issued instructions for Basel-III Implementation vide BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions were effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Basel-III instructions comprise the following three capital standards:

### i. Minimum Capital Requirement (MCR):

The MCR standard sets the nominal amount of capital banks/ DFIs are required to hold. Currently the MCR for banks and DFIs is Rs. 10 billion as prescribed by SBP.

### ii. Capital Adequacy Ratio (CAR):

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the banks/ DFIs. The banks/ DFIs are required to comply with the minimum requirements as specified by the SBP on standalone as well as consolidated basis. Currently the required CAR for banks is 11.50% (plus 1.50% for NBP as D-SIB requirement).

### iii. Leverage Ratio:

Tier-1 Leverage Ratio of 3% is introduced in response to Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from December 31, 2015. However, SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023 has reduced the minimum requirement to 2.5% up till March 2024 which was 3% as per BPRD circular No.6 dated August 15, 2013. The bank has a leverage ratio of 3.88% in the year ended December 31, 2024, (2023: 3.12%) and Tier-1 capital of Rs.353,930 Millions (2023: 283,307)."

The SBP's regulatory capital as managed by the Bank is analysed into following tiers:

#### 1. Tier 1 Capital (going-concern capital)

- Common Equity Tier 1
- Additional Tier 1
- Tier I capital, which comprises highest quality capital element and include fully paid up capital, balance in share premium account, reserve for issue of bonus shares, general reserves and un-appropriate profits (net of accumulated losses, if any).

#### 2. Tier 2 Capital (gone-concern capital)

- Tier II capital, which includes general reserve for loan losses, revaluation reserve, exchange translation reserve and subordinated debt.

Basel III capital rules requires bank to make certain deductions from the capital before arriving at the Capital Adequacy Ratio (CAR).

Risk weighted assets are measured according to the nature and reflect an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect more contingent nature of potential losses.

The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future development of the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratios compare the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratio under the SBP rules, which ultimately determines the regulatory capital, required to be maintained by Banks and DFIs.

The paid-up capital of the Bank for the year ended December 31, 2024 stood at Rs. 21,275 billion (2023 : Rs. 21,275 billion) and is in compliance with the SBP requirement for the said period. In addition the Bank has maintained minimum Capital Adequacy Ratio (CAR) of 27.80% (2023: 25.47%)

There have been no material changes in the Bank's management of capital during the year.

	2024	2023
	----- Rupees in 000 -----	
<b>CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	21,275,131	21,275,131
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	353,929,600	283,307,166
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	353,929,600	283,307,166
Eligible Tier 2 Capital	125,894,908	93,397,166
Total Eligible Capital (Tier 1 + Tier 2)	479,824,508	376,704,332
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,218,349,551	1,053,109,530
Market Risk	147,806,086	121,288,939
Operational Risk	359,905,031	304,450,738
Total	1,726,060,668	1,478,849,207
Common Equity Tier 1 Capital Adequacy ratio	20.51%	19.16%
Tier 1 Capital Adequacy Ratio	20.51%	19.16%
Total Capital Adequacy Ratio	27.80%	25.47%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	353,929,600	283,307,166
Total Exposures	9,126,550,345	9,074,435,344
Leverage Ratio	3.88%	3.12%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	2,474,264,138	1,618,093,446
Total Net Cash Outflow	1,200,642,088	918,191,522
Liquidity Coverage Ratio	206%	176%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	3,776,992,766	3,360,328,373
Total Required Stable Funding	2,176,376,949	2,113,268,425
Net Stable Funding Ratio	174%	159%

**47.1** During the year, the SBP, through its letter No. BSD-1/BANK/NBP/751797/2024 dated August 29, 2024 has reduced the D-SIB buffer requirement for the Bank from 2.50% to 1.50%.

**47.2** The full disclosure on the Capital Adequacy, Leverage Ratio and Liquidity Requirements as per SBP instructions issued from time to time, is available on NBP's website. The link to the full disclosure is available at

## 48 RISK MANAGEMENT

Risk management is about understanding and managing the potential for volatility of earnings, loss of access to reliable deposits and funding and depletion of capital arising from the business activities, whilst pursuing its strategic objectives. The Bank has in place a well-defined risk management strategy/ policy with clear objectives and deliverables through multi-pronged risk management processes.

The Bank applies the Basel framework as a cornerstone of the NBP's risk management framework and capital strategy. The Bank maintains a strong capital, funding and liquidity position in line with its on-going commitment to maintain balance sheet strength. The strength of risk profile management of the Bank stands at the following pillars:

- Identification and assessment of significant material risks
- Overseeing and managing the risk profile of the Bank within the context of the risk appetite
- Optimize risk/ return decisions by aligning them to business objective of achieving sustainable optimum growth.

In order to support RMG's activities, the strong data management mechanism is also in place to collect and consolidate exposure wise information various risk related analysis and reviews. The mechanism also helps in identification of e-CIB related information, performing periodic review, generates reports and highlights inconsistencies and errors, and issuing instructions to the relevant data entry points for rectification.

As another initiative with the objective of strengthening the existing business activities of Bank, the Business Process Review and COSO implementation project has been conducted. This will streamline the operating model, improving regulatory compliance, and also improving the customer service and product/ service deployment. This also includes aligning the existing documentation with improved risk based processes, which in turn will act as a tool for effective operations, improve MIS reporting, and efficient risk informed decision making.

In addition, Information Security Division (ISD) became an integral part of Risk Management Group to confronting the emerging risks arises due to the introduction and use of IT based systems.

### 48.1 Risk Governance Structure

Risk Management Group (RMG) operates as an independent group, i.e. separate from approvals and direct involvement in day-to-day activities. RMG reports directly to the President with a dotted line reporting to the Board Risk Committee (BRC). The group is responsible to perform the functions pertaining to development and oversight of the risk framework, methodologies and other functions assigned from time to time in line with local/ international best practices and under the supervision of SBP's regulations/ guidelines.

The Bank's Board is responsible to ensure active oversight over implementation of policies and frameworks so as to prevent any significant financial loss or reductions in shareholder value that may be suffered by the Bank. Therefore, it is the responsibility of the Board to ensure that policies and frameworks are in place to recognize all significant/ material risks to which the Bank is/ may be exposed and that the required human resource, culture, practices and systems are adequate to address such risks. The Board and its relevant committee, i.e. BRC and the senior management along with its relevant committees i.e. Credit Committee, Executive Risk Management Committee (ERMC), ALCO etc. are responsible to ensure formulation and implementation of risk management framework.

### 48.2 Risk Management Framework

The Bank implements risk management framework through a 'Three Lines of Defense' model which defines clear responsibilities and accountabilities for various offices and ensures effective & independent oversight and also that the activities take place as intended. Risk Management Group together with Compliance Group acts as second line of defense and performs integrated function of oversight and independently challenges the effectiveness of risk management actions taken by business groups, who are the first line of defense. The risk management is further strengthened by the third line of defense, where Board Audit & Compliance Committee and Audit & Inspection Group add value through independent and objective assurance in improving risk management functions of the Bank.

Following paragraphs introduce Bank's exposures to material risks associated with its business activities and explain overall strategies and processes to manage those risks:

#### **48.2.1 Credit Risk**

Credit risk arises when a counterparty fails to repay a loan, leading to financial losses, cash flow disruptions, and increased debt recovery costs. For NBP, lending activities represent the primary source of credit risk. These activities include providing loans and advances, contingent liabilities such as letters of credit and guarantees, and engaging in other on- and off-balance sheet transactions

The goal of credit risk management is to maintain credit risk exposure within acceptable levels, ensuring asset quality and achieving returns that align with the level of risk. By taking a proactive approach to managing credit risk, NBP not only safeguard its profitability and sustainability but also support the stability of the financial system and efficient capital allocation. Under the supervision of the Board Risk and Compliance Committee (BRCC), the Bank has a dedicated risk management setup, headed by the Chief Risk Officer, which ensures the efficiency of credit risk assessment, measurement, review, and reporting frameworks.

Prudent lending decisions can empower people and businesses to boost the bank's profitability and strategically guard against the risks of extending credit. The effective implementation of structured risk assessment standards, comprehensive pre-disbursement evaluation tools, and post-disbursement review systems has allowed NBP to effectively manage credit risk and mitigate losses within acceptable tolerance levels. Our risk management approach is driven by a strategic goal to maintain a robust framework, proactively identify and address risks, and facilitate sustainable business growth. The bank has in place a Risk Appetite Framework and a Credit Risk Concentration Management Framework to set limits on credit risk exposure in relation to obligors, economic groups, and industry segments.

The Risk Management function continuously evaluates the credit portfolio using detailed reports and dashboards to identify borrowers and sectors vulnerable to changes in local and global economic conditions. The Bank actively monitors account delinquencies, counterparties' financial health, prevailing economic landscape, and other relevant factors. A robust credit review mechanism and approval process, closely supervised by senior management, ensures effective oversight.

The Bank has actively undertaken the implementation of the IFRS 9 standard. This standard introduces a model for financial assets, mandating the recognition of impairment charges through the 'Expected Credit Loss' approach, departing from the existing 'Incurred Credit Loss' approach.

The Retail & Program Lending Division performs risk management of program-based products, encompassing Retail Banking Group (RBG), Inclusive Development Group (IDG), and Aitemaad Islamic Banking Group (AIBG). Adopting a credit cycle approach, the Division provides end-to-end credit management through various functions that includes policy and portfolio management, MIS and analytics, credit approvals, collection and recovery and quality assurance. The division also works closely with Operational Risk, Information Technology, Credit Administration, and Human Resource functions to ensure comprehensive risk management. The Divisional Head reports directly to the Chief Risk Officer (CRO).

Effective Credit Administration is very crucial for the Bank as it enables the Bank to effectively manage credit risk, maintain regulatory compliance, and ensure financial stability. CAD, in view of its critical role in post-approval credit management, is actively contributing to portfolio expansion and granting individuals and businesses access to essential funds. As a part of continuous improvement, CAD has implemented additional controls and enhanced its monitoring with the aim to have more efficient end-to-end processes whilst maintaining appropriate controls. Moreover, CAD is actively working on automation, focusing on advanced collateral management functions, control over limit functions, and effective vendor management. Once the Core Banking Application (CBA) is upgraded, it is expected to significantly bolster the Bank's position within its peer group, reinforcing its overall strength and building customer confidence.

The Bank employs the Standardized Approach within the SBP's Basel Accord to estimate credit risk-weighted assets. This approach allows banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

##### **48.2.1.1 Credit risk - general disclosures Basel specific**

The Bank employs the Standardized Approach within the SBP's Basel Accord to estimate credit risk-weighted assets. This approach allows Banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

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

#### **48.2.1.2 External ratings**

The SBP Basel III guidelines require banks to use ratings assigned by specified External Credit Assessment Institutions (ECAIs) namely Pakistan Credit Rating Agency Limited (PACRA), VIS and Moody's, Fitch and Standard & Poor's.

The SBP through its letter number BSD/BAI-2/201/1200/2009 dated December 21, 2009 accorded approval to the Bank for use of ratings assigned by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL). The Bank uses these ECAIs to rate its exposures denominated in Bangladeshi currency on certain corporate exposures and banks incorporated in Bangladesh.

The Bank uses external ratings for the purpose of mapping risk weights as per the Basel III framework. Instances whereby an exposure is rated by two or more ratings agencies, mapping into different risk weights, instructions outlined in Regulatory guidelines on BASEL framework shall be adhered to for selection of applicable rating.

#### **48.2.1.3 Credit risk mitigation policy**

The Bank defines collateral as the assets or rights provided to the Bank by the borrower or a third party in order to secure a credit facility. The Bank would have the rights of secured creditor in respect of the assets / contracts offered as security for the obligations of the borrower / obligor.

#### **48.2.1.4 Collateral valuation and management**

As stipulated in the SBP Basel guidelines, the Bank uses simple approach for credit risk mitigation. Under this approach the risk weighting of the collateral instrument collateralizing or partially collateralizing the exposure is substituted for the risk weighting of the counterparty.

#### **48.2.1.5 Types of collaterals**

The Bank determines the appropriate collateral for each facility based on the type of product and counterparty. In case of corporate and SME financing, fixed assets are generally taken as security for long tenure loans and current assets for working capital finance usually backed by mortgage or hypothecation. For project finance, security of the assets of the borrowers and assignment of the underlying project contracts are generally obtained. Additional security such as pledge of shares, cash collateral, TDRs, SSC/DSCs, charge on receivables may also be obtained. Moreover, in order to cover the entire exposure personal guarantees of directors / borrowers are also obtained generally by the Bank. For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the property and automobile being financed respectively.

The Bank also offers products which are primarily based on collateral such as shares, specified securities and pledged commodities. These products are offered in line with the SBP prudential regulations and approved product policies which also deal with types of collateral, valuation and margining.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorisation approved by the MCC under its delegation powers. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

#### **48.2.1.6 Types of eligible financial collateral**

For credit risk mitigation purposes (capital adequacy purposes), the Bank considers all types of financial collaterals that are eligible under the SBP Basel III accord. This includes cash / TDRs, gold, securities issued by Government of Pakistan such as T-Bills and PIBs, National Savings Certificates, certain debt securities rated by recognised credit rating agencies, and guarantees from certain specified entities (Government of Pakistan, Banks etc.) under substitution effect of Basel.

#### **48.2.1.7 Credit concentration risk**

Credit concentration risk arises mainly due to concentration of exposures under various categories viz. industry, geography, and single/group borrower exposures. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single borrower, group borrowers and related parties. Moreover, in order to restrict the industry concentration risk, Bank's Credit Risk Concentration Management Framework spells out the maximum allowable exposure that it can take on specific industry. Additionally, the Internal Rating System allows the Bank to monitor risk rating concentration of borrowers against different grades / scores ranging from 1 - 12 (1 being the best and 12 being loss category).

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

#### 48.2.1.8 Methodologies and models used for the measurement of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal / external rating grade for subject customer. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account being restructured. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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

Stage 1 (Performing assets):	When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the forward looking LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.
Stage 2 (Underperforming assets):	When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.
Stage 3 (Non performing assets):	For financial instruments considered credit-impaired, the Bank recognises LTECLs for these instruments. A description of how the Bank defines credit-impaired and default is given in relevant section. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.
Undrawn financing commitments:	When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. Expected draw-down is added to the EAD and the ECL is then based on the present value of the expected cash flows of EAD if the financings are drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both financings and an undrawn commitment, ECLs are calculated on un-drawn portion (after application of CCF) of the facility and presented within other liabilities.
Guarantee and letters of credit contracts:	The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for financial guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee and letter of credit contracts are recognised within other liabilities.

#### Forward looking information

The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for Wholesale & Retail portfolio.

These economic variables and their associated impact on the PD vary by the portfolio.

The rating band / DPD bucket wise PDs are computed through migration analysis using atleast 5 years historical transition matrices of respective portfolio. Furthermore, a detailed regression analysis is carried out using Marco Economic variables (i.e. Average Inflation rate ,GDP Growth rate and Exports were regressed against Bank's Internal Default Rates) in order to attain forward-looking PDs for each following year.

In addition to the base economic scenario, the Bank also uses other possible scenarios along with scenario weightings. The number of scenarios and their attributes are reassessed at each reporting date.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In its ECL models, the Bank relies on range of the following forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index
- Exports

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), discounted at an approximation to the EIR, defined as follows:

#### **Probability of Default (PD):**

The Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- For corporate, commercial, and SME loan portfolios , the Bank has used a obligor risk rating (ORR) transition based approach to determine the segment wise PDs for each ORR.
- For housing, agriculture, cash and gold and advance salary , a days-past-due ("DPD") based migration approach has been used; and these PD's for wholesale & retail portfolio are then adjusted with forward looking information to arrive at point in time (PIT) PDs;
- For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), historical PDs were estimated on the basis of global default Rates taken from S&P rating-wise transition matrices. These annual default Rates were converted into forward-looking PDs using the vasicek model. the forecast global macro-economic variables were derived using historical regression between global macro-economic variables and Pakistan macro-economic variables.

#### **Exposure at Default (EAD)**

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. The Bank's product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behaviour, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

#### **Loss Given Default (LGD):**

LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive. It is expressed as a percentage of the EAD. Bank has estimated segment wise LGDs for Corporate / Commercial, SE, ME & Agri Portfolio as well as product wise LGDs for Auto Finance, Personal Loan, Home Finance and Credit Card portfolio. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money.

The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs, through use of term structure of Point in time PDs.

#### 48.2.1.9 ECL Principles, Grouping and Calculations

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

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

When estimating the ECLs, the Bank considers three scenarios (a base, best and a worst case). Each of these scenario's is based on different macro-economic forecasts and is associated with different set of PDs & LGD.

Furthermore, to mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty & enforceability
- History of recovery

The Bank's management has only considered cash, gold & gold ornaments, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs. Furthermore, The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

#### Impact on Regulatory Capital:

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has permitted Banks to opt for transitional arrangement for the ECL impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

Accordingly, Bank has opted for transition arrangement to phase in ECL impact and below tabulated is the impact on key ratios, had the transitional arrangement not applied.

Key Ratios	With Transitional arrangement	Without Transitional arrangement
Total Capital to total RWA (CAR)	27.80%	26.13%
Leverage Ratio	3.88%	3.65%

#### 48.2.1.10 ECL Modeling and staging criteria/ Significant increase in ECLs

Significant increase in credit risk (SICR): A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument compared to the risk of default expected at the time of initial recognition.

The Bank uses a number of qualitative and quantitative measures in assessing SICR including, inter alia, the deterioration of Obligor Risk Ratings (ORR), in line with Bank's internally approved grid outlining specific notches downgrade for each ORR / external rating, payments being past due by 60 days, and other qualitative factors (such as watchlisting or restructuring of account).

#### 48.2.1.11 Loans and advances definitions and methodologies of categorisation, credit loss allowance stages and movements between stages

##### Backward Transition:

In line with Bank's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Bank of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a significant increase in credit risk (SICR) no longer exist. However, a minimum period of three months from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2.

For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

#### 48.2.1.12 Lendings to financial institutions

##### Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held			Provision held
					2024			2023
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
	----- Rupees in 000 -----							
Public / Government	-	85,000,000	-	-	-	-	-	-
Private	<b>30,172,150</b>	107,604,587	<b>172,150</b>	174,150	-	-	172,150	174,150
	<b>30,172,150</b>	192,604,587	<b>172,150</b>	174,150	-	-	172,150	174,150

#### 48.2.1.13 Investment in debt securities

##### Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					2024			2023
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
	----- Rupees in 000 -----							
Cement	245,508	245,168	132,838	20,168	24	-	20,168	20,168
Chemical	1,076,217	326,742	1,076,217	326,742	-	-	1,076,217	326,742
Construction	2,962,405	2,630,239	2,298,072	1,633,739	-	116,952	1,633,739	1,633,739
Engineering	4,842	4,842	4,842	4,842	-	-	4,842	4,842
Fertilizer	1,152,560	1,152,560	1,152,560	1,152,563	-	-	1,152,560	1,152,559
Sugar	214,549	640,719	214,549	640,719	-	-	214,549	640,719
Textile	582,953	725,810	582,954	582,953	-	-	582,954	582,953
Financial	17,961,954	15,119,874	4,049,988	501,012	86	-	49,988	501,012
Electronics and electrical appliances	1,308,738	1,308,738	1,308,738	1,308,738	-	-	1,308,738	1,308,738
Glass and Ceramics	11,361	11,361	11,361	11,361	-	-	11,361	11,361
Leather and Tanneries	5,288	5,288	5,288	5,288	-	-	5,288	5,288
Food and Personal Care Products	11,184	11,184	11,184	11,184	-	-	11,184	11,184
Pharmaceuticals	2,413	2,413	2,413	2,413	-	-	2,413	2,413
Technology and Communication	6,170	8,348	6,170	8,348	-	-	6,170	8,348
Vanaspati and Allied Industries	4,238	4,238	4,238	4,238	-	-	4,238	4,238
Oil and Gas Marketing	687	687	687	687	-	-	687	687
Cable and Electrical Goods	4,284	4,509	4,284	4,509	-	-	4,284	4,509
Automobile Parts and Accessories	1,185	1,185	1,185	1,185	-	-	1,185	1,185
Power (electricity), Gas, Water, Sanitary	29,623,717	29,925,996	2,200,000	-	-	406,750	-	-
Tobacco	144	144	144	144	-	-	144	144
Paper and Board	10,794	10,794	10,794	10,794	-	-	10,794	10,794
Jute	7,081	7,081	7,081	7,081	-	-	7,081	7,081
Metal Products	840,000	590,000	590,000	-	45	-	340,000	-
Services	607,068	780,515	607,068	-	-	-	607,068	-
Telecom	-	-	-	-	-	-	-	-
Miscellaneous	34,685	23,606	34,685	23,443	-	-	34,685	23,447
	<b>56,680,024</b>	53,542,041	<b>14,317,339</b>	6,262,151	<b>154</b>	<b>523,702</b>	<b>7,090,336</b>	6,262,151

##### Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					2024			2023
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
	----- Rupees in 000 -----							
Public/ Government	25,242,579	26,694,858	18,862	18,862	-	-	18,862	18,862
Private	<b>31,437,445</b>	26,847,183	<b>14,298,477</b>	6,243,289	<b>154</b>	<b>523,702</b>	<b>7,071,474</b>	6,243,289
	<b>56,680,024</b>	53,542,041	<b>14,317,339</b>	6,262,151	<b>154</b>	<b>523,702</b>	<b>7,090,336</b>	6,262,151

#### 48.2.1.14 Advances

##### Credit risk by industry sector

Sector Change	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					2024			
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	2023
----- Rupees in 000 -----								
Agriculture, Forestry, Hunting & Fishing	115,101,438	98,624,179	59,623,751	7,981,816	2,344,417	231,812	7,144,814	5,858,554
Mining & Quarrying	2,997,004	4,953,424	192,334	205,554	58,414	-	192,334	205,554
Textile	158,393,261	172,772,809	38,446,498	38,746,011	3,206,068	2,332,019	38,286,703	38,590,888
Chemical & Pharmaceuticals	9,528,745	8,726,797	5,253,406	5,608,202	179,349	9,561	5,206,889	4,858,290
Cement	23,766,311	29,429,909	6,291,552	6,286,205	459,020	18,690	5,527,365	4,306,468
Sugar	32,494,636	35,723,868	15,473,023	15,237,588	146,598	465,096	15,473,023	15,237,588
Footwear and Leather garments	1,637,081	2,548,291	1,091,113	1,305,280	7,910	136	1,088,303	1,271,149
Automobile & Transportation Equipment	9,017,546	8,926,304	1,380,656	962,288	241,780	76,607	1,374,031	954,395
Electronics & Electrical Appliances	9,664,286	10,503,866	4,753,298	4,778,714	44,853	2,493	4,720,555	3,688,323
Construction	22,048,431	23,638,052	9,751,095	10,057,457	61,953	627,904	9,729,560	9,936,191
Oil & Gas	270,712,396	311,928,714	19,783,847	19,618,900	4,867,063	3,052,715	36,351,983	19,323,280
Power (electricity), Gas, Water, Sanitary	160,207,995	191,933,546	12,362,352	14,882,572	2,510,062	2,641,340	10,742,733	12,709,678
Wholesale and Retail Trade	59,878,358	53,130,430	11,847,289	11,827,052	14,778	-	11,597,525	11,630,991
Transport, Storage and Communication	75,316,094	73,230,722	17,232,785	17,134,803	184,019	15,464	14,917,504	15,080,210
Financial	136,267,709	2,874,807	344,460	340,098	18,499	701	339,191	324,146
Services	44,262,655	48,455,066	1,301,450	2,260,499	95,749	162,907	1,214,412	1,571,278
Individuals	183,202,191	210,381,015	7,400,924	6,900,504	2,051,721	439,534	5,828,559	4,318,671
Fertilizer	2,895,562	5,496,940	1,391,094	2,730,894	37,817	650	1,363,159	2,690,260
Metal Products	72,997,045	75,901,770	32,511,687	30,959,009	146,968	81,642	32,323,086	30,871,562
Telecommunication	29,777,778	32,954,455	877,816	1,312,494	693,476	334,796	877,816	1,104,242
Public Sector Commodity Operations	154,240,557	127,236,872	74,198	718,876	-	-	74,198	235,368
Rice Trading & Processing	47,439,549	44,913,336	5,605,102	4,541,062	1,428,741	55,486	5,453,474	4,361,754
Food and Tobacco	22,199,266	22,581,792	8,767,732	9,386,521	567,251	150,878	8,604,421	7,954,097
Glass and Ceramics	6,570,308	7,089,518	296,493	271,493	7,605	-	296,493	271,493
Paper & Board	4,273,736	3,939,798	610,718	576,412	32,796	81,770	589,787	565,726
Engineering	3,660,605	8,845,740	1,305,957	1,508,928	44,213	0	1,203,457	1,370,855
Plastic Products	3,767,532	3,865,916	1,731,563	1,735,045	1,087	-	1,641,158	1,396,225
Media	398,683	664,016	151,334	151,334	16,328	2	151,334	151,334
Flour Mills	4,641,652	4,409,585	840,495	555,705	152,239	18,737	773,594	525,782
Sports Goods	1,535,815	1,457,410	33,294	34,794	282	-	33,294	34,794
Surgical equipment	902,571	981,604	13,159	13,159	953	-	13,159	13,159
Others	2,966,199	3,565,142	2,548,496	2,196,447	129,820	7,681	2,699,086	2,158,447
<b>1,672,762,996</b>	<b>1,631,685,693</b>	<b>269,288,971</b>	<b>220,825,716</b>	<b>19,751,831</b>	<b>10,808,620</b>	<b>225,833,264</b>	<b>203,570,752</b>	

##### Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					2024			
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	2023
----- Rupees in 000 -----								
Public/ Government	604,290,709	644,878,073	51,337,669	982,500	-	-	337,619	498,992
Private	1,068,472,287	986,807,620	217,951,302	219,843,216	19,751,831	10,808,620	225,495,645	203,071,760
<b>1,672,762,996</b>	<b>1,631,685,693</b>	<b>269,288,971</b>	<b>220,825,716</b>	<b>19,751,831</b>	<b>10,808,620</b>	<b>225,833,264</b>	<b>203,570,752</b>	

#### 48.2.1.15 Contingencies and commitments

	2024	2023
	----- Rupees in 000 -----	
<b>Credit risk by industry sector</b>		
Agriculture, Forestry, Hunting and Fishing	229,085	218,136
Mining and Quarrying	3,559,445	73,466
Textile	21,024,719	15,709,777
Chemical and Pharmaceuticals	8,756,360	8,405,999
Cement	2,567,426	5,949,829
Sugar	221,542	5,303
Footwear and Leather garments	32,793	51,827
Automobile and Transportation Equipment	4,382,093	2,423,164
Electronics and Electrical Appliances	3,470,564	3,509,467
Construction	9,909,840	10,408,498
Oil & Gas	108,118,521	59,322,425
Power (electricity), Water, Sanitary	50,826,895	50,934,421
Wholesale and Retail Trade	2,332,478	3,105,839
Transport, Storage and Communication	54,873,340	55,560,127
Financial	847,846,794	856,711,238
Services	1,567,386,041	1,512,041,370
Individuals	212,308	228,227
Fertilizer	3,613,420	4,832,942
Metal Products	13,540,609	23,669,700
Telecommunication	31,452,915	32,082,348
Public Sector Commodity Operations	27,399,543	3,437,431
Rice processing and Trading	483,325	358,732
Food and Tobacco	2,866,583	2,082,149
Glass and Ceramics	594,346	502,829
Paper and Board	2,134,032	2,100,963
Engineering	90,458,587	81,202,951
Plastic Products	108,908	246,351
Sports Goods	33,709	6,229
Surgical equipment	76,299	86,235
Others	258,866	532,595
	<u>2,858,771,385</u>	<u>2,735,800,568</u>
<b>Credit risk by public / private sector</b>		
Public / Government	1,798,995,582	1,708,517,452
Private	1,059,775,803	1,027,283,116
	<u>2,858,771,385</u>	<u>2,735,800,568</u>

\* Contingent liabilities for the purpose of this note are presented at cost and includes direct credit substitutes, transaction related contingent liabilities and trade related contingent liabilities.

#### 48.2.1.16 Concentration of advances

The bank's top ten (10) exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 2,074,573 million (2023: Rs. 1,959,515 million) are as following:

	2024	2023
	----- Rupees in 000 -----	
Funded	554,555,082	441,093,207
Non Funded	1,520,018,147	1,518,421,637
Total Exposure	<u>2,074,573,229</u>	<u>1,959,514,844</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 2,158,452 million (2023: Rs. 2,045,103 million).

Total funded classified therein	2024		2023	
	Amount	Credit loss allowance	Amount	Credit loss allowance
OAEM	-	-	-	-
Substandard	51,000	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### 48.2.1.17 Advances - Province/Region-wise disbursement & utilization

2024							
Province/Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	659,220,612	657,735,567	-	1,485,044	-	-	-
Sindh	587,484,427	1,000,000	584,837,367	1,647,060	-	-	-
KPK including FATA	16,881,142	-	-	16,881,142	-	-	-
Balochistan	5,078,348	-	-	-	5,078,348	-	-
Islamabad	120,272,040	-	-	-	-	120,272,040	-
AJK including Gilgit-Baltistan	5,123,306	-	-	-	-	-	5,123,306
<b>Total</b>	<b>1,394,059,874</b>	<b>658,735,567</b>	<b>584,837,367</b>	<b>20,013,246</b>	<b>5,078,348</b>	<b>120,272,040</b>	<b>5,123,306</b>

  

2023							
Province/Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	488,630,825	487,273,108	111,328	1,246,389	-	-	-
Sindh	623,940,498	-	622,376,734	1,176,470	-	387,294	-
KPK including FATA	10,821,813	-	-	10,821,813	-	-	-
Balochistan	3,714,956	-	-	-	3,714,956	-	-
Islamabad	118,306,922	-	-	-	-	118,306,922	-
AJK including Gilgit-Baltistan	3,763,094	-	-	-	-	-	3,763,094
<b>Total</b>	<b>1,249,178,108</b>	<b>487,273,108</b>	<b>622,488,062</b>	<b>13,244,672</b>	<b>3,714,956</b>	<b>118,694,216</b>	<b>3,763,094</b>

#### 48.2.2 Market risk

Market Risk is the value of on and off-balance sheet positions of a financial institution that are adversely affected by movements in market factors such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Bank's market risk is managed through Market & Liquidity Risk Management Policy duly approved by the Board. The Bank has in-place market risk limits to manage risks within the Bank's approved risk appetite.

The Standardized Approach is used to calculate capital charge for market risk as per Basel framework. Stress testing for interest sensitive, equity, and FX exposures is carried out regularly to estimate the impact on the capital of the Bank.

In addition to the regulatory requirements, Bank has devised proprietary stress testing scenarios which are periodically performed to assess the impact on capital of the Bank for Internal Capital Adequacy and Assessment Process (ICAAP). Limits/ zones and management action triggers/ plans corresponding to various ratios/ limits/ thresholds are defined in the

#### 48.2.2.1 Statement of Financial Position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
----- Rupees in 000 -----						
Cash and balances with treasury banks	314,234,036	-	314,234,036	294,992,570	-	294,992,570
Balances with other banks	56,836,483	-	56,836,483	42,325,051	-	42,325,051
Lendings to financial institutions	30,000,000	-	30,000,000	192,430,437	-	192,430,437
Investments	4,519,204,236	93,129,962	4,612,334,198	4,360,274,395	43,089,648	4,403,364,043
Advances	1,404,867,872	-	1,404,867,872	1,398,076,820	-	1,398,076,820
Property and equipment	61,668,070	-	61,668,070	56,974,417	-	56,974,417
Right-of-use assets	6,317,624	-	6,317,624	6,934,471	-	6,934,471
Intangible assets	1,939,636	-	1,939,636	1,510,061	-	1,510,061
Deferred tax assets	-	-	-	-	-	-
Other assets	255,880,334	-	255,880,334	256,099,568	-	256,099,568
<b>Total</b>	<b>6,650,948,291</b>	<b>93,129,962</b>	<b>6,744,078,253</b>	<b>6,609,617,790</b>	<b>43,089,648</b>	<b>6,652,707,438</b>

#### 48.2.2.2 Foreign exchange risk

Foreign exchange risk arises from the impact of currency movements on the value of the Bank's foreign exchange exposures, a result of participation in financial markets and international operations.

In order to manage currency risk exposure, the Bank enters into ready, spot, forward and swaps transactions with the SBP, financial institutions and corporates. The Bank's foreign exchange exposure comprises of forward contracts, purchase of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign placements and foreign currency assets and liabilities. Foreign Exchange exposure is managed within the regulatory and internal limits.

	2024				2023			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	----- Rupees in 000 -----							
United States Dollar	407,614,555	566,598,696	183,543,747	24,559,606	407,071,417	526,851,269	149,166,105	29,386,253
Great Britain Pound Sterling	1,327,328	7,393,733	5,479,782	(586,623)	4,560,991	8,045,545	8,217,517	4,732,962
Euro	10,343,955	13,886,149	7,455,351	3,913,157	11,881,678	14,678,082	5,639,911	2,843,507
Japanese Yen	5,521,105	1,673,326	(162,608)	3,685,171	5,270,516	1,265,119	2,990	4,008,387
Other currencies	128,626,622	48,668,830	4,582,589	84,540,381	122,811,374	63,651,435	6,779,686	65,939,626
	<b>553,433,565</b>	<b>638,220,735</b>	<b>200,898,861</b>	<b>116,111,691</b>	<b>551,595,977</b>	<b>614,491,450</b>	<b>169,806,209</b>	<b>106,910,735</b>

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----- Rupees in 000 -----			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	28,304	-	39,378
- Other comprehensive income	1,161,117	-	1,069,107	-

#### 48.2.2.3 Equity position risk

Stock trading activities also raise risk which occur due to adverse movements stock prices. The Bank's equity exposure is managed through limits imposed by the regulator for both overall investment and exposure in single scrip. Moreover, internal limits are set to manage equity risk by placing stop loss and VaR limits and/or through diversification within overall equity portfolio

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----- Rupees in 000 -----			
Impact of 5% change in equity prices on				
- Profit and loss account	-	1,329,805	-	3,966
- Other comprehensive income	4,387,208	-	3,912,948	-

#### 48.2.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate risk arises due to adverse movements in yield curve that is being monitored by ALCO with an objective to manage the potential adverse impact on the profitability of the Bank. This may arise due to volatility in market interest rates and any mismatch/ gaps in the amount of financial assets/ liabilities in different maturity time bands. The sources of IRR are based on following sub-risks.

- Re-pricing risk; arising from changes to the overall level of interest rates and inherent mismatches in the re-pricing term of banking book items.
- Yield curve risk; arising from a change in the relative level of interest rates for different tenors and changes in the slope or shape of the yield curve.
- Basis risk; arising from differences between the actual and expected interest margins on Banking book items over the implied cost of funds of those items.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----- Rupees in 000 -----			
Impact of 1% change in interest rates on				
- Profit and loss account	-	321,262	-	402,100
- Other comprehensive income	21,487,481	-	20,443,787	-

48.2.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

Effective Yield / interest rate	Total	2024									Non-interest bearing financial instruments	
		Exposed to Yield / interest risk										
		Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	2 to 10 years	Above 10 Years		
----- Rupees in 000 -----												
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	4.0%	314,234,036	48,692,058	-	-	-	-	-	-	-	-	265,541,978
Balances with other banks	10.7%	56,836,483	5,971,331	727,671	586,520	694,364	-	-	-	-	-	48,856,597
Lending to financial institutions	19.8%	30,000,000	30,000,000	-	-	-	-	-	-	-	-	-
Investments	19.8%	4,612,334,198	699,580,724	1,202,338,355	989,096,816	865,531,338	284,743,998	171,160,429	124,571,173	102,309,695	2,335,155	170,666,515
Advances	14.9%	1,404,867,872	434,342,062	379,526,657	219,254,523	84,350,003	22,374,556	26,738,825	43,239,578	62,840,058	40,446,467	91,755,143
Other assets	-	187,030,212	-	-	-	-	-	-	-	-	-	187,030,212
		6,605,302,801	1,218,586,175	1,582,592,683	1,208,937,859	950,575,705	307,118,554	197,899,254	167,810,751	165,149,753	42,781,622	763,850,445
<b>Liabilities</b>												
Bits payable	-	26,060,123	-	-	-	-	-	-	-	-	-	26,060,123
Borrowings	20.7%	1,937,756,922	1,866,830,523	16,077,088	19,720,345	967,481	3,573,437	2,605,938	4,995,166	22,850,206	136,740	-
Deposits and other accounts	12.3%	3,865,564,883	2,255,038,952	165,641,391	247,967,464	142,541,001	8,883,776	31,116,876	41,932,654	4,737,008	-	967,703,760
Lease Liabilities against right-of-use assets	9.8%	8,030,117	943.54	4,405.19	30,137.65	156,407.51	579,251.68	1,064,352.54	1,709,554.54	4,010,507.80	474,555.55	-
Subordinated debt	%	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	%	392,093,268	-	-	-	-	-	-	-	-	-	392,093,268
		6,229,505,313	4,121,870,419	181,722,884	267,717,947	143,664,890	13,036,464	34,789,166	48,637,375	31,597,721	611,295	1,385,857,152
		375,797,487	(2,903,284,244)	1,400,869,799	941,219,912	806,910,815	294,082,090	163,110,088	119,173,377	133,552,032	42,170,326	(622,006,707)
<b>On-balance sheet gap</b>												
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions		1,585,818,397	-	-	-	-	-	-	-	-	-	1,585,818,397
Commitments in respect of:												
- forward foreign exchange contracts		200,898,861	84,001,311	102,780,386	13,838,614	278,550	-	-	-	-	-	-
- forward government securities transactions		68,747,535	-	-	211,235	50,500,000	(220,000)	-	18,256,300	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		15,467,596	-	-	-	-	-	-	-	-	-	15,467,596
Commitments for acquisition of:												
- fixed assets		1,082,641	-	-	-	-	-	-	-	-	-	1,082,641
- other commitments		-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>		1,872,015,031	84,001,311	102,780,386	14,049,849	50,778,550	(220,000)	-	18,256,300	-	-	1,602,368,635
<b>Total yield / interest risk sensitivity gap</b>		2,247,812,518	(2,819,282,933)	1,503,650,185	955,269,761	857,689,365	293,862,090	163,110,088	137,429,677	133,552,032	42,170,326	980,361,928
<b>Cumulative yield / interest risk sensitivity gap</b>			(2,819,282,933)	(1,315,632,747)	(360,362,986)	497,326,378	791,188,468	954,298,556	1,091,728,233	1,225,280,265	1,267,450,591	2,247,812,519

Effective Yield/ Interest rate	2023											
	Total	Exposed to Yield/ Interest risk									Non-interest bearing financial instruments	
		Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	2 to 10 years	Above 10 Years		
----- Rupees in 000 -----												
<b>On-balance sheet financial instruments</b>												
<u>Assets</u>												
Cash and balances with treasury banks	4.0%	294,992,570	47,429,232	-	-	-	-	-	-	-	-	247,563,338
Balances with other banks	10.7%	42,325,051	4,009,398	3,376,854	671,770	758,450	-	-	-	-	-	33,508,579
Lending to financial institutions	19.8%	192,430,437	192,420,714	-	-	-	-	-	-	-	-	9,723
Investments	19.8%	4,403,364,043	1,213,850,827	1,016,852,727	405,941,151	1,046,346,810	125,302,736	213,257,677	161,244,939	97,933,065	4,827,262	117,806,849
Advances	14.9%	1,398,076,820	398,672,392	400,820,608	197,797,103	64,383,783	23,471,767	41,855,723	44,435,433	58,092,119	60,544,803	108,003,089
Other assets	0%	226,424,116	-	-	-	-	-	-	-	-	-	226,424,116
		6,557,613,037	1,856,382,563	1,421,050,189	604,410,024	1,111,489,043	148,774,503	255,113,400	205,680,372	156,025,184	65,372,065	733,315,694
<u>Liabilities</u>												
Bills payable	0.0%	68,000,448	-	-	-	-	-	-	-	-	-	68,000,448
Borrowings	20.7%	2,177,743,194	2,087,823,897	39,830,834	7,640,293	710,905	1,073,314	1,066,201	6,558,534	33,017,995	21,221	-
Deposits and other accounts	12.3%	3,674,359,379	1,755,991,811	164,972,176	205,025,317	211,301,760	20,390,959	8,319,597	16,710,676	2,777,796	-	1,288,869,287
Lease Liabilities against right-of-use assets	9.8%	8,264,782	972	4,534	31,018	160,978	596,179	1,095,456	1,759,513	4,127,708	488,424	-
Subordinated debt	%	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	%	338,025,095	-	-	-	-	-	-	-	-	-	338,025,095
		6,266,392,898	3,843,816,680	204,807,544	212,696,628	212,173,643	22,060,452	10,481,254	25,028,723	39,923,499	509,645	1,694,894,830
<b>On-balance sheet gap</b>		291,220,139	(1,987,434,117)	1,216,242,645	391,713,396	899,315,400	126,714,051	244,632,146	180,651,649	116,101,685	64,862,420	(961,579,136)
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions		1,633,847,479	-	-	-	-	-	-	-	-	-	1,633,847,479
Commitments in respect of:												
- forward foreign exchange contracts		169,806,209	60,702,960	87,931,586	21,171,663	-	-	-	-	-	-	-
- forward government securities transactions		(4,332,657)	-	-	-	(658)	-	-	(2,908,182)	(1,423,817)	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		44,432,555	-	-	-	-	-	-	-	-	-	44,432,555
Commitments for acquisition of:												
- fixed assets		1,129,442	-	-	-	-	-	-	-	-	-	1,129,442
- other commitments		-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>		1,844,883,028	60,702,960	87,931,586	21,171,663	(658)	-	-	(2,908,182)	(1,423,817)	-	1,679,409,476
<b>Total Yield / Interest Risk Sensitivity Gap</b>			(1,926,731,157)	1,304,174,231	412,885,059	899,314,742	126,714,051	244,632,146	177,743,467	114,677,868	64,862,420	717,830,340
<b>Cumulative Yield / Interest Risk Sensitivity Gap</b>			(1,926,731,157)	(622,556,926)	(209,671,867)	689,642,875	816,356,926	1,060,989,072	1,238,732,539	1,353,410,407	1,418,272,827	2,136,103,167

48.2.2.6 Reconciliation of Financial Assets & Liabilities with Total Assets & Liabilities	2024	2023
	----- Rupees in '000 -----	
<b>Total Financial Assets as per note 48.2.2.5</b>	<b>6,605,302,801</b>	6,557,613,037
<b>Add: Non-Financial Assets</b>		
Property and equipment	<b>61,668,070</b>	56,974,417
Intangible assets	<b>1,939,636</b>	1,510,061
Right-of-use assets	<b>6,317,624</b>	6,934,471
Other assets	<b>68,850,120</b>	29,675,452
	<b>138,775,450</b>	95,094,401
<b>Total assets as per statement of financial position</b>	<b>6,744,078,251</b>	6,652,707,438
<b>Total Financial Liabilities as per note 50.2.2.5</b>	<b>6,229,505,313</b>	6,266,392,898
<b>Add: Non-Financial Liabilities</b>		
Deferred tax liabilities	<b>40,944,092</b>	720,183
Other liabilities	<b>16,677,401</b>	2,838,764
<b>Total liabilities as per statement of financial position</b>	<b>6,287,126,806</b>	6,269,951,845

#### 48.2.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks. For effective implementation, the Bank has a comprehensive Operational Risk Management Policy Framework (ORMPF) and procedures. These provide guidance for setting up operational risk strategy of the Bank, selection and adoption of risk and loss measurement tools, reporting, and establishment of operational risk management process.

Operational risks are core components of doing business arising from the day-to-day operational activities of the Bank including launching of new products and services. The Bank realizes that operational risks cannot be fully mitigated, it therefore determines an appropriate balance between accepting potential losses and related costs of mitigation.

Further, the Bank has adopted an Operational Risk Management Policy Framework and Operational Risk Appetite duly approved by the Board. Furthermore, the Bank has rolled-out operational risk events (OREs) collection mechanism whereby field functionaries and Groups/Divisions at head office are responsible to report operational losses under their jurisdictions on immediate basis. OREs are reviewed and appropriate corrective measures are taken on an ongoing basis. Risk Evaluation exercise is carried out for new products, processes and systems as per the ORM procedures.

The Bank also conducts root cause analysis of major OREs covering key control lapses and accordingly suggests mitigating actions. As per regulatory framework, the Bank calculates capital charge for its operational risk using Basic Indicator Approach (BIA).

Moreover, the Bank closely monitored overall operational environment and undertakes required actions to ensure the safety and security of the Bank's staff and its assets. The Bank takes measures to ensure continuously improve customer service levels and resolve related complaints to meet the expectations of its stakeholders.

The Bank's operations stays highly resilient and the Bank deploys all necessary measures for the health and safety of its employees to prevent them from any unwarranted situation.

#### 48.2.4 Information Security Risk

Management of Information Security risk is given due importance, considering extensive customer base and increasing digital footprint of the Bank. A mechanism has been devised for upscaling technology infrastructure and related channels from information security standpoint. Further, due to evolving cyber threat landscape, the Bank has taken appropriate actions to monitor and respond to cybersecurity risks and adopted a heightened state of cybersecurity. We are living in a highly technologically dependent environment, where most of the business functions are performed with information technology for storing, processing and sharing of information. The information "assets" that are being used to store, process and transmit the information face various types of threats. If threats materialize and are able to exploit the vulnerabilities (weaknesses) present in these information assets, the confidentiality, integrity and availability of information get compromised and/or may result in a breakdown of IT assets. In order to mitigate the risks, certain controls and countermeasures need to be assessed and implemented. The Bank has devised a governance mechanism to manage related risks through development of policies & frameworks, and deployed security tools to ensure adequate implementation of internal controls and monitoring of security threats within technology infrastructure.

As a first line of defense, the Business groups have primary responsibility for identifying, measuring, and controlling the risks within their areas of accountability. Information Security Division (ISD) is the second line of defense against cyber risks. Therefore, the Bank regularly assesses the information security controls and undertakes employees' awareness and training. The Bank works with its key technology partners to ensure that potentially vulnerable systems are identified and appropriate fixes & controls are implemented to secure the systems. The Bank is actively communicating with its customers on interacting with the Bank in a secure manner through its full suite of channels including online and digital banking.

Over the last two years, the Bank has taken various initiatives to uplift its cyber security controls. Management is cognizant of the fact that cyber security is a top priority, and the Bank is taking appropriate steps to monitor and respond to it. The Information Security Division (ISD) works under the supervision of Chief Information Security Officer (CISO). Numerous steps have been taken by the Bank to identify cyber security weaknesses of systems & infrastructure.

#### **48.2.5 Enterprise-wide Risk**

The Bank has a Board approved Enterprise Risk Management (ERM) Framework in place. The ERM framework is a holistic approach starting from strategy setting, capital and financial planning to managing, monitoring, and reporting of risks inherent in the day-to-day business of the Bank. It documents the risk management structure and processes driven by the Bank's board of directors, management, and other personnel. All this provides reasonable assurance regarding the achievement of the Bank's strategic objectives.

In addition to the Pillar I risks, the Bank has a structure to identify other Pillar II material risks on a periodic basis. The Bank has in place an Internal Capital Adequacy & Assessment Process (ICAAP) to identify and quantify material risks, including Pillar II risks, and continually re-assess the adequacy of the capital buffer and risk appetite, which is set periodically in order to build a solid platform for business growth.

In accordance with the regulatory requirements for Domestic Systemically Important Banks (D-SIBs), the Bank has put in place a Recovery Plan to prepare the Bank to act promptly and efficiently in the event of stress situations that may threaten the financial and operational strength and viability of a Bank and pose a risk on Bank's ability to remain a going concern. Moreover, risks that are material and arise within the Bank or due to behaviour of the country's market and economic conditions, whether in isolation or in combination are addressed in the Bank-wide Recovery Plan.

Bank's Stress-testing framework comprises of tools to deliver a timely assessment of the resilience of the Bank's capital under stressed conditions to the senior management. It ranges from simple sensitivity analysis to sophisticated stress testing methods to capture the abnormal movement of market and economic indicators and to translate such scenarios into projections of Bank's profitability, liquidity and capital planning.

This framework paves the way to a quantitative, forward-looking assessment of capital adequacy (movement/ level of Capital Adequacy Ratio (CAR) of the Bank) to provide an indication of how much capital might be needed to absorb any expected and any unforeseen losses. It helps in identifying potential vulnerabilities within the Bank and assessing solvency by applying plausible/ past adverse scenarios under extreme conditions.

#### **48.2.6 Liquidity Risk**

Liquidity risk is the risk of loss to a Bank arising from its inability to meet obligations as they fall due or to fund assets, without incurring unacceptable costs or losses. More simply, liquidity risk is the possibility that a bank will be unable to meet its financial commitment to a customer, creditor, or investor when due, in a timely and cost-effective manner.

To mitigate this risk, the Bank has arranged diversified funding sources, manages specific assets with liquidity in mind and monitors liquidity position on daily basis. In addition, the Bank maintains statutory deposits with central Banks inside and outside Pakistan. The purpose of liquidity management is to ensure that there are sufficient cash flows to meet all of the Bank's liabilities when due, under both normal and stress conditions without incurring unacceptable losses, as well as to capitalize on opportunities for business expansion and profitability. This includes the Bank's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature and to make new loans and investments, as opportunities arise.

The Asset and Liability Committee (ALCO) is responsible for ensuring that the Bank has adequate liquidity and monitors liquidity gaps, to execute this responsibility. Mandatory as well as optional stress testing and ratio based liquidity assessments are performed to proactively identify and manage liquidity position, needs/ requirements. The Bank has put in place various limits/ ratios, triggers and related management actions in place to monitor and mitigate liquidity risk. The Bank calculates and monitors, on regular basis, Basel-III Liquidity standards (includes LCR, NSFR and LMTs), liquidity ratios as per SBP parameters besides other internal liquidity measures.









#### 48.2.7 Derivative risk

A derivative is a contract that derives its value from the performance of an underlying asset which can be an index, interest rate, commodity price, security price, FX rate etc. Derivatives include forwards, futures, swaps, options etc. In Pakistan, futures and forwards are most commonly traded derivatives.

Currently, the Bank is not an active participant in the Pakistan derivatives market as it does not hold an Authorized Derivative Dealer (ADD) license to perform derivative transactions. Once acquired, the Bank will carry out transactions that are permitted under the Financial Derivatives Business Regulations issued by SBP, which may include Interest rate swaps, forward rate agreements, foreign currency options, etc.

Moreover, the Bank may also offer other over the counter derivative products to satisfy customer requirements, specific approval of which will be sought from the SBP on a transaction by transaction basis

#### 49 EVENTS AFTER THE REPORTING DATE

- 49.1** Subsequent to year end, pursuant to the order of the Hon'ble Islamabad High Court dated November 15, 2024 (as amended by a further Court Order dated December 11, 2024), the Scheme of Arrangement filed with the Hon'ble Islamabad High Court, Islamabad, prepared under Sections 279 to 283 and 285(8) of the Companies Act, 2017 in respect of the demerger of a specified portion of the lending portfolio of SME Bank Limited ("SME Bank"), along with all associated rights, obligations, titles, contracts, benefits, claims, interests, and liabilities (the "Demerger Lending Portfolio"), was approved by the shareholders in the Extraordinary General Meeting ("EOGM") of the Members of NBP which was held on January 06, 2025. This demerger involves the separation of the Demerged Lending Portfolio from SME Bank, its transfer to and vesting in NBP, and the retention of all other assets and liabilities of SME Bank that do not form part of the Demerged Lending Portfolio (the "Retained Undertaking") by the SME Bank
- 49.2** The Board of Directors in their meeting held on February 28, 2025 has announced final cash dividend of Rs. 8 per share (2023: Rs. Nil per share). The unconsolidated financial statements for the year ended December 31, 2024, do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2025.

#### 50 GENERAL

- 50.1** Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated financial statements, wherever necessary, to facilitate comparison and better presentation. No significant reclassifications have been made during the current year.
- 50.2** Figures have been rounded off to the nearest thousand rupees.

#### 51 DATE OF AUTHORISATION FOR ISSUE

The unconsolidated financial statements were authorised for issue on February 28, 2025 by the Board of Directors of the Bank.

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Chairman

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President / CEO

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Chief Financial Officer

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Director

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Director

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF  
OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED  
DURING THE YEAR ENDED DECEMBER 31,2024

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
-----Rupees in '000-----											
1	Warehousing Systems Limited Plot No.8, West Warf Industrial Area, Karachi	Samina Saigal 42301-9208295-6  Sadeed Anver Malik 42301-1033177-3	Tariq Ahmed Saigal (Husband)  Saeed Ahmed Malik	-	-	652	652	47,095	-	44,692	91,787
2	Irfan Textile Pvt Ltd. 31 Km Ferozepur Road, Lahore.	Yawar Irfan Khan 35202-6657307-7 Syed Muhammad Jawad Ahsan 35202-6356700-9 Muhammad Ahmad Irfan Khan 35202-0268314-1	Muhammad Irfan ullah Khan  Syed Muhammad Ahsan uddin  Muhammad Irfan ullah Khan	564,548	83,466	2,502	650,516	-	-	85,968	85,968
3	Paramount Spinning Mills Ltd , SITE Kotri,Raiwind Punjab	Tanveer Ahmed Shakoor 42201-0350138-5	Mr.Abdul Shakoor	79,585	14,327	-	93,912	29,585	-	14,327	43,912
4	Lalazar Flour Mills Chak # 182/6-R, Kacha Paca Noor Shah Road, Sahiwal.	Sh. Ashfaq Ahmed 36502-1378032-3  Saima Sadaf 36502-1305750-0	Sh. Bashir Ahmed  Sh. Ashfaq Ahmed	25,706	5,225	26,100	57,031	-	-	24,031	24,031
5	Decent Rice Mills (Pvt) Ltd 28-KM, Sargodha Road, District Jhang	Ch. Tanveer Iqbal 33100-1616674-1  Syed Ali ul Asad 33100-6580397-5	Ch. Muhammad Iqbal  Syed Ashfaq Ahmed	22,649	13,762	95	36,506	-	-	2,372	2,372
6	Decent Trading Company 28-KM, Sargodha Road, District Jhang	Abdul Nasir 33100-8452254-3  Ch.Naveed Niaz 33100-0956589-5	Niaz Ahmed  Niaz Ahmed	19,000	12,708	104	31,812	-	-	1,887	1,887
7	Adnan Rice Mills (Pvt) Ltd 15-KM, Bhakkar Road, District Jhang	Rehana Anjum 33202-2514085-2  Adnan Jamshed 33202-4533543-9	Chaudhary Jamshaid Iqbal (Husband)  Chaudhary Jamshaid Iqbal (Father)	13,650	5,872	81	19,603	-	-	1,159	1,159

8	M/s. Zamindara Rice International Kotli Bawa Faqir Chand , Pasur	Jalal Ashraf Warraich 34101-3254657-3  Muhmamad Ashraf Warriach 34101-5024953-1	Muhammad Ashraf  Muhammad Sadiq	-	1,773	9,013	10,786	-	-	1,802	1,802
9	M/s Zamindara Rice Mills Kotli Bawa Faqir Chand , Pasur	Jalal Ashraf Warraich 34101-3254657-3  Muhmamad Ashraf Warriach 34101-5024953-1  Nazia Mobeen 42301-0781431-2	Muhammad Ashraf  Muhammad Sadiq  Mobeen Ashraf	2,774	1,399	5,498	9,671	-	-	1,100	1,100
10	Ms. Tabasum Shah Flat No. 603, 6Th Floor, Komal Apartment, Johar More, Karachi	Ms. Tabasum Shah 45203-5418702-6	Ali Murad Shah	1,557	-	-	1,557	1,557	-	-	1,557
11	Muhammed Nauman Thq Hospital Fort Abbas, Muhalla Medical Colony, Fort Abbas	Muhammed Nauman 31304-3423127-7	Muhammed Hanif	1,401	-	-	1,401	1,401	-	-	1,401
12	Liaquat Ali Chak No. 266 Rb Madina Town Khurrianwala, Tehsil Jaranwala	Liaquat Ali 33104-2068752-5	Asghar Khan	1,370	-	-	1,370	1,370	-	-	1,370
13	M/S Hashim Khudadaad Hamid Behind Shah Enterprises, near Shalimar Town, Pindi Bye Pass Gujranwala	Jalal Ashraf Warraich 34101-3254657-3	Muhammad Ashraf	-	180	3,850	4,030	-	-	770	770
14	Ashraf Javed Street No. 06 Bilal Park Kahar Pura Muridke	Ashraf Javed 35401-1757241-9	Muhammed Din	845	-	-	845	845	-	-	845
15	Muhammed Amin Basti Nazar Kot, Po Islampura	Muhammed Amin 31101-1657670-3	Wali Muhammed	845	-	-	845	845	-	-	845
16	Abdul Qadeer , Qadirpur Lar Po Same Tehsil Multan Saddar	Abdul Qadeer 36303-2165759-5	Mehar Din	837	-	-	837	837	-	-	837
17	Lal Bux Village Sadullah Naper, Garhi Haleem, Shikarpur	Lal Bux 43303-5903084-5	Rahib	791	-	-	791	791	-	-	791
18	Riaz Hussain H. No. 17/19-18, Muhalla Mumtaz, Badah, Talka Dokri	Riaz Hussain 43203-6682755-9	Gulzar Ali Khoso	778	-	-	778	778	-	-	778
19	Zafar Iqbaltarar, Village Post Office Saida Sharif Tehsil Phalia	Zafar Iqbaltarar, 34403-2542040-3		771	-	-	771	771	-	-	771
20	Iftikhar Hussain S/o Haitam Khan Street # 5, Usmanabad Colony, Distt: Multan	Iftikhar Hussain 36102-8072932-9	Haitam Khan	766	-	-	766	766	-	-	766
21	Naseer Ahmed Chak No. 16 Gnb Po Same Nankana Sahib	Naseer Ahmed 35402-6942493-7	Ghulam Muhammed	751	-	-	751	751	-	-	751
22	Wali Muhammed H. No.466/1 Muhalla Family Line Arirport Icd	Wali Muhammed 43102-4769603-7	Ali Murad	689	-	-	689	689	-	-	689
23	Parveen Akhtar Railway Road, Phulwaran, Tehsil Bhalwal	Parveen Akhtar 38401-0192054-4	Muhammed Younas	687	-	-	687	687	-	-	687

24	Muhammed Ajmal Chah Hayat Muqadam Wala, Muhalla Ameer Abad, Multan	Muhammed Ajmal 36302-9727086-9	Wahid Bux	679	-	-	679	679	-	-	679
25	Muhammed Ilyas Village Sardarpur, Talka Khanpur	Muhammed Ilyas 43302-6719374-5	Muhammed Moosa	671	-	-	671	671	-	-	671
26	Mehmood S/O Sawan Chandio Village Muhammed Chandio, PO Qazi Ahmed, Talka Qazi Ahmed	Mehmood 45401-7846417-3	Sawan Chandio	669	-	-	669	669	-	-	669
27	Sajid Hussain Street, Lane No. 07, Sadique Town, Adiyala Road, Rwp	Sajid Hussain 37405-0618427-1	Khadim Hussain	663	-	-	663	663	-	-	663
28	Moula Bux Bhand, Mohalla Rasool Abad, Larkana	Moula Bux 43204-4611217-9	Yar Muhammed	656	-	-	656	656	-	-	656
29	Tahir Shabbir Khan Jalal Pur Road, H. No. 33/ E, Balouch Colony, Shujaabad	Tahir Shabbir Khan 36304-1353400-5	Muhammed Shabbir Khan Hamzai	637	-	-	637	637	-	-	637
30	Abdul Salam H. No 496, Street 05, Sector 01, Mohalla Talli, Tehsil & Dist Haripur	Abdul Salam 13302-0505401-9	Abdul Rasheed	632	-	-	632	632	-	-	632
31	Shah Jahan Chak No. 121/9 L Po Same Sahiwal	Shah Jahan 36502-0229508-1	Sohna	628	-	-	628	628	-	-	628
32	Asghar Khan Janak Shakandara Lachi, Kohat	Asghar Khan 14301-2027760-1	Raees Khan,	600	-	-	600	600	-	-	600
33	Mumtaz Mugheri, Near Maal Piri, Bhens Colony, Larkana	Mumtaz 43203-3734271-7	Muhammed Hassan	596	-	-	596	596	-	-	596
34	Fakhar Zaman Basti Bhattian Wala, Po Same Murad Abad Distt Muzaffar Garh	Fakhar Zaman 32304-3644381-7	Haji Muhammed Khan,	594	-	-	594	594	-	-	594
35	Sarfraz Masih Mansoor Wali Kachi Abadi, Police Line Hq, H11, Islamabad	Sarfraz Masih 61101-8806613-5	Payara Masih,	592	-	-	592	592	-	-	592
36	Gohar Ali Toutkay, Matta Swat	Gohar Ali 15601-1042337-5	Abdul Mateen Khan	589	-	-	589	589	-	-	589
37	Faizan Ali H. No 49, Gulshan E Mehran Colony, Nasrpur Road, Tando Allah Yar	Faizan Ali 41307-8502332-1	Sagheer Ahmd	579	-	-	579	579	-	-	579
38	Saifullah Kalhoro Kalhoro, Village & Po Balishah, Talka Mehtar	Saifullah Kalhoro 41205-8507598-3	Abdul Wahab Kalhoro	572	-	-	572	572	-	-	572
39	Manzoor Masih New Christian Colony Chak No. 14, Gajani Tehsil Chistian	Manzoor Masih 31102-4471478-3	Mohin	551	-	10	561	551	-	10	561
40	Muhammed Akber Lokri Mardan Shah, Qadir Abad	Muhammed Akber 34403-3716102-9	Bashir Ahmed,	556	-	-	556	556	-	-	556

41	Fareed Ahmed H. No. 47, Muhalla Police Headquarter, Saddar, Hyderabad	Fareed Ahmed 41303-2321304-7	Ghulam Sarwar	555	-	-	555	555	-	-	555
42	Khalid Mehmood H. No. 320-B, Sector 4, Alnoor Colony, Rawalpindi	Khalid Mehmood 34101-1320935-7	Makhmool Ahmed	548	-	-	548	548	-	-	548
43	Muhammed Nawaz Near Old Cia Staff Office, Muhalla Bagh Wala, Jhang Saddar	Muhammed Nawaz 33202-7447108-1	Mian Allah Ditta,	546	-	-	546	546	-	-	546
44	Syed Shah Sultan Mohalla Hospital Havelian	Syed Shah Sultan 13101-0865235-5	Syed Fida Hussain	545	-	-	545	545	-	-	545
45	Lal Bux Village Naseer Khan Korai, Po Hayat Pitafi Talka Mirpur Mathelo	Lal Bux 45104-6716130-0	Habibullah,	537	-	-	537	537	-	-	537
46	Muhammed Yousif Village Nau Tharo Wadho District Qamber Shahdadkot	Muhammed Yousif 43204-1154528-3	Arbab Soomro	534	-	-	534	534	-	-	534
47	Javed Mohalla Shaikh Zaid Colony, Larkana	Javed 43203-0696468-3	Khadim Shaikh	531	-	-	531	531	-	-	531
48	Ghulam Nabi Village Juman Shah, Po Mirpur Buriro, Thull	Ghulam Nabi 43105-2733356-9	Ghulam Rasool	528	-	-	528	528	-	-	528
49	Ghulam Sarwar Piyaro Goth, Badah Talka Dokri	Ghulam Sarwar 43201-1243585-9	Qaimudin Khokhar,	523	-	-	523	523	-	-	523
50	Ghulam Ali Panhwer Mohalla Bagho Dero Po Talka Kamber Ali Khan	Ghulam Ali Panhwer 43202-3077918-1	Momin Panhwer	521	-	-	521	521	-	-	521
51	Iqbal Hussain Pehlwan, Sultan Pur Hamar, Multan	Iqbal Hussain 36303-0887761-3	Muhammed Pehlwan,	508	-	-	508	508	-	-	508
52	Raja Muhammed Muzammil S/O Abdul Rasheed Fateh Garh, Mohalla Rohail Pura, Sialkot	Raja Muhammed Muzammil 34603-2327298-5	Abdul Rasheed	508	-	-	508	508	-	-	508
53	Good Family Construction Llc/ Baku, Narimanov Rayonu, Çəmənzəminli Küçəsi, Ev 53	Zulfugarova Sevinj Aliyusif Aze 07437682	Zulfugarova Sevinj Aliy	8,575	7,017	6,494	22,085	-	-	6,629	6,629
54	Sema Llc/ Bakı Şəhəri, Ak.M.Qasimov Küçəsi, Ev 29, Mənzil 151	Ahmadov Sahin Aze 08251958	Ahmadova Gunel	-	2,835	40	2,875	-	2,835	40	2,875
55	Ibrahimov Ali Arif/ Kəlbəcər Şəh, N.Gəncəvi Pr, Ev 235, Mənzil 05	Ibrahimov Ali Arif Aze № 02294307	Ahmadova Gunel	595	939	-	1,533	595	939	-	1,533
56	Zulfugarov Vidadi Aliyusif/ Neftçala Ray, Banke Qəsəbəsi, L Rzayev Küçəsi, Ev 10	Zulfugarov Vidadi Aliyusif Aze 06130440	Zulfugarov Ali Yusif	12,767	7,492	-	20,259	-	5,828	-	5,828

57	Məmmədov Xəladdin Gani /Bakı Şəh, Nərimanov Rayonu, Mustafa Kamal Atatürk Prospektiv 39 Nömrəli, 68 Nömrəli Mənzil	Məmmədov Xəladdin Gani Aze № 03876595	Məmmədov Gani	-	15,964	484	16,448	-	15,964	1,305	17,269
58	Zulfugarova Sevinj Aliyusif/ Bakı, Nərimanov Rayonu, Çəmənçəminli Küçəsi, Ev 53	Zulfugarova Sevinj Aliyusif Aze № 07437682	Zulfugarov Aliyusif	9,948	7,548	-	17,496	-	6,068	-	6,068
59	Allahverdiyeva Gulafar Şahmurad/ Abşeron Rayonu Masazır Kəndi, S.Ə.Şirvani Küçəsi, Döngə 1, Dalan 1, Ev 3.	Allahverdiyeva Gulafar Şahmurad Aze № 08143334	Allahverdiyev Şahmurad	5,141	2,812	500	8,452	-	1,367	500	1,867
60	Rüstamov Zulfugar Rüstam O. Bakı City, Nasimi District, M M. Qashgay Street, House 63 A, Apartment 23	Rüstəmov Zülfüqar Rüstəm O. Aze № 05031863	Rüstamov Rüstam O.	-	2,068	1,558	3,625	-	2,068	1,558	3,625
61	Fayzullayev Munasib Abdulkhan O Abşeron Ray, Khirdalan City, District 28, House 15, Apartment 50	Feyzullayev Mınasib Abdulkhan O Aze № 06170280	Fayzullayev Abdulkhan	6,713	4,549	2,149	13,411	-	-	2,149	2,149
62	Bagirov Ramzi Boyukagha Oglu, Masallı District, Erkivan Settlement	Bağirov Rəmzi Böyükəğa Oğlu Aze № 06956471	Bagirov Boyukagha	13,060	8,997	1,014	23,071	-	8,997	1,014	10,011
63	Ashrafov Qardash Khan Humbat; Address Bakı City, Nasimi District, 3Rd Alatava House 108	Ashrafov Qardash Khan Humbat Aze 00424999	Ashrafov Humbat	10,314	7,169	2,352	19,836	-	3,779	2,352	6,132
64	Husynov İbal Cabbar Oglu	Husynov İbal Cabbar Oglu Aze 02369854	Hussainov Jabbar	4,994	4,237	530	9,760	3,356	4,237	530	8,123
<b>TOTAL:</b>				<b>828,954</b>	<b>210,338</b>	<b>63,025</b>	<b>1,102,317</b>	<b>109,567</b>	<b>52,082</b>	<b>194,194</b>	<b>355,843</b>

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

**Annexure - II**  
**ISLAMIC BANKING BUSINESS**

The bank is operating with 207 (2023: 188) Islamic banking branches and 251 (2023: 150) Islamic banking windows as at December 31, 2024.

		2024	2023
		----- Rupees in 000 -----	
<b>ASSETS</b>	Note		
Cash and balances with treasury banks		<b>28,240,319</b>	10,248,305
Balances with other banks		<b>49,826</b>	43,076
Due from financial institutions	1	<b>30,000,000</b>	-
Investments	2	<b>123,905,109</b>	51,544,718
Islamic financing and related assets - net	3	<b>144,221,215</b>	73,125,189
Property and equipment		<b>125,580</b>	70,902
Right-of-use assets		<b>582,812</b>	640,166
Intangible assets		-	-
Due from head office	4	-	-
Other assets		<b>6,290,354</b>	4,488,184
<b>Total assets</b>		<b>333,415,215</b>	140,160,540
<b>LIABILITIES</b>			
Bills payable		<b>1,397,301</b>	477,959
Due to financial institutions		-	-
Deposits and other accounts	5	<b>309,438,083</b>	113,801,806
Due to head office		<b>2,883,224</b>	12,960,028
Lease liabilities		<b>814,024</b>	811,291
Subordinated debt		-	-
Other liabilities		<b>2,846,597</b>	2,249,195
		<b>317,379,229</b>	130,300,279
<b>NET ASSETS</b>		<b>16,035,986</b>	9,860,261
<b>REPRESENTED BY</b>			
Islamic Banking Fund		<b>8,531,000</b>	6,731,000
Reserves		-	-
Surplus/ (Deficit) on revaluation of assets		<b>2,612,858</b>	(400,216)
Unappropriated / Unremitted profit	7	<b>4,892,128</b>	3,529,477
		<b>16,035,986</b>	9,860,261
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
The profit and loss account of the Bank's Islamic banking branches for the year ended December 31, 2024 is as follows			
		2024	2023
		----- Rupees in 000 -----	
Profit / return earned	9	<b>29,980,783</b>	21,584,554
Profit / return expensed	10	<b>19,739,351</b>	13,764,527
Net Profit / return		<b>10,241,432</b>	7,820,027
<b>Other income</b>			
Fee and commission Income		<b>385,781</b>	317,707
Dividend Income		-	-
Foreign exchange income		<b>98,289</b>	61,765
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		<b>1,194</b>	-
Other Income		<b>549</b>	50
Total other income		<b>485,813</b>	379,522
Total Income		<b>10,727,245</b>	8,199,549
<b>Other expenses</b>			
Operating expenses		<b>4,007,585</b>	3,496,250
Workers welfare fund		-	-
Other charges		<b>806</b>	220
Total other expenses		<b>4,008,391</b>	3,496,470
Profit / (loss) before credit loss allowance		<b>6,718,854</b>	4,703,079
Credit loss allowance and write offs - net		<b>(386,000)</b>	(1,173,602)
Profit / (loss) before taxation		<b>6,332,854</b>	3,529,477
Taxation		-	-
Profit / (loss) after taxation		<b>6,332,854</b>	3,529,477

	2024			2023				
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total		
<b>1 Due from financial institutions</b>								
Call Money Placement	30,000,000	-	30,000,000	-	-	-		
	----- Rupees in '000 -----							
	2024				2023			
	Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>2 Investments by segments:</b>	----- Rupees in '000 -----							
<b>- Debt Instruments</b>								
<b>Classified / Measured at amortised cost</b>								
Federal Government securities								
- Ijarah Sukuks	14,057,627	-	-	14,057,627	14,087,500	-	-	14,087,500
Non Government debt securities								
- Sukuk	130,807	(130,807)	-	-	130,807	(130,807)	-	-
	14,188,434	(130,807)	-	14,057,627	14,218,307	(130,807)	-	14,087,500
<b>Classified / Measured at FVOCI</b>								
Federal Government securities								
- Ijarah Sukuks	83,155,034	-	2,334,037	85,489,071	20,513,568	-	(726,606)	19,786,962
Non Government debt securities	22,784,066	(550,572)	278,821	22,512,315	17,343,866	-	326,390	17,670,256
	105,939,100	(550,572)	2,612,858	108,001,386	37,857,434	-	(400,216)	37,457,218
<b>Classified / Measured at FVTPL</b>								
Non Government debt securities								
- Sukuk	1,832,366	-	868	1,833,234	-	-	-	-
	1,832,366	-	868	1,833,234	-	-	-	-
Mutual Funds Units	12,536	-	326	12,862				
<b>Total investments</b>	<b>121,972,436</b>	<b>(681,379)</b>	<b>2,614,052</b>	<b>123,905,109</b>	<b>52,075,741</b>	<b>(130,807)</b>	<b>(400,216)</b>	<b>51,544,718</b>
	----- Rupees in '000 -----							
<b>2.1 Particlurs of credit loss allowance</b>								
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Provision for diminution	Total		
Non Government debt securities	99,880.00	110,692.00	470,807	681,379	130,807	130,807		
	----- Rupees in '000 -----							
					<b>Note</b>			
					<b>2024</b>	<b>2023</b>		
	----- Rupees in '000 -----							
<b>3 Islamic financing and related assets</b>								
Ijarah	3.1	8,436	13,749					
Murabaha	3.2	1,050,778	3,291,932					
Running Musharaka		104,490,555	30,500,000					
Diminishing Musharaka		14,530,164	19,357,928					
Musawama		7,443	-					
Salam		-	-					
Istisna		-	705,500					
Wakala tul Istismar		8,500,000	8,500,000					
Advance for Murabaha		378,000	-					
Advance for Diminishing Musharaka		1,320,707	113,086					
Advance for Istisna		12,797,450	8,850,972					
Inventories against Istisna		3,815,624	3,342,628					
Gross Islamic financing and related assets		146,899,157	74,675,795					
Less: Credit loss allowance against Islamic financings								
Stage 1		(664,490)	-					
Stage 2		(28,044)	-					
Stage 3		(1,985,408)	-					
- Specific		-	(913,875)					
- General		-	(636,731)					
		(2,677,942)	(1,550,606)					
Islamic financing and related assets - net of credit loss allowance		144,221,215	73,125,189					



4 Due from head office ( please specify underlying contract and nature of transaction) -

5 Deposits

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	-----Rupees in 000-----					
<b>Customers</b>						
Current deposits	40,619,109	215,067	40,834,176	22,342,688	185,921	22,528,609
Savings deposits	80,198,997	-	80,198,997	56,721,533	-	56,721,533
Term deposits	17,145,145	-	17,145,145	16,261,024	-	16,261,024
Others	4,800,439	-	4,800,439	810,992	-	810,992
	<u>142,763,690</u>	<u>215,067</u>	<u>142,978,757</u>	<u>96,136,237</u>	<u>185,921</u>	<u>96,322,158</u>
<b>Financial institutions</b>						
Current deposits	136,864,262	-	136,864,262	1,879,123	-	1,879,123
Savings deposits	28,979,564	-	28,979,564	15,071,912	-	15,071,912
Term deposits	615,500	-	615,500	528,613	-	528,613
	<u>166,459,326</u>	<u>-</u>	<u>166,459,326</u>	<u>17,479,648</u>	<u>-</u>	<u>17,479,648</u>
	<u>309,223,016</u>	<u>215,067</u>	<u>309,438,083</u>	<u>113,615,885</u>	<u>185,921</u>	<u>113,801,806</u>

5.1 Composition of deposits

- Individuals
- Government / Public sector entities
- Banking companies
- Non-Banking financial institutions
- Private sector

	2024	2023
	----- Rupees in 000 -----	
- Individuals	78,737,881	54,111,171
- Government / Public sector entities	41,395,878	23,779,916
- Banking companies	137,454,684	2,338,737
- Non-Banking financial institutions	29,004,641	15,140,911
- Private sector	22,844,999	18,431,071
	<u>309,438,083</u>	<u>113,801,806</u>

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 87,194 million (2023 Rs 55,033 million).

6 Charity fund

- Opening balance
- Additions during the period
  - Received from customers on account of delayed payment
  - Profit on charity saving account
- Payments / utilization during the period
  - Education
  - Health
  - Others
- Closing balance

	2024	2023
	----- Rupees in 000 -----	
Opening balance	6,369	203
Additions during the period		
Received from customers on account of delayed payment	1,302	9,067
Profit on charity saving account	284	99
	<u>7,955</u>	<u>9,369</u>
Payments / utilization during the period		
Education	3,500	1,500
Health	3,500	1,500
Others	-	-
	<u>7,000</u>	<u>3,000</u>
Closing balance	<u>955</u>	<u>6,369</u>

6.1 Charity paid during the year are as follows

- Indus Hospital & Health Network
- The Citizen Foundation
- Network of Organizations Working with People with Disabilities, Pakistan (NOWPDP)
- Abaseen Institute of Medical Science (AIMS)
- Total

Indus Hospital & Health Network	2,500	1,500
The Citizen Foundation	1,500	1,500
Network of Organizations Working with People with Disabilities, Pakistan (NOWPDP)	2,000	-
Abaseen Institute of Medical Science (AIMS)	1,000	-
Total	<u>7,000</u>	<u>3,000</u>

	2024	2023
	----- Rupees in 000 -----	
<b>7 Islamic banking business unappropriated profit</b>		
Opening balance	3,529,477	2,297,141
Add: Islamic banking profit for the period	6,332,854	3,529,477
Less: Taxation	-	-
Less: Impact of adoption of IFRS 9	(1,440,726)	-
Less: Transferred / Remitted to head office	(3,529,477)	(2,297,141)
Closing balance	4,892,128	3,529,477
	----- Rupees in 000 -----	
<b>8 Contingencies and commitments</b>		
-Guarantees	-	-
-Commitments	-	-
-Other contingent liabilities	-	-
	----- Rupees in 000 -----	
<b>9 Profit/Return earned of financing, investments and placement</b>		
Profit earned on:		
Financing	16,191,448	12,351,676
Investments	13,780,656	9,231,359
Placements	8,679	1,519
Others	-	-
	29,980,783	21,584,554
	----- Rupees in 000 -----	
<b>10 Profit on deposits and other dues expensed</b>		
Deposits and other accounts	12,898,692	9,901,324
Due to Financial Institutions	292	-
Amortisation of lease liability against - ROUA	144,456	79,419
Others (General Account)	6,695,911	3,783,784
	19,739,351	13,764,527
	----- Rupees in 000 -----	
<b>11 Pool management</b>		

NBP-AIBG has managed following pools for profit and loss distribution.

a) General depositor pool

The General pool consists of all other remunerative deposits. NBP Aitemaad (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

b) Special depositor pools (Total 253 during the period and 33 as at Dec 31, 2024)

Special pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, and after allocation of share of profit to commingled equity, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

c) Equity pool

Equity pools include AIBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

**Key features and risk & reward characteristics**

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

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

Sector	2024	2023
	Percentage	
Textile	1.56%	3.34%
Fuel & energy	11.14%	24.72%
Leasing/Mudarabas	0.01%	0.02%
Sugar	2.45%	6.12%
Cement	1.64%	3.81%
Gas	0.19%	0.15%
Financial	10.67%	1.57%
Federal Government	32.52%	27.29%
Real Estate	1.08%	2.45%
Agriculture	0.46%	0.24%
Commodity Operations	34.54%	23.66%
Others	3.71%	6.62%
	100.00%	100.00%

**Parameters for profit allocation and charging expenses**

Profit of the pools has been distributed between Mudarib and Rab-ul-Mall by using preagreed profit sharing ratios. The share of Rab-ul-Mall's profit has been distributed among different customers using the various weightages assigned to the different categories of the pool.

No provision against any non performing asset of the pool is passed on to the pool except on the actual loss / write off of such non performing asset. Administrative expense are borne by mudarib and not charged to Mudaraba pool.

**Mudarib Share**

Gross Distributable Income	22,255,543
Mudarib (Bank) share of profit before Hiba	4,160,949
Mudarib Share in percentage	18.70%

**Hiba from Mudarib Share**

Mudarib (Bank) share of profit before Hiba	4,160,949
Hiba from bank's share to depositors	1,170,675
Hiba from bank's share to depositors in percentage	28.13%

**Profit rates**

During the year ended Dec 31, 2024 the average profit rate earned by NBP Islamic Banking Group is 17.99 % and the profit distributed to the depositors is 14.30 %.

**Consolidated Annual Financial Statements  
For the year ended December 31, 2024**

## Directors' Report to the Shareholders Consolidated Financial Statements

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review together with consolidated financial statement of National Bank of Pakistan "the Bank" and its group companies for the year ended December 31, 2024.

Consolidated after-tax profit for the year ended December 31, 2024, amounted to PKR 26.503 Bn, being 50.3% lower than PKR 53.321 Bn for the same period last year. During the year, the subsidiary companies contributed PKR 0.984 Bn (December 31, 2023: PKR 1.174 Bn) in Group profitability, whereas the associates contributed share of profit of PKR 0.479 Bn (December 31, 2023: PKR 0.245 Bn). A share of profit of PKR 0.605 Bn (December 31, 2023: PKR 1.226 Bn) was however recorded on account of UNBL, a UK based Joint Venture in which NBP had 45% shareholding. During the period, the bank has divested NBP's share of 45% in UNBL to Bestway group. Accordingly, consolidated EPS per share recorded at PKR 12.21 for the year ended December 31, 2024, as compared to EPS of PKR 24.96 for the same period last year.

As of December 31, 2024, consolidated assets of the Group amounted to PKR 6,753.9 Bn being PKR 85.1 Bn or 1.28% higher than PKR 6,668.8 Bn of December 31, 2023.

Profit for the year ended December 31, 2024, after carrying forward of accumulated profit of 2023 is proposed to be appropriated as follows:

	(PKR 'Mn)
After-tax consolidated profit for the year ended December 31, 2024	26,502.7
Unappropriated profit brought forward	225,693.4
Impact due to adoption of IFRS – 9, net of tax	(10,288.5)
Other comprehensive income - net of tax	2,254.2
Non-controlling interest	(517.6)
Transfer from surplus on revaluation of fixed assets – net of tax	162.8
	<u>213,039.4</u>
Profit available for appropriations	239,542.1
<b>Appropriation:</b>	
Transfer to statutory reserve	(2,686.6)
<b>Unappropriated profit carried forward</b>	<u><u>241,120.4</u></u>

For and on behalf of the Board of Directors

**Rehmat Ali Hasnie**  
President & CEO

**Ali Syed**  
Director

Karachi

Date: February 28, 2024

**A. F. Ferguson & Co.**  
Chartered Accountants  
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Chartered Accountants  
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## INDEPENDENT AUDITORS' REPORT

**To the members of National Bank of Pakistan**

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

### Opinion

We have audited the annexed consolidated financial statements of National Bank of Pakistan and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Credit loss allowance against advances</b> (Refer notes 5.27, 12.4 and 35 to the consolidated financial statements)</p>	
	<p>The Group records credit loss allowance against advances in Pakistan operations in accordance with the requirements of IFRS 9.</p> <p>Under IFRS 9, the Group assesses on a forward-looking basis the Expected Credit Losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments. A lifetime ECL is recorded on advances in which there have been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on advances which are credit impaired as on the reporting date. A 12 months ECL is recorded for advances which do not meet the criteria for SICR or "credit impaired" as at the</p>	<p>Our audit procedures to verify credit loss allowance against domestic advances included, amongst others, the following:</p> <p>We obtained and updated our understanding of management's assessment of credit loss allowance in respect of advances including the Group's internal rating model, accounting policy, model methodology including any key changes made during the year.</p> <p>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.</p>

S.No.	Key Audit Matter	How the matter was addressed in our audit
	<p>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.</p> <p>The Group records charge for Stage 3 exposures based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the State Bank of Pakistan (SBP). This assessment is conducted at the facility level for corporate, commercial, and SME loan portfolios, and at a segment level for the retail portfolio. If one facility of a counterparty becomes 90+ days past due (DPD) or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3.</p> <p>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.</p> <p>Provisions pertaining to overseas advances are made in accordance with the requirements of regulatory authorities of the respective countries.</p> <p>The Group has recognised a net credit loss allowance against advances amounting to Rs. 6,136.298 million in the consolidated statement of profit and loss account in the current year. As at December 31, 2024, the Group holds a credit loss allowance including general provision of Rs. 268,075.412 million against advances.</p> <p>The determination of credit loss allowance against advances based on the above criteria remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations and the materiality of advances relative to the overall consolidated financial statements of the Group, we considered this area as a key audit matter.</p>	<p>The testing of controls included testing of:</p> <ul style="list-style-type: none"> <li>▪ controls over correct classification of advances;</li> <li>▪ controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria;</li> <li>▪ controls over accurate computation and recording of provisions; and</li> <li>▪ controls over the governance and approval process related to provisions, including continuous reassessment by the management.</li> </ul> <p>We selected a sample of loan accounts and performed the following substantive procedures:</p> <ul style="list-style-type: none"> <li>▪ assessed the reasonableness and accuracy of the data used for ECL computation based on accounting records and information system of the Group as well as the related external sources used for this purpose;</li> <li>▪ checked repayments of loans / mark-up instalments and tested classification of advances based on the number of days overdue;</li> <li>▪ tested the staging of loans and advances as per the criteria of SICR and in accordance with IFRS 9;</li> <li>▪ evaluated the management's assessment for classification of a borrower's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and discussions with the management;</li> <li>▪ assessed the ECL model used by the management to calculate expected credit loss against advances balances of the Group for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model;</li> <li>▪ assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and</li> <li>▪ 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.</li> </ul> <p>We issued instructions to auditors of those overseas branches which were selected for audit, highlighting 'Credit loss allowance against financial assets and off-balance items' as a significant risk. The auditors of those branches performed audit procedures to check compliance with regulatory requirements and reported the results thereof to us. We, as auditors of the Group, evaluated the work performed by the component auditors and the results thereof.</p>
2	<p><b>Pension benefits liability</b></p> <p>(Refer notes 22, 26.3.3.1, 33.2 and 41.4 to the consolidated financial statements)</p>	
	<p>The Group operates an approved funded pension scheme for its eligible employees. The valuation for pension benefits is carried out annually by the actuary appointed by the management of the Group using the projected unit cost method.</p>	<p>Our audit procedures to verify pension benefits liability included, amongst others, the following:</p>

S.No.	Key Audit Matter	How the matter was addressed in our audit
	<p>A number of the Group's employees had filed writ petitions before the Lahore High Court and Peshawar High Court with respect to their pensionary benefits in prior years. The Supreme Court of Pakistan (SCP) in September 2017 after hearing the arguments of both parties decided the case against the Group. The Group had subsequently filed review petitions against the judgement of the SCP.</p> <p>During the year, the SCP has by its order dated March 27, 2024 dismissed all the civil review petitions filed by the Group, as a result of which the Supreme Court's decision dated September 25, 2017 in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement, the Group has made payments to majority of petitioners as well as non-petitioners. In addition, the SCP has also directed the Group to pay arrears of any government increases in pension to the petitioners.</p> <p>As a result of the above decision, the management has recognised a past service cost of Rs. 57,550 million based on the valuation carried out by the management's actuary in the consolidated financial statements of the Group for the year ended December 31, 2024. The net present value of the Group's obligation against pension scheme as at December 31, 2024, amounted to Rs. 75,638 million. The determination of pension benefits liability as per the order of the SCP required certain estimates and judgments to be made including actuarial assumptions. The calculation of pension benefits remains an area of significant estimate and judgment. Because of the significance of the impact of these judgments / estimations and the materiality of the amount in the overall context of the consolidated financial statements, we considered this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>▪ Reviewed the Supreme Court's order and checked the Group's compliance with the judgment, including payments made to pensioners on a test basis;</li> <li>▪ Reviewed minutes of the meeting of the Board of Directors for discussions held with respect to the pension litigation and liability;</li> <li>▪ Obtained and reviewed the management expert's actuarial report supporting the calculation of pension obligations and evaluated key actuarial assumptions;</li> <li>▪ Engaged an independent actuarial expert to assess the reasonableness of the pension liability determined by the management's actuary along with the related assumptions; and</li> <li>▪ Evaluated the adequacy of the disclosures made in the consolidated financial statements to ensure compliance with the accounting and reporting standards as applicable in Pakistan.</li> </ul>

**Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' 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 auditors' reports thereon.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are **Shahbaz Akbar** and **Zulfikar Ali Causer** on behalf of A. F. Ferguson & Co., Chartered Accountants and BDO Ebrahim & Co., Chartered Accountants respectively.

**A. F. Ferguson & Co.**  
Chartered Accountants  
Karachi  
Dated: March 4, 2025  
UDIN: AR202410068F8TLzteau

**BDO Ebrahim & Co.**  
Chartered Accountants  
Karachi  
Dated: March 4, 2025  
UDIN: AR202410067OnSX5qGc4

**NATIONAL BANK OF PAKISTAN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

2024 ----- USD in 000 -----	2023		Note	2024 ----- Rupees in 000 -----	2023
<b>ASSETS</b>					
1,130,093	1,060,691	Cash and balances with treasury banks	8	314,787,387	295,455,482
210,536	154,387	Balances with other banks	9	58,644,846	43,004,567
107,701	690,829	Lendings to financial institutions	10	30,000,000	192,430,437
16,567,400	15,846,973	Investments	11	4,614,849,276	4,414,174,305
5,042,639	5,019,108	Advances	12	1,404,627,126	1,398,072,669
223,411	206,344	Property and equipment	13	62,231,233	57,477,067
23,681	26,336	Right-of-use assets	14	6,596,343	7,335,901
9,251	7,849	Intangible assets	15	2,577,003	2,186,294
-	-	Deferred tax assets	21	-	-
932,269	928,872	Other assets	16	259,683,639	258,737,303
<b>24,246,981</b>	<b>23,941,389</b>	<b>Total Assets</b>		<b>6,753,996,853</b>	<b>6,668,874,025</b>
<b>LIABILITIES</b>					
93,556	244,123	Bills payable	17	26,060,123	68,000,448
6,956,586	7,818,141	Borrowings	18	1,937,756,922	2,177,743,194
13,876,188	13,186,537	Deposits and other accounts	19	3,865,212,297	3,673,109,914
30,823	31,919	Lease liabilities	20	8,585,682	8,891,000
-	-	Subordinated debt		-	-
147,174	3,025	Deferred tax liabilities	21	40,995,264	842,568
1,476,710	1,230,920	Other liabilities	22	411,337,824	342,872,862
<b>22,581,037</b>	<b>22,514,665</b>	<b>Total Liabilities</b>		<b>6,289,948,112</b>	<b>6,271,459,986</b>
<b>1,665,944</b>	<b>1,426,724</b>	<b>NET ASSETS</b>		<b>464,048,741</b>	<b>397,414,039</b>
<b>REPRESENTED BY</b>					
76,378	76,378	Share capital	23	21,275,131	21,275,131
294,903	305,435	Reserves	24	82,145,337	85,078,819
424,014	230,596	Surplus on revaluation of assets - net of tax	25	118,109,044	64,232,415
865,627	810,244	Unappropriated profit		241,120,418	225,693,440
<b>1,660,922</b>	<b>1,422,653</b>			<b>462,649,930</b>	<b>396,279,805</b>
5,022	4,071	Non-controlling interest		1,398,811	1,134,234
<b>1,665,944</b>	<b>1,426,724</b>			<b>464,048,741</b>	<b>397,414,039</b>
<b>CONTINGENCIES AND COMMITMENTS</b>					
			26		

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Chairman

President / CEO

Chief Financial Officer

Director

Director

**NATIONAL BANK OF PAKISTAN**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

2024	2023		Note	2024	2023
----- USD in 000 -----				----- Rupees in 000 -----	
3,912,730	3,680,254	Mark-up / return / interest earned	27	1,089,890,938	1,025,134,662
<u>3,297,262</u>	<u>3,072,268</u>	Mark-up / return / interest expensed	28	<u>918,452,244</u>	<u>855,780,390</u>
<b>615,468</b>	<b>607,986</b>	Net mark-up / interest income		<b>171,438,694</b>	<b>169,354,272</b>
<b>NON MARK-UP / INTEREST INCOME</b>					
<b>104,725</b>	86,650	Fee and commission income	29	<b>29,171,163</b>	24,136,296
<b>21,175</b>	18,684	Dividend income		<b>5,898,270</b>	5,204,557
<b>21,228</b>	27,795	Foreign exchange income		<b>5,913,142</b>	7,742,186
<b>-</b>	-	Income / (loss) from derivatives		<b>-</b>	-
<b>101,221</b>	15,872	Gain on securities	30	<b>28,195,070</b>	4,421,246
<b>-</b>	-	Net loss on derecognition of financial assets			
<b>(2,378)</b>	-	measured at amortised cost	31	<b>(662,486)</b>	-
<b>2,171</b>	4,402	Share of profit from joint venture - net of tax		<b>604,843</b>	1,226,065
<b>1,718</b>	880	Share of profit from associates - net of tax		<b>478,612</b>	245,202
<b>2,602</b>	6,449	Other income	32	<b>724,806</b>	1,796,449
<b>252,462</b>	160,732	Total non-markup / interest income		<b>70,323,420</b>	44,772,001
<b>867,930</b>	<b>768,718</b>	<b>Total income</b>		<b>241,762,114</b>	214,126,273
<b>NON MARK-UP / INTEREST EXPENSES</b>					
<b>646,536</b>	341,623	Operating expenses	33	<b>180,092,705</b>	95,159,211
<b>-</b>	-	Workers' welfare fund		<b>-</b>	-
<b>165</b>	1,027	Other charges	34	<b>46,026</b>	285,960
<b>646,701</b>	342,650	Total non-markup / interest expenses		<b>180,138,731</b>	95,445,171
<b>221,229</b>	426,068	Profit before credit loss allowance / provisions		<b>61,623,383</b>	118,681,102
<b>16,167</b>	55,222	Credit loss allowance / provisions and write offs - net	35	<b>4,503,223</b>	15,382,139
<b>205,062</b>	370,846	<b>PROFIT BEFORE TAXATION</b>		<b>57,120,160</b>	103,298,963
<b>109,917</b>	179,420	Taxation	36	<b>30,617,455</b>	49,977,566
<b>95,145</b>	<b>191,426</b>	<b>PROFIT AFTER TAXATION</b>		<b>26,502,705</b>	<b>53,321,397</b>
<b>Attributable to:</b>					
<b>93,287</b>	190,636	Equity holders of the Bank		<b>25,985,128</b>	53,101,601
<b>1,858</b>	790	Non-controlling interest		<b>517,577</b>	219,796
<b>95,145</b>	<b>191,426</b>			<b>26,502,705</b>	<b>53,321,397</b>
----- USD -----				----- Rupees -----	
<b>0.04</b>	<b>0.09</b>	<b>Basic earnings per share</b>	37	<b>12.21</b>	24.96
<b>0.04</b>	<b>0.09</b>	<b>Diluted earnings per share</b>	38	<b>12.21</b>	24.96

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Chairman

President / CEO

Chief Financial Officer

Director

Director

**NATIONAL BANK OF PAKISTAN**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

2024	2023		Note	2024	2023
----- USD in '000 -----				----- Rupees in '000 -----	
95,145	191,425	Profit after taxation for the year		26,502,705	53,321,397
<b>Other comprehensive income</b>					
<b>Items that may be reclassified to the consolidated statement of profit and loss account in subsequent periods:</b>					
(3,592)	44,538	Effect of translation of net investment in foreign branches		(1,000,476)	12,405,926
5,939	-	Transfer of exchange loss translation reserves on closure of foreign branches from OCI to consolidated statement of profit and loss account		1,654,329	-
(22,523)	-	Transfer of exchange gain translation reserves on disposal of Joint Venture from OCI to consolidated statement of profit and loss account		(6,273,909)	-
154,710	-	Movement in surplus on revaluation of debt investments through FVOCI - net of tax		43,094,464	-
(10,605)	-	Gain on sale of debt securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax		(2,953,934)	-
-	80,103	Movement in surplus on revaluation of debt & equity investments through AFS - net of tax		-	22,312,569
<b>123,929</b>	<b>124,641</b>			<b>34,520,474</b>	<b>34,718,495</b>
<b>Items that will not be reclassified to the consolidated statement of profit and loss account in subsequent periods:</b>					
(1,621)	(2,137)	Remeasurement loss on defined benefit obligations - net of tax	41.7 & 41.8.2	(451,499)	(595,239)
62,223	-	Movement in surplus on revaluation of equity investments through FVOCI - net of tax		17,332,241	-
2,895	(1,329)	Movement in surplus on revaluation of property and equipment - net of tax	25.1	806,267	(370,278)
648	711	Movement in surplus on revaluation of non-banking assets - net of tax	25.2	180,451	198,132
<b>64,145</b>	<b>(2,755)</b>			<b>17,867,460</b>	<b>(767,385)</b>
<b>283,219</b>	<b>313,311</b>	<b>Total comprehensive income</b>		<b>78,890,639</b>	<b>87,272,507</b>
281,361	312,521	Equity holders of the Bank		78,373,062	87,052,711
1,858	790	Non-controlling interest		517,577	219,796
<b>283,219</b>	<b>313,311</b>			<b>78,890,639</b>	<b>87,272,507</b>

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Chairman

President / CEO

Chief Financial Officer

Director

Director

**NATIONAL BANK OF PAKISTAN**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Capital reserves		Revenue reserves		Surplus / (deficit) on revaluation of			Unappropriated profit	Sub Total	Non-Controlling Interest	Total	
	Share capital	Exchange translation reserve	Statutory reserve	General reserve	Total	Investments	Property and equipment / Non banking assets					Total
	(Rupees in '000)											
<b>Balance as at January 01, 2023</b>	21,275,131	24,900,933	42,066,576	521,338	67,488,847	(5,753,835)	48,027,372	42,273,537	178,189,579	309,227,094	1,073,138	310,300,232
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	-	-	53,101,601	53,101,601	219,796	53,321,397
<b>Other comprehensive income for the year</b>												
Effect of translation of net investment in foreign branches - net of tax	-	12,405,926	-	-	12,405,926	-	-	-	-	12,405,926	-	12,405,926
Movement in surplus on revaluation of investments - net of tax	-	-	-	-	-	22,312,569	-	22,312,569	-	22,312,569	-	22,312,569
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(595,239)	(595,239)	-	(595,239)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(370,278)	(370,278)	-	(370,278)	-	(370,278)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	198,132	198,132	-	198,132	-	198,132
<b>Total other comprehensive income - net of tax</b>	-	12,405,926	-	-	12,405,926	22,312,569	(172,146)	22,140,423	52,506,362	87,052,711	219,796	87,272,507
Transfer to statutory reserve	-	-	5,184,046	-	5,184,046	-	-	-	(5,184,046)	-	-	-
Transfer from surplus in respect of incremental depreciation on revaluation of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(181,545)	(181,545)	181,545	-	-	-
<b>Transactions with owners, recorded directly in equity</b>												
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	(158,700)	(158,700)
<b>Balance as at December 31, 2023</b>	21,275,131	37,306,859	47,250,622	521,338	85,078,819	16,568,734	47,673,681	64,232,415	225,693,440	396,279,805	1,134,234	397,414,039
Impact of adoption of IFRS 9 - net of tax (note 6.1.1)	-	-	-	-	-	(1,714,431)	-	(1,714,431)	(10,288,506)	(12,002,937)	-	(12,002,937)
<b>Balance as at January 01, 2024</b>	21,275,131	37,306,859	47,250,622	521,338	85,078,819	14,844,303	47,673,681	62,517,984	215,404,934	384,276,868	1,134,234	385,411,102
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	-	25,985,128	25,985,128	517,577	26,502,705
<b>Other comprehensive income for the year</b>												
Effect of translation of net investment in foreign branches- net of tax	-	(1,000,476)	-	-	(1,000,476)	-	-	-	-	(1,000,476)	-	(1,000,476)
Transfer of exchange loss translation reserves on closure of foreign branches from OCI to consolidated statement of profit and loss account	-	1,654,329	-	-	1,654,329	-	-	-	-	1,654,329	-	1,654,329
Transfer of exchange gain translation reserves on disposal of joint venture from OCI to consolidated statement of profit and loss account	-	(6,273,909)	-	-	(6,273,909)	-	-	-	-	(6,273,909)	-	(6,273,909)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	43,094,464	-	43,094,464	-	43,094,464	-	43,094,464
Gain on sale of securities carried at FVOCI reclassified to the consolidated statement of profit and loss account - net of tax	-	-	-	-	-	(2,953,934)	-	(2,953,934)	-	(2,953,934)	-	(2,953,934)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	17,332,241	-	17,332,241	-	17,332,241	-	17,332,241
Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax	-	-	-	-	-	(2,705,679)	-	(2,705,679)	2,705,679	-	-	-
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(451,499)	(451,499)	-	(451,499)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	806,267	806,267	-	806,267	-	806,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	180,451	180,451	-	180,451	-	180,451
<b>Total other comprehensive income - net of tax</b>	-	(5,620,056)	-	-	(5,620,056)	54,767,092	986,718	55,753,810	28,239,308	78,373,062	517,577	78,890,639
Transfer to statutory reserve	-	-	2,686,574	-	2,686,574	-	-	-	(2,686,574)	-	-	-
Transfer from surplus in respect of incremental depreciation on revaluation of property and equipment / non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(162,750)	(162,750)	162,750	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	(253,000)	(253,000)
<b>Balance as at December 31, 2024</b>	21,275,131	31,686,803	49,937,196	521,338	82,145,337	69,611,395	48,497,649	118,109,044	241,120,418	462,649,930	1,398,811	464,048,741

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

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

**NATIONAL BANK OF PAKISTAN**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

2024		2023			Note	2024		2023	
-----USD in '000-----						-----Rupees in '000-----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
205,063	370,845	Profit before taxation				57,120,160	103,298,963		
(21,175)	(18,684)	Less: Dividend income				(5,898,270)	(5,204,557)		
183,888	352,161					51,221,890	98,094,406		
<b>Adjustments:</b>									
(615,468)	(607,985)	Net mark-up / interest income				(171,438,694)	(169,354,272)		
10,372	9,354	Depreciation		33		2,889,141	2,605,593		
7,602	7,773	Depreciation on right-of-use assets		33		2,117,452	2,165,226		
1,970	1,166	Amortisation		33		548,798	324,753		
16,167	55,222	Credit loss allowance / provisions and write offs - net		35		4,503,223	15,382,139		
(18)	(805)	Gain on sale of property and equipment - net		32		(5,022)	(224,324)		
5,939	-	Exchange loss on closure of branches				1,654,329	-		
(22,523)	-	Exchange gain on closure of Joint Venture				(6,273,909)	-		
(5,015)	-	Gain on disposal of joint venture				(1,396,807)	-		
4,660	3,283	Amortisation of lease liability against right-of-use assets		28		1,298,041	914,611		
(32,607)	94	Unrealised - measured as FVTPL / held for trading - net		30		(9,082,580)	26,152		
(2,171)	(4,402)	Share of profit from joint venture				(604,843)	(1,226,065)		
(1,718)	(880)	Share of profit from associates				(478,612)	(245,202)		
(1,887)	-	Fair valuation gain				(525,619)	-		
294,500	43,077	Charge for defined benefit plans				82,033,112	11,999,040		
(340,197)	(494,103)					(94,761,990)	(137,632,349)		
(156,309)	(141,942)					(43,540,100)	(39,537,943)		
<b>Increase / (decrease) in operating assets</b>									
690,794	(578,560)	Lendings to financial institutions				192,420,714	(161,157,970)		
(40,820)	144,455	Securities classified as FVTPL / held-for-trading securities				(11,370,437)	40,238,071		
(341,317)	(693,047)	Advances				(95,073,890)	(193,048,283)		
64,885	16,695	Other assets (excluding markup receivable and advance taxation)				18,073,596	4,650,273		
373,542	(1,110,457)					104,049,983	(309,317,909)		
<b>(Increase) / decrease in operating liabilities</b>									
(150,567)	45,710	Bills payable				(41,940,325)	12,732,429		
(785,200)	805,250	Borrowings from financial institutions				(218,717,378)	224,302,435		
689,651	3,618,153	Deposits and other accounts				192,102,383	1,007,836,657		
(65,375)	(739)	Other liabilities (excluding markup payable and advance taxation)				(18,210,171)	(205,799)		
(311,491)	4,468,374					(86,765,491)	1,244,665,722		
4,019,593	3,369,010	Interest received				1,119,657,608	938,437,627		
(3,280,126)	(2,819,506)	Interest paid / adjusted				(913,679,106)	(785,373,276)		
(99,144)	(198,702)	Income tax paid				(27,616,643)	(55,348,344)		
(77,367)	(13,188)	Contribution to staff retirement benefits / benefits paid				(21,550,467)	(3,673,572)		
468,698	3,553,589	<b>Net cash flow generated from operating activities</b>				<b>130,555,784</b>	<b>989,852,305</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>									
(580,378)	(3,986,073)	Net investments in securities classified as FVOCI / available-for-sale securities				(161,664,322)	(1,110,320,687)		
357,301	660,829	Net divestments in amortised cost securities / held-to-maturity securities				99,526,202	184,073,787		
21,175	18,684	Dividends received				5,898,270	5,204,557		
29,202	-	Net divestments in joint ventures				8,134,293	-		
27,602	-	Net divestments in associates				7,688,441	-		
(31,064)	(11,415)	Additions in property and equipment				(8,653,001)	(3,179,760)		
11,539	47,173	Effect of translation of net investment in foreign branches				3,214,301	13,140,176		
1,453	1,647	Proceeds from sale of property and equipment				404,735	458,886		
(163,170)	(3,269,155)	<b>Net cash flow used in investing activities</b>				<b>(45,451,081)</b>	<b>(910,623,041)</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>									
(11,886)	(12,804)	Payment of lease liability against right-of-use assets		20		(3,310,780)	(3,566,480)		
(908)	(26)	Dividend paid		39.1		(253,000)	(7,142)		
(12,794)	(12,830)	<b>Net cash used in financing activities</b>				<b>(3,563,780)</b>	<b>(3,573,622)</b>		
292,734	271,604	<b>Increase in cash and cash equivalents</b>				<b>81,540,923</b>	<b>75,655,642</b>		
1,025,658	799,811	Cash and cash equivalents at beginning of the year				285,697,091	222,787,444		
50,287	4,529	Effects of exchange rate changes on cash and cash equivalents				14,007,564	1,261,569		
1,075,945	804,340					299,704,655	224,049,013		
1,368,679	1,075,944	<b>Cash and cash equivalents at end of the year</b>		39		<b>381,245,578</b>	<b>299,704,655</b>		

The annexed notes 1 to 52 and annexures I and II form an integral part of these consolidated financial statements.

Chairman

President / CEO

Chief Financial Officer

Director

Director

**NATIONAL BANK OF PAKISTAN  
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. THE GROUP AND ITS OPERATIONS**

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

**Holding Company**

- National Bank of Pakistan (the Bank)

	<b>Percentage Holding</b>	
	<b>2024</b>	<b>2023</b>
<b>Subsidiary Companies</b>	<b>%</b>	<b>%</b>
- CJSB Subsidiary Bank of NBP in Kazakhstan	<b>100.00</b>	100.00
- NBP Exchange Company Limited, Pakistan	<b>100.00</b>	100.00
- National Bank Modaraba Management Company Limited, Pakistan	<b>100.00</b>	100.00
- First National Bank Modaraba, Pakistan	<b>30.00</b>	30.00
- Taurus Securities Limited, Pakistan	<b>58.32</b>	58.32
- NBP Fund Management Limited, Pakistan	<b>54.00</b>	54.00
- Cast-N-Link Products Limited (Note 10.16.1)	<b>76.51</b>	76.51

The subsidiary company of the Group, National Bank Modaraba Management Company Limited, Pakistan exercises control over First National Bank Modaraba, Pakistan as its management company and also has a direct economic interest in it. The Group has consolidated the financial statements of the modaraba as the ultimate holding company.

The Group is principally engaged in commercial banking, modaraba management, brokerage, leasing, foreign currency remittances, asset management, exchange transactions and investment advisory asset. Brief profile of the Holding Company and subsidiaries is as follows:

**National Bank of Pakistan**

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 (the Companies Act, 2017) and is listed on the Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,503 (December 31, 2023: 1,508) branches in Pakistan including 207 (December 31, 2023: 188) Islamic Banking branches and 16 (December 31 2023: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

**CJSB Subsidiary Bank of NBP in Kazakhstan**

CJSB Subsidiary Bank of NBP in Kazakhstan (JSCK) is a joint-stock bank, which was incorporated in the Republic of Kazakhstan in 2001. CJSB conducts its business under license number 252 dated December 27, 2007 (initial license was dated December 14, 2001) and is engaged in providing commercial banking services. The registered office of JSCK is located at 105, Dostyk Ave, 050051, Almaty.

**NBP Exchange Company Limited, Pakistan**

NBP Exchange Company Limited (NBPECL) is a public unlisted company, incorporated in Pakistan on September 24, 2002 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). NBPECL obtained license for commencement of operations from State Bank of Pakistan (SBP) on November 25, 2002 and commencement of business certificate on December 26, 2003 from the Securities and Exchange Commission of Pakistan (SECP). The registered office of NBPECL is situated at Shaheen Complex, M.R. Kiryani Road, Karachi. NBPECL is engaged in foreign currency remittances and exchange transactions. NBPECL has 22 branches (2022: 20 branches) and 1 booth

## **National Bank Modaraba Management Company Limited, Pakistan**

National Bank Modaraba Management Company Limited (NBMCL) is a public unlisted company, incorporated in Pakistan on August 6, 1992 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The purpose of the NBMCL is to float and manage modaraba funds. NBMCL at present is managing First National Bank Modaraba. Its registered office is situated at Ground Floor, National Bank of Pakistan, Regional Headquarters Building, 26-Mc Lagon Road, Lahore.

## **First National Bank Modarba, Pakistan**

First National Bank Modaraba (the Modaraba) is a multi-purpose, perpetual and multi-dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Rules framed thereunder. The Modaraba is managed by National Bank Modaraba Management Company Limited (a wholly owned subsidiary of National Bank of Pakistan), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at Ground Floor, National Bank of Pakistan, Regional Headquarters Building, 26-Mc Lagon Road, Lahore. The Modaraba is listed at Pakistan Stock Exchange Limited. It commenced its operations on December 04, 2003 and is currently engaged in various Islamic modes of financing and operations including ijarah, musharaka and murabaha arrangements.

## **Taurus Securities Limited, Pakistan**

Taurus Securities Limited (TSL) is a public unquoted company, incorporated in Pakistan on June 27, 1993 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of TSL is situated at 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. It is engaged in the business of stock brokerage, investment counselling, and fund placements. TSL holds a Trading Right Entitlement (TRE) Certificate from Pakistan Stock Exchange Limited.

## **NBP Fund Management Limited, Pakistan**

NBP Fund Management Limited, Pakistan - NBP Funds, was incorporated in Pakistan as public limited company on August 24, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and obtained certificate for commencement of business on December 19, 2005. The main sponsors of NBP Funds are National Bank of Pakistan and Baltoro Growth Fund. Baltoro Growth Fund has acquired shareholding of NBP Funds which was previously held by Alexandra Fund Management Private Limited on October 08, 2018. NBP Funds is mainly involved in the business of asset management and investment advisory services. NBP Funds has been issued license by the Securities and Exchange Commission of Pakistan (SECP) to carry out business of asset management services and investment advisory services as a Non-Banking Finance Company (NBFC) under section 282C of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and under the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The principal / registered office of the company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

As at December 31, 2023 NBP Funds is managing the following funds and discretionary portfolio:

	<b>Type of Fund</b>
- NBP Government Securities Liquid Fund	Open end Fund
- NBP Mahana Amdani Fund	Open end Fund
- NBP Financial Sector Income Fund	Open end Fund
- NBP Money Market Fund	Open end Fund
- NBP Government Securities Savings Fund	Open end Fund
- NBP Income Opportunity Fund	Open end Fund
- NBP Islamic Money Market Fund	Open end Fund
- NBP Islamic Daily Dividend Fund	Open end Fund
- NBP Riba Free Savings Fund	Open end Fund
- NBP Islamic Mahana Amdani Fund	Open end Fund
- NBP Savings Fund	Open end Fund
- NBP Islamic Savings Fund	Open end Fund
- NBP Balanced Fund	Open end Fund
- NBP Islamic Sarmaya Izafa Fund	Open end Fund
- NBP Pension Fund	Open end Fund
- NBP Islamic Pension Fund	Open end Fund
- NBP Stock Fund	Open end Fund
- NBP Islamic Stock Fund	Open end Fund
- NBP Sarmaya Izafa Fund	Open end Fund
- NBP Islamic Energy Fund	Open end Fund

	<b>Type of Fund</b>
- NBP Financial Sector Fund	Open end Fund
- NBP Islamic Income Fund	Open end Fund
- NBP Pakistan Growth Exchange Traded Fund	Open end Fund
- NBP Government Securities Fund - I	Open end Fund
- NBP Income Fund Of Fund	Open end Fund
- NBP Mustahkam Fund	Open end Fund
- NBP Islamic Mustahkam Fund	Open end Fund
- NBP Gokp Pension Fund	Open end Fund
- NBP Gokp Islamic Pension Fund	Open end Fund

## **1.2 Basis of consolidation**

- The consolidated financial statements include the financial statements of the Bank (Holding Company) and its subsidiary companies together - "the Group".
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of the comprehensive income from the effective date of acquisition.
- Non-Controlling interest / (minority interest) in equity of the subsidiary companies are measured at fair value for all the subsidiaries acquired from period beginning on or after January 1, 2010 whereas minority interest of previously acquired subsidiaries are measured at the proportionate net assets of subsidiary companies attributable to interest which is not owned by holding company.
- Material intra-group balances and transactions have been eliminated.

## **2 BASIS OF PRESENTATION**

- 2.1** In accordance with the directives of the Federal Government of Pakistan regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade related mode of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.2** Key financial figures of the Islamic banking branches of the Bank have been disclosed in annexure II to these consolidated financial statements.
- 2.3** The US Dollar amounts shown on the statement of financial position, statement of profit and loss account, statement of comprehensive income and cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2024 and 2023 as it was the prevalent rate as on December 31, 2024.
- 2.4** These consolidated financial statements have been prepared in accordance with the format for preparation of the annual financial statements of banks issued by the State Bank of Pakistan (SBP), vide its BPRD Circular letter No. 13 dated July 01, 2024.

### **3 STATEMENT OF COMPLIANCE**

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

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

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

**3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2022 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard- for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS).

- 3.3** As allowed by the SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022, IFRS 9 has not been adopted for overseas branches where it is not applicable as per their local regulations. In addition to the above, the SBP has recently issued BPRD Circular Letter No.16 of 2024 dated July 29, 2024 in which certain relaxations / clarifications have been provided upon adoption of IFRS 9 which are disclosed in note 3.2 to the consolidated financial statements.
- 3.4** The SBP, vide its BPRD Circular No. 13 dated July 01, 2024, issued the revised forms for the preparation of the annual financial statements of the Banks / DFIs which are applicable for periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these consolidated financial statements. There is no impact of this change on these consolidated financial statements in terms of recognition and measurement of assets and liabilities except mentioned in note 6.
- 3.5** The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 3.6 Application of new and revised International Financial Reporting Standards (IFRSs)**
- 3.6.1 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year:**
- There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these consolidated financial statements except for IFRS 9 (Financial Instruments), the impact of which is disclosed under note 6.2.
- 3.6.2 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective:**
- There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any material effect on the Bank's financial statements except for:
- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the financial statements.
  - amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities and financial assets.
  - amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.
- The management is in the process of assessing the impact of these amendments on the consolidated financial statements of the Bank.
- 3.6.3** The SBP vide its BPRD Circular No. 02 of 2023 dated February 09, 2023 has specified the new reporting format for financial statements of Banking Companies. The new format has revised the disclosure requirements and will become applicable for the financial statements of the Bank for the quarter ending March 31, 2023. However, SBP vide its BPRD circular No. 07 of 2023 has deferred the applicability from January 01, 2023 to January 01, 2024.
- 3.6.4** Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:
- IFRS 1 – First Time Adoption of International Financial Reporting Standards
  - IFRS 17 – Insurance Contracts

**3.6.5** The management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on these consolidated financial statements of the Group in the period of initial application.

### **3.6.6 IFRS 9 Financial Instruments:**

As directed by SBP via BPRD Circular no 07 of 2023, IFRS 9 Financial Instruments is effective for periods beginning on or after January 01 2024 for banks having asset base of more than Rs. 500 billion as at December 31 2022. SBP via same circular has finalized the instructions on IFRS 9 (Application Instructions) for ensuring smooth and consistent implementation of the standard in the banks.

During 2023, the management of the Bank has performed an impact assessment of IFRS 9 taking into account the SBP's IFRS 9 application instructions. The assessment is based on available information and may be subject to changes arising from further reasonable and supportable information being made available to the Bank at the time of finalizing the impact for initial application of IFRS 9. In addition, the Bank will implement changes in classification of certain financial instruments. These changes and impacts are discussed below:

An overview of the IFRS 9 requirements that are expected to have significant impact are discussed below along with the additional requirements introduced by the SBP:

#### **Governance, ownership and responsibilities**

The Bank has adopted a governance framework requiring the Risk, Finance, Operations, Internal Audit and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

Risk Management Division has developed Models / methodologies for PD, LGD and Credit Conversion Factor (CCF). These models shall be validated on annual basis considering the following aspects:

- Quantitative Validation: Expected credit loss (ECL) model design validation, data quality validation and benchmarking with external best practices.
- Quantitative Validation: Calibration testing which ensures the accuracy of the observed PDs.

Finance Group will ensure preparation of disclosures and incorporation of the impacts on the financial statements of the Bank. The function shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations. Finance Division shall ensure that all disclosures as required by the accounting standard and the SBP formats and guidelines are made.

The risk management division will perform the back testing of ECL at least on yearly basis and will be responsible for the independent validation of the risk parameters / risk models; including PD, LGD and CCF etc., that are used to compute the ECL which would be carried out as per the policy.

Internal Audit will carry out periodic review of IFRS 9 methodology and impacts calculated by the Management.

#### **Classification and measurement**

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Financial assets that do not meet the SPPI criteria are measured at FVTPL regardless of the business model in which they are held. The Bank's business model in which financial assets are held will determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). The classification of equity instruments is generally measured as Fair Value through Profit & Loss (FVTPL) unless the Bank elects for Fair Value through Other Comprehensive Income (FVTOCI) at initial recognition. The Bank has analyzed the impact of initial application of IFRS 9 on its financial assets as follows:

#### **Equity Securities**

The Bank expects to continue measuring at fair value all financial assets currently held at fair value.

For certain listed equity securities currently classified as available-for-sale (AFS) with gains and losses recorded in OCI, the Bank will apply the option to classify them as FVOCI. Therefore, the application of IFRS 9 will not have an impact on initial adoption. However, in accordance with the requirements of the standard, gains and losses recognized in OCI will not be recycled through the profit and loss account on derecognition of these securities.

The remaining listed equity securities will be measured at FVTPL. The AFS reserve related to those securities is currently part of Surplus on Revaluation of Assets and will be reclassified to retained earnings hence, there will be no impact on overall equity.

Unquoted equity securities are required to be measured at fair value under IFRS 9. However, the SBP has allowed banks to carry these investments under the current Prudential Regulations, i.e. at the lower of cost and break-up value, till accounting periods beginning on or after January 01, 2024.

#### **Debt securities and Loans and advances**

Debt securities currently classified as AFS and those passes SPPI test, are expected to be measured at fair value through OCI under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. Debt securities currently classified as HTM and those passes SPPI test are expected to be measured at amortized costs under IFRS 9 as the Group business model is to hold the assets to collect contractual cash flows.

Cashflows of certain debt instruments classified in AFS or / and HTM categories, do not expect to give risk to cash flows representing solely payments of principal and interest and accordingly, these would be measured at fair value through profit and loss.

## Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), lease receivables, and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are in 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'stage 3'.

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.

Based on the requirement of IFRS 9 and SBP's IFRS 9 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of SICR, Probability of Default, Loss Given Default and Exposure at Default. 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.
- LGD: An estimate of the loss incurred on a facility upon default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.

For the purpose of calculation of ECL, the Bank has used 5 years data till December 31 2023 and going forward, one more year's data shall be included until the Bank has at least 10 years data. For calculating ECL, the Bank shall classify its financial assets under three following categories:

- a) Stage 1: Performing Assets: Financial assets where there has not been a SICR since initial recognition, the Bank shall recognize an allowance based on the 12-month ECL.
- b) Stage 2: Under-Performing Assets: For financial assets where there has been a SICR since initial recognition, but which are not credit impaired, the Bank shall recognize an allowance based on lifetime ECL for all exposures categorized in this stage based on the actual maturity profile.
- c) Stage 3: Non-Performing Assets: For financial assets which have objective evidence of impairment at the reporting date, the Bank shall recognize ECL on these financial assets using the higher off approach, which means that lifetime ECL computed under IFRS 9 is compared with regulatory provision required as per Prudential regulations

As required by the Application Instructions, financial assets may be reclassified out of stage 3 if they meet the requirements of Prudential Regulations (PR) issued by SBP. Financial assets in stage 2 may be reclassified to stage 1 if the conditions that led to a SICR no longer apply.

### Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

Based on the level of increase in credit risk, the Bank shall calculate 12 month ECL for assets which did not have a SICR i.e., Stage 1 or a lifetime expected loss for the life of the asset (for assets which demonstrated a SICR) i.e., Stage 2.

At every reporting date, the Bank shall assess whether there has been a SICR since the initial recognition of the asset. If there is a SICR, the asset must be assigned to the appropriate stage of credit impairment (Stage 2 or 3).

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of IFRS 9 has stabilized, Stage 1 and stage 2 provisions would be made as per IFRS 9 ECL and stage 3 provision would be made considering higher of IFRS 9 ECL or provision computed under existing PRs' requirements.

## Presentation and disclosure

IFRS 9 also introduces expanded disclosure requirements and changes in presentation which will be incorporated as per the SBP's revised format.

## Loan / financing related fee

Loan origination / commitment fees that are regarded as compensation to the lender for an ongoing involvement with the acquisition of a financial instrument would be recognized over the life of the related loan. However, if the commitment expires without the lender making the loan, the fee would be recognised as revenue as earned.

## Impact of adoption of IFRS 9

The actual impact of adopting IFRS 9 on the Bank's financial statements in the year 2024 may not be accurately estimated because it will be dependent on the financial instruments that the Bank would hold during 2024 and economic conditions at that time as well as accounting elections and judgements that it will make in future. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its statement of financial position as at December 31, 2023.

## Classification and measurement

Based on the bank's assessment, the IFRS 9 requirements are expected to have the following impact on the classification and measurement of its financial assets and financial liabilities:

1. Debt instruments amounting to Rs. 15,987 million have been reclassified from Available for Sale to Fair Value through Profit or Loss.
2. Equity instruments amounting to Rs. 28,507 million have been reclassified from Available for Sale to Fair Value through Profit or Loss.

## Impairment

The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity at January 01, 2024 is a decrease of approximately Rs. 8,177 million, representing;

- a decrease of Rs. 13,808 million in equity due to increase in ECL.
- an increase of Rs. 5,631 million in equity resulting from reclassification of investments as mentioned above.

## Impact on regulatory capital

The implementation of IFRS 9 is expected to result in reduced regulatory capital of the Bank, which is likely to reduce their lending capacity and ability to support their clients. In order to mitigate the impact of expected credit loss (ECL) models on capital, SBP has determined that it may be appropriate for the Financial Institutions (FIs) to follow a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP vide BPRD Circular No.3 of 2022 dated July 05, 2022, have detailed the transitional arrangement.

The transitional arrangement must apply only to provisions for stage 1 and 2 financial assets. The transitional arrangement must only adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e. added back) to CET1 capital over the "transition period" of five years.

The impact of adoption of IFRS 9 on the capital ratios of the Group are as follows:

	As per adopted IFRS 9	As per current ARS
Common Equity Tier 1 Capital Adequacy ratio	<u>19.17%</u>	<u>19.39%</u>
Tier 1 Capital Adequacy Ratio	<u>19.17%</u>	<u>19.39%</u>
Total Capital Adequacy Ratio	<u>25.49%</u>	<u>25.80%</u>
CET1 available to meet buffers (as a percentage of risk weighted assets)	<u>10.17%</u>	<u>10.39%</u>

#### **4. BASIS OF MEASUREMENT**

These consolidated financial statements have been prepared under the historical cost convention except that:

- i) certain property and equipment and non banking assets acquired in satisfaction of claims are stated at revalued amounts;
- ii) investments classified at fair value through profit and loss and fair value through other comprehensive income are carried at fair value;
- iii) foreign exchange contracts are measured at fair value; and
- iv) staff retirement benefits are carried at present value;

#### **5. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policy adopted in preparation of these consolidated financial statements are consistent with those of the previous financial year for changes mentioned in note 6.2.

##### **5.1 Business Combination**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit and loss account as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit and loss account as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at fair value at the date of the acquisition.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit and loss account.

##### **5.2 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the subsidiary company.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or entities of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit and loss account. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

##### **5.3 Cash and cash equivalents**

Cash and cash equivalents include cash and balances with treasury banks, balances with other banks and call money lendings, less call borrowings and overdrawn nostro accounts having original maturity of three months or less.

## 5.4 Investments

Investments other than those categorised as FVPL are initially recognised at fair value which includes transaction costs associated with the investments. Investments classified as FVPL are initially recognised at fair value, and transaction costs are expensed in the profit and loss account.

All regular way purchases / sales of investments are recognised on the trade date, i.e., the date the Bank commits to purchase / sell the investments. Regular way purchases or sales of investments require delivery of securities within the time frame generally established by regulation or convention in the market place.

The Bank has classified its investment portfolio, except for investments in subsidiaries, associates and joint ventures into 'FVPL', 'Amortized Cost' and 'FVOCI' as follows:

- FVPL: The Bank classifies the following financial assets at fair value through profit or loss:
  - debt investments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income
- Amortised Cost: The Bank classifies its financial assets as at amortised cost only if both of the following criteria are met and is not designated as at FVTPL:
- FVOCI – Financial assets at fair value through other comprehensive income comprise:
  - equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss, and
  - debt securities where the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.
- Credit Allowance for investments in unquoted debt securities is calculated as per the SBP's Prudential Regulations.

FVPL and quoted FVOCI are marked to market with reference to ready quotes on Reuters page or MUFAP (PKRV / PKISRV / PKFRV) or the Stock Exchanges, as the case may be.

Associates – Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for under the equity method of accounting. However, in case where associates are considered as fully impaired and financial statements are not available, these investments are stated at cost less provision.

Under the equity method, the Group's share of its associates' post-acquisition profits or losses is recognized in the consolidated profit and loss account, its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint venture - The Group has interests in joint venture which is jointly controlled entity. A joint venture is contractual arrangement whereby two or more parties undertake in economic activity that is subject to a joint control and includes a jointly controlled entity that involves the establishment of separate entity in which each venturer has an interest. The Group accounts for its interest in joint venture using the equity method of accounting.

The carrying values of investments are reviewed for impairment when indications exist that the carrying value may exceed the estimated recoverable amount. Provision is made for impairment in value, if any.

## 5.5 Repurchase and resale agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of financial position and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective yield method.

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the statement of financial position, as the Bank does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective yield method.

## **5.6 Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the dates on which the derivative contracts are entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative instruments during the year is taken to the profit and loss account.

## **5.7 Financial instruments**

All financial assets and financial liabilities are recognised at the time when the Bank becomes a party to the contractual provisions of the instrument. A financial asset is derecognised where (a) the rights to receive cash flows from the asset have expired; or (b) the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Bank has transferred substantially all the risks and rewards of the asset, or (ii) the Bank has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account.

## **5.8 Advances**

Loans and advances including net investment in finance lease are stated net of credit loss allowance / provision against non-performing loan and advances. Credit loss allowance / provision against loans and advances in Pakistan operations have been made in accordance with the requirements of the Prudential Regulations and IFRS 9 application instructions issued by the SBP. General provisions against loans and advances in Pakistan operations have been maintained against potential high risk advances based on the management's estimates as disclosed in note 11.5.2. Credit loss allowance / provisions pertaining to overseas loans and advances are made in accordance with the requirements of the regulatory authorities of the respective countries. Advances are written off / charged off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Subsidised loans disbursed under Temporary Economic Refinance Facility (TERF) have been recorded at fair value resulting in recognition of fair value adjustment on initial recognition. Unwinding of income on fair value adjustment is recognised in the consolidated statement of profit and loss account.

### **5.8.1 Islamic financing and related assets**

Under Murabaha financing, funds disbursed for the purchase of goods are recorded as advance against Murabaha finance and the financing is recorded at the deferred sale price. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

Assets given on Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Ijarah assets are depreciated on a reducing balance basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount.

In Running Musharakah, the Bank and the customer enter into a Musharakah agreement where the Bank agrees to finance the operating activities of the customer's business and share in the profit or loss in proportion to an agreed ratio at an agreed frequency.

Under Diminishing Musharakah financing, the Bank creates joint ownership with the customer over the tangible assets to fulfill capital expenditure / project requirements. The Bank receives periodic payments from the customer against the gradual transfer of its share of ownership to the customer.

In Istisna transactions, the Bank finances the cost of goods manufactured by the customer. Once the goods are manufactured, these are sold by the customer as an agent of the Bank to recover the cost plus the agreed profit.

Under Tijarah, the Bank purchases the finished goods from the customer against payment, takes possession and appoint customer as an agent to sell these goods to ultimate buyer on deferred payment basis. Profit is recognized on accrual basis over the period of transaction.

Wakalah is an agency contract in which Bank provides funds to the customer who invests it in a Shariah compliant manner.

In Musawamah financing, the Bank purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

## **5.9 Fixed assets and depreciation**

### **5.9.1 Property and equipment**

#### **5.9.1.1 Owned assets**

Property and equipment, except land and buildings, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amount. Buildings are stated at revalued amount less accumulated depreciation and impairment, if any. The cost and the accumulated depreciation of property and equipment of foreign branches include exchange differences arising on currency translation at the year-end rates. Depreciation is charged to profit and loss account applying the straight line method except buildings, which are depreciated on diminishing balance method at the rates stated in note 13.2. Depreciation on addition is charged from the month in which the assets are available for use and no depreciation is charged in the month the assets are disposed off.

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

Assets are derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in profit and loss account.

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at statement of financial position date.

Land and buildings' valuations are carried out by professionally qualified valuers with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair value.

- Any revaluation increase arising on the revaluation of such assets is recognised in the statement of comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss account, in which case the increase is credited to profit and loss account to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such assets is recognised in profit and loss account to the extent that it exceeds the balance, if any, held in "Surplus on Revaluation of Fixed Assets" relating to a previous revaluation of that asset.
- Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account.
- An amount equal to incremental depreciation for the year net of associated deferred tax is transferred from "Surplus on Revaluation of Fixed Assets" to unappropriated profit through statement of changes in equity to record realization of surplus to the extent of the incremental depreciation charge for the year.
- On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to unappropriated profit.

#### **5.9.1.2 Leased assets (as lessee)**

Assets subject to finance lease are accounted for by recording the asset and the related liability. These are recorded at lower of fair value and the present value of minimum lease payments at the inception of lease and subsequently stated net of accumulated depreciation. Depreciation is charged on the basis similar to the owned assets. Financial charges are allocated over the period of lease term so as to provide a constant periodic rate of financial charge on the outstanding liability.

#### **5.9.1.3 Ijarah (as lessor)**

Assets leased out under 'Ijarah' are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Assets under Ijarah are depreciated over the period of lease term. However, in the event the asset is expected to be available for re-Ijarah, depreciation is charged over the economic life of the asset using straight line basis.

Ijarah income is recognised on a straight line basis over the period of Ijarah contract.

### **5.9.2 Capital work-in-progress**

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

### 5.9.3 Impairment

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, fixed assets are written down to their recoverable amounts.

The resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount which would have been determined had there been no impairment. Reversal of impairment loss is recognised as income in profit and loss account.

### 5.10 Lease liability and right-of-use assets

The lease liabilities are initially measured at the present value of lease payments that includes:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees, if any;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are to be discounted using the incremental borrowing rate being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

On initial recognition Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of restoration costs.

The Bank leases various offices / branches for the purpose of its operational activities. Rental contracts are typically made for fixed periods of 3 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

### 5.11 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The cost and the accumulated amortisation of intangible assets of foreign branches include exchange differences arising on currency translation at the year-end rates. Amortisation is charged to profit and loss account applying the straight-line method at the rates stated in note 13. Amortisation on addition is charged from the month in which the assets are available for use and no amortisation is charged in the month the intangible assets are disposed off. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful life are carried at cost less impairment losses, if any.

### 5.12 Non-banking assets acquired in satisfaction of claims

In accordance with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by SBP vide its BPRD Circular No. 1 of 2016, dated January 1, 2016, the non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to the profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and not capitalized. Depreciation on non-banking assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Bank's owned fixed assets.

### 5.13 Deposits and their cost

Deposits are recorded at the fair value of proceeds received.

Deposit costs are recognised as an expense in the period in which these are incurred using effective yield method.

## **5.14 Taxation**

### **5.14.1 Current**

Provision of current taxation is based on taxable income for the year determined in accordance with the prevailing laws of taxation on income earned for local as well as foreign operations, as applicable to the respective jurisdictions. The charge for the current tax also includes adjustments wherever considered necessary relating to prior years, arising from assessments framed during the year.

### **5.14.2 Deferred**

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax is not recognised on differences relating to investment in subsidiaries and branches to the extent the deductible temporary difference probably will not reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit or deductible temporary differences will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to gain / loss recognized on surplus on revaluation of assets is charged / credited to such account.

## **5.15 Employee benefits**

### **5.15.1 Defined benefit plans**

The Bank operates an approved funded pension scheme, an un-funded post retirement medical benefits scheme and an un-funded benevolent scheme for its eligible employees. The Bank also operates an un-funded gratuity scheme for its eligible contractual employees. An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Remeasurements of the net defined benefit liability / assets which comprise actuarial gains and losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income. Past-service costs are recognised immediately in profit and loss account when the plan amendment occurs.

### **5.15.2 Other employee benefits**

#### **Employees' compensated absences**

The Group also makes provision in the financial statements for its liability towards compensated absences. This liability is estimated on the basis of actuarial advice under the Projected Unit Credit method.

### **5.15.3 Retirement and other benefit obligations**

#### **In respect of CJSC Subsidiary Bank of NBP in Kazakhstan (CJSC)**

The CJSC withholds amounts of pension contributions from employee salaries and pays them to state pension fund. The requirements of the Kazakhstan's legislation state pension system provides for the calculation of current payments by the employer as a percentage of current total payments to staff. This expense is charged in the period the related salaries are earned. Upon retirement all retirement benefit payments are made by pension funds selected by employees.

## **5.16 Revenue recognition and Mark up / Non Mark Up income**

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

### **5.16.1 Advances and investments**

Income on loans and advances and debt security investments are recognised on a time proportion basis that takes into account effective yield on the asset. In case of advances and investments, profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis.

Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations issued by SBP.

Where debt securities (excluding held for trading securities / FVTPL) are purchased at a premium or discount, those premiums / discounts are amortised through the statement of profit and loss account over the remaining maturity.

### **5.16.2 Non mark-up / interest income**

The Bank earns fee and commission income from certain non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The recognition of fee and commission income depends on the purpose for which the fees are received. Fee and commission income is recognised when or as an entity satisfies the performance obligation, either over time or at a specific point of time. Unearned fees and commissions are included under Other liabilities.

Commission on letters of credit and guarantees is recognized on time proportion basis.

Dividend income on equity investments and mutual funds is recognised when right to receive is established.

Gains and losses on disposal of investments and fixed assets are dealt with through the profit and loss account in the year in which they arise.

Gain or loss on sale / modification of financial assets is included in the consolidated statement of profit and loss account in the period in which they arise.

### **5.16.3 Lease financing**

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the statement of profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

## **5.17 Net investment in finance lease**

Leases where the bank transfers substantially all the risk and rewards incidental to ownership of the assets to the lessee are classified as finance leases. Net investment in finance lease is recognised at an amount equal to the aggregate of present value of minimum lease payment including any guaranteed residual value and excluding unearned finance income, write-offs and provision for doubtful lease finances, if any.

## **5.18 Foreign currencies translation and foreign operation**

### **5.18.1 Foreign currencies translation**

The Group's financial statements are presented in Pak Rupees (Rs.) which is the Group's functional and presentation currency.

Foreign currency transactions are converted into Rupees applying the exchange rate at the date of the respective transactions. Monetary assets and liabilities in foreign currencies and assets / liabilities of foreign branches are translated into Rupees at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts are valued at the rates applicable to their respective maturities. All gains or losses on dealing in foreign currencies are taken to the profit and loss account.

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

financial position date.

#### **5.18.2 Foreign operation**

Profit and loss account balances of foreign branches are translated at average exchange rate prevailing during the year. Gains and losses on translation are included in the profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

Statement of financial position balances of foreign branches are translated at exchange rate prevailing at statement of financial position date. Gains and losses on translation are included in the profit and loss account except gains / losses arising on translation of net assets of foreign branches, which is credited to the statement of comprehensive income.

#### **5.19 Credit Allowance for off balance sheet obligations**

ECL for guarantees, claims and other off balance sheet obligations are made when the bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. ECL against off balance sheet items created based on ORR or Days past dues of borrows and based on CCF factor on undrawn commitments. Charge to profit and loss account is stated net of expected recoveries.

#### **5.20 Off setting**

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

### **5.21 Fiduciary assets**

Assets held in a fiduciary capacity are not treated as assets of the Group in the statement of financial position.

### **5.22 Dividend and other appropriations**

Dividend and other appropriation to reserves, except appropriations which are required by the law, are recognised in the Group's financial statements in the year in which these are approved.

### **5.23 Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. There were no dilutive potential ordinary shares in issue at December 31, 2024.

### **5.24 Bai Muajjal**

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments.

The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

## 5.25 Acceptances

Acceptances comprise undertakings by the Bank to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as on balance sheet financial assets and financial liabilities.

## 5.26 Segment reporting

A segment is a distinguishable component of the Bank that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, where as a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Bank's functional and management reporting structure.

### Business segments

The Group's primary segment reporting is based on the following business segments:

- I. **Retail Banking Group** includes retail lending and deposits, banking services, cards and branchless banking.
- II. **Inclusive Development Group** consists of loans to individuals, agriculture, SME, commodity and commercial customers.
- III. **Corporate and Investment Banking Group** offers a wide range of financial services to medium and large sized public and private sector entities. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services.
- IV. **Treasury** includes fixed income, equity, foreign exchange, credit, funding, own position securities, lendings and borrowings and derivatives for hedging and market making.
- V. **International Financial Institution and Remittance Group** includes the results of all international branches, correspondent banking business and global remittances. This represents Group's operations in 13 countries including Pakistan and 18 branches including one branch in export processing zone in Pakistan.
- VI. **Aitemaad and Islamic Banking Group** provides shariah compliant services to customers including loans, deposits and other transactions.
- VII. **Head Office / Others** includes the head office related activities and other functions which cannot be classified in any of the above segments.

### Geographical segments

The Group is managed along the following geographic lines for monitoring and reporting purposes:

- I. Pakistan (including branch in Export Processing Zone)
- II. Asia Pacific (including South Asia)
- III. Europe
- IV. United States of America
- V. Middle East

## 5.27 Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

**a) Credit Allowance against non-performing loans and advances**

The Bank regularly reviews its loan portfolio to assess amount of non-performing loans and determine the provisions required there against at each reporting date. In assessing this requirement, various factors including the days past dues, delinquency in the account, financial position and future business / financial plan of the borrower, value of collateral held and requirements of SBP Prudential Regulations are considered. Credit loss allowances are maintained at the higher of ECL under IFRS 9 or the prudential regulation R-8. The Bank also considers the impact of Forced Sale Value (FSV) of collaterals when determining the amount of provisions. However, no benefit of FSV of non-liquid collateral has been taken into account during the year in calculating the provisioning amount.

General provisions for loan losses for overseas branches are made as per the requirements of the respective central banks.

**b) Fair value of derivatives**

The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest and exchange rates over the term of the contract.

**c) Impairment of FVOCI investments**

Impairment in respect of unquoted shares is calculated with reference to break-up value. Break-up value is calculated with reference to the net assets of the Investee Company as per the latest available audited financial statements. Provision and ECL for unquoted debt securities is calculated as per SBP's Prudential Regulations and IFRS-9 respectively.

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' and impairment ECL of stage 3 impairment of FVOCI quoted TFCs, PTC, Ijarah Sukuks & Government Bonds is recognized in accordance with the requirements of Prudential Regulations and other directives issued by SBP as per subjective and objective criteria of Prudential Regulations after taking into account of FSV benefit under Prudential Regulations and IFRS-9.

**d) Amortised Cost investments**

The Group follows the guidance provided in the SBP circulars and IFRS 9 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as Amortised Cost. In making this judgment, the Group evaluates its intention and ability to hold such investments till maturity.

**e) Income taxes**

In making the estimates for current and deferred taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Group's view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

**f) Property and Equipment, Non-Banking asset and intangible assets, revaluation, depreciation and amortisation**

In making estimates of the depreciation / amortization method, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Group. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern.

The Group also revalues its properties on a periodic basis. Such revaluations are carried out by independent valuer and involves estimates / assumptions and various market factors and conditions.

**g) Defined benefit plans including pension expense**

The liabilities for employees' benefits plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases, future inflation rates and future pension increases as disclosed in note 41. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

**h) Provision against contingencies**

Provision against contingencies is determined based on the management judgement regarding the probability of future outflows of resources embodying economic benefits to settle an obligation arising from past events.

**i) Lease liability against right of use assets**

The group applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Moreover, management exercises judgement in establishing the discount rate for new leases, utilizing the incremental borrowing rate as a benchmark.

**j) Classification of financial assets and liabilities**

The classification of financial asset is determined through solely payment and principal (SPPI) criteria and business model of the group. The group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The financial liabilities are being carried at amortised cost except for derivatives which are being measured at FVTPL.

**k) Contingent assets and contingent liabilities**

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed unless the probability of an outflow of resources embodying economic benefits are remote. The group uses estimates in determining the probability of inflow or outflow of economic benefits.

**l) Impairment of non-financial assets**

The carrying amount of the assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

**m) Determination of control over investees**

The Group's management applies its judgement to determine whether the control exists over the investee entities.

**6. CLOSURE OF FOREIGN SUBSIDIARIES AND OPERATIONS**

In line with SBP Governance Framework 2018, the Board of Directors (BoD) in its 302nd meeting held on January 20 & 21, 2020 had accorded the approval of International Strategy. As per approved Strategy, the BoD allowed closure of all locations in Central Asian Republics. Closure of three (3) locations i.e. Azerbaijan (Baku), Kyrgyzstan (Bishkek) and Kazakhstan (Almaty) got delayed due to challenges faced in the settlement of non-performing loans while others have already been closed.

The tentative timeline for closure of operations at these (3) locations is as under:

<b>S.No</b>	<b>Name of International Locations</b>	<b>Tentative Date of Closure</b>
1)	CJSC Subsidiary Bank of NBP in Almaty, Kazakhstan	<b>31.03.2025</b>
2)	Bishkek Branch, Kyrgyzstan	<b>31.03.2025</b>
3)	Baku Branch, Azerbaijan	<b>31.03.2025</b>

The Board of Directors in its 316th meeting held on January 06 & 11, 2021 had accorded the approval to scale down Bangladesh Operations. Later-on, the Board of Directors in its 349th meeting held on June 19, 2023 approved exit from Bangladesh preferably by exploring the options of merger with an existing group or sale of license / entire business to a new buyer. In this regard, relevant activities have been initiated.

The BoD in its 327th meeting held on January 17, 2022 accorded the approval of exiting from France. After complying to all regulatory requirements, the group has closed down its operations in Paris with effect from December 31, 2024.

Further, in line with NBP BoD directives, the group voluntarily surrendered its New York Branch's banking license with NYSDFS' approval and closed the branch in October 2024.

As at December 31, 2024					
Particulars	CJSC Subsidiary Bank of NBP in Almaty (Kazakhstan) (Subsidiary)	Baku (Azerbaijan)	Bishkek (Kyrgyzstan)	Paris (France)	Total
	------(Branches)----- ------(Rupees in '000)-----				
Cost of investment - net of impairment	<b>1,003,777</b>	-	-	-	<b>1,003,777</b>
Total Assets	-	<b>996,184</b>	<b>2,711,027</b>	-	<b>3,707,212</b>
Total Liabilities	-	<b>21,029</b>	<b>2,988</b>	-	<b>24,017</b>
Profit / (Loss) for the year	-	<b>(410,282)</b>	<b>(33,920)</b>	-	<b>(444,202)</b>

## 6.1 Adoption of revised forms for the preparation of the Annual financial statement

The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of the Annual financial statements of the groups / DFIs which are applicable for Annual periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the Annual financial statements. There is no impact of this change on the Annual financial statements in terms of recognition and measurement of assets and liabilities.

The group has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified to correspond to the current period presentation.

## 6.2 IFRS 9 - 'Financial Instruments'

As per SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on groups with effect from January 01, 2024. IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (Letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions to address the matters raised by the groups to ensure compliance by the timelines. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL, accounting methodology for Islamic grouping Institutions and treatment of charity. Accordingly, the group has adopted the treatment as instructed in the aforementioned Letters in these consolidated financial statements. In addition, the SBP in a separate instruction SBPHOK-BPRD-RPD-NBP-821909 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

On application of IFRS 9, certain accounting policies have been revised to comply with the requirements of IFRS 9. The revised accounting policies have been disclosed in their respective policy notes in these consolidated financial statements.

The SBP has directed the groups through its BPRD Circular Letter No.1 dated January 22, 2025 to disclose the impact of IFRS 9 on revenue recognition from Islamic Operations which is as follows:

Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations profit / return earned on Islamic financing and related assets in consolidated statement of profit and loss account for the year ended December 31, 2024 would have been higher by Rs. 135 million and taxation would have been higher by Rs 73 million. Further, an unappropriated profit in consolidated statement of changes in equity would have been higher by Rs 62 million.

### Application to the group's financial assets

#### Debt based financial assets

Debt based financial assets held by the group include: Advances, lending to financial institutions, investment in Federal Government securities, corporate bonds and other private sukuks, cash and balances with treasury groups, balances with other groups, and other financial assets.

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

- a) These are measured at amortised cost if these assets meet both of the following conditions and are not designated as fair value through profit and loss (FVTPL):
  - the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.

The group's business model for these financial assets can still be held to collect (HTC) even when sales of these financial assets occur. However, if more than an infrequent number of sales of significant value are made, the group assesses whether and how the sales are consistent with the HTC objective.

- b) Debt based financial assets are measured at fair value through other comprehensive income (FVOCI) only if these meet both of the following conditions and are not designated as FVTPL:
- the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest / profit on the principal amount outstanding.
- c) Debt based financial assets if these are held for trading purposes are classified as measured at FVTPL.

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

The group performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics.

2024			
Provision as per current regulatory framework	Remeasureme nt (ECL)	Reclassificatio n	ECLs under IFRS 9
-----Rupees in '000-----			

**Impairment allowance against:**

Cash and Balances with Treasury banks	-	18,713	-	18,713
Balance with Other banks	117,033	36	-	117,069
Lendings to financial institutions	174,150	9,723	-	183,873
Advances	233,832,651	31,715,097	-	265,547,748
Investments	20,050,374	7,038,193	(12,665,194)	14,423,373
Markup Receivable	-	1,125,218	-	1,125,218
Off-balance sheet obligations	627,494	4,049,283	-	4,676,777
Total	<u>254,801,702</u>	<u>43,956,264</u>	<u>(12,665,194)</u>	<u>286,092,773</u>

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with previous local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024 :

**Adoption impacts**

The group has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 12,002.937 million has been recorded as an adjustment to equity at the beginning of the current accounting period.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with previous local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024 :

	Balances as at December 31, 2023 (Audited)	Recognition of expected credit	Adoption of revised classifications under IFRS 9	Impact due to:			Total impact - gross of tax	Taxation (current and deferred)	Total Impact - net of tax	Balances as at January 01, 2024	IFRS 9 Category
				Classifications due to business model and SPPI assessments	Remeasure- ments	Reversal of provisions held					
(Rupees in '000)											
<b>ASSETS</b>											
Cash and balances with treasury banks	295,455,482	(18,713)	-	-	-	-	(18,713)	-	(18,713)	295,436,769	Amortised cost
Balances with other banks	43,004,568	(36)	-	-	-	-	(36)	-	(36)	43,004,532	Amortised cost
Lendings to financial institutions	192,430,437	(9,723)	-	-	-	-	(9,723)	-	(9,723)	192,420,714	Amortised cost
Investments											
- Classified as available for sale	4,081,366,637	-	(4,081,366,637)	-	-	-	(4,081,366,637)	-	(4,081,366,637)	-	
- Classified as fair value through other comprehensive income	-	(7,038,193)	4,081,366,637	(135,639,804)	(1,082,064)	12,665,190	3,950,271,766	-	3,950,271,766	3,950,271,766	FVOCI
- Classified as held to maturity	272,951,142	-	(272,951,142)	-	-	-	(272,951,142)	-	(272,951,142)	-	
- Classified as amortised cost	-	-	272,951,142	105,989,524	-	-	378,940,666	-	378,940,666	378,940,666	Amortised cost
- Classified as held for trading	46,766,365	-	(46,766,365)	-	-	-	(46,766,365)	-	(46,766,365)	-	
- Classified as fair value through profit or loss	-	-	46,766,365	29,650,280	-	-	76,416,645	-	76,416,645	76,416,645	FVPL
- Associates	830,620	-	-	-	-	-	-	-	-	830,620	Outside the scope of IFRS 9
Joint venture	12,259,541	-	-	-	-	-	-	-	-	12,259,541	Outside the scope of IFRS 9
- Subsidiary	-	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
	<u>4,414,174,305</u>	<u>(7,038,193)</u>	<u>-</u>	<u>-</u>	<u>(1,082,064)</u>	<u>12,665,190</u>	<u>4,544,933</u>	<u>-</u>	<u>4,544,933</u>	<u>4,418,719,238</u>	
Advances											
- Classified as amortised cost	1,631,905,320	-	-	-	(40,426,410)	-	(40,426,410)	-	(40,426,410)	1,591,478,910	Amortised cost
- Classified as fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	
- Provisions	(233,832,651)	(31,715,097)	-	-	-	-	(31,715,097)	-	(31,715,097)	(265,547,748)	
	<u>1,398,072,669</u>	<u>(31,715,097)</u>	<u>-</u>	<u>-</u>	<u>(40,426,410)</u>	<u>-</u>	<u>(72,141,507)</u>	<u>-</u>	<u>(72,141,507)</u>	<u>1,325,931,162</u>	
Property and equipment	57,477,067	-	-	-	-	-	-	-	-	57,477,067	Amortised cost
Right-of-use assets	7,335,901	-	-	-	-	-	-	-	-	7,335,901	Outside the scope of IFRS 9
Intangible assets	2,186,294	-	-	-	-	-	-	-	-	2,186,294	Outside the scope of IFRS 9
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
Other assets - financial assets	229,061,851	(1,125,218)	-	-	34,752,344	-	33,627,126	-	33,627,126	262,688,977	Amortised cost & Other than FA & FL
Other assets - non financial assets	29,675,452	-	-	-	-	-	-	-	-	29,675,452	Amortised cost & Other than FA & FL
	<u>325,736,565</u>	<u>(1,125,218)</u>	<u>-</u>	<u>-</u>	<u>34,752,344</u>	<u>-</u>	<u>33,627,126</u>	<u>-</u>	<u>33,627,126</u>	<u>359,363,691</u>	
	<u>6,668,874,026</u>	<u>(39,906,981)</u>	<u>-</u>	<u>-</u>	<u>(6,756,130)</u>	<u>12,665,190</u>	<u>(33,997,921)</u>	<u>-</u>	<u>(33,997,921)</u>	<u>6,634,876,106</u>	
<b>LIABILITIES</b>											
Bills payable	68,000,448	-	-	-	-	-	-	-	-	68,000,448	Amortised cost
Borrowings	2,177,743,194	-	-	-	(6,149,386)	-	(6,149,386)	-	(6,149,386)	2,171,593,808	Amortised cost
Deposits and other accounts	3,673,109,914	-	-	-	-	-	-	-	-	3,673,109,914	Amortised cost
Lease liability against right-of-use assets	208,268	-	-	-	-	-	-	-	-	208,268	
Sub-ordinated sukus	-	-	-	-	-	-	-	-	-	-	0
Lease liabilities against right of use assets	8,682,732	-	-	-	-	-	-	-	-	8,682,732	Amortised cost
Deferred tax liabilities	842,568	(21,538,570)	1,410,784	232,907	-	-	(19,894,879)	-	(19,894,879)	(19,052,311)	Outside the scope of IFRS 9
Other liabilities - non financial liabilities	340,034,098	-	-	-	-	-	-	-	-	340,034,098	FVPL, Amortised cost & Other than FA & FL
Other liabilities - financial liabilities	2,838,764	4,049,283	-	-	-	-	4,049,283	-	4,049,283	6,888,047	FVPL, Amortised cost & Other than FA & FL
	<u>6,271,459,986</u>	<u>(17,489,286)</u>	<u>1,410,784</u>	<u>232,907</u>	<u>(6,149,386)</u>	<u>-</u>	<u>(21,994,982)</u>	<u>-</u>	<u>(21,994,982)</u>	<u>6,249,465,004</u>	
<b>NET ASSETS</b>	<u>397,414,040</u>	<u>(22,417,695)</u>	<u>(1,410,784)</u>	<u>(232,907)</u>	<u>(606,744)</u>	<u>12,665,190</u>	<u>(12,002,939)</u>	<u>-</u>	<u>(12,002,939)</u>	<u>385,411,102</u>	
<b>REPRESENTED BY</b>											
Share capital	21,275,131	-	-	-	-	-	-	-	-	21,275,131	Outside the scope of IFRS 9
Reserves	85,078,819	-	-	-	-	-	-	-	-	85,078,819	Outside the scope of IFRS 9
Surplus on revaluation of assets - net of tax	64,232,415	-	(1,714,431)	-	-	-	(1,714,431)	-	(1,714,431)	62,517,984	Outside the scope of IFRS 9
Unappropriated profit	225,693,441	(22,417,695)	11,886,775	242,413	-	-	(10,288,507)	-	(10,288,507)	215,404,934	Outside the scope of IFRS 9
	<u>396,279,806</u>	<u>(22,417,695)</u>	<u>10,172,344</u>	<u>242,413</u>	<u>-</u>	<u>-</u>	<u>(12,002,937)</u>	<u>-</u>	<u>(12,002,937)</u>	<u>384,276,868</u>	
Non-controlling interest	1,134,234	-	-	-	-	-	-	-	-	1,134,234	
	<u>397,414,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,411,102</u>	

## 6.2.1 Classification

### Financial assets

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

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

### Financial liabilities

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

## 6.2.2 Business model:

The group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the group's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

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

## 6.2.3 Assessments whether contractual cash flows are solely payments of principal and interest / profit (SPPI)

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

## 6.2.4 Application to the group's financial assets

### Debt based financial assets

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

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

The group's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sales of significant value are made, the group assesses whether and how the sales are consistent with the HTC objective.

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

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

### **Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual share in the issuer's net assets.

The group measures all equity investments at fair value through profit or loss, except where the group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the profit and loss account, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the profit and loss account as income when the group's right to receive payments is established.

IFRS 9 has removed the requirement for impairment assessments on equity investments. However, under BPRD Circular Letter No. 16 of 2024, dated July 29, 2024, groups may continue to measure unquoted equity securities at the lower of cost or break-up value until December 31, 2024. Starting January 1, 2025, groups will be required to measure unquoted equity securities at fair value, as mandated by the IFRS 9 application guidelines. For unquoted securities where the break-up value is lower than the cost, the difference has been classified as a loss and charged to the profit and loss

Gains and losses on equity instruments at FVTPL are included in the 'Gain on sales of securities' line in the profit and loss account.

### **6.2.5 Initial recognition and subsequent measurement**

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

#### **a) Amortised cost (AC)**

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

#### **b) Fair value through other comprehensive income (FVOCI)**

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

### **c) Fair value through profit or loss (FVTPL)**

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

## **6.2.6 Derecognition**

### **Financial assets**

The group derecognises a financial asset when:

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

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

### **Financial liabilities**

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

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

## **6.2.7 Modification**

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

## **6.3 Expected Credit Loss (ECL)**

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

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the group considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the group applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the group groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1:** When financial instruments are first recognised, the group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.
- Stage 2:** When a financial instrument has shown a significant increase in credit risk since origination, the group records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.
- Stage 3:** For financial instruments considered credit-impaired, the group recognises the LTECLs for these instruments. The group uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.
- Undrawn financing commitments** When estimating LTECLs for undrawn financings commitments, the group estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financings is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financings and an undrawn commitment, ECLs are calculated on un-drawn portion of the facility and presented within other liabilities.
- Guarantee and letters of credit contracts** The group estimates ECLs based on the BASEL driven and internally developed credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

### The calculation of ECLs

The group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the group's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the group has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
- EAD** The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest / profit from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the group has a legal right to call it earlier. The group's product offering includes a variety of corporate and retail facilities, in which the group has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the group expectations of the customer behaviour, its likelihood of default and the group future risk mitigation procedures, which could include reducing or cancelling the facilities.
- LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

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

To mitigate its credit risks on financial assets, the group seeks to use collateral, where possible. The group considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery

When estimating the ECLs, the group considers three scenarios (a base case, a best case, a worst case). Each of these is associated with different PDs.

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

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

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

### **Forward looking information**

In its ECL models, the group relies on range of the following forward looking information as economic inputs, such as:

- GDP Growth
- Consumer Price Index
- Unemployment rate

### **Definition of default**

The concept of "impairment" or "default" is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD.

This implies that if one facility of a counterparty becomes 90+ DPD in repaying its contractual dues or as defined in PRs; all other facilities would deem to be classified as stage 3.

### **Write-offs**

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

## **6.4 Non-current assets (or disposal groups) held-for-sale**

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

## **7. FINANCIAL RISK MANAGEMENT**

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

8	<b>CASH AND BALANCES WITH TREASURY BANKS</b>	Note	2024 ----- Rupees in '000 -----	2023
	In hand			
	Local currency		65,096,769	62,622,218
	Foreign currencies		5,885,440	9,747,256
			<b>70,982,209</b>	72,369,474
	With State Bank of Pakistan in			
	Local currency current accounts	8.1	147,471,517	125,905,643
	Foreign currency current accounts	8.2	22,097,814	21,661,443
	Foreign currency deposit accounts	8.2	44,108,393	43,265,618
	Foreign currency collection accounts		212,443	1,498,122
			<b>213,890,167</b>	192,330,826
	With other central banks in			
	Foreign currency current accounts	8.3	24,445,656	25,964,016
	Foreign currency deposit accounts	8.3	4,583,665	4,163,614
			<b>29,029,321</b>	30,127,630
	Prize bonds		904,765	627,552
			<b>314,806,462</b>	295,455,482
	Less: Credit loss allowance held against cash and balances with treasury banks		(19,075)	-
	Cash and balances with treasury banks - net of credit loss allowance		<b>314,787,387</b>	295,455,482

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

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

**8.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries and carry interest at the rate of 0 % to 4.50 % per annum (December 31, 2023: 0% to 5.5% per annum).

9	<b>BALANCES WITH OTHER BANKS</b>	Note	2024 ----- Rupees in '000 -----	2023
	In Pakistan			
	In current account		726,739	298,108
	In deposit accounts	9.1	1,097,736	388,221
			<b>1,824,475</b>	686,329
	Outside Pakistan			
	In current accounts		48,862,467	33,517,051
	In deposit accounts	9.2	7,957,922	8,801,187
			<b>56,820,389</b>	42,318,238
			<b>58,644,864</b>	43,004,567
	Less: Credit loss allowance held against balances with other banks		(18)	-
	Balances with other banks - net of credit loss allowance		<b>58,644,846</b>	43,004,567

- 9.1** These include various deposits maintained with banks and carry interest at the rates ranging from 9.00 % to 19.6 % per annum (December 31, 2023: 6.00% to 12.70% per annum).
- 9.2** These include various deposits with correspondent banks outside Pakistan and carry interest at the rates ranging from 1.00 % to 5.44% per annum (December 31, 2023 :1.50% to 7.10% per annum).

<b>10 LENDINGS TO FINANCIAL INSTITUTIONS</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
		----- Rupees in '000 -----	
Call / clean money lendings	<b>10.1</b>	-	9,723
Reverse repurchase agreements	<b>10.2 &amp; 10.5</b>	-	192,420,714
Musharka lending	<b>10.3</b>	<b>30,000,000</b>	-
- with State Bank of Pakistan		-	-
- with other financial institutions		-	-
Letter of placement	<b>10.4</b>	<b>172,150</b>	174,150
		<b>30,172,150</b>	192,604,587
Less: Credit loss allowance held against lending to financial institutions	<b>10.7</b>	<b>(172,150)</b>	(174,150)
Lending to financial institutions - net of credit loss allowance		<u><b>30,000,000</b></u>	<u><b>192,430,437</b></u>

**10.1** These also include zero rate lending to a financial institution amounting to Rs Nil (December 31, 2023: Rs. 9.7 million) which is guaranteed by the SBP.

**10.2** These carry mark-up at Nil rates per annum (December 31, 2023: 21.00% to 22.95% per annum) with Nil maturities (December 31, 2023: upto February 7, 2024).

**10.3** These carry mark-up at the rates ranging from 12.0% to 12.75% per annum with maturities on January 2, 2025.

**10.4** These are overdue placements and full provision has been made against these placements as at December 31, 2024.

<b>10.5 Particulars of lending</b>	<b>2024</b>	<b>2023</b>
	----- Rupees in '000 -----	
In local currency	<u><b>30,172,150</b></u>	<u>192,604,587</u>
	<u><b>30,172,150</b></u>	<u>192,604,587</u>

**10.6 Securities held as collateral against lending to financial institutions**

	2024			2023		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	----- Rupees in '000 -----					
Market Treasury Bills	-	-	-	9,485,867	-	9,485,867
Pakistan Investment Bonds	-	-	-	182,934,847	-	182,934,847
Total	-	-	-	<u>192,420,714</u>	-	<u>192,420,714</u>

**10.6.1** Market value of the securities under repurchase agreement lendings amounts to Rs. Nil (2023: Rs. 192,518 million).

10.7 Lending to financial institutions - Particulars of credit

		2024		2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
----- Rupees in '000 -----					
<b>Domestic</b>					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	172,150	172,150	174,150	174,150
		172,150	172,150	174,150	174,150
Total		172,150	172,150	174,150	174,150
<b>Overseas</b>					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	-	-	-	-
		-	-	-	-
Total		-	-	-	-
<b>2024</b>					
----- Rupees in '000 -----					
		Stage 1	Stage 2	Stage 3	Total
Balance at the start of the year		-	-	174,150	174,150
Transfer to stage 1		-	-	-	-
Transfer to stage 2		-	-	-	-
Transfer to stage 3		-	-	-	-
Net remeasurement of credit loss allowance		-	-	174,150	174,150
Financial assets that have been derecognised		-	-	(2,000)	(2,000)
Balance at the end of the year		-	-	172,150	172,150
<b>2023</b>					
----- Rupees in '000 -----					
		Stage 1	Stage 2	Stage 3	Total
Balance at the start of the year		-	-	174,150	174,150
Transfer to stage 1		-	-	-	-
Transfer to stage 2		-	-	-	-
Transfer to stage 3		-	-	-	-
Net remeasurement of loss allowance		-	-	174,150	174,150
Financial assets that have been derecognised		-	-	-	-
Balance at the end of the year		-	-	174,150	174,150

## 11 INVESTMENTS

### 11.1 Investments by types

2024			
Fair value / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value

Rupees in '000

#### - Debt Instruments

Note

#### Classified / measured at amortised cost

##### Federal Government securities

-Market treasury bills				
-Pakistan investment bonds	11.5.1			
-Ijarah sukuk	11.5.1			
-Foreign currency debt securities	11.5.1			

59,594	-			59,594
222,656,096	-	-		222,656,096
14,373,995	-	-		14,373,995
7,104,331	(817,022)	-		6,287,309
383,471	(383,471)	-		-
37,707,455	-	-		37,707,455
1,077	-	-		1,077
282,286,019	(1,200,493)	-		281,085,526

##### Non Government debt securities

-Term finance certificates, 'participation term certificates, bond, debentures and sukuk bonds

##### Foreign securities

-Government debt securities	
-Non-Government debt securities	

#### Classified / measured at FVOCI

##### Federal Government securities

-Market treasury bills	
-Pakistan investment bonds	
-GOP ijarah sukuku	
-GOP ijarah sukuku-Traded	
-GOP ijarah sukuku-Discounted	
-Foreign currency debt securities	

1,152,657,126	-	17,688,599		1,170,345,725
2,739,200,656	-	33,084,223		2,772,284,879
31,090,981	-	587,221		31,678,202
29,772,129	-	1,127,871		30,900,000
32,874,030	-	951,840		33,825,870
29,229,000	(6,119,189)	(3,541,998)		19,567,813
-	-	-		-
265	-	-		265
39,157,588	(6,984,089)	278,820		32,452,319
3,100,284	-	143,329		3,243,613
463,295	-	52,106,188		52,569,483
4,057,545,354	(13,103,278)	102,426,093		4,146,868,169

##### Ordinary Shares

Listed Companies	
Unlisted Companies	

##### Non Government debt securities

-Term finance certificates, 'participation term certificates, bond, debentures and sukuk bonds

##### Foreign securities

-Government debt securities	
-Equity securities-Listed	11.6

#### Classified / measured at FVTPL

##### Federal Government securities

-Market treasury bills	
-Pakistan investment bonds	

35,690,468	-	72,668		35,763,136
20,906,802	-	63,890		20,970,692
56,597,270	-	136,558		56,733,828

#### Instruments mandatorily classified / measured at FVTPL

##### Mutual fund units

##### Preference shares

-Listed	
-Unlisted	

##### Foreign Securities

-Foreign Government debt securities	
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##### Non Government debt securities

-Term finance certificates, 'participation term certificates, bond, debentures and sukuk bonds

5,503,950	-	3,244,908		8,748,858
1,043,797	-	(51,086)		992,711
558,284	(558,284)	-		-
2,559,098				2,559,098
9,911,967	-	13,901		9,925,868
19,577,096	(558,284)	3,207,723		22,226,535

2024			
Fair value / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value

----- Rupees in '000 -----

**- Equity instruments**

**Classified / measured at FVTPL**

Shares

- Listed companies
- Unlisted companies

11,612,714	-	5,738,300	17,351,014
-	-	-	-
11,612,714	-	5,738,300	17,351,014

**Classified / measured at FVOCI (non-reclassifiable)**

Shares

- Listed compaies
- Unlisted companies

10.11 & 10.12

44,928,949	-	42,792,188	87,721,137
2,107,198	(573,855)	-	1,533,343
47,036,147	(573,855)	42,792,188	89,254,480

**- Associates**

11.8

1,832,737	(503,013)	-	1,329,724
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**- Joint Venture**

-	-	-	-
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**- Subsidiaries**

1,245	(1,245)	-	-
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**Total investments**

<u>4,476,488,582</u>	<u>(15,940,168)</u>	<u>154,300,862</u>	<u>4,614,849,276</u>
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2023			
Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value

----- Rupees in '000 -----

**Investments by types**

**Held to maturity securities**

**Federal Government securities**

- Market Treasury Bills
- Pakistan investment bonds
- Ijarah sukuk bonds
- Foreign Currency Debt securities

161,108			161,108
213,116,482	-	-	213,116,482
14,087,500	-	-	14,087,500
4,288,988	-	-	4,288,988

**Non Government debt securities**

- Term finance certificates, 'participation

404,585	(404,585)	-	-
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**Foreign securities**

- Foreign government debt securities
- Non-Government debt securities

41,295,981	-	-	41,295,981
1,083	-	-	1,083

273,355,727	(404,585)	-	272,951,142
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**Available for sale securities**

## Investments by types

	2023			Carrying value
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	
----- Rupees in '000 -----				
<b>Federal Government securities</b>				
-Market treasury bills	954,585,428	-	2,228,157	956,813,585
-Pakistan investment bonds	2,926,410,213	-	(25,322,781)	2,901,087,432
-GOP Ijarah sukuks	30,424,484	-	(330,520)	30,093,964
-GOP Ijarah sukuks-Traded		-		-
-GOP Ijarah sukuks-Discounted		-		-
-Foreign currency debt securities	40,907,401		(10,174,093)	30,733,308
				-
<b>Ordinary Shares</b>				
-Listed Companies	51,696,434	(11,638,688)	22,294,743	62,352,489
-Unlisted Companies	2,107,463	(448,951)	-	1,658,512
<b>Non Government debt securities</b>				
-Term finance certificates, 'participation	53,152,317	(5,857,566)	355,100	47,649,851
<b>Foreign securities</b>				
-Equity securities-Listed	463,294	-	42,171,551	42,634,845
-Foreign government debt securities	3,385,022	-	8,528	3,393,550
<b>Preference shares</b>				
-Listed Companies	1,448,472	(566,446)	161,771	1,043,797
-Unlisted Companies	558,284	(558,284)	-	-
<b>Mutual fund units</b>	2,219,646	(41,167)	1,726,825	3,905,304
	4,067,358,458	(19,111,102)	33,119,281	4,081,366,637
<b>Held for trading securities</b>				
<b>Federal Government securities</b>				
- Market treasury bills	23,341,720	-	7,673	23,349,393
- Pakistan investment bonds	14,665,019	-	(37,878)	14,627,141
- GOP ijarah sukuk bonds	5,038,531	-	(3,521)	5,035,010
<b>Mutual fund units</b>	972,916	-	6,914	979,830
<b>Foreign securities</b>				
-Foreign government debt securities	2,696,887			2,696,887
<b>Ordinary shares</b>				
- Listed companies	79,317	-	(1,213)	78,104
	46,794,390	-	(28,025)	46,766,365
- Associates	1,364,062	(533,442)		830,620
- Joint Venture	12,259,541	-		12,259,541
- Subsidiaries	1,245	(1,245)		-
<b>Total investments</b>	<u>4,401,133,423</u>	<u>(20,050,374)</u>	<u>33,091,256</u>	<u>4,414,174,305</u>

### 11.1.1 Associates

	Number of shares	Percentage of holding	Country of incorporation	Based on the financial statements as at	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)	
							Rupees in '000			
<b>Listed</b>										
First Credit and Investment Bank Limited	20,000,000	30.77%	Pakistan	September 30, 2024 (Un-audited)	3,876,986	3,049,849	193,194	11,273	40,553	
National Fibres Limited	17,030,231	20.19%	Pakistan	N/A	-	-	-	-	-	
Liven Pharma Limited (Formerly Land Mark Spinning Mills Limited)	3,970,859	32.79%	Pakistan	September 30, 2024 (Un-audited)	961,561	38,922	88,910	147,588	147,588	
SG Allied Businesses Limited	3,754,900	25.03%	Pakistan	September 30, 2024 (Un-audited)	1,526,862	326,234	20,784	2,744	2,744	
Nina Industries Limited	4,906,000	20.27%	Pakistan	N/A	-	-	-	-	-	
NBP Stock Fund	31,347,444	3.02%	Pakistan	September 30, 2024 (Un-audited)	20,295,382	368,396	1,047,047	820,717	820,717	
<b>Unlisted</b>										
Pakistan Emerging Venture Limited	12,500,000	33.3%	Pakistan	June 30, 2022 (Audited)	478	404	56	(385)	(385)	
National Fructose Company Limited	1,300,000	39.5%	Pakistan	N/A	-	-	-	-	-	
Venture Capital Fund Management	33,333	33.3%	Pakistan	N/A	-	-	-	-	-	
Kamal Enterprises Limited	11,000	20.4%	Pakistan	N/A	-	-	-	-	-	
Mehran Industries Limited	37,500	32.1%	Pakistan	N/A	-	-	-	-	-	
Tharparkar Sugar Mills Limited	2,500,000	21.5%	Pakistan	N/A	-	-	-	-	-	
Youth Investment Promotion Society	644,508	25.0%	Pakistan	N/A	-	-	-	-	-	
Dadabhoy Energy Supply Company Limited	9,900,000	23.1%	Pakistan	N/A	-	-	-	-	-	
K-Agricole Limited	5,000	20.0%	Pakistan	N/A	-	-	-	-	-	
New Pak Limited	200,000	20.0%	Pakistan	N/A	-	-	-	-	-	
Pakistan Mercantile Exchange Limited	10,653,860	34.0%	Pakistan	June 30, 2024 (Audited)	6,596,805	5,999,049	866,373	291,880	291,880	
Prudential Fund Management Limited	150,000	20.0%	Pakistan	N/A	-	-	-	-	-	

### 11.1.2 Subsidiaries

CJSC Subsidiary Bank of NBP in Kazakhstan	8,650	100%	Kazakhstan	December 31, 2024	2,749,010	1,960	316,976	174,321	174,321
NBP Exchange Company Limited	99,999,999	100%	Pakistan	December 31, 2024	2,423,305	157,404	539,136	166,050	166,050
NBP Modaraba Management Company Limited	10,500,000	100%	Pakistan	December 31, 2024	143,005	112,125	23,714	13,610	13,610
Taurus Securities Limited	7,875,002	58%	Pakistan	December 31, 2024	1,493,690	1,133,212	275,290	58,371	58,371
Cast-N-Link Products Limited	1,245,000	77%	Pakistan	N/A	-	-	-	-	-
NBP Fund Management Limited	13,499,996	54%	Pakistan	December 31, 2024	4,238,707	2,072,107	3,510,194	1,054,089	1,054,089

## 11.2 Investments by segments

2024				2023				
Cost/ amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost /amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	
-----"Rupees in '000"-----								
<b>Federal Government securities:</b>								
Market Treasury Bills	1,188,407,188	-	17,761,267	1,206,168,455	978,088,256	-	2,235,830	980,324,086
Pakistan Investment Bonds	2,982,763,554	-	33,148,113	3,015,911,667	3,154,191,714	-	(25,360,659)	3,128,831,055
Ijarah Sukuks	108,111,135	-	2,666,932	110,778,067	49,550,515	-	(334,041)	49,216,474
Foreign currency debt securities	36,333,331	(6,936,211)	(3,541,998)	25,855,122	45,196,389	-	(10,174,093)	35,022,296
	4,315,615,208	(6,936,211)	50,034,314	4,358,713,311	4,227,026,874	-	(33,632,963)	4,193,393,911
<b>Shares</b>								
- Listed companies	56,541,663	-	48,530,488	105,072,151	51,775,751	(11,638,688)	22,293,530	62,430,593
- Unlisted companies	2,107,463	(573,855)	-	1,533,608	2,107,463	(448,951)	-	1,658,512
	58,649,126	(573,855)	48,530,488	106,605,759	53,883,214	(12,087,639)	22,293,530	64,089,105
<b>Non Government debt securities</b>								
- Listed	49,453,026	(7,367,560)	292,721	42,378,187	14,277,946	(130,027)	(357,143)	13,790,776
- Unlisted	1,077	-	-	1,077	39,278,956	(6,132,124)	712,243	33,859,075
	49,454,103	(7,367,560)	292,721	42,379,264	53,556,902	(6,262,151)	355,100	47,649,851
<b>Foreign securities</b>								
Government securities	43,366,837	-	143,329	43,510,166	47,377,890	-	8,528	47,386,418
Non Government debt securities	-	-	-	-	1,083	-	-	1,083
Equity securities	463,295	-	52,106,188	52,569,483	463,294	-	42,171,551	42,634,845
	43,830,132	-	52,249,517	96,079,649	47,842,267	-	42,180,079	90,022,346
<b>Preference shares</b>								
- Listed	1,043,797	-	(51,086)	992,711	1,448,472	(566,446)	161,771	1,043,797
- Unlisted	558,284	(558,284)	-	-	558,284	(558,284)	-	(0)
	1,602,081	(558,284)	(51,086)	992,711	2,006,756	(1,124,731)	161,771	1,043,797
<b>Mutual funds units</b>								
	5,503,950	-	3,244,908	8,748,858	3,192,562	(41,167)	1,733,739	4,885,134
<b>Associates</b>								
<b>- Listed</b>								
First Credit and Investment Bank Limited	215,724	-	-	215,724	208,917	(30,429)	-	178,488
Land Mark Spinning Mills Limited	39,710	(39,710)	-	-	39,710	(39,710)	-	-
S.G. Allied Business Limited	218,535	(218,535)	-	-	218,535	(218,535)	-	-
Nina Industries Limited	49,060	(49,060)	-	-	49,060	(49,060)	-	-
NBP Stock Fund	1,114,000	-	-	1,114,000	652,132	-	-	652,132
Agritech Limited	-	-	-	-	-	-	-	-
	1,637,030	(307,306)	-	1,329,724	1,168,354	(337,734)	-	830,620
<b>- Unlisted</b>								
Pakistan Emerging Venture Limited	50,563	(50,563)	-	-	50,563	(50,563)	-	-
National Fructose Company Limited	6,500	(6,500)	-	-	6,500	(6,500)	-	-
Dadabhoy Energy Supply Company Limited	32,105	(32,105)	-	-	32,105	(32,105)	-	-
Pakistan Mercantile Exchange Limited	106,539	(106,539)	-	-	106,539	(106,539)	-	-
	195,707	(195,707)	-	-	195,707	(195,707)	-	-
	1,832,737	(503,013)	-	1,329,724	1,364,061	(533,441)	-	830,620
<b>Joint venture</b>								
United National Bank Limited	-	-	-	-	12,259,541	-	-	12,259,541
<b>Subsidiaries</b>								
	1,245	(1,245)	-	-	1,245	(1,245)	-	-
<b>Total Investments</b>	<b>4,476,488,582</b>	<b>(15,940,168)</b>	<b>154,300,862</b>	<b>4,614,849,276</b>	<b>4,401,133,423</b>	<b>(20,050,374)</b>	<b>33,091,256</b>	<b>4,414,174,305</b>

11.2.1 Investments given as collateral	2024	2023
	----- Rupees in 000 -----	
Pakistan investment bonds	1,253,027,780	2,047,337,847
Market treasury bills	602,314,423	17,134,259
	<u>1,855,342,203</u>	<u>2,064,472,106</u>

### 11.3 Particulars of credit loss allowance

#### 11.3.1 Investments - exposure

	2024			
	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in 000 -----			
Opening balance	4,423,842,013	3,000,000	7,382,666	4,434,224,679
Impact of reclassification on adoption of IFRS 9	(1,082,066)	-	-	(1,082,066)
New investment	195,588,426	-	-	195,588,426
Derecognition	-	(135,667)	(617,981)	(753,648)
Other movement	2,486,399	-	325,654	2,812,053
Closing balance	<u>4,620,834,772</u>	<u>2,864,333</u>	<u>7,090,339</u>	<u>4,630,789,444</u>

#### 11.3.2 Investments - Credit loss allowance

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	
Opening balance	13,788,224	-	6,262,151	20,050,374	18,613,073
Impact of reclassification on adoption of IFRS 9	(12,246,302)	-	(418,892)	(12,665,194)	-
Impact of ECL recognized on adoption of IFRS 9	106,275	6,502,030	429,888	7,038,193	-
	(12,140,027)	6,502,030	10,996	(5,627,001)	-
Charge for the period	138,444	1,073,669	177,179	1,389,291	3,136,270
Reversals for the year	(4,769,441)	(263,551)	(25,642)	(5,058,634)	(1,319,964)
Reversals on disposals	2,221,688	-	-	2,221,688	(379,005)
	(2,409,309)	810,118	151,537	(1,447,655)	1,437,301
Other movement	2,486,399	-	325,652	2,812,051	-
Exchange adjustment	-	(3,040)	-	(3,040)	-
Transfers in	14,597	140,840	-	155,437	-
Closing balance	<u>1,739,884</u>	<u>7,449,948</u>	<u>6,750,336</u>	<u>15,940,166</u>	<u>20,050,374</u>

#### 11.3.3 Particulars of credit loss allowance against debt securities

##### Domestic

		2024		2023	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----					
Performing	Stage 1	4,362,670	166,530	-	-
Underperforming	Stage 2	2,864,333	110,692	-	-
Non-Performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		7,090,336	7,090,336	6,262,151	6,262,151
Total		<u>14,317,339</u>	<u>7,367,558</u>	<u>6,262,151</u>	<u>6,262,151</u>

Overseas	2024		2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	----- (Rupees in '000) -----			
Performing	2,559,098	-	-	-
Underperforming	36,333,331	6,936,211	-	-
Non-Performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	<u>38,892,429</u>	<u>6,936,211</u>	<u>-</u>	<u>-</u>
Total	<u>53,209,768</u>	<u>14,303,769</u>	<u>6,262,151</u>	<u>6,262,151</u>

#### 11.4 Quality of securities

Details regarding quality of securities held under "Held to collect and sell" model

	2024	2023
	----- Rupees in 000 -----	
	Cost	
<b>Federal government securities - Government guaranteed</b>		
Market treasury bills	1,152,657,126	954,585,428
Pakistan investment bonds	2,739,200,656	2,926,410,213
Ijarah sukuks	93,737,140	30,424,484
Foreign currency debt securities	29,229,000	40,907,401
	<u>4,014,823,922</u>	<u>3,952,327,526</u>

#### Shares

##### Listed companies

Automobile assembler	2,208,960	2,442,432
Automobile parts and accessories	1,067,760	1,067,760
Cable and electrical goods	143,198	418,994
Cement	3,883,014	3,672,159
Chemical	721,456	711,682
Commercial banks	6,956,013	9,982,145
Engineering	2,983,213	2,149,015
Fertilizer	64,794	3,518,165
Financial services	8,676	-
Food and personal care	928,900	1,606,665
Glass and ceramics	247,794	64,314
Insurance	1,618,305	1,642,671
Investment banks / investment companies / securities companies	502,158	513,566
Leasing companies	10,448	12,594
Leather and tanneries	-	45,731
Oil and gas exploration companies	3,893,860	2,952,721
Oil and gas marketing companies	5,579,778	5,707,820
Paper and board	503,696	670,751
Pharmaceuticals	4,443,579	2,708,507
Power generation and distribution	1,693,525	2,893,502
Real estate investment trust	-	304,025
Refinery	518,262	756,817
Sugar and allied industries	259,483	259,483
Synthetic and rayon	15,499	15,499
Technology and communication	920,318	2,408,109
Textile composite	2,030,003	2,736,219
Textile spinning	669,393	655,195
Transport	687,204	245,937
Tobacco	1,344,213	695,241
Miscellaneous	1,025,447	838,715
	<u>44,928,949</u>	<u>51,696,434</u>

**Unlisted companies**

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
------(Rupees in '000)-----				
Digri Sugar Mills Limited	4,063	135,585	4,063	135,585
Gelcaps Pakistan Limited	4,665	2,961	4,665	2,961
Pakistan Agriculture Storage Service Corporation	5,500	3,551,928	5,500	3,551,928
Al Ameen Textile	328	N/A	328	N/A
Professional Management Modaraba (Formerly Al Zamin Modarba Management (Private) Limited)	1,000	2,134	1,000	2,134
AMZ Venture Limited Class A	123	N/A	123	N/A
Arabian Sea Country Club	6,500	(7,664)	6,500	(7,664)
Atlas Power Limited	375,000	1,286,500	375,000	1,286,500
Attock Textile Mills Limited	200	N/A	200	N/A
Pakistan Mortgage Refinance Company Limited	600,000	1,934,999	600,000	2,156,685
F.T.C. Management Company Private Limited	250	43,779	250	43,779
Fauji Akbar Portia Marines Terminal Limited	321,076	609,635	321,076	609,635
Fauji Oil Terminals and Distribution Limited	10,886	242,555	10,886	183,168
First Women Bank Limited	21,100	59,413	21,100	46,319
Fortune Securities Limited	5,000	6,814	5,000	6,702
Frontier Textile Mills Limited	500	272	500	272
Gulistan Power Generation Limited	2,200	8,096	2,200	8,096
Hazara Woolen Mills Limited	200	N/A	200	N/A
Industrial Development Bank of Pakistan	107	N/A	107	N/A
Inter Asia Leasing Company Limited	500	N/A	500	N/A
ISE Towers REIT Management Company Limited	30,346	63,967	30,346	62,264
Junaid Cotton Mills Limited	327	N/A	327	N/A
Kaisar Arts and Krafts Limited	8,395	N/A	8,395	N/A
Kaytex Mills Limited	3,778	N/A	3,778	N/A
Khushhali Microfinance Bank Limited	225,000	100,075	225,000	178,700
Mian Mohammad Sugar Mills Limited	15	N/A	15	N/A
Muslim Ghee Mills Limited	1,810	N/A	1,810	N/A
Myfip Video Industries Limited	5,373	N/A	5,373	N/A
National Asset Leasing Corporation Limited	14	N/A	14	N/A
National Construction Limited	250	597	250	597
National Institution of Facilitation Technology (Private) Limited	1,526	55,574	1,526	55,574
National Investment Trust Limited	100	700,276	100	700,276
National Woolen Mills Limited	183	N/A	183	N/A
Natover Lease and Refinance	2,602	N/A	2,602	N/A
Nowshehra Engineering Works Limited	41	N/A	41	N/A
Pakistan Export Finance Guarantee Agency Limited	11,529	1,152	11,529	1,152
Pakistan Paper Corporation Limited	373	N/A	373	N/A
Pakistan Telephone Cables	143	N/A	143	N/A
Pakistan Textile City	100,000	12,410	100,000	12,410
Pakistan Tourism Development Corporation	100	138	100	138
People Steel Mills Limited	3,276	N/A	3,276	N/A
Qadri Textile Mills Limited	500	N/A	500	N/A
Rehman Cotton Mills Limited	16,955	107,895	16,955	107,895
Refrigerator Manufacturing Company Limited	4,589	N/A	4,589	N/A
Rousch Power Pakistan Limited	132,888	1,289,634	132,888	1,430,921
Ruby Rice and General Mills Limited	750	N/A	750	N/A
Sahrish Textile Mills	21	N/A	21	N/A
Shoaib Capital	272	544	272	544
SME Bank Limited	26,950	(251,145)	26,950	(139,326)
South Asia Regional Fund	287	N/A	287	N/A
Star Salica Industries Limited	267	N/A	267	N/A
Syed Match Industries	2	N/A	2	N/A
Union Insurance Company of Pakistan	4	N/A	4	N/A
Unity Modaraba	28	N/A	28	N/A
Zafar Textiles Mills Limited	257	N/A	257	N/A
Zulsham Engineering Works Limited	330	N/A	330	N/A
Information System Associates Limited	1,719	N/A	1,719	N/A
1 Link (Guarantee) Limited	50,000	733,214	50,000	428,290
Pakistan Corporate Restructuring Company Limited	96,000	60,856	96,000	N/A
Pakvitae (Private) Limited	21,000	907	21,000	N/A
	<b>2,107,198</b>		<b>2,107,198</b>	

**Non government debt securities**

**Listed**

- AAA
- AA+, AA, AA-
- A+, A, A-
- Unrated

2024	2023
<b>Cost</b>	
(Rupees in '000)	
-	-
8,200,000	7,510,782
-	625,000
5,992	6,127,303
<b>8,205,992</b>	<b>14,263,085</b>

**Unlisted**

- AAA
- AA+, AA, AA-
- A+, A, A-
- BBB+, BBB, BBB-
- CCC and below
- Unrated

2024	2023
<b>Cost</b>	
(Rupees in '000)	
14,382,734	18,395,305
-	4,693,580
1,634,071	1,838,372
-	299,760
340,000	-
14,594,791	13,647,354
<b>30,951,596</b>	<b>38,874,371</b>

**Foreign securities**

**Government securities**

USA

2024		2023	
Cost	Rating	Cost	Rating
(Rupees in '000)		(Rupees in '000)	
3,100,284	AA+	3,385,022	AA+

**Equity security**

Bank Al - Jazira

2024		2023	
Cost	Rating	Cost	Rating
(Rupees in '000)		(Rupees in '000)	
463,294	BB+	463,294	BB+

**11.5 Particulars relating to securities classified Under "Held to collect" model**

**Federal government securities - Government guaranteed**

- Market treasury bills
- Pakistan investment bonds
- Sukuk
- Foreign currency debt securities

2024	2023
<b>Cost</b>	
----- Rupees in 000 -----	
59,594	-
222,656,096	213,116,482
14,373,995	14,087,500
7,104,331	4,288,988
<b>244,194,016</b>	<b>231,492,970</b>

**Non government debt securities**

**Unlisted**

- Unrated

383,471	404,585
<b>383,471</b>	<b>404,585</b>

**Foreign securities**

**Government securities**

- Azerbaijan
- Bangladesh
- Kyrgyzstan
- Kingdom of Saudi Arabia

2024		2023	
Cost	Rating	Cost	Rating
----- Rupees in 000 -----			
-	-	1,028,843	BB+
33,560,065	B+	35,789,601	BB-
-	-	274,586	B3
4,147,391	A	4,202,951	A+
<b>37,707,456</b>		<b>41,295,981</b>	

**Non government debt securities****Listed**

- Unrated

2024	2023
<b>Cost</b>	
----- Rupees in '000 -----	
<b>1,077</b>	1,083
<b>1,077</b>	<b>1,083</b>

**11.5.1** The market value of securities classified under HTC as at December 31, 2024 amounted to Rs.272,851 million (December 31, 2023: Rs. 251,842 million).

**Investment in shares of a bank incorporated outside Pakistan - Bank Al-Jazira**

**11.6** The Group holds 37,916,666 (2023: 30,333,333) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 3.7% (2023: 3.7%) holding in total equity of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006. BAJ's viability rating is BB+ with short term and long term Issuer Default Rating (IDR) at F2 and A- respectively by Fitch Rating Agency.

**11.7** Aggregate market value of investment in associates (quoted) on the basis of quoted prices amounts to Rs. 1,920 million (2023: Rs. 2,979 million).

**11.8** Associates with zero carrying amount represent the investments acquired from former National Development Finance Corporation (NDFC) which have negative equity or whose operations were closed at the time of amalgamation.

**11.9** The details of break-up value based on latest available financial statements of unlisted investments in associates are as follows:

	<b>Year / Period ended</b>	<b>Break-up value Rupees in '000</b>
Pakistan Emerging Venture Limited	June 30, 2022	25
Mehran Industries Limited	June 30, 2001	5,681
Tharparkar Sugar Mills Limited	September 30, 2001	(83,140)
Prudential Fund Management	June 30, 2007	(2,482)
Dadabhoy Energy Supply Company Limited	June 30, 2007	103,952
Pakistan Mercantile Exchange Limited	June 30, 2024	385,901

**Investments in joint venture**

2024	2023
<b>Rupees in '000</b>	

**11.10** United National Bank Limited (UNBL)  
(Incorporated in United Kingdom)

-	12,259,541
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**11.11** The investments also include shares acquired under tri-partite consent agreement dated June 29, 2011. These strategic investments comprise of the shares of Pakistan State Oil (38,055,247 shares), shares of Sui Northern Gas Pipeline Limited (18,805,318 shares) and shares of Pakistan Engineering Company (135,242 shares). The cost of these shares amounts to Rs. 4,603 million and market value as at December 31, 2024 amounts to Rs. 18,965 million. These shares have been frozen by the Government of Pakistan for sale in the equity market due to their proposed privatization and can not be sold without concurrence of privatization commission.

**11.12** The investments also include 31,665,000 shares of Pakistan Reinsurance Company Limited. The cost of these shares amounts to Rs. 220 million and market value as at December 31, 2024 amounts to Rs. 497 million. These shares can not be sold without concurrence of privatization commission.

**11.13** The investments also include 20,000,000 shares of First Credit and Investment Bank. The cost of these shares amounts to Rs. 157 million and market value as at December 31, 2024 amounts to Rs. 165 million. These shares can not be disinvested without prior consultation with Ministry of Finance.

## 12 ADVANCES

Note	Performing		Non Performing		Total		
	2024	2023	2024	2023	2024	2023	
	----- Rupees in 000 -----						
Loans, cash credits, running finances, etc.	12.1	1,237,052,063	1,325,108,441	254,201,092	205,901,344	1,491,253,155	1,531,009,785
Islamic financing and related assets	12.2	144,913,723	73,125,444	1,985,434	1,550,351	146,899,157	74,675,795
Net investment in finance lease		1,288	16,207	23,253	24,096	24,541	40,303
Bills discounted and purchased		21,296,996	12,534,791	13,228,689	13,644,646	34,525,685	26,179,437
Advances - gross		1,403,264,070	1,410,784,883	269,438,468	221,120,437	1,672,702,538	1,631,905,320
Credit loss allowance / provision against advances							
-Stage 1		19,751,831	-	-	-	19,751,831	-
-Stage 2		10,808,620	-	-	-	10,808,620	-
-Stage 3		-	-	226,013,550	-	226,013,550	-
Specific		-	-	-	203,794,530	-	203,794,530
General		11,501,411	30,038,121	-	-	11,501,411	30,038,121
		42,061,862	30,038,121	226,013,550	203,794,530	268,075,412	233,832,651
Advances - net of credit loss allowance / provision		1,361,202,208	1,380,746,762	43,424,918	17,325,907	1,404,627,126	1,398,072,669

### 12.1 Includes net investment in right-of-use assets / finance lease as disclosed below:

Net Investment in Finance Lease	2024				2023			
	Not later than one year	Later than one and upto five	Over five years	Total	Not later than one year	Later than one and upto five	Over five years	Total
	----- Rupees in 000 -----							
Lease rentals receivable	47,315	-	-	47,315	48,296	-	-	48,296
Residual value	1,335	-	-	1,335	16,332	-	-	16,332
Minimum lease payments	48,650	-	-	48,650	64,628	-	-	64,628
Less: Financial charges for future periods	24,109	-	-	24,109	24,325	-	-	24,325
Present value of minimum lease payments	24,541	-	-	24,541	40,303	-	-	40,303

The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.15% to 11.42% (December 31, 2023: 10.19% to 14.85%) per annum.

### 12.2 These represents financing and related assets placed under shariah permissible modes and presented in Annexure II.

### 12.3 Particulars of advances (gross)

	2024	2023
	----- Rupees in 000 -----	
In local currency	1,385,518,032	1,334,446,843
In foreign currencies	287,184,506	297,458,477
	<u>1,672,702,538</u>	<u>1,631,905,320</u>

#### 12.3.1 Advances to Women, Women-owned and Managed Enterprises (gross)

Women, Women Owned and Managed Enterprises	49,015,802	39,824,786
	<u>49,015,802</u>	<u>39,824,786</u>

#### 12.3.2 Advances to Women, Women-owned and Managed Enterprises (Disbursement)

Women, Women Owned and Managed Enterprises	60,465,824	49,876,099
	<u>60,465,824</u>	<u>49,876,099</u>

### 12.4 Particulars of credit loss allowance

#### 12.4.1 Advances - Exposure

	2024			
	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in 000 -----			
Gross carrying amount - Current year	1,304,857,246	106,222,358	220,825,716	1,631,905,320
Exchange Adjustment	(304,488)	(732,289)	(3,795,696)	(4,832,473)
New advances	186,504,452	19,888,303	-	206,392,755
Advances derecognised or repaid	(118,166,261)	(33,912,829)	(6,376,154)	(158,455,244)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(5,618,292)	7,941,420	(2,323,128)	-
Transfer to stage 3	(61,221,026)	(1,764,650)	62,985,676	-
	1,498,873	(7,847,756)	54,286,394	47,937,511
Amounts written off / charged off		12.7	(135,155)	(446,118)
Transfer to investments - net			(1,726,547)	(1,726,547)
Closing balance - Current year	1,306,051,631	97,507,158	269,143,749	1,672,702,538

## 12.4.2 Advances - Credit loss allowance / provision

	2024						2023		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
	Rupees in '000						Rupees in '000		
Opening balance				203,794,530	30,038,121	233,832,651	191,014,747	17,348,539	208,363,286
Impact of adoption of IFRS-9	15,875,937	11,637,716	226,374,284	(203,794,530)	(18,378,308)	31,715,099			
<b>Opening balance - restated</b>	<b>15,875,937</b>	<b>11,637,716</b>	<b>226,374,284</b>	<b>-</b>	<b>11,659,813</b>	<b>265,547,750</b>	<b>191,014,747</b>	<b>17,348,539</b>	<b>208,363,286</b>
New Advances	7,431,728	2,809,002	9,781,273	-	21,370	20,043,373			
Exchange adjustments	-	-	(3,795,696)	-	155,491	(3,640,205)	12,178,389	153,606	12,331,995
Charge for the year	-	-	-	-	-	-	8,127,428	14,854,298	22,981,726
Advances derecognised or repaid	(3,064,006)	(5,900,820)	(4,785,589)	-	(179,826)	(13,930,241)	(8,129,837)	(1,530,934)	(9,660,771)
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	(453,966)	2,568,844	(2,114,878)	-	-	-	-	-	-
Transfer to stage 3	(37,862)	(306,122)	343,984	-	-	-	-	-	-
Other movement	-	-	554,557	-	(155,437)	399,120	16,894		16,894
Transfer from general to specific provision	-	-	-	-	-	-	787,388	(787,388)	-
	<b>3,875,894</b>	<b>(829,096)</b>	<b>(16,349)</b>	<b>-</b>	<b>(158,402)</b>	<b>2,872,047</b>	<b>12,980,262</b>	<b>12,689,582</b>	<b>25,669,844</b>
Amounts written off	-	-	(205,395)	-	-	(205,395)	(155,872)		(155,872)
Amounts charged off - agriculture financing	-	-	(138,990)	-	-	(138,990)	(44,607)		(44,607)
Changes in risk parameters	-	-	-	-	-	-	-		-
<b>Closing balance</b>	<b>19,751,831</b>	<b>10,808,620</b>	<b>226,013,550</b>	<b>-</b>	<b>11,501,411</b>	<b>268,075,412</b>	<b>203,794,530</b>	<b>30,038,121</b>	<b>233,832,651</b>

## 12.4.3 Advances - Credit loss allowance / provision details Internal / External rating / stage classification

	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rupees in 000			
<b>Outstanding gross exposure</b>				
<b>Domestic</b>				
Performing	Stage 1			1,280,301,979
Under Performing	Stage 2			(209,955)
Non-performing	Stage 3			57,581,172
Other assets especially mentioned			24,896	24,896
Substandard			2,441,119	2,441,119
Doubtful			55,792,771	55,792,771
Loss			9,732,418	9,732,418
			140,049,505	140,049,505
			208,015,813	208,015,813
<b>Sub Total</b>	<b>1,280,301,979</b>	<b>57,371,217</b>	<b>208,040,709</b>	<b>1,545,713,905</b>
<b>Overseas</b>				
Performing	Stage 1			18,723,265
Under Performing	Stage 2			-
IFRS 9 Not applicable				40,060,847
Non-performing	Stage 3			6,806,762
Substandard			124,601	124,601
Doubtful			385,067	385,067
Loss			60,888,091	60,888,091
			61,397,759	61,397,759
<b>Sub Total</b>	<b>25,530,027</b>	<b>40,060,847</b>	<b>61,397,759</b>	<b>126,988,633</b>
<b>Total</b>	<b>1,305,832,006</b>	<b>97,432,064</b>	<b>269,438,468</b>	<b>1,672,702,538</b>
<b>Corresponding ECL</b>				
Stage 1 and stage 2	(19,751,831)	(10,808,620)	-	(30,560,451)
Stage 3	-	-	(226,013,550)	(226,013,550)
General	(11,501,411)	-	-	(11,501,411)
	<b>(31,253,242)</b>	<b>(10,808,620)</b>	<b>(226,013,550)</b>	<b>(268,075,412)</b>
<b>Total</b>	<b>1,274,578,764</b>	<b>86,623,444</b>	<b>43,424,918</b>	<b>1,404,627,126</b>



	Rupees in '000								
Opening balance	-	-	-	203,794,530	30,038,121	233,832,651	191,014,747	17,348,539	208,363,286
Impact of adoption IFRs-9	15,875,937	11,637,716	226,374,284	(203,794,530)	(18,378,308)	31,715,097	12,178,389	153,606	12,331,995
Opening balance restated	15,875,937	11,637,716	226,374,284	-	11,659,813	265,547,748	203,193,136	17,502,145	220,695,281
Exchange adjustments			(3,795,696)		155,491	(3,640,205)			
Charge for the year	7,431,728	2,809,002	9,781,273		21,370	20,043,373	8,127,428	14,854,298	22,981,726
Reversals	(3,064,006)	(5,900,820)	(4,785,589)		(179,826)	(13,930,241)	(8,129,837)	(1,530,934)	(9,660,771)
	4,367,722	(3,091,818)	4,995,684	-	(158,456)	6,113,132	(2,409)	13,323,364	13,320,955
Amounts written off *			(205,395)			(205,395)	(155,872)		(155,872)
Amounts charged off - agriculture financing			(138,990)			(138,990)	(44,607)		(44,607)
Transfer from general to specific provision	-	-	-		-	-	787,388	(787,388)	-
Transfer to stage 1	(453,966)	2,568,844	(2,114,878)		-	-			-
Transfer to stage 2	(37,862)	(306,122)	343,984		-	-			-
Transfer to stage 3	-	-	-		-	-			-
Other movements (to be specified)			554,557		(155,437)	399,120	16,894		16,894
Closing balance	19,751,831	10,808,620	226,013,550	-	11,501,411	268,075,412	203,794,530	30,038,121	233,832,651

### 12.6.1 Particulars of credit loss allowance / provision against advances

	2024						2023		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
	Rupees in '000								
In local currency	19,751,831	10,660,785	167,136,429	-	11,410,985	208,960,029	141,229,466	29,767,923	170,997,389
In foreign currencies	-	147,835	58,877,121	-	90,426	59,115,382	62,565,064	270,198	62,835,262
	19,751,831	10,808,620	226,013,550	-	11,501,411	268,075,411	203,794,530	30,038,121	233,832,651

**12.6.2** General provision includes provision amounting to Rs.90 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the group operates where IFRS 9 has not been implemented. This general provision can be maintained till December 31, 2026 under BPRD circular No. 1 of 2025 dated January 22, 2025.

**12.6.3** The SBP has allowed specific relaxation to the group for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2024. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations. Further SBP has allowed specific relaxation on the requirement for ECL against overdue foreign currency loans of certain Public Sector Entities, either uptill December 31, 2024 or permanently.

**12.6.4** These represent non-performing advances for agriculture finance which have been classified as loss and fully provided for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with Prudential Regulations for Agriculture Financing issued by the SBP. This charge off does not, in any way, prejudice the group's right of recovery from these customers.

	<b>Note</b>	<b>2024</b>	<b>2023</b>
----- Rupees in 000 -----			
<b>12.7 Particulars of write offs:</b>			
<b>12.7.1</b> Against credit loss allowance	<b>12.5</b>	<b>205,395</b>	155,872
Directly charged to profit and loss account	<b>12.6.2</b>	-	-
		<b>205,395</b>	155,872
<b>12.7.2</b> Write offs of Rs. 500,000 and above			
- Domestic		<b>110,950</b>	41,087
- Overseas		<b>42,107</b>	61,582
Write offs of Below Rs. 500,000		<b>52,338</b>	53,203
		<b>205,395</b>	155,872

### 12.7.3 Details of loan write off of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the grouping Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-I to the consolidated financial statements (except where such disclosure is restricted by overseas regulatory authorities).

	Note	2024	2023
<b>13</b>		----- Rupees in 000 -----	
<b>PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	13.1	1,587,358	1,639,234
Property and equipment	13.2	60,643,875	55,837,833
		<u>62,231,233</u>	<u>57,477,067</u>
<b>13.1</b>			
<b>Capital work-in-progress</b>			
Civil works		1,500,429	1,569,774
Equipment		10,727	10,727
Advances to suppliers		76,202	58,733
		<u>1,587,358</u>	<u>1,639,234</u>

## 13.2 Property and equipment

2024												
Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Assets held under finance lease - Office Equipment	Assets held under ljarah - Machinery	Assets held under ljarah - Vehicle	Total

----- Rupees in '000 -----

### At January 1, 2024

Cost / revalued amount	21,472,757	21,087,923	7,532,335	5,613,319	8,175,412	5,973,940	8,566,862	2,298,589	480,200	9,627	273,248	14,367	81,498,578
Accumulated depreciation	-	-	(2,080,964)	(1,633,301)	(6,551,968)	(5,669,612)	(7,606,291)	(1,597,606)	(261,018)	(5,300)	(253,524)	(1,163)	(25,660,747)
Net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,831

### Year ended December 2024

Opening net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,832
Additions	-	-	476,884	143,559	1,049,012	2,617,150	1,004,568	187,486	125,932	-	-	-	5,604,591
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions through business combin	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss recognised in the profit and loss account - net	907,301	615,760	559,908	255,139	-	-	-	-	-	-	-	-	2,338,109
Disposals	-	-	(292,762)	(196,687)	(702,875)	(752,569)	(524,181)	(328,711)	(65,527)	(965)	-	-	(2,864,277)
Depreciation charge	-	-	-	-	10,700	24,195	6,287	101,211	38,090	-	-	-	180,482
Depreciation adjustment - disposal	-	-	-	(33,653)	(19,851)	98,261	(86,524)	125	-	-	-	-	(41,642)
Exchange rate adjustments	-	(12,102)	-	-	(167,839)	-	-	5,538	-	-	-	-	(174,403)
Other adjustments / transfers	(1)	-	1	798	258	(30)	2	(4,230)	65	(2)	-	-	(3,140)
Closing net book value	22,380,057	21,691,581	6,195,404	4,149,174	1,780,398	2,267,254	1,353,861	520,107	269,752	3,360	19,724	13,204	60,643,876

### At December 31, 2024

Cost / revalued amount	22,380,058	21,691,581	8,569,128	5,978,364	9,024,284	8,665,271	9,478,044	2,349,443	492,680	8,660	273,248	14,367	88,925,128
Accumulated depreciation	(1)	-	(2,373,724)	(1,829,189)	(7,243,886)	(6,398,017)	(8,124,184)	(1,829,336)	(222,928)	(5,300)	(253,524)	(1,163)	(28,281,252)
Net book value	22,380,057	21,691,581	6,195,404	4,149,174	1,780,398	2,267,254	1,353,861	520,106	269,752	3,360	19,724	13,204	60,643,876

Rate of depreciation (percentage)	Nil	Nil	5% on book value	5% on book value	20% on cost	33.33% on cost	20%-50% on cost	20% on cost	20% on cost	10% on cost	25% to 33% on cost	20% on book value
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2023												
Free hold land	Lease hold land	Building on free hold land	Building on lease hold land	Furniture and fixture	Computer and peripheral equipment	Electrical, office and computer equipment	Vehicles	Assets held under finance lease - vehicles	Assets held under finance lease - Office Equipment	Assets held under ljarah - Machinery	Assets held under ljarah - Vehicle	Total

----- Rupees in '000 -----

### At January 1, 2023

Cost / revalued amount	21,472,757	21,087,923	7,467,088	5,618,029	7,754,929	5,465,672	8,060,552	2,064,610	467,099	9,627	273,248	14,367	79,755,899
Accumulated depreciation	-	-	(1,786,019)	(1,434,403)	(6,030,316)	(5,066,624)	(7,061,438)	(1,304,951)	(294,782)	(4,339)	(253,524)	(1,163)	(23,237,559)
Net book value	21,472,757	21,087,923	5,681,069	4,183,626	1,724,613	399,048	999,114	759,659	172,317	5,288	19,724	13,204	56,518,340

### Year ended December 2023

Opening net book value	21,472,757	21,087,923	5,681,069	4,183,626	1,724,613	399,048	999,114	759,659	172,317	5,288	19,724	13,204	56,518,342
Additions	-	-	65,247	101,275	730,955	484,586	507,162	287,412	158,766	-	-	-	2,335,404
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(294,946)	(202,648)	(539,884)	(611,348)	(553,356)	(325,670)	(65,670)	(961)	-	-	(2,594,483)
Depreciation charge	-	-	-	3,750	18,347	8,849	9,185	33,015	92,004	-	-	-	165,150
Depreciation adjustment - disposal	-	-	-	54,303	13,383	32,783	9,683	1,670	-	-	-	-	111,822
Exchange rate adjustments	-	-	-	-	(293,665)	-	-	-	(29,290)	-	-	-	(322,955)
Other adjustments / transfers	-	-	1	-	(115)	(489)	(682)	-	7,430	-	-	-	6,145
Closing net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,834

### At December 31, 2023

Cost / revalued amount	21,472,757	21,087,923	7,532,335	5,613,319	8,175,412	5,973,940	8,566,862	2,298,589	480,200	9,627	273,248	14,367	81,498,578
Accumulated depreciation	-	-	(2,080,964)	(1,633,301)	(6,551,968)	(5,669,612)	(7,606,291)	(1,597,606)	(261,018)	(5,300)	(253,524)	(1,163)	(25,660,747)
Net book value	21,472,757	21,087,923	5,451,371	3,980,018	1,623,444	304,328	960,571	700,983	219,182	4,327	19,724	13,204	55,837,832

Rate of depreciation (percentage)	Nil	Nil	5% on book value	5% on book value	20% on cost	33.33% on cost	20%-50% on cost	20% on cost	20% on cost	10% on cost	25% to 33% on cost	20% on book value
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### 13.2.1 Revaluation of Properties

The properties of the group have been revalued by the independent professional valuer as at December 31, 2024. The revaluation was carried out by independent professional valuers, KGT (Pvt) Limited & IMTECH (Pvt). Ltd (PBA registered valuers) on the basis of professional assessment of present market values. The total surplus against revaluation of property and equipment as at December 31, 2024, amounts to Rs. 2,290 million. Had there been no revaluation, the carrying amount of the revalued assets at December 31, 2024, would have been as follows:

	2024	2023
	----- (Rupees in '000) -----	
Freehold land	<b>1,132,637</b>	1,132,637
Leasehold land	<b>890,025</b>	890,025
Building on freehold land	<b>1,538,271</b>	1,076,598
Building on leasehold land	<b>2,142,244</b>	2,006,052
	<b><u>5,703,177</u></b>	<b><u>5,105,312</u></b>
<b>13.2.2</b> Carrying amount of temporarily idle property of the group	<b><u>5,705,101</u></b>	<b><u>5,583,785</u></b>
<b>13.2.3</b> The cost of fully depreciated assets still in use		
Furniture and fixtures	<b>2,843,892</b>	2,261,860
Electrical and office equipment	<b>5,907,839</b>	3,658,267
Computer and peripheral equipment	<b>4,610,629</b>	3,515,860
Vehicles	<b>1,659,586</b>	1,435,407
Assets held under finance lease - Office Equipment	<b>192,094</b>	-
Assets held under Ijarah - Machinery	<b>14,367</b>	-
	<b><u>15,228,406</u></b>	<b><u>10,871,394</u></b>

### 13.3 Details of disposals of property and equipment to related parties

The particulars of disposal of property and equipment to related parties (employees / ex-employees) are given below:

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
	----- (Rupees in '000) -----						
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Shaukat Mahmood
Vehicles	2,380	436	476	40	As per Entitlement	Employee	Mr. Muddassir Nabi
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Farooq Hassan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Abdul Majed Arshad
Vehicles	2,875	527	575	48	As per Entitlement	Ex-Employee	Mr. Ahmad Naseem
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr. Muhammad Aqib Malik
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Mashkoor Ahmad Khan
Vehicles	2,525	505	505	-	As per Entitlement	Ex-Employee	Mr. Danish Bin Inbsat
Vehicles	2,875	527	575	48	As per Entitlement	Employee	Mr. Mirza Asim Baig
Vehicles	2,855	523	571	48	As per Entitlement	Employee	Mr. Farooq Ahmed Soomro
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr. Sarfaraz Ahmed
Vehicles	2,525	463	505	42	As per Entitlement	Employee	Mr. Kamran Masud Khan
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Shaikh Tariq Abdullah
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Wajahat Malik
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr. Javed Iqbal Bangash
Vehicles	2,380	476	476	-	As per Entitlement	Employee	Mr. Abid Kitchlew
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Asad Ullah Saleem
Vehicles	2,625	525	525	-	As per Entitlement	Ex-Employee	Mr. Rashid Mirza
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr. Mirza Babur Baig
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr. Mashooq Ali Khawaja
Vehicles	2,380	754	754	-	As per Entitlement	Ex-Employee	Mr. Salman Talat
Vehicles	2,623	1,224	1,224	-	As per Entitlement	Ex-Employee	Mr. Shabbir Ahmed Khan
Vehicles	8,008	3,337	3,337	-	As per Entitlement	Ex-Employee	Mr. Tauqeer Mazhar
Vehicles	4,003	2,868	2,868	-	As per Entitlement	Ex-Employee	Mr. Zubaid Ali Sheikh
Vehicles	2,875	671	671	-	As per Entitlement	Ex-Employee	Mr. Khadim Hussain
Vehicles	2,695	1,168	1,168	-	As per Entitlement	Ex-Employee	Mr. Inam Malik
Vehicles	2,855	333	333	-	As per Entitlement	Ex-Employee	Mr. Tariq Zafar Iqbal
Vehicles	2,824	1,600	1,600	-	As per Entitlement	Ex-Employee	Mr. Asir Hasan
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr. Pir Baksh
Vehicles	2,875	335	335	-	As per Entitlement	Ex-Employee	Mr. Ovais Asad Khan
Vehicles	2,723	908	908	-	As per Entitlement	Ex-Employee	Ms. Zahida Hameed
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr. Syed Azhar Ali

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
------(Rupees in '000)-----							
Vehicles	2,803	701	701	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhery
Vehicles	2,675	1,159	1,159	-	As per Entitlement	Ex-Employee	Mr.Syed Muhammad Nadeem Kazmi
Vehicles	2,695	719	719	-	As per Entitlement	Ex-Employee	Ms.Hufrish Rayomand Shroff
Vehicles	1,922	1,514	1,514	-	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
Vehicles	2,525	505	505	-	As per Entitlement	Employee	Mr.Ahmer Liquat
Vehicles	2,875	575	575	-	As per Entitlement	Employee	Mr.Mahmood Akhtar Nadeem
Vehicles	2,775	1,064	1,064	-	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Vehicles	2,695	943	943	-	As per Entitlement	Employee	Mr.Azam Durrani Sahib
Vehicles	2,824	1,506	1,506	-	As per Entitlement	Ex-Employee	Mr.Kashif Latif
Vehicles	8,008	1,602	1,602	-	As per Entitlement	Employee	Mr.Amin Manji
Vehicles	2,695	943	943	-	As per Entitlement	Ex-Employee	Mr.Yawar Hasan Zaidi
Vehicles	2,695	943	943	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Vehicles	2,723	1,089	1,089	-	As per Entitlement	Ex-Employee	Mr. Pir Buksh
	<u>132,758</u>	<u>39,741</u>	<u>40,056</u>	<u>315</u>			
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr. Khadim Hussain
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Computer and peripheral equipment	285	-	29	29	As per Entitlement	Ex-Employee	Mr. Tauqeer Mazhar
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Ex-Employee	Mr.Danish Bin Inbsat
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Shahidullah
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Shamsuddin Ahmed Siddiqui
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Ms.Farheen Yousuf
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Mukesh Kumar Jeswani
Computer and peripheral equipment	139	-	14	14	As per Entitlement	Ex-Employee	Mr.Arbab Ali Bugti
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	115	-	12	12	As per Entitlement	Employee	Mr.Syed Abbas Raza
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Bhawan Parkash
Computer and peripheral equipment	144	-	14	14	As per Entitlement	Employee	Mr.Abdul Munir
Computer and peripheral equipment	90	-	9	9	As per Entitlement	Employee	Ms.Mizna Shahab
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Ainain Khalid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Mr.Asad Ullah Saleem
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Noman Saeed Khan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Abdul Haddi Farooqi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Irfan Malik
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdus Salam Mazhar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Nabeel Usman
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Shahryar Khan
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Faraz Sabir
Computer and peripheral equipment	124	-	12	12	As per Entitlement	Employee	Mr.Usman Farooq
Computer and peripheral equipment	121	-	12	12	As per Entitlement	Employee	Mr.Shujat Habib
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Ms. Saeeda Shabbir
Computer and peripheral equipment	109	-	11	11	As per Entitlement	Employee	Mr.Muhammad Shahid
Computer and peripheral equipment	128	-	13	13	As per Entitlement	Employee	Ms.Teemur Nauman
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.S.M Ayub
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Mashood Shahid
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Employee	Mr.Faizan Razi
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Muhammad Salman Asghar
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Asim Nizam
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.Atta Ur Rehman
Computer and peripheral equipment	125	-	12	12	As per Entitlement	Employee	Mr.Amjad Latif
Computer and peripheral equipment	112	-	11	11	As per Entitlement	Employee	Mr.Usman Nayyar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Waseem Azhar
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Employee	Mr.Arif Vohra
Computer and peripheral equipment	101	-	10	10	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Computer and peripheral equipment	122	-	12	12	As per Entitlement	Ex-Employee	Ms.Shahla Ghulam Hussain
Computer and peripheral equipment	244	-	-	-	As per Entitlement	Ex-Employee	Mr. Tauqeer Mazhar
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	185	46	46	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	95	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Ex-Employee	Mr. Tariq Zafar Iqbal
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmad Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmad Tariq
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Ex-Employee	Ms. Asra Adnan
Computer and peripheral equipment	118	-	12	12	As per Entitlement	Ex-Employee	Mr.Muhammad Yousuf Raza
Computer and peripheral equipment	126	-	13	13	As per Entitlement	Ex-Employee	Mr.Fateh Shahab Kazhi
Computer and peripheral equipment	320	80	80	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhry
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Rashid Mirza

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
------(Rupees in '000)-----							
Computer and peripheral equipment	99	-	10	10	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Computer and peripheral equipment	123	-	12	12	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Computer and peripheral equipment	190	58	58	-	As per Entitlement	Ex-Employee	Mr.S.M Nadeem Kazmi
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Anwar Ahmed
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Employee	Mr.Osaman Malik
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr. Syed Imran Ghani
Computer and peripheral equipment	110	-	11	11	As per Entitlement	Employee	Mr.Abdul Rahim
Computer and peripheral equipment	156	-	16	16	As per Entitlement	Employee	Mr.Masood Kurshid Shamsi
Computer and peripheral equipment	117	-	13	13	As per Entitlement	Employee	Mr.Fahd Zaheer
Computer and peripheral equipment	66	-	7	7	As per Entitlement	Employee	Mr.Abid Iqbal
Computer and peripheral equipment	100	-	10	10	As per Entitlement	Employee	Ms.Fauzia Mumtaz
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Shoaib Hassan
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Awais Memon
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Mr.Syed Arsalan Ahmed
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Warda
Computer and peripheral equipment	179	-	18	18	As per Entitlement	Employee	Mr.Wajahit Malik
Computer and peripheral equipment	162	-	16	16	As per Entitlement	Employee	Ms.Nadia Ahmer
Computer and peripheral equipment	325	-	33	33	As per Entitlement	Employee	Mr.Muhammad Ismail Usuf
Computer and peripheral equipment	96	-	10	10	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	105	-	11	11	As per Entitlement	Employee	Mr.Muhammad Adil Usmani
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Ahmed Waheed
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Rayhan Kamal
Computer and peripheral equipment	193	-	19	19	As per Entitlement	Employee	Mr.Sheikh Zeeshan Ali
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Muhammad Waseem Khan
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr. Farhan Javaid Durrani
Computer and peripheral equipment	136	-	14	14	As per Entitlement	Employee	Mr.Nabeel Aslam
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Rashid Ata
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Omer Farooq Mukaty
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Irfan Jan Muhammad
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Naveed Zaidi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Shahzad Rafique
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Employee	Mr.M.Kashif Khan
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Sohail Ahmed Memon
Computer and peripheral equipment	176	-	18	18	As per Entitlement	Employee	Mr.Amin Manji
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Ms.Mehrosh Zulfiqar Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Employee	Mr.Zahir Khurshid
Computer and peripheral equipment	116	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	200	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Computer and peripheral equipment	240	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	124	-	-	-	As per Entitlement	Employee	Mr. Abdul Wahid Sethi
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Ex-Employee	Mr.Yasir Jamali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Shahb Uddin Shaikh
Computer and peripheral equipment	186	-	19	19	As per Entitlement	Employee	Mr.Awais Zafar Khan
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Ms.Nusrat Mumtaz
Computer and peripheral equipment	140	-	14	14	As per Entitlement	Employee	Mr.Rashid Nazir
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Employee	Mr.Muhammad Saqib
Computer and peripheral equipment	114	-	11	11	As per Entitlement	Ex-Employee	Ms.Hira Bari
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Javed Ahmed Siddique
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Hassan Jameel
Computer and peripheral equipment	165	-	17	17	As per Entitlement	Employee	Mr.Asad Ali Shah
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Ex-Employee	Ms.Fariha
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Employee	Mr.Nasir Mahmood
Computer and peripheral equipment	134	-	13	13	As per Entitlement	Employee	Mr.Muhammad Irfan
Computer and peripheral equipment	363	-	36	36	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	160	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	223	-	0	0	As per Entitlement	Employee	Mr.Fouad Farrukh
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Employee	Mr.Sohail Ahmed
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Abid Umar Farooq
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Rehan Meer
Computer and peripheral equipment	141	-	14	14	As per Entitlement	Ex-Employee	Mr.Abdul Mateen Khan
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Aijaz Hyder
Computer and peripheral equipment	150	-	15	15	As per Entitlement	Employee	Mr.Rizwan Masood
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Haffer Sial
Computer and peripheral equipment	127	-	13	13	As per Entitlement	Employee	Mr.Muhammad Asim Baig
Computer and peripheral equipment	148	-	15	15	As per Entitlement	Employee	Mr.S.M.Jawad Ul Hassan Rizvi
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Ex-Employee	Mr.Muhammad Asad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Rehan Ali Khan
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Ali Nouran
Computer and peripheral equipment	145	-	15	15	As per Entitlement	Employee	Mr.Muhammad Nasim
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Faisal Rasheed

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
------(Rupees in '000)-----							
Computer and peripheral equipment	64	-	6	6	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Computer and peripheral equipment	59	-	6	6	As per Entitlement	Employee	Mr.Riaz Asim
Computer and peripheral equipment	171	-	17	17	As per Entitlement	Ex-Employee	Mr.M.Nasir Yousuf
Computer and peripheral equipment	163	-	16	16	As per Entitlement	Ex-Employee	Mr.Naveed Aslam
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Ex-Employee	Mr.Khurram Shehzad
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Nadeem Hami
Computer and peripheral equipment	147	-	15	15	As per Entitlement	Employee	Mr.Mr.Kashif Masood
Computer and peripheral equipment	120	-	12	12	As per Entitlement	Employee	Mr.Sunain Qamar
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Shaikh Tariq Abdullah
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Khalid Ahmed Ghori
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Employee	Mr.Muhammad Omair Sabir
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Muhammad Naem Hanif
Computer and peripheral equipment	106	-	11	11	As per Entitlement	Employee	Mr.Farzan Nazeer
Computer and peripheral equipment	138	-	14	14	As per Entitlement	Ex-Employee	Mr.Shafiq Ahmed Akhund
Computer and peripheral equipment	125	-	13	13	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Computer and peripheral equipment	149	-	15	15	As per Entitlement	Employee	Mr.Riaz Hussain
Computer and peripheral equipment	158	-	16	16	As per Entitlement	Employee	Mr.Syed Naveed Ali
Computer and peripheral equipment	157	-	16	16	As per Entitlement	Ex-Employee	Mr.Muhammad Kamran
Computer and peripheral equipment	143	-	14	14	As per Entitlement	Employee	Mr.Zulfikar Jadavjee
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Syed Anjum Naseer
Computer and peripheral equipment	102	-	10	10	As per Entitlement	Employee	Mr.Rajesh Kumar
Computer and peripheral equipment	166	-	17	17	As per Entitlement	Employee	Mr.Aqib Malik
Computer and peripheral equipment	165	-	16	16	As per Entitlement	Ex-Employee	Ms.Shala Ghulam Hussain
	<u>21,010</u>	<u>184</u>	<u>2,077</u>	<u>1,892</u>			
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Khadim Hussain
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Electrical & Office equipments	194	-	-	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Shabbir Ahmed Khan
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Salim Khawaja
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Ms.Saniha Jafri
Electrical & Office equipments	97	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	110	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Ovais Asad Khan
Electrical & Office equipments	225	113	113	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Asir Hasan
Electrical & Office equipments	225	84	84	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Dr.Jalil Ahmed Tariq
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	25	-	-	-	As per Entitlement	Ex-Employee	Mr.Shahid Iqbal Choudhri
Electrical & Office equipments	50	6	6	-	As per Entitlement	Ex-Employee	Ms.Zahida Hameed
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Syed M.Nadeem Kazmi
Electrical & Office equipments	244	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	298	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	28	-	-	-	As per Entitlement	Employee	Mr.Abdul Wahid Sethi
Electrical & Office equipments	32	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Faisal Khan
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Masroor Raza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Ms.Sumaira Mazhar
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Muhammad Imran Rana
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Hakim Ali Laghari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Employee	Mr.Muhammad Hasnain Raza
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed Shamim Bukhari
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Noman Kazi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Rehan Roshan Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Tahir Sartaj
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Mohad Hasnain Raza
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Syed M.Farrukh Shahid
Electrical & Office equipments	35	-	-	-	As per Entitlement	Employee	Mr.Muhammad Arif Vohra
Electrical & Office equipments	128	-	-	-	As per Entitlement	Employee	Mr.Fouad Farrukh
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon

Particulars of property and equipment	Original cost	Book value	Sale proceed	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Buyers name
------(Rupees in '000)-----							
Electrical & Office equipments	115	-	-	-	As per Entitlement	Employee	Mr.Abdul Rahim Haroon
Electrical & Office equipments	15	-	-	-	As per Entitlement	Employee	Mr.Muhammad Kashif Khan
Electrical & Office equipments	225	66	66	-	As per Entitlement	Ex-Employee	Mr.Syed Azhar Ali
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Fateh M. Shahab Kazi
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Rashid Mirza
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Yawar Hassan Zaidi
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hussan Zaig
Electrical & Office equipments	115	-	-	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq Siddiqui
Electrical & Office equipments	155	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Electrical & Office equipments	15	-	-	-	As per Entitlement	Ex-Employee	Mr.Saeed Habib
Electrical & Office equipments	50	-	-	-	As per Entitlement	Ex-Employee	Mr.Pir Bakhs
Electrical & Office equipments	35	-	-	-	As per Entitlement	Ex-Employee	Mr.Khalid Saeed Quershi
Electrical & Office equipments	800	307	307	-	As per Entitlement	Ex-Employee	Mr.Tauqeer Mazhar
	<u>5,489</u>	<u>575</u>	<u>575</u>	<u>-</u>			
Furniture and fixture	190	41	41	-	As per Entitlement	Ex-Employee	Mr.Muhammad Iqbal Umrani
Furniture and fixture	160	9	9	-	As per Entitlement	Ex-Employee	Mr.Muhammad Khalid Paracha
Furniture and fixture	200	65	65	-	As per Entitlement	Ex-Employee	Mr.Inam Malik Svp
Furniture and fixture	265	41	41	-	As per Entitlement	Ex-Employee	Mr.Arshad Hussain
Furniture and fixture	150	-	-	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed
Furniture and fixture	160	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Arif
Furniture and fixture	281	35	35	-	As per Entitlement	Ex-Employee	Mr.Muhammad Saleem Awan
Furniture and fixture	175	1	1	-	As per Entitlement	Ex-Employee	Mr.Muhammad Anwaer Moten
Furniture and fixture	190	35	35	-	As per Entitlement	Ex-Employee	Mr.Mashooq Ali Khawajah
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Shahidullah
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Tanvir Ahmed Khan
Furniture and fixture	200	33	33	-	As per Entitlement	Ex-Employee	Mr.Salman Talat
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Tariq Zafar Iqbal
Furniture and fixture	200	60	60	-	As per Entitlement	Ex-Employee	Mr.Pir Baksh
Furniture and fixture	160	8	8	-	As per Entitlement	Ex-Employee	Mr.Mahmood Ul Hassan Zaighum
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Mr.Adnan Ahmed Waraich
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Syed Asim Raza
Furniture and fixture	160	64	64	-	As per Entitlement	Ex-Employee	Mr.Karim Bukhs
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Muhammad Nawaz Bhinder
Furniture and fixture	244	42	42	-	As per Entitlement	Ex-Employee	Mr.Junaid Shafqat Sheikh
Furniture and fixture	160	40	40	-	As per Entitlement	Ex-Employee	Mr.Mukhtar Ahmed
Furniture and fixture	335	128	128	-	As per Entitlement	Ex-Employee	Mr.Zubaid Ali Sheikh
Furniture and fixture	89	13	13	-	As per Entitlement	Ex-Employee	Ms.Afshan Shakeel
Furniture and fixture	190	5	5	-	As per Entitlement	Ex-Employee	Mr.Ejaz Ahmed Lone
Furniture and fixture	138	39	39	-	As per Entitlement	Ex-Employee	Mr.Atif Iqbal
Furniture and fixture	160	24	24	-	As per Entitlement	Ex-Employee	Mr.Shaukat Raza
Furniture and fixture	160	19	19	-	As per Entitlement	Ex-Employee	Mr.Sohail Raza
Furniture and fixture	200	38	38	-	As per Entitlement	Ex-Employee	Mr.Yawar Hassan Zaidi
Furniture and fixture	190	21	21	-	As per Entitlement	Ex-Employee	Mr.Sajid Mushtaq
Furniture and fixture	190	25	25	-	As per Entitlement	Ex-Employee	Mr.Irfan Ahmed Kazi
Furniture and fixture	160	56	56	-	As per Entitlement	Ex-Employee	Mr.Nasir Zafar
Furniture and fixture	160	61	61	-	As per Entitlement	Ex-Employee	Mr.Hazar Beg
Furniture and fixture	160	32	32	-	As per Entitlement	Ex-Employee	Mr.Mohammad Mueen Qureshi
Furniture and fixture	190	24	24	-	As per Entitlement	Ex-Employee	Mr.Abdul Majeed Rajpar
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Tanveer Tassarwar
Furniture and fixture	160	31	31	-	As per Entitlement	Ex-Employee	Mr.Muhammad Naeem
Furniture and fixture	160	16	16	-	As per Entitlement	Ex-Employee	Mr.Vijay Kumar Avp
Furniture and fixture	165	40	40	-	As per Entitlement	Ex-Employee	Mr.Zahid Hussain
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Masoom Shah
Furniture and fixture	160	29	29	-	As per Entitlement	Ex-Employee	Mr.Gharib Nawaz
Furniture and fixture	160	41	41	-	As per Entitlement	Ex-Employee	Mr.Israr Ahmed
Furniture and fixture	160	4	4	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	100	-	-	-	As per Entitlement	Ex-Employee	Mr.Amir Akbar
Furniture and fixture	160	25	25	-	As per Entitlement	Ex-Employee	Mr.Javed Irfan
Furniture and fixture	160	39	39	-	As per Entitlement	Ex-Employee	Mr.Late Muhammad Din
Furniture and fixture	190	74	74	-	As per Entitlement	Ex-Employee	Mr.Nazir Shah
Furniture and fixture	190	36	36	-	As per Entitlement	Ex-Employee	Mr.Dr Anwar Ali Khowaja
Furniture and fixture	160	11	11	-	As per Entitlement	Ex-Employee	Mr.Abdul Rasheed
Furniture and fixture	160	36	36	-	As per Entitlement	Ex-Employee	Mr.Rab Dino Thebo
Furniture and fixture	160	28	28	-	As per Entitlement	Ex-Employee	Mr.Hussain Ali
Furniture and fixture	160	12	12	-	As per Entitlement	Ex-Employee	Mr.Naseer Ahmed Gabol
Furniture and fixture	200	12	12	-	As per Entitlement	Ex-Employee	Ms.Zahida Hamid
Furniture and fixture	160	3	3	-	As per Entitlement	Ex-Employee	Ms.Kashif Hussain Shah
	<u>9,436</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>			
	<u>168,693</u>	<u>42,250</u>	<u>44,458</u>	<u>2,207</u>			

14 RIGHT-OF-USE ASSETS

	2024			2023		
	Buildings	Others	Total	Buildings	Others	Total
Rupees in 000						
At January 1, 2024						
Cost	19,864,344	-	19,864,344	19,458,619	-	19,458,619
Accumulated depreciation	(12,528,443)	-	(12,528,443)	(12,272,552)	-	(12,272,552)
Net carrying amount at January 1, 2024	7,335,901	-	7,335,901	7,186,067	-	7,186,067
Additions during the year	1,407,538	-	1,407,538	2,374,880	-	2,374,880
Disposals during the year	29,644	-	29,644	59,820	-	59,820
Depreciation charge for the year	2,117,452	-	2,117,452	2,165,226	-	2,165,226
Net carrying amount at December 31, 2024	6,596,343	-	6,596,343	7,335,901	-	7,335,901

15 INTANGIBLE ASSETS

Note                      2024                      2023  
Rupees in 000

Capital work-in-progress		929,882	470,540
Intangible assets	15.1	<u>1,647,121</u>	<u>1,715,754</u>
		<u>2,577,003</u>	<u>2,186,294</u>

2024				
Core Banking Application	Computer software	Website	Goodwill on NBP Fund Acquisition	Total

Rupees in 000

15.1 At January 1, 2024

Cost	2,913,952	3,104,889	1,041	655,146	6,675,028
Accumulated amortization	<u>(2,913,952)</u>	<u>(1,951,688)</u>	<u>(1,041)</u>	<u>(92,593)</u>	<u>(4,959,274)</u>
Net book value	<u>-</u>	<u>1,153,201</u>	<u>-</u>	<u>562,553</u>	<u>1,715,754</u>

Year ended December 2024

Opening net book value		1,153,201		562,553	1,715,754
Additions:					
- developed internally		48,190	-		48,190
- directly purchased		478,663	-		478,663
- through business combinations		10,957	-	-	10,957
	-	537,810	-	-	537,810
Adjustments - addition		(30,001)	-	-	(30,001)
Amortization charge		(548,691)	-	-	(548,691)
Exchange rate adjustments		(27,008)	-	-	(27,008)
Other adjustments		(744)	-	-	(744)
Closing net book value	-	<u>1,084,567</u>	<u>-</u>	<u>562,553</u>	<u>1,647,120</u>

At December 31, 2024

Cost	2,913,952	3,584,946	1,041	655,146	7,155,085
Accumulated amortization	<u>(2,913,952)</u>	<u>(2,500,379)</u>	<u>(1,041)</u>	<u>(92,593)</u>	<u>(5,507,965)</u>
Net book value	<u>-</u>	<u>1,084,567</u>	<u>-</u>	<u>562,553</u>	<u>1,647,120</u>

Rate of amortization (percentage)                      33.33 % on cost                      33.33 % on cost                      33.33 % on cost

Useful life                      3 years                      3 years                      3 years

2023					
Core Banking Application	Computer software	Website	Goodwill on NBP Fund Acquisition	Total	
Rupees in 000					
<b>At January 1, 2023</b>					
Cost	2,913,952	2,296,410	1,041	655,146	5,866,549
Accumulated amortization	(2,913,952)	(1,627,548)	(1,041)	(92,593)	(4,635,134)
Net book value	<u>-</u>	<u>668,862</u>	<u>-</u>	<u>562,553</u>	<u>1,231,415</u>
<b>Year ended December 2023</b>					
Opening net book value	-	668,862	-	562,553	1,231,415
Additions:					
- developed internally		-	-	-	-
- through acquisitions / purchased		-	679,533	-	679,533
- through business combinations		-	-	-	-
Amortization charge		-	679,533	-	679,533
Exchange rate adjustments		-	(277,042)	-	(277,042)
Other adjustments		-	88,778	-	88,778
Closing net book value	<u>-</u>	<u>668,862</u>	<u>-</u>	<u>1,083,034</u>	<u>1,751,896</u>
<b>At December 31, 2023</b>					
Cost		1,041	1,452,669	-	6,664,072
Accumulated amortization		(1,041)	(369,635)	-	(4,912,176)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,083,034</u>	<u>1,751,896</u>
Rate of amortization (percentage)	<u>33.33 % on cost</u>	<u>33.33 % on cost</u>	<u>33.33 % on cost</u>		
Useful life	<u>3 years</u>	<u>3 years</u>	<u>3 years</u>		

		Note	2024	2023
			----- Rupees in 000 -----	
<b>15.2</b>	The cost of fully amortised intangible assets that are still in use.			
	Core Banking Application		2,913,952	2,913,952
	Computer software		971,629	927,410
	Website		1,041	1,041
			<u>3,886,622</u>	<u>3,842,403</u>
<b>16</b>	<b>OTHER ASSETS</b>			
	Income / return / mark-up accrued in local currency - net of provision		149,076,442	185,624,656
	Income / return / mark-up accrued in foreign currency - net of provision		11,134,215	4,531,523
	Advances, deposits, advance rent and other prepayments	16.1	42,689,543	3,045,383
	Advance taxation (payments less provisions)		-	-
	Advance taxation (payments less provisions) and Income tax refunds receivable	16.7	227,785	1,133,524
	Income tax refunds receivable		18,356	-
	Compensation for delayed tax refunds		22,129,925	22,129,925
	Non-banking assets acquired in satisfaction of claims	16.4	1,153,069	1,169,898
	Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		208,423	208,423
	Branch adjustment account		-	-
	Mark to market gain on forward foreign exchange contracts		-	-
	Commission receivable on Government treasury transactions		5,291,790	5,182,665
	Stationery and stamps on hand		452,880	472,575
	Barter trade balances		195,399	195,399
	Receivable on account of Government transactions	16.2	323,172	323,172
	Receivable from Government under VHS scheme	16.3	418,834	418,834
	Receivable against sale of shares		64,990	234,079
	Acceptances		9,580,543	8,100,364
	Receivable from SBP		-	24,698,013
	Receivable from Pakistan Stock Exchange		434,284	292,822
	Receivable from mutual funds		-	1,238,517
	Receivable from Customers		784,291	377,044
	Deferred fair value loss	16.8	12,587,242	-
	Others		13,798,664	9,052,672
			<u>270,569,847</u>	<u>268,429,488</u>
	Less: Provision held against other assets	16.5	12,655,396	12,495,413
	Less: Credit loss allowance held against markup receivable	16.6	1,225,858	-
	Other assets (Net of credit loss allowance & provision)		<u>256,688,593</u>	<u>255,934,075</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	16.4 & 25.2	2,995,046	2,803,228
	<b>Other assets - Total</b>		<u>259,683,639</u>	<u>258,737,303</u>

- 16.1** This includes Rs. 800 million (2023: Rs. 1,400 million) advance against Pre-IPO placement of Term Finance Certificates and prepaid staff benefits amounting to Rs. 37,632 million (2023: nil).
- 16.2** This represents amount receivable from GoP on account of encashment of various instruments handled by the Bank for GoP as an agent of the SBP. Due to uncertainty about its recoverability, full amount has been provided for.
- 16.3** This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from GoP. Due to uncertainty about its recoverability, full amount has been provided for.

	2024	2023
	----- Rupees in 000 -----	
<b>16.4</b> Market value of Non-banking assets acquired in satisfaction of claims	<u>4,148,115</u>	<u>3,973,126</u>

An independent valuation of the Group's non-banking assets was performed by an independent professional valuer to determine the fair value of the assets as at December 31, 2024. The valuation was carried out by Imtech (Pvt) Limited (Pakistan Banks' Association registered valuer) on the basis of an assessment of present market values.

	2024	2023
	----- Rupees in 000 -----	
<b>16.4.1 Non-banking assets acquired in satisfaction of claims</b>		
Opening Balance	3,973,126	3,699,943
Additions	1,115	-
Revaluation	191,818	283,228
Depreciation	(17,944)	(10,045)
Closing Balance	<u>4,148,115</u>	<u>3,973,126</u>

**16.5 Provision held against other assets**

Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	800,000	800,000
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,566,759	4,377,337
Ex-MBL / NDFC - other assets	760,941	760,941
Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC)	208,423	208,423
Others	5,132,719	5,162,158
	<u>12,655,396</u>	<u>12,495,413</u>

**16.5.1 Movement in provision held against other assets**

Opening balance	12,495,413	12,244,043
Charge for the year	(33,596)	239,045
Other movement	211,518	57,519
Adjustment against provision	(17,939)	(45,194)
Closing balance	<u>12,655,396</u>	<u>12,495,413</u>

**16.6 Credit loss allowance held against mark-up receivable**

Opening balance	-	-
Impact of ECL recognition on adoption of IFRS-9	1,125,218	-
Charge for the period	100,640	-
Closing balance	<u>1,225,858</u>	-

- 16.7** During the year, the Group has adjusted an amount of Rs. 8,797 million (2023: Rs. 9,099 million) against its advance tax liability and demand of previous tax year against income tax refunds receivables. Further, refunds amounting to Rs. Nil million (2023: 10,650 million) were also determined.

- 16.8** This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these consolidated financial statements.

	Note	2024	2023
----- Rupees in 000 -----			
<b>17</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	<b>25,878,780</b>	67,822,126
	Outside Pakistan	<b>181,343</b>	178,322
		<b><u>26,060,123</u></b>	<b><u>68,000,448</u></b>
<b>18</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	Borrowings from State Bank of Pakistan		
	Under Export Refinance Scheme	18.2 <b>25,676,900</b>	29,815,400
	Under Financing Scheme for Renewable Energy	18.3 <b>1,393,611</b>	1,289,488
	Under Refinance Facility for Modernization of SMEs	18.4 <b>135,466</b>	95,111
	Under Financing Facility for Storage of Agriculture Produce (FFSAP)	18.5 <b>365,850</b>	599,548
	Under Long-Term Financing Facility (LTFF)	18.6 <b>13,716,223</b>	17,197,820
	Under Temporary Economic Refinance Facility	18.7 <b>13,612,139</b>	22,827,889
	Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	18.8 <b>99,514</b>	29,220
	Under Refinance Facility for Combating Covid-19	18.9 <b>21,131</b>	45,352
	Under Export Refinance Scheme for Bill Discounting	18.10 <b>2,207,230</b>	2,606,143
		<b>57,228,064</b>	74,505,971
	Repurchase agreement borrowings	18.11 <b>1,855,342,203</b>	2,064,472,106
	<b>Total secured</b>	<b><u>1,912,570,267</u></b>	<b><u>2,138,978,077</u></b>
	<b>Unsecured</b>		
	Call borrowings	18.11 <b>21,989,167</b>	19,434,142
	Overdrawn nostro accounts	<b>197,488</b>	19,330,975
	Borrowing from Pakistan Mortgage Refinance Company	<b>3,000,000</b>	-
	<b>Total unsecured</b>	<b><u>25,186,655</u></b>	<b><u>38,765,117</u></b>
		<b><u>1,937,756,922</u></b>	<b><u>2,177,743,194</u></b>
<b>18.1</b>	<b>Particulars of borrowings with respect to currencies</b>		
	In local currency	<b>1,918,267,755</b>	2,140,248,077
	In foreign currencies	<b>19,489,167</b>	37,495,117
		<b><u>1,937,756,922</u></b>	<b><u>2,177,743,194</u></b>
<b>18.2</b>	The Bank has entered into an agreement with the SBP for extending export finance to customers. As per the terms of the agreement, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP. These borrowings are repayable within 180 days. These carry mark-up at rates ranging from 8.00% to 15.50% (2023: 13.00% to 19.00%) per annum.		
<b>18.3</b>	These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These borrowings shall be repayable for a maximum period of twelve years. These carry mark-up at rates ranging from 2.00% to 3.00% (2023: 2.00% to 3.00%) per annum.		
<b>18.4</b>	These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up of new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These borrowings shall be repayable for a maximum period of ten years and carry mark-up at rates up to 2.00 % (2023: 2.00%) per annum.		
<b>18.5</b>	These borrowings have been obtained from the SBP for providing financing facilities to develop the agricultural produce marketing and enhance storage capacity, to encourage Private Sector to establish Silos, Warehouses and Cold Storages. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 2.50% (2023: 2.5% to 3.5%) per annum.		
<b>18.6</b>	These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings shall be repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 16.00 % (2023: 4.00% to 19.00%) per annum.		

- 18.7** These borrowings have been obtained from the SBP with a view to support businesses to continue payment of wages and salaries to their workers and employees in the aftermath of corona virus (COVID-19) outbreak. These borrowings are repayable for a maximum period of 2.5 years. These carry mark-up at rates ranging from 0% (2023: 0%) per annum.
- 18.8** These borrowings have been obtained from the SBP for improving access to finance for the women entrepreneurs, a refinance cum credit guarantee scheme is being launched for the women borrowers across the country. Under the scheme, refinancing will be provided by State group of Pakistan at 0% to participating financial institutions for onward lending to women entrepreneurs across the country at a mark-up rate of upto 5% per annum.
- 18.9** These borrowings have been obtained from the SBP with a view to provide long term local currency finance for imported and locally manufactured medical equipment to be used for combating COVID – 19. The facility will be available to all the Hospitals and Medical Centres duly registered with respective provincial / federal agencies / commissions and engaged in controlling & eradication of COVID – 19. These borrowings are repayable for a maximum period of 5 years. These carry mark-up at rates at 0.00 % (2023: 0.00%) per annum.
- 18.10** These borrowings have been obtained from the SBP for providing export bill discounting facilities to customers. These carry mark-up at rates ranging from 1.00. % to 2.00% per annum (2023: 1.00% to 2.00% per annum)
- 18.11** Mark-up / interest rates and other terms are as follows:
- Repurchase agreement borrowings carry mark-up ranging from 12% to 14% per annum (2023: 21.75% to 23.00% per annum) having maturity from January 2, 2025 to January 24, 2025.
  - Call borrowings carry interest ranging from 4.44 % to 14.10% per annum (2023: 5.50% to 21.80% per annum).
- 18.12** Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the group's cash and security balances held by the SBP.
- 18.13** Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 1,855,342 million (2023: Rs. 2,064,472 million).

## 19 DEPOSITS AND OTHER ACCOUNTS

2024			2023		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total

----- Rupees in 000 -----

### Customers

Current deposits - remunerative	925,418,336	-	925,418,336	692,443,686	-	692,443,686
Current deposits - non-remunerative	697,490,426	150,386,822	847,877,248	656,289,463	161,079,615	817,369,078
Savings deposits	920,944,729	166,983,905	1,087,928,634	766,301,047	134,394,831	900,695,878
Term deposits	508,608,226	259,883,774	768,492,000	509,997,709	232,985,846	742,983,555
Others	11,713,858	6,711	11,720,569	13,082,003	7,182	13,089,185
	<b>3,064,175,575</b>	<b>577,261,212</b>	<b>3,641,436,787</b>	<b>2,638,113,908</b>	<b>528,467,474</b>	<b>3,166,581,382</b>

### Financial institutions

Current deposits	169,952,266	836,653	170,788,919	458,765,517	1,400,531	460,166,048
Savings deposits	32,044,776	4,214,835	36,259,611	18,946,277	4,644,674	23,590,951
Term deposits	8,683,690	3,999,936	12,683,626	12,824,721	3,636,495	16,461,216
Others	4,043,354	-	4,043,354	6,310,317	-	6,310,317
	<b>214,724,086</b>	<b>9,051,424</b>	<b>223,775,510</b>	<b>496,846,832</b>	<b>9,681,700</b>	<b>506,528,532</b>
	<b>3,278,899,661</b>	<b>586,312,636</b>	<b>3,865,212,297</b>	<b>3,134,960,740</b>	<b>538,149,174</b>	<b>3,673,109,914</b>

----- Rupees in 000 -----

<b>19.1</b> Composition of deposits		
- Individuals	1,453,740,882	1,220,898,183
- Government (Federal and Provincial)	1,511,800,469	1,255,786,576
- Public sector entities	324,537,753	385,531,338
- Banking companies	179,401,406	472,952,639
- Non-banking financial institutions	44,374,104	33,575,893
- Private sector	351,357,683	304,365,285
	<b>3,865,212,297</b>	<b>3,673,109,914</b>

19.2 Foreign currencies deposits include deposit of foreign branches amounting to Rs. 104,461 million (2023: Rs. 99,316 million).

19.3 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,201,539 million (2023: Rs. 1,013,777 million) including Islamic branches.

	2024	2023
	----- Rupees in 000 -----	
<b>20 LEASE LIABILITIES</b>		
Outstanding amount at the start of the year	8,891,000	8,882,468
Additions during the year	1,707,421	1,711,199
Lease payments including interest	(2,953,612)	(2,960,148)
Interest expense	1,060,879	1,063,227
Exchange difference	(120,006)	194,255
Closure of branch	-	-
Outstanding amount at the end of the year	<u>8,585,682</u>	<u>8,891,000</u>

### 20.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	1,720,059	1,781,227
Long-term lease liabilities	-	
- 1 to 5 years	<u>4,557,122</u>	4,719,179
- 5 to 10 years	<u>1,581,913</u>	1,638,168
- More than 10 years	<u>726,588</u>	752,427
	<u>6,865,623</u>	7,109,773
Total lease liabilities	<u>8,585,682</u>	<u>8,891,000</u>

### 21 DEFERRED TAX LIABILITIES

2024					
At January 01, 2024	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At December 31, 2024

----- Rupees in 000 -----

Deductible temporary differences on

- Tax losses carried forward	10,705		10,705	-	-	10,705
- Post retirement employee benefits	7,002,470		7,002,470	41,332	501,193	7,544,995
- Net credit loss allowance against investments	236,751	3,448,715	3,685,466	462,747		4,148,213
- Net credit loss allowance against loans and advances	10,143,512	15,540,398	25,683,910	(2,819,683)		22,864,227
- Net credit loss allowance against off-balance sheet obligations	115,222	1,984,149	2,099,371	(348,145)		1,751,226
- Excess of accounting book values over tax written down values of property and equipment	1,550,617	-	1,550,617	(57,565)		1,493,052
- Other credit loss allowance	98,789	551,357	650,146	84,976	-	735,122
- Provision against contingencies	-	-	-	221,741	-	221,741
- Net credit loss allowance against Balance with other banks	-	18	18	(10)		8
- Net credit loss allowance against Balance with other Central bank	-	9,169	9,169	189		9,358
- Net credit loss allowance against lending to financial institution	-	4,764	4,764	(5,056)		(292)
- Right of use assets	651,852		651,852	238,644	-	890,496
	<u>19,809,918</u>	<u>21,538,570</u>	<u>41,348,488</u>	<u>(2,180,830)</u>	<u>501,193</u>	<u>39,668,851</u>

Taxable temporary differences on

- Surplus on revaluation of property and equipment	(3,221,529)		(3,221,529)	173,298	(624,961)	(3,673,192)
- Surplus on revaluation of investments	(16,223,311)	(5,657,733)	(21,881,044)		(53,632,462)	(75,513,506)
- Surplus on revaluation of non-banking assets	(106,848)		(106,848)	-	(11,367)	(118,215)
- Gain on sale of Equity Shares - FVOCI	-	-	-	-	-	-
- Opening impact IFRS-9	-	-	-	-	-	-
Gain on Sale / Staff loan fair valuation			-			-
- Exchange translation reserve	(1,116,836)		(1,116,836)	(99,091)	46,815	(1,169,112)
- Excess of accounting book value of leased assets	16,038	-	16,038	11,550	15,229	42,817
- Opening impact IFRS-9		(232,907)	(232,907)			(232,907)
- Reclassification / Re-measurement of Investments on adoption of IFRS 9		(3,057,980)	(3,057,980)	3,057,980		-
	<u>(20,652,486)</u>	<u>(8,948,620)</u>	<u>(29,601,106)</u>	<u>3,143,737</u>	<u>(54,206,746)</u>	<u>(80,664,115)</u>
	<u>(842,568)</u>	<u>12,589,950</u>	<u>11,747,382</u>	<u>962,907</u>	<u>(53,705,553)</u>	<u>(40,995,264)</u>

2023			
At January 1 2023	Recognised in P&L charge / (reversal)	Recognised in Other Comprehensive Income	At Dec 31 2023

----- Rupees in 000-----

Deductible temporary differences on  
Deductible temporary differences on  
- Tax losses carried forward  
- Post retirement employee benefits  
- Provision for diminution in the value of investments  
- Provision against loans and advances  
- Provision against off-balance sheet obligations  
- Fixed assets  
- Other provision  
- Accelerated tax depreciation

10,705	-	-	10,705
7,467,549	41,331	(506,410)	7,002,470
236,751	-	-	236,751
12,925,197	(2,781,685)	-	10,143,512
115,222	-	-	115,222
1,395,724	154,893	-	1,550,617
107,841	(9,052)	-	98,789
-	-	-	-
670,604	(18,752)	-	651,852
22,929,593	(2,613,265)	(506,410)	19,809,918

Taxable temporary differences on  
- Surplus on revaluation of fixed assets  
- Surplus on revaluation of investments  
- Surplus on revaluation of non-banking assets  
- Exchange translation reserve  
- Exchange translation reserve

(2,968,387)	180,464	(433,606)	(3,221,529)
3,208,916	-	(19,432,227)	(16,223,311)
(21,752)	-	(85,096)	(106,848)
(734,250)	-	(382,586)	(1,116,836)
(7,890)	11,551	12,377	16,038
(523,363)	192,015	(20,321,138)	(20,652,486)
22,406,230	(2,421,250)	(20,827,548)	(842,568)

## 22 OTHER LIABILITIES

Note 2024 2023  
----- Rupees in 000-----

Mark-up / return / interest payable in local currency		198,479,773	194,680,604
Mark-up / return / interest payable in foreign currencies		2,126,296	2,611,281
Unearned commission and income on bills discounted		316,175	124,131
Accrued expenses		15,598,804	13,907,160
Advance payments		426,199	387,084
Current taxation (provisions less payments)		14,338,206	-
Unclaimed dividends		174,057	174,709
Dividends payable		-	-
Mark to market loss on forward foreign exchange contracts		379,658	6,676,880
Branch adjustment account		3,772,016	1,659,214
Unremitted head office expenses			
Payable to defined benefit plan			
Payable to defined benefit plan:		-	-
Pension fund	41.4	75,638,568	22,944,893
Post retirement medical benefits	41.4	39,745,198	34,833,112
Benevolent fund	41.4	1,882,384	1,613,699
Gratuity scheme	41.4	5,333,423	4,975,497
Compensated absences	41.4	10,227,411	9,632,176
Staff welfare fund		394,102	371,257
Liabilities relating to barter trade agreements		4,280,203	4,321,484
Provision against contingencies	22.1	5,343,606	4,698,118
Credit loss allowance against off-balance sheet obligations	22.2	1,726,164	627,494
Payable to brokers		30,288	735,663
PIBs short selling			10,241,337
Payable to customers		857,521	516,017
Acceptances		9,580,543	8,100,364
Others		20,687,229	19,040,688
		<b>411,337,824</b>	<b>342,872,862</b>

### 22.1 Provision against contingencies

Opening balance		4,698,118	4,170,799
Charge for the year		426,424	384,838
Other movement		219,064	142,481
Closing balance		<b>5,343,606</b>	<b>4,698,118</b>

	2024	2023
	----- Rupees in 000 -----	
22.2 Credit loss allowance against off-balance sheet obligations		
Opening balance	627,494	627,494
Impact of adoption of IFRS-9	4,049,283	
Reversals for the year	<u>(669,509)</u>	<u>-</u>
	(669,509)	-
Transfer out	<u>(2,281,104)</u>	<u>-</u>
Closing balance	<u>1,726,164</u>	<u>627,494</u>

## 23 SHARE CAPITAL

### 23.1 Authorized capital

	2024	2023		2024	2023
	----- Number of shares -----			----- Rupees in 000 -----	
	<u>2,500,000,000</u>	<u>2,500,000,000</u>	Ordinary shares of Rs.10/- each	<u>25,000,000</u>	<u>25,000,000</u>

### 23.2 Issued, subscribed and paid up

	2024	2023		2024	2023
	----- Number of shares -----			----- Rupees in 000 -----	
			<b>Ordinary shares</b>		
	140,388,000	140,388,000	Fully paid in cash	1,403,880	1,403,880
	1,987,125,026	1,987,125,026	Issued as bonus shares	19,871,251	19,871,251
	-	-	Issued for consideration other than cash	-	-
	<u>2,127,513,026</u>	<u>2,127,513,026</u>		<u>21,275,131</u>	<u>21,275,131</u>
	-	-	Less: Discount on issue of shares	-	-
	<u>2,127,513,026</u>	<u>2,127,513,026</u>		<u>21,275,131</u>	<u>21,275,131</u>

The Federal Government and Pakistan Sovereign Wealth Fund (PSWF) holds 75.60% (2023: Federal Government and SBP 75.60%) shares of the Bank.

23.3 The Pakistan Sovereign Wealth Fund Act, 2023 became effective during the 2023. Under the said Act, the SBP's shareholding in the Bank stands transferred to the Pakistan Sovereign Wealth Fund (PSWF).

	2024	2023
	----- Number of shares -----	
Shares of the Bank held by subsidiary and associate		
Following shares were held by the associate of the Bank as of year end:		
First Credit & Investment Bank Limited	<u>70,000</u>	<u>70,000</u>
	<u>70,000</u>	<u>70,000</u>

## 24 RESERVES

### Exchange translation reserve

This comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### Statutory reserve

Every bank incorporated in Pakistan is required to transfer 20% of their profits to a statutory reserve until the reserve equals share capital, thereafter 10% of the profits of the Bank are to be transferred to this reserve.

	Note	2024	2023
		----- Rupees in 000 -----	
<b>25</b>	<b>SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI - Debt	11.1 & 25.3	50,319,905	-
- Securities measured at FVOCI - Equity	11.1 & 25.3	94,898,376	-
- Available for sale securities		-	33,119,281
- Property and Equipment	25.1	49,394,600	48,300,131
- Non-banking assets acquired in satisfaction of claims	25.2	2,995,046	2,803,228
- On securities of associates and joint venture		(93,379)	(337,236)
		<b>197,514,548</b>	<b>83,885,404</b>
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		(26,166,351)	-
- Securities measured at FVOCI - Equity		(49,347,156)	-
- Available for sale securities		-	(16,223,312)
- Property and equipment	25.1	(3,773,782)	(3,322,829)
- Non-banking assets acquired in satisfaction of claims	25.2	(118,215)	(106,848)
		<b>(79,405,504)</b>	<b>(19,652,989)</b>
		<b>118,109,044</b>	<b>64,232,415</b>
<b>25.1</b>	<b>Surplus on revaluation of property and equipment</b>		
Surplus on revaluation of property and equipment as at January 1		47,395,553	47,733,682
Recognised during the year	13.2	2,338,109	17,842
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		-	-
Related deferred tax liability on incremental depreciation charged during the year		(162,750)	(181,545)
Surplus on revaluation of property and equipment as at December 31		<b>(176,312)</b>	<b>(174,426)</b>
		<b>49,394,600</b>	<b>47,395,553</b>
Less: related deferred tax liability on:			
- revaluation as at January 1		(3,322,829)	(3,061,347)
- revaluation recognised during the year		(423,825)	(8,743)
- rate adjustment		(203,439)	(427,165)
- incremental depreciation charged during the year		176,312	174,426
		<b>(3,773,781)</b>	<b>(3,322,829)</b>
Share of surplus on revaluation of fixed assets of associates and joint venture		-	904,578
		<b>45,620,819</b>	<b>44,977,302</b>
<b>25.2</b>	<b>Surplus on revaluation of non-banking assets acquired in satisfaction of claims</b>		
Surplus on revaluation as at January 1		2,803,228	2,520,000
Recognised during the year		191,818	283,228
Surplus on revaluation as at December 31		<b>2,995,046</b>	<b>2,803,228</b>
Less: related deferred tax liability on:			
- revaluation as at January 1		(106,848)	(21,752)
- revaluation recognised during the year		(4,826)	(82,060)
- rate adjustment		(6,541)	(3,036)
		<b>(118,215)</b>	<b>(106,848)</b>
		<b>2,876,831</b>	<b>2,696,380</b>

	Note	2024	2023	
		----- Rupees in 000 -----		
<b>25.3</b>	<b>Securities which will be recycled to the consolidated statement of profit and loss account</b>			
	- Securities measured at FVOCI - Debt	50,319,905	-	
	<b>Securities which will not be recycled to the consolidated statement of profit and loss account</b>			
	- Securities measured at FVOCI - Equity	94,898,376	-	
<b>26</b>	<b>CONTINGENCIES AND COMMITMENTS</b>			
	-Guarantees	26.1	513,080,260	346,487,980
	-Commitments	26.2	2,319,154,517	2,362,684,359
	-Other contingent liabilities	26.3	26,536,608	26,628,229
			<u>2,858,771,385</u>	<u>2,735,800,568</u>
<b>26.1</b>	<b>Guarantees:</b>			
	Financial guarantees		461,985,681	227,063,459
	Performance guarantees		51,094,580	119,424,521
	Other guarantees		-	-
			<u>513,080,260</u>	<u>346,487,980</u>
<b>26.2</b>	<b>Commitments:</b>			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		1,585,818,397	1,633,847,479
	Commitments in respect of:			
	- forward foreign exchange contracts	26.2.1	637,181,340	655,935,358
	- forward government securities transactions	26.2.2	79,587,535	27,318,929
	- forward lending	26.2.3	15,467,596	44,432,555
	Commitments for acquisition of:			
	- operating property and equipment		1,082,641	1,129,442
	Other commitments	26.2.5	17,008	20,596
			<u>2,319,154,517</u>	<u>2,362,684,359</u>
<b>26.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>			
	Purchase		419,040,101	412,870,783
	Sale		218,141,239	243,064,575
			<u>637,181,340</u>	<u>655,935,358</u>
	Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.			
<b>26.2.2</b>	<b>Commitments in respect of forward government securities transactions</b>			
	Purchase		74,167,535	11,493,136
	Sale		5,420,000	15,825,793
			<u>79,587,535</u>	<u>27,318,929</u>
	Commitments for outstanding forward government securities transactions are disclosed in these consolidated financial statements at contracted rates.			

	2024	2023
	----- Rupees in 000 -----	
<b>26.2.3 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to lend	<u>15,467,596</u>	<u>44,432,555</u>
	<u>15,467,596</u>	<u>44,432,555</u>

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

	Note	2024	2023
		----- Rupees in 000 -----	
<b>26.2.5 Other commitments</b>			
Professional services to be received		<u>17,008</u>	<u>20,596</u>
<b>26.3 Other contingent liabilities</b>	<b>26.3.1</b>	<u>26,536,608</u>	<u>26,628,229</u>

**26.3.1** Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (2023: Rs. 1,597 million).

### **26.3.2 Taxation**

- The return of income for tax year 2024 has been filed which is treated to be deemed assessment order.
- Honourable ATIR has passed appellate order for tax year 2005 against monitoring order and held that the proceedings are time barred. However, the order of the DCIR remanded back to the assessing officer with the instruction to proceed further if any information is already available with the tax department.
- Honourable ATIR has passed appellate order for tax year 2009 against monitoring order and the order passed by the DCIR has been annulled.
- An assessment order was issued by the ACIR for the tax year 2023. In this assessment, the tax authorities have made certain additions. The Bank has contested these additions before the Appellate Tribunal.
- The aggregate effect of contingencies as on Dec 31, 2024 including amount of Rs. 716 million (December 31, 2023: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 35,160 million (December 31, 2023: Rs. 34,730 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expect favorable outcome upon decisions of pending appeals.

### **26.3.3 Contingencies in respect of employees benefits and related matters**

The following are the details of the contingencies arising out of the various legal cases pending adjudication in respect of employees' benefits and related matters. The Bank considers that except for Pensionary benefits note 26.3.3.1, the financial impact of other matters is impracticable to determine with sufficient reliability.

#### **26.3.3.1 Pensionary benefits to retired employees**

The Honorable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, dismissed all the civil review petitions filed by NBP (CRPs No 368 to 409 etc.), as a result of which the Supreme Court decision dated 25th September 2017, in respect of the pension litigation, has now attained finality. Accordingly, and in compliance of the judgement bank has made payments to majority of petitioners as well as non-petitioners.

The Honorable Supreme Court has also directed NBP to pay the arrears of any government increases in pension but to only pensioners who are directly involved and are parties in the aforesaid litigation. However, as things stand at the moment, an off- shoot of the said litigation is presently pending final adjudication in the Supreme Court wherein a different class of pensioners are claiming payment of government increases in pension from NBP. In this case, the Supreme Court has granted NBP annual relief and has suspended the operation of the judgment of the Lahore High Court which had directed NBP to pay such pension increases. As a result, there are now two different views of the Honorable Supreme Court vis a vis the payment of government increases in pension to the pensioners of NBP and the legal position is far from being clear or certain. However, as a matter of prudence the Bank has incorporated financial impact in these consolidated financial statements for the year ended December 31, 2024.

### 26.3.3.2 Regularizing the temporary hires / workers deployed by service provider companies under outsourcing arrangements

The Bank outsourced certain non-core jobs to various service provider companies after entering into contracts with them. The resources deployed by the service provider companies were their employees and the said companies have had sole administrative control over these resources. Some of these resources filed writ petitions before the High Courts and National Industrial Relations Commission (NIRC) seeking to be absorbed by the Bank in its regular service based on grounds that they were in fact employees of the Bank. Presently, there are 6 cases on appeal pending at the Supreme Court where these have been clubbed to be heard as one. The Chief Justice of Pakistan has constituted a larger bench comprising of five Judges being headed by himself for adjudication. The case is ongoing and is presently adjourned for a date to be fixed. A favorable outcome of this case is expected.

### 26.3.3.3 Litigation related to management trainee program

Following the litigation arising out of the order dated September 21, 2016 passed by the Supreme Court in our CA No.1644/2013 out of our CPLA No. 805/2013 filed against order dated March 13, 2013 of the Division Bench of Sindh High Court, Sukkur in CP No. D-417/2010 (the "Decision"), the Bank has substantially paid all the petitioners and non petitioners in accordance with court orders or on the basis of out of court settlements. The matter is now closed.

### 26.4 Foreign exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporter namely: M/S Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has also adjudicated penalty of Rs. 1,020 million, arbitrarily on the Bank. The Bank has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgments. The Honorable High Court has granted relief to the Bank by way of annual orders.

As advised by our counsel, NBP has also filed a Constitutional Petition challenging the constitution of the Appellate Board by the Commission and has obtained restraining order on the ground that the Appellate Board constituted by the Commission lacks legal merit in the light of Supreme Court ruling. Our counsel, Mr. Rashid Anwar, Advocate has concluded his arguments in respect of the Foreign Exchange Regulation Appellate Board constitution. However, another petition filed by another company whereby challenging the constitutionality of the Competition Act was also tagged with the petitions filed by the banks.

Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore, no provision has been made against the impugned penalty.

### 26.5 Compliance and risk matters relating to anti-money laundering at the New York Branch

The bank fully complied with the public enforcement actions issued in February 2022 by the New York State Department of Financial Services (NYDFS) and the Federal Reserve Board. It thereafter decided to close the New York branch. With approval from the NYDFS, the bank's New York branch voluntarily surrendered its banking license to the NYDFS in October 2024. In December 2024, the Federal Reserve Board terminated the enforcement actions issued to NBP/New York Branch in March 2016 & February 2022. The NYDFS does not have a practice of terminating enforcement actions.

	2024	2023
	----- Rupees in 000 -----	
<b>27 MARK-UP / RETURN / INTEREST EARNED</b>		
Loans and advances	233,243,873	221,750,632
Investments	842,172,110	774,057,450
Lendings to financial institutions	11,124,263	27,987,718
Balances with banks	3,350,692	1,338,862
	<u>1,089,890,938</u>	<u>1,025,134,662</u>
<b>28 MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits	460,381,568	364,955,254
Borrowings	8,956,569	6,988,812
Cost of foreign currency swaps against foreign currency deposits / borrowings	15,257,391	14,293,880
Amortisation of lease liability against right-of-use assets	1,050,289	843,098
Securities sold under repurchase agreements	432,806,427	468,699,346
	<u>918,452,244</u>	<u>855,780,390</u>

	Note	2024	2023
		----- Rupees in 000 -----	
<b>29 FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		1,872,522	1,836,285
Consumer finance related fees		829,131	537,528
Card related fees (debit and credit cards)		4,895,488	3,018,522
Credit related fees		337,189	355,727
Investment banking fees		382,569	479,928
Commission on trade		2,447,629	2,431,771
Commission on guarantees		1,767,688	815,499
Commission on cash management		56,703	98,999
Commission on remittances including home remittances		1,772,179	1,851,419
Commission on bancassurance		273,804	227,995
Commission on government transactions		10,862,413	10,319,641
Management Fee & Sale Load		3,133,839	1,936,252
Brokerage Income		154,440	89,116
Others		385,569	137,614
		<u>29,171,163</u>	<u>24,136,296</u>
<b>30 GAIN ON SECURITIES</b>			
Realized	30.1	19,112,490	4,447,398
Unrealized - measured as FVTPL / held for trading - net	30.1 & 11.1	9,082,580	(28,025)
Unrealized - Short selling		-	1,873
		<u>28,195,070</u>	<u>4,421,246</u>
<b>30.1 Realized gain on:</b>			
Federal Government securities		9,222,915	1,289,150
Shares	30.2	8,831,849	3,201,890
Sale of Joint Venture and associate		1,148,824	-
Foreign securities		(91,098)	(43,642)
		<u>19,112,490</u>	<u>4,447,398</u>
<b>30.2</b>			
The transaction for the sale of the Bank's shareholding in United National Bank Limited (UNBL UK) was concluded after obtaining all the regulatory approvals on July 01,2024.			
<b>30.3</b>			
During the year, the Bank has divested its interest in its associate, Agritech Limited, through a negotiated transaction. The transaction was completed on 15th October, 2024.			
<b>31 Net gain on financial assets / liabilities measured at FVTPL:</b>			
Designated upon initial recognition		10,456,189	-
Mandatorily measured at FVTPL		3,207,723	-
		13,663,912	-
Net gain on financial assets measured at FVOCI - Debt		6,421,596	-
		<u>20,085,508</u>	<u>2,756,317</u>
<b>31 NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>			
Loss on derecognition of financial assets measured at amortised cost	31.1	<u>(662,486)</u>	<u>-</u>
<b>31.1</b>			
This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 1st year's 5% of loss in these consolidated financial statements.			
<b>32 OTHER INCOME</b>	Note	2024	2023
		----- Rupees in 000 -----	
Rent on property		89,121	74,028
Gain on sale of property and equipment - net		5,022	224,324
Postal, SWIFT and other charges recovered / reversed		214,222	131,783
Compensation for delayed delivery of vehicles		-	1,009
Compensation for delayed tax refunds	32.1	-	1,320,345
Tender money		-	2,307
Early settlement of staff loan		319,333	-
Incentive on Home remittance		-	13,102
Deferred Income on Sale of Fixed Asset		10,542	9,851
Reversal of Expenses		44,348	-
Others		42,218	19,700
		<u>724,806</u>	<u>1,796,449</u>
<b>32.1</b>			
This represents compensation for delayed refunds determined under Section 171 of Income Tax Ordinance 2001.			

33 OPERATING EXPENSES	Note	2024 ----- Rupees in 000 -----	2023
<b>Total compensation expense</b>	<b>33.2</b>	<b>137,825,820</b>	57,298,224
<b>Property expense</b>			
Rent and taxes		1,662,651	1,254,651
Insurance	<b>33.3</b>	54,204	62,440
Utilities cost		3,394,864	2,902,890
Security (including guards)		4,583,774	4,128,206
Repair and maintenance (including janitorial charges)		1,688,161	1,481,169
Depreciation		499,358	497,594
Depreciation on non - banking assets		17,944	10,045
Depreciation on Ijarah assets		1,371	1,065
Depreciation on right-of-use assets		2,117,452	2,165,226
Others		12,268	-
		<b>14,032,047</b>	12,503,286
<b>Information technology expenses</b>			
Software maintenance		3,321,159	2,810,861
Hardware maintenance		160,017	138,307
Depreciation		750,716	611,348
Amortisation		548,798	324,753
Network charges		1,000,925	892,901
IT Manage services		1,916,363	2,611,550
Others		4,193	-
		<b>7,702,171</b>	7,389,720
<b>Other operating expenses</b>			
Directors' fees and allowances		95,191	88,232
Directors' fees and allowances - subsidiaries		27,920	25,870
Fees and allowances to Shariah Board		19,503	17,423
Legal and professional charges		1,344,087	2,185,861
Outsourced services costs	<b>33.1</b>	1,470,838	931,924
Travelling and conveyance		1,738,257	1,909,797
NIFT clearing charges		279,744	255,128
Depreciation		1,619,752	1,485,541
Training and development		184,736	112,140
Postage and courier charges		359,123	417,253
Communication		1,676,185	1,265,355
Stationery and printing		2,514,600	2,095,876
Marketing, advertisement & publicity		1,764,011	1,159,337
Donations	<b>33.5</b>	148,761	45,104
Auditors remuneration	<b>33.6</b>	367,484	365,766
Property and equipment / Non-banking asset deficit		12,102	-
Financial charges on leased assets		237,162	71,513
Entertainment		486,870	342,228
Clearing charges, verification and licence fee		499,229	574,953
Subscription		-	509
Brokerage		228,342	148,942
WWF		35,077	-
Insurance general		1,043,258	748,936
Vehicle expenses		294,107	257,265
Deposit premium expense		1,636,619	1,392,861
Repairs and maintenance general		1,169,136	1,388,748
Others		1,280,573	681,419
		<b>20,532,667</b>	17,967,981
		<b>180,092,705</b>	95,159,211

**33.1** Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 1,548 million (2023: Rs. 931.9 million). Out of this cost, Rs. 1,536 million (2023: Rs. 919.4 million) pertains to the payment to companies incorporated in Pakistan and Rs. 12.2 million (2023: Rs. 12.5 million) pertains to payment to companies incorporated outside Pakistan. Total Cost of outsourced activities for the year given to related parties is Rs. Nil (2023: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017. The material outsourcing arrangements along with their nature of services are as follows:

Name of Company	Nature of Services	2024	2023
		----- Rupees in 000 -----	
HTECH Solutions (Private) Limited	Call centre management	<u>168,497</u>	<u>122,541</u>

During the year, outsourcing services were hired in respect of sales, call centre services, IT support & Services, Cash sorting, protocol services, collection services, and engineering services.

33.2 Total compensation expense	Note	2024	2023
		----- Rupees in 000 -----	
Fees and allowances etc		110,756	-
Managerial remuneration		-	-
i) Fixed		19,245,929	16,773,229
ii) Variable		126,222	-
a) Cash bonus / awards etc.		6,229,808	5,596,227
b) Bonus and awards in shares etc.		356,648	-
Charge for defined benefit plan	26.3.3.1	81,402,315	11,918,752
Charge for defined benefit plan - Subsidiaries		175,822	80,288
Contribution to defined contribution Plan		17,736	-
Rent and house maintenance		7,041,372	6,437,798
Utilities		3,216,195	2,694,045
Medical		5,642,967	4,618,445
Conveyance		5,465,909	4,256,728
Club Membership and Subscription		153,640	93,718
Education Allowance		1,820,867	1,818,799
Insurance		412,722	480,752
Honorarium to Staff and Staff Welfare		231,091	451,129
Overtime		49,460	45,892
Special Duty Allowance		1,369	3,621
Islamic Banking Allowance		1,070	-
Washing Allowance		13,232	14,208
Key Allowance		70,804	70,501
Unattractive Area Allowance		83,185	68,690
Leave Encashment		12,766	12,021
Teaching Allowance		13,004	10,864
Incentive on CASA deposits mobilization		76,656	35,378
Meal Allowance		444,646	246,262
Staff Incentive		15,632	8,421
Liveries		13	19
Inchamber Allowance		617	-
Inflationary Allowance		-	648,818
Saturday Allowances		158,454	162,405
Severe Winter Allowance		57,338	54,480
Hill Allowance		46,379	34,530
ATM Cash Replenish Allowance		21,325	20,593
PhD Allowance		12,844	10,098
Hardship Allowance		3,110	-
Other retirement benefits of international branches		-	132,036
Reimbursement of visa fees etc			
Staff Loan - notional cost	33.4	4,605,524	
Others		488,393	499,477
		<u>137,825,820</u>	<u>57,298,224</u>
		<u>137,825,820</u>	<u>57,298,224</u>

**33.3** This includes Rs. 3.935 million (2023: Rs.3.422 million) insurance premium against directors' liability insurance.

**33.4** This refers to unwinding of notional deferred cost on subsidised staff loans fair valuation under IFRS-9.

33.5	Donations include following amounts:	2024	2023
		----- Rupees in 000 -----	
	Special Olympics Pakistan	5,500	-
	Afzaal Memorial Thalassemia Foundation	5,000	-
	Family Educational Services Foundation	15,000	-
	Child Aid Association	2,000	-
	Marie Adelaide Leprosy Centre	2,500	-
	Child Life Foundation	10,000	-
	Akhawat	14,000	-
	Karwan-e-Hayat	12,600	-
	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	38,511	26,549
	Pakistan Alliance For Girls Education Trust	5,300	-
	The Hunar Foundation	15,000	-
	Strengthening Participatory Organization	11,314	-
	Tehzibul Akhlaq Trust	7,000	-
	Sindh community Foundation	5,037	-
	The Citizen Foundation (TCF)	-	7,255
	Network of Organizations Working for	-	5,000
	Women Empowerment Group (WEG)	-	6,300
		<b>148,761</b>	<b>45,104</b>

33.5.1 None of the Directors, Sponsor shareholders and Key Management Personnel or their spouse have an interest in the Donee.

33.6	Auditors' remuneration	A.F.Ferguson & Co.	BDO Ebrahim & Co.	2024	2023
		-----Rupees in 000-----			
	Audit fee	33,000	28,132	61,132	35,949
	Special certifications	2,825	2,307	5,132	2,527
		<b>35,825</b>	<b>30,439</b>	<b>66,264</b>	<b>38,476</b>
	Other special certification and sundry advisory	31,340	6,790	38,130	81,871
	Out-of-pocket expenses	10,175	10,175	20,350	9,000
	Sales Tax	3,680	3,249	6,929	12,922
	Fee for audit of foreign branches including advisory service and out-of-pocket expenses	-	-	231,238	218,321
	Fee for audit of subsidiaries including out-of-pocket expenses	-	-	4,574	5,176
		<b>81,020</b>	<b>50,653</b>	<b>367,485</b>	<b>365,765</b>

34	OTHER CHARGES	Note	2024	2023
		----- Rupees in 000 -----		
	Penalties imposed by State Bank of Pakistan		36,718	270,073
	Penalties imposed by other regulatory bodies (Central bank of International branches)		7,496	15,867
	Penalties imposed by other regulatory bodies (Regulators of subsidiaries)		1,812	20
			<b>46,026</b>	<b>285,960</b>

35	CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET		2024	2023
			----- Rupees in 000 -----	
	Net reversal of credit loss allowance against lending to financial institutions	10.7	(9,723)	-
	Net credit loss allowance / provision against investments	11.3.2	(1,447,655)	1,437,301
	Net credit loss allowance / provision against loans and advances	12.6	6,136,298	13,320,955
	Provision against other assets	16.5.1	(33,596)	239,045
	Other credit loss allowance against contingencies	22.1	426,424	384,838
	Net credit loss allowance against markup receivable	16.6	100,640	-
	Net reversal of credit loss allowance against off balance Sheet	22.2	(669,509)	-
	Net reversal of credit loss allowance against cash and balance with other banks		(18)	-
	Net credit loss allowance against cash and balance with treasury banks		362	-
			<b>4,503,223</b>	<b>15,382,139</b>

36	<b>TAXATION</b>	Note	2024	2023
			----- Rupees in 000 -----	
	Current			
	For the year	36.1	<b>31,580,362</b>	53,879,315
	Prior years		-	(6,322,999)
			<b>31,580,362</b>	47,556,316
	Deferred			
	For the year		<b>(962,907)</b>	(5,651,977)
	Prior years		-	8,073,227
			<b>(962,907)</b>	2,421,250
			<b>30,617,455</b>	49,977,566
<b>36.1</b>	Current taxation includes Rs. Nil (2023: Rs. Nil) of overseas branches.			
<b>36.2</b>	<b>Relationship between tax expense and accounting profit</b>			
	Accounting Profit Before Tax		<b>57,120,160</b>	103,298,963
	Income tax at statutory rate @ 44% (2023: 39%)		<b>25,132,870</b>	40,053,643
	Super tax at statutory rate @ 10% (2023: 10%)		<b>5,712,016</b>	10,125,309
	Increase / (decrease) in taxes resulting from:			
	Inadmissible items		<b>24,854</b>	140,757
	Prior year taxation		-	1,750,228
	Impact of change in tax rate		<b>(700,835)</b>	(1,716,671)
	Reduced rate on SME / Housing		-	-
	Others		<b>448,549</b>	(375,700)
	Tax charge for current and prior years		<b>30,617,455</b>	49,977,566
<b>37</b>	<b>BASIC EARNING PER SHARE</b>			
	Profit for the year (Rupees in 000's)		<b>25,985,128</b>	53,101,601
	Weighted average number of ordinary shares (Number in 000's)		<b>2,127,513</b>	2,127,513
	Basic earnings per share (Rupees)		<b>12.21</b>	24.96
<b>38</b>	<b>DILUTED EARNING PER SHARE</b>			
	Profit for the year (Rupees in 000's)		<b>25,985,128</b>	53,101,601
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares) (Number in 000's)		<b>2,127,513</b>	2,127,513
	Diluted earnings per share (Rupees)		<b>12.21</b>	24.96
<b>39</b>	<b>CASH AND CASH EQUIVALENTS</b>			
	Cash and balance with treasury banks		<b>314,787,387</b>	295,455,482
	Balance with other banks		<b>58,644,846</b>	43,004,567
	Musharka / clean money lending		<b>30,000,000</b>	9,723
	Call borrowings		<b>(21,989,167)</b>	(19,434,142)
	Overdrawn nostro accounts		<b>(197,488)</b>	(19,330,975)
			<b>381,245,578</b>	299,704,655
<b>39.1</b>	<b>Reconciliation of movements of liabilities to cash flow used in financing activities:</b>			
			<b>2024</b>	
			<b>Lease Obligation</b>	<b>Unclaimed Dividend</b>
			----- Rupees in 000 -----	
	Balance as at January 1, 2024		<b>8,891,000</b>	<b>174,709</b>
	Changes from financing cashflows			
	Payment of lease obligation / dividend		<b>(2,976,500)</b>	<b>(652)</b>
	Total charges from financing activities		<b>(2,976,500)</b>	<b>(652)</b>
	Other charges			
	Renewed lease during the year		<b>1,707,421</b>	-
	Interest unwinding		<b>1,050,289</b>	-
	Foreign exchange gain		<b>(86,528)</b>	-
	Total other charges		<b>2,671,182</b>	-
	Balance as at December 31, 2024		<b>8,585,682</b>	<b>174,057</b>

	<b>2023</b>	
	<b>Lease Obligation</b>	<b>Unclaimed Dividend</b>
	----- Rupees in 000 -----	
Balance as at January 1, 2023	8,882,468	181,851
Changes from financing cashflows		
Payment of lease obligation / dividend	(3,566,480)	(7,142)
Total charges from financing activities	(3,566,480)	(7,142)
Other charges		
Renewed lease during the year	2,350,439	
Interest unwinding	831,981	
Foreign exchange gain	392,592	
Total other charges	3,575,012	-
Balance as at December 31, 2023	<u>8,891,000</u>	<u>174,709</u>

	<b>2024</b>	<b>2023</b>
	----- Numbers -----	
<b>40 STAFF STRENGTH</b>		
Permanent	<b>9,547</b>	10,020
On the Bank's contract	<b>6,005</b>	5,673
Bank's own staff strength at the end of the year	<u><b>15,552</b></u>	<u>15,693</u>

**40.1** In addition to the above, 1,957 (2023: 1,722) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services. Out of these, 1,951 employees are working domestically (2023: 1,708) and 6 (2023: 14) abroad respectively.

#### **41 DEFINED BENEFIT PLAN**

##### **41.1 General description**

General description of the type of defined benefit plan and accounting policy for remeasurements of the net defined liability / asset is disclosed in note 5.15 to the consolidated financial statements.

##### **41.2 Number of employees under the scheme**

The number of employees covered under the following defined benefit schemes are:

	<b>2024</b>	<b>2023</b>
	----- Numbers -----	
Pension fund	<b>9,051</b>	9,542
Post retirement medical expense	<b>9,051</b>	9,542
Benevolent scheme	<b>9,051</b>	9,542
Gratuity scheme	<b>5,551</b>	5,185
Compensated absences	<b>9,051</b>	9,542

##### **41.3 Principal actuarial assumptions**

The actuarial valuations were carried out as at December 31, 2024 using the following significant assumptions:

	<b>2024</b>	<b>2023</b>
	----- Per annum -----	
Discount rate	<b>12.25%</b>	15.50%
Expected rate of return on plan assets	<b>12.25%</b>	15.50%
Expected rate of salary increase	<b>10.75%</b>	15.50%
Expected rate of increase in pension	<b>107% for next one year</b>	80% for next one year, 11% onwards
Expected rate of increase in medical benefit	<b>12.25%</b>	15.50%

Note	2024						2023					
	Rupees in 000											
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total

#### 41.4 Reconciliation of (receivable from) / payable to defined benefit plans

Present value of obligations	177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
Fair value of plan assets	(101,540,358)	-	-	-	-	(101,540,358)	(80,646,300)	-	-	-	-	(80,646,300)
Subsidiaries	-	-	-	480,865	-	480,865	-	-	-	-	-	-
Payable	<u>75,638,568</u>	<u>39,745,198</u>	<u>1,882,384</u>	<u>5,333,423</u>	<u>10,227,411</u>	<u>132,826,984</u>	<u>22,944,893</u>	<u>34,833,112</u>	<u>1,613,699</u>	<u>4,575,660</u>	<u>9,632,176</u>	<u>73,599,540</u>

#### 41.5 Movement in defined benefit obligations

Obligations at the beginning of the year	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840	89,128,297	29,176,898	1,697,838	3,767,858	8,734,235	132,505,126
Current service cost	2,577,250	890,143	42,294	628,666	17,341	4,155,694	1,082,972	771,209	42,912	543,697	12,352	2,453,142
Past Service due to early retirement gratuity	57,549,870	-	149	80,555	356,535	57,987,109	28,590	14,663	503	136,889	613,761	794,406
Other payments	-	-	-	-	-	-	137,070	-	-	-	-	137,070
Adjustment against contingency reserve	78,513	12,814	118	-	11,273	102,718	158,428	34,152	332	-	19,326	212,238
Interest cost	24,875,597	5,288,935	235,391	694,031	1,463,426	32,557,380	12,665,122	4,137,561	232,065	536,448	1,247,384	18,818,580
Benefits paid by the bank	(22,508,104)	(1,421,895)	(190,094)	(196,086)	(381,432)	(24,697,611)	(3,565,262)	(1,283,994)	(194,781)	(136,429)	(263,173)	(5,443,639)
Re-measurement gain - Profit and Loss	-	-	-	-	(871,908)	(871,908)	-	-	-	-	(731,709)	(731,709)
Re-measurement loss / (gain) - OCI	11,014,607	142,089	180,827	(930,268)	-	10,407,255	3,955,976	1,982,623	(165,170)	(272,803)	-	5,500,626
Obligations at the end of the year	<u>177,178,926</u>	<u>39,745,198</u>	<u>1,882,384</u>	<u>4,852,558</u>	<u>10,227,411</u>	<u>233,886,477</u>	<u>103,591,193</u>	<u>34,833,112</u>	<u>1,613,699</u>	<u>4,575,660</u>	<u>9,632,176</u>	<u>154,245,840</u>

#### 41.6 Movement in fair value of plan assets

Fair value at the beginning of the year	80,646,300	-	-	-	-	80,646,300	66,064,403	-	-	-	-	66,064,403
Interest income on plan assets	12,425,960	-	-	-	-	12,425,960	9,552,737	-	-	-	-	9,552,737
Contribution by the bank - net	1,501,147	-	-	-	-	1,501,147	1,403,168	-	-	-	-	1,403,168
Benefits paid	(22,508,104)	-	-	-	-	(22,508,104)	(3,565,262)	-	-	-	-	(3,565,262)
Benefits paid on behalf of fund	20,049,320	-	-	-	-	20,049,320	1,795,181	-	-	-	-	1,795,181
Actuarial loss on Assets	-	-	-	-	-	-	5,396,073	-	-	-	-	5,396,073
Re-measurements: Net return on plan assets over interest income gain / (loss)	41.8.2	9,425,735	-	-	-	9,425,735	-	-	-	-	-	-
Fair value at the end of the year	<u>101,540,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,540,358</u>	<u>80,646,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,646,300</u>

Note	2024						2023					
	Rupees in 000											
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
<b>41.7 Movement in (receivable) / payable under defined benefit schemes</b>												
Opening balance	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540	23,063,894	29,176,898	1,697,838	3,767,858	8,734,235	66,440,723
Charge / (reversal) for the year	72,576,757	6,179,078	277,834	1,403,252	965,394	81,402,315	4,361,017	4,908,770	274,977	1,080,145	528,027	11,152,936
Past Service due to early retirement gratuity	-	-	-	-	-	-	-	14,663	503	136,889	613,761	765,816
Adjustment against contingency reserve	78,513	12,814	118	-	11,273	102,718	158,428	34,152	332	-	19,326	212,238
Contribution by the bank - net	(1,501,147)	-	-	-	-	(1,501,147)	(1,403,168)	-	-	-	-	(1,403,168)
Re-measurement loss / (gain) recognised in OCI during the year	41.8.2 1,588,872	142,089	180,827	(930,268)	-	981,520	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553
Benefits paid by the bank	(20,049,320)	(1,421,895)	(190,094)	(196,086)	(381,432)	(22,238,827)	(1,795,181)	(1,283,994)	(194,781)	(136,429)	(263,173)	(3,673,558)
Closing balance	75,638,568	39,745,198	1,882,384	4,852,558	10,227,411	132,346,119	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,599,540
<b>41.8 Charge for defined benefit plans</b>												
<b>41.8.1 Cost recognised in profit and loss</b>												
Current service cost	2,577,250	890,143	42,294	628,666	17,341	4,155,694	1,082,972	771,209	42,912	543,697	12,352	2,453,142
Past Service due to early retirement gratuity	57,549,870	-	149	80,555	356,535	57,987,109	28,590	14,663	503	136,889	613,761	794,406
Other payments	-	-	-	-	-	-	137,070	-	-	-	-	137,070
Actuarial gain recognized - Profit and Loss	-	-	-	-	(871,908)	(871,908)	-	-	-	-	(731,709)	(731,709)
Net interest on defined benefit asset / liability	12,449,637	5,288,935	235,391	694,031	1,463,426	20,131,420	3,112,385	4,137,561	232,065	536,448	1,247,384	9,265,843
	72,576,757	6,179,078	277,834	1,403,252	965,394	81,402,315	4,361,017	4,923,433	275,480	1,217,034	1,141,788	11,918,752
<b>41.8.2 Re-measurements recognised in OCI during the year</b>												
Loss / (gain) on obligation												
Financial assumptions	(14,151,479)	(1,265,384)	283,033	(952,228)	-	(16,086,059)	6,789,410	1,411,977	(82,933)	(19,843)	-	8,098,611
Experience adjustment	25,166,086	1,407,473	(102,206)	21,960	-	26,493,314	(2,833,434)	570,646	(82,237)	(252,960)	-	(2,597,985)
Return on plan assets over interest income	(9,425,735)	-	-	-	-	(9,425,735)	(5,396,073)	-	-	-	-	(5,396,073)
Total re-measurements recognised in OCI	1,588,872	142,089	180,827	(930,268)	-	981,520	(1,440,097)	1,982,623	(165,170)	(272,803)	-	104,553

2024                      2023  
----- Rupees in 000 -----

#### 41.9 Components of plan assets - Pension Fund

Cash and cash equivalents - net	355,898	430,000
Government securities	65,336,734	63,789,305
Shares	750,702	7,509,967
Non-government debt securities	100,000	100,000
Mutual Funds	2,150,000	8,817,027
	<u>68,693,334</u>	<u>80,646,299</u>

**41.9.1** The Funds primarily invests in government securities which do not carry any significant credit risk. These are subject to interest rate risk based on market movements. Investment in term finance certificates are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Administrator of the Pension fund.

#### 41.10 Sensitivity analysis

The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarised as below:

	2024					Total
	Pension fund	Post retirement medical scheme	Benevolent Scheme	Gratuity Scheme	Compensated absences	
	----- Rupees in 000 -----					
1% increase in discount rate	(12,447,836)	(4,042,779)	(101,895)	(472,319)	(609,055)	(17,673,885)
1% decrease in discount rate	14,688,020	4,928,173	113,896	518,951	685,551	20,934,591
1% increase in expected rate of salary increase	4,164,175	1,073,996	4,307	545,732	736,656	6,524,865
1% decrease in expected rate of salary increase	(3,807,334)	(976,377)	(4,651)	(501,769)	(664,258)	(5,954,389)
1% increase in expected rate of pension increase	10,878,833	1,714,662	-	-	-	12,593,496
1% decrease in expected rate of pension increase	(9,527,743)	(1,487,129)	-	-	-	(11,014,872)
1% increase in expected rate of medical benefit increase	-	1,835,515	-	-	-	1,835,515
1% decrease in expected rate of medical benefit increase	-	(1,554,021)	-	-	-	(1,554,021)

**41.11 Expected contributions to be paid to the fund in the next financial year**

1,750,151

**41.12 Expected charge for the next financial year**

20,042,835

#### 41.13 Maturity profile

The weighted average duration of the obligation (in years)	<b>8.27</b>
Pension fund	7.66
Post retirement medical scheme	11.29
Benevolent scheme	5.73
Gratuity scheme	10.21
Compensated absences	6.33

#### 41.14 Funding policy

The group should disclose the policy followed for funding the staff retirement benefit schemes.

Current Assets	Amount	Percentage
	Rupees in '000	
Cash and cash equivalents - net	355,898	0.52%
Government securities	65,336,734	95.11%
Shares	750,702	1.09%
Non-Government debt securities	100,000	0.15%
Mutual funds	2,150,000	3.13%
	<u>68,693,334</u>	<u>100.00%</u>

group will continue to invest with the same percentage in the asset categories mentioned but increase the assets gradually so that there is no deficit in the pension fund.

**41.15** Significant risks associated with the staff retirement benefit schemes are as follows:

<b>Asset volatility</b>	The risk arises when the future earnings are lower than expectation. This risk is measured at a plan level over the obligation period of the current population. The company assets are either invested in fixed securities or cash.
<b>Changes in bond yields</b>	The risk arises when the actual return on plan assets is lower than expectation.
<b>Inflation risk</b>	The most common type of retirement benefit is one where the benefit is linked with last drawn salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
<b>Life expectancy / withdrawal rate</b>	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population. The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.
<b>Investment Risk</b>	The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

**42 DEFINED CONTRIBUTION PLAN**

**Provident Fund**

The NBP employees Provident Fund was created under National Bank of Pakistan Employees Provident Fund Rules on April 01, 1950, under the Provident Fund Act, 1925. The Rules have been superseded by revised NBP Employees' Provident Fund Rules which came into force on January 01, 1958.

As per rules, the Officers, Executives and Clerical and Non Clerical staff in regular cadre make monthly contribution of 10% and 12.5% of their basic salary respectively towards the fund and the bank has to pay interest on balances of member's provident fund half yearly.

This scheme covers 8,808 employees (2023: 9,313 employees).

**43 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**

**43.1 Total compensation expense**

Items	2024						
	Directors (Note 42.3)			Members shariah board (Note 42.4)	President / CEO (Note 42.1.1)	Key management personnel	Other material risk takers / controllers
	Chairman	Executives (other than CEO)	Non-executives				
	----- Rupees in 000 -----						
Fees and allowances etc.	13,440	-	81,751	12,256	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	2,287	108,000	207,006	1,184,570
ii) Variable							
a) Cash bonus / awards	-	-	-	958	-	161,945	537,717
b) Bonus and awards in shares	-	-	-	-	-	-	59,612
Charge for defined benefit plan	-	-	-	753	19,799	80,166	746,502
Contribution to defined contributor	-	-	-	-	-	-	1,414
Rent and house maintenance	-	-	-	1,258	12,000	113,853	552,526
Utilities	-	-	-	526	2,168	47,525	222,736
Medical	-	-	-	469	-	43,943	244,256
Conveyance	-	-	-	574	-	42,984	247,944
Others *	-	-	-	121	5,499	9,165	198,015
<b>Total</b>	<b>13,440</b>	<b>-</b>	<b>81,751</b>	<b>19,203</b>	<b>147,466</b>	<b>706,589</b>	<b>3,995,291</b>
Number of persons	1	-	5	5	1	22	278

**43.1.1** This represents compensation from January 1, 2024 to December 31, 2024 paid to President / CEO upon approval of compensation package by shareholders in Extra Ordinary General Meeting held on November 22, 2024. Last year, upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 26.129 million was paid from August 07, 2023 till December 31, 2023 to the President which has been adjusted in 2024, while the actual amount for the period August 7, 2023 to December 31, 2023 as per compensation package approved by shareholders amounted to Rs 52.891 million.

\* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

**43.2** The total amount of deferred bonus as at December 31, 2024 for the Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 266.2 million (2023: Rs. 233.6 million). The deferred bonus is held in a trust fund.

Items	2023						
	Directors			Members shariah board	President / CEO (Note 42.2.1)	Key management personnel	Other material risk takers / controllers
	Chairman	Executives (other than CEO)	Non-executives				
	----- Rupees in 000 -----						
Fees and allowances etc.	11,786	-	76,446	11,370	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	1,972	9,405	193,791	1,173,963
ii) Variable							
a) Cash bonus / awards	-	-	-	809	-	156,328	583,571
Charge for defined benefit plan	-	-	-	594	6,915	68,901	505,291
Rent and house maintenance	-	-	-	1,085	6,001	106,585	548,915
Utilities	-	-	-	394	2,182	38,697	192,204
Medical	-	-	-	325	1,800	32,471	212,105
Conveyance	-	-	-	444	1,501	37,840	284,696
Others *	-	-	-	130	35,136	14,090	223,445
<b>Total</b>	<b>11,786</b>	<b>-</b>	<b>76,446</b>	<b>17,123</b>	<b>62,940</b>	<b>648,703</b>	<b>3,724,189</b>
Number of persons	1		**6	5	1	29	293

**43.2.1** This represents amount of compensation paid to President in the capacity of Acting President uptill August 6, 2023 as per entitlement of SEVP / Group Chief and also included payment of Gratuity as end service benefit (Rs. 33.416 million included in Others). Upon receipt of Federal Government Notification # F.1 (9) BKG-III/2022-1119 dated August 7, 2023, of his appointment as President / CEO of the Bank, the payment of salary as per entitlement of SEVP / Group Chief was discontinued and Board of Directors in its 352nd meeting dated September 20, 2023, approved adjustable monthly advance equivalent to the salary and benefits of former President till approval of his compensation package from the shareholders and an amount of Rs. 22.963 million has been paid from August 07, 2023 till December 31, 2023 to the President which will be adjusted from his salary on approval.

\* The President and certain executives are also provided with Bank's cars, household equipment, mobile phones and membership of clubs.

\*\* Mr. Asif Jooma retired on March 08, 2023.

### 43.3 Remuneration paid to Directors for participation in board and committee meetings

		2024								
		Meeting Fees and Allowances Paid								
Sr. No.	Name of director	For Board Meetings	For Board Committees						Allowances *	Total amount paid
			Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Board Strategy Committee		
----- Rupees in 000 -----										
1	Mr. Ashraf Mahmood Wathra	6,240	-	-	4,800	480	1,920	-	-	13,440
2	Mr. Farid Malik	5,200	5,200	-	4,000	1,600	-	400	2,279	18,679
3	Mr. Amjad Mahmood	5,200	5,200	-	-	1,600	1,600	400	147	14,147
4	Mr. Ali Syed	5,200	5,200	3,600	4,000	1,600	-	400	41	20,041
5	Mr. Nasim Ahmad	5,200	5,200	4,800	-	-	1,600	-	5,305	22,105
6	Mr. Ahsan Ali Chughtai ***	2,400	1,600	2,400	-	-	-	-	379	6,779
	<b>Total amount paid</b>	<b>29,440</b>	<b>22,400</b>	<b>10,800</b>	<b>12,800</b>	<b>5,280</b>	<b>5,120</b>	<b>1,200</b>	<b>8,151</b>	<b>95,191</b>

\* Allowances include accommodation and travel expenses as per Board Remuneration Policy.

\*\* Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).

\*\*\* Retired on June 20, 2024.

		2023								
		Meeting Fees and Allowances Paid								
Sr. No.	Name of director	For Board Meetings	For Board Committees						Allowances *	Total Amount Paid
			Board Audit Committee	Board Risk & Compliance Committee**	Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee			
----- Rupees in 000 -----										
1	Mr. Ashraf Mahmood Wathra	6,720	-	-	-	3,840	-	960	266	11,786
2	Mr. Farid Malik	3,950	2,950	150	-	3,000	1,350	-	2,171	13,571
3	Mr. Ahsan Ali Chughtai	4,750	3,900	7,000	300	-	-	-	579	16,529
4	Mr. Amjad Mahmood	4,200	3,750	1,200	-	1,750	550	-	105	11,555
5	Mr. Ali Syed	4,600	3,750	3,750	2,700	1,600	-	-	-	16,400
6	Mr. Nasim Ahmad	4,450	3,600	4,000	-	150	550	-	4,291	17,041
7	Mr. Asif Jooma***	600	300	150	300	-	-	-	-	1,350
	<b>Total amount paid</b>	<b>29,270</b>	<b>18,250</b>	<b>16,250</b>	<b>10,140</b>	<b>4,850</b>	<b>2,060</b>	<b>7,412</b>	<b>88,232</b>	

\* Allowances include accommodation and travel expenses.

\*\* Amount includes NBP - NY Governance Council (Sub-Committee of BRCC).

\*\*\* Retired on March 08, 2023.

### 43.4 Remuneration paid to Shariah Board Members

Items	2024				2023			
	Chairman	Resident Member	Non-Resident	Total	Chairman	Resident Member	Non-Resident	Total
----- Rupees in 000 -----								
Retainer fee and fixed remuneration	4,438	6,946	7,818	19,202	4,050	5,753	7,320	17,123
<b>Total amount</b>	<b>4,438</b>	<b>6,946</b>	<b>7,818</b>	<b>19,202</b>	<b>4,050</b>	<b>5,753</b>	<b>7,320</b>	<b>17,123</b>
Total number of persons	1	1	3	5	1	1	3	5

## 44 FAIR VALUE MEASUREMENTS

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

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

### 44.1 Fair value of financial assets

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

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

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

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

The table below analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments	2024				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- Rupees in 000 -----					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	1,206,108,861	-	1,206,108,861	-	1,206,108,861
- Pakistan Investment Bonds	2,793,255,571	-	2,793,255,571	-	2,793,255,571
- GOP Ijarah Sukuks	96,404,072	-	96,404,072	-	96,404,072
- Foreign Currency Debt securities	19,567,813	-	19,567,813	-	19,567,813
<b>Ordinary Shares</b>					
- Listed Companies	105,072,151	105,072,151	-	-	105,072,151
<b>Preference shares</b>					
- Listed	992,711	992,711	-	-	992,711
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	42,378,187	42,378,187	-	-	42,378,187
<b>Mutual Fund units</b>					
	8,748,858	-	8,748,858	-	8,748,858
<b>Foreign Securities</b>					
- Government debt securities	5,802,711	-	5,802,711	-	5,802,711
- Equity Securities - Listed	52,569,483	52,569,483	-	-	52,569,483
	<b>4,330,900,418</b>	<b>201,012,532</b>	<b>4,129,887,886</b>	<b>-</b>	<b>4,330,900,418</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	59,594	-	59,594	-	59,594
- Pakistan Investment Bonds	222,656,096	-	222,656,096	-	222,656,096
- Ijarah Sukuks	14,373,995	-	14,373,995	-	14,373,995
- Foreign Currency Debt securities	6,287,309	-	6,287,309	-	6,287,309
<b>Foreign Securities</b>					
- Government debt securities	37,707,455	-	37,707,455	-	37,707,455
- Non-Government debt securities	1,077	-	1,077	-	1,077
	<b>281,085,526</b>	<b>-</b>	<b>281,085,526</b>	<b>-</b>	<b>281,085,526</b>
	<b>4,611,985,944</b>	<b>201,012,532</b>	<b>4,410,973,412</b>	<b>-</b>	<b>4,611,985,944</b>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
<b>Commitments</b>					
Foreign exchange contracts purchase and sale	637,181,340	-	(379,658)	-	(379,658)
Forward government securities transactions	79,587,535	-	(774,179)	-	(774,179)
<b>2023</b>					
On balance sheet financial instruments	Carrying Value	Level 1	Level 2	Level 3	Total
----- Rupees in 000 -----					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- Ijarah Sukuks	35,128,974	-	35,128,974	-	35,128,974
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
<b>Ordinary Shares</b>					
- Listed Companies	62,430,593	62,430,593	-	-	62,430,593
<b>Preference shares</b>					
- Listed	1,043,797	1,043,797	-	-	1,043,797
<b>Mutual Fund units</b>					
	4,885,134	-	4,885,134	-	4,885,134
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	47,649,851	13,790,776	33,859,075	-	47,649,851
<b>Foreign Securities</b>					
- Government debt securities	6,090,437	-	6,090,437	-	6,090,437
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	<b>4,126,474,490</b>	<b>119,900,011</b>	<b>4,006,574,479</b>	<b>-</b>	<b>4,126,474,490</b>

	2023				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- Rupees in 000 -----					
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	161,108	-	161,108	-	161,108
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,611	-	4,243,611
<b>Foreign Securities</b>					
- Government debt securities	41,295,981	-	41,295,981	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,951,142	-	252,002,876	-	252,002,876
	<u>4,399,425,632</u>	<u>119,900,011</u>	<u>4,258,577,355</u>	<u>-</u>	<u>4,378,477,366</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts purchase and sale	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

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

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

#### 44.2 Fair value of non-financial assets

Information about the fair value hierarchy of group's non-financial assets as at the end of the reporting period are as follows:

	2024				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- Rupees in 000 -----					
Land & building (fixed assets)	54,416,216			54,416,216	54,416,216
Non-banking assets acquired in satisfaction of claims	4,148,115			4,148,115	4,148,115
	<u>58,564,331</u>	<u>-</u>	<u>-</u>	<u>58,564,331</u>	<u>58,564,331</u>
----- Rupees in 000 -----					
	2023				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- Rupees in 000 -----					
Land & building (fixed assets)	51,992,069			51,992,069	51,992,069
Non-banking assets acquired in satisfaction of claims	3,973,126			3,973,126	3,973,126
	<u>55,965,195</u>	<u>-</u>	<u>-</u>	<u>55,965,195</u>	<u>55,965,195</u>

44.3 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

45. SEGMENT INFORMATION

45.1 Segment Details with respect to Business Activities

2024										
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance Group	Alteemaad and Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total	
(Rupees in '000)										
<b>Profit and loss account</b>										
Net mark-up / return / profit	(362,654,307)	35,736,621	10,187,073	456,133,827	9,621,303	16,938,715	5,475,461	171,438,694	-	171,438,694
Inter segment revenue - net	464,832,128	(37,960,949)	14,808,636	(459,753,500)	-	(6,695,911)	24,769,597	-	-	-
Non mark-up / return / interest income	19,678,664	627,069	6,392,275	32,926,860	1,070,296	485,813	9,142,444	70,323,420	-	70,323,420
Total income	121,856,485	(1,597,259)	31,387,984	29,307,187	10,691,599	10,728,617	39,387,501	241,762,114	-	241,762,114
Segment direct expenses	47,265,374	703,657	1,499,610	703,145	12,020,880	4,009,762	3,245,750	69,448,178	-	69,448,178
Inter segment expense allocation	-	-	-	-	-	-	110,690,554	110,690,554	-	110,690,554
Total expenses	47,265,374	703,657	1,499,610	703,145	12,020,880	4,009,762	113,936,303	180,138,731	-	180,138,731
Credit loss allowance	(1,191,982)	5,043,441	3,007,751	115,163	695,102	386,001	(3,552,253)	4,503,223	-	4,503,223
Profit / (loss) before tax	75,783,092	(7,344,357)	26,880,623	28,488,879	(2,024,383)	6,332,854	(70,996,549)	57,120,160	-	57,120,160
<b>Statement of financial position</b>										
Cash and Bank balances	104,543,937	12,700,078	323,160	180,215,699	44,644,915	28,290,145	2,714,299	373,432,233	-	373,432,233
Investments	-	-	17,474,258	4,401,774,189	66,807,281	123,905,109	4,888,439	4,614,849,276	-	4,614,849,276
Net inter segment lending	2,654,121,574	-	15,212,340	-	-	-	385,852,374	3,055,186,288	(3,055,186,288)	-
Lendings to financial institutions	-	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000
Advances - performing	255,462,856	302,527,511	634,925,249	-	68,891,051	144,913,723	(3,456,320)	1,403,264,070	-	1,403,264,070
- non-performing	4,049,155	77,623,629	25,693,942	-	61,298,054	1,985,434	98,788,254	269,438,468	-	269,438,468
Credit loss against advances	(5,322,616)	(30,305,806)	(71,341,462)	-	(59,115,383)	(2,677,968)	(99,312,177)	(268,075,412)	-	(268,075,412)
Advances - net	254,189,395	349,845,334	589,277,729	-	71,073,722	144,221,189	(3,980,244)	1,404,627,125	-	1,404,627,125
Others	35,950,181	4,380,238	32,592,996	95,122,683	9,494,765	6,998,746	146,548,609	331,088,218	-	331,088,218
<b>Total assets</b>	<b>3,048,805,087</b>	<b>366,925,650</b>	<b>654,880,483</b>	<b>4,677,112,571</b>	<b>192,020,683</b>	<b>333,415,189</b>	<b>536,023,478</b>	<b>9,809,183,141</b>	<b>(3,055,186,288)</b>	<b>6,753,996,853</b>
Borrowings	-	6,146,011	53,629,990	1,858,039,691	19,489,167	-	452,063	1,937,756,922	-	1,937,756,922
Deposits and other accounts	2,879,997,795	-	567,480,954	-	104,461,295	309,438,082	3,834,171	3,865,212,297	-	3,865,212,297
Net inter segment borrowing	-	340,348,843	1	2,631,278,091	67,253,026	16,306,327	-	3,055,186,288	(3,055,186,288)	-
Others	168,807,292	20,430,796	33,766,774	21,551,859	4,215,864	5,057,923	233,148,385	486,978,893	-	486,978,893
<b>Total liabilities</b>	<b>3,048,805,087</b>	<b>366,925,650</b>	<b>654,877,719</b>	<b>4,510,869,641</b>	<b>195,419,352</b>	<b>330,802,332</b>	<b>237,434,618</b>	<b>9,345,134,399</b>	<b>(3,055,186,288)</b>	<b>6,289,948,112</b>
Equity	-	-	2,764	166,242,930	(3,398,669)	2,612,857	298,588,859	464,048,741	-	464,048,741
<b>Total equity and liabilities</b>	<b>3,048,805,087</b>	<b>366,925,650</b>	<b>654,880,483</b>	<b>4,677,112,571</b>	<b>192,020,683</b>	<b>333,415,189</b>	<b>536,023,478</b>	<b>9,809,183,142</b>	<b>(3,055,186,288)</b>	<b>6,753,996,853</b>
Contingencies and commitments	-	69,715,086	2,006,878,247	732,236,471	22,505,325	-	27,636,257	2,858,771,385	-	2,858,771,385

2023									
Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking Group	Treasury	International, Financial Institution and Remittance	Aitemaad & Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
----- (Rupees in '000) -----									
<b>Profit and loss account</b>									
Net mark-up / return / profit	(288,653,905)	44,446,578	30,024,021	372,043,914	676,660	11,604,875	(787,871)	169,354,272	169,354,272
Inter segment revenue - net	426,952,717	(44,570,637)	(14,722,482)	(394,040,795)	-	(3,783,783)	30,164,980	-	-
Non mark-up / return / interest income	16,879,805	469,040	5,475,249	14,827,098	948,566	379,522	5,792,721	44,772,001	44,772,001
Total income	155,178,617	344,981	20,776,788	(7,169,783)	1,625,226	8,200,614	35,169,830	214,126,273	214,126,273
Segment direct expenses	36,682,759	3,763,540	1,353,645	489,431	10,080,124	3,497,535	2,268,320	58,135,354	58,135,354
Inter segment expense allocation	-	-	-	-	-	-	37,309,817	-	37,309,817
Total expenses	36,682,759	3,763,540	1,353,645	489,431	10,080,124	3,497,535	39,578,137	95,445,171	95,445,171
Provision and write off-net	(392,545)	1,421,129	13,619,854	1,778,752	(682,121)	1,173,602	(1,536,532)	15,382,139	15,382,139
Profit / (loss) before tax	118,888,403	(4,839,688)	5,803,289	(9,437,966)	(7,772,777)	3,529,477	(2,871,775)	103,298,963	103,298,963
<b>Statement of financial position</b>									
Cash and Bank balances	24,530,869	2,327,011	309,620	253,026,662	45,582,613	10,291,381	2,391,893	338,460,049	338,460,049
Investments	-	-	29,881,757	4,238,437,789	79,712,923	51,544,718	14,597,118	4,414,174,305	4,414,174,305
Net inter segment lending	2,848,709,058	-	-	-	-	-	305,771,087	3,154,480,145	(3,154,480,145)
Lendings to financial institutions	-	-	-	192,430,437	-	-	-	192,430,437	192,430,437
Advances - performing	236,148,640	263,088,116	719,624,952	-	69,139,462	73,125,444	49,658,269	1,410,784,883	1,410,784,883
Advances - non-performing	4,151,922	24,855,686	24,997,940	-	64,791,844	1,550,350	100,772,695	221,120,437	221,120,437
Provision against Advances	(8,543,697)	(21,077,228)	(34,670,159)	-	(62,606,767)	(1,550,875)	(105,383,925)	(233,832,651)	(233,832,651)
Advances - net	231,756,865	266,866,574	709,952,733	-	71,324,539	73,124,919	45,047,039	1,398,072,669	1,398,072,669
Others	45,196,987	4,100,249	37,794,142	117,135,121	8,304,683	5,155,676	108,049,708	325,736,565	325,736,565
<b>Total assets</b>	<b>3,150,193,779</b>	<b>273,293,834</b>	<b>777,938,252</b>	<b>4,801,030,009</b>	<b>204,924,758</b>	<b>140,116,694</b>	<b>475,856,845</b>	<b>9,823,354,170</b>	<b>(3,154,480,145) 6,668,874,025</b>
Borrowings	-	5,171,334	69,017,574	2,085,073,081	18,164,142	-	317,063	2,177,743,194	2,177,743,194
Deposits and other accounts	2,948,491,330	-	510,139,226	-	99,315,779	113,801,806	1,361,773	3,673,109,914	3,673,109,914
Net inter segment borrowing	-	249,921,195	169,394,087	2,620,973,252	90,971,376	23,220,235	-	3,154,480,145	(3,154,480,145)
Others	201,702,449	18,201,305	29,358,656	51,337,805	6,639,026	3,494,872	109,872,765	420,606,878	420,606,878
<b>Total liabilities</b>	<b>3,150,193,779</b>	<b>273,293,834</b>	<b>777,909,543</b>	<b>4,757,384,138</b>	<b>215,090,323</b>	<b>140,516,913</b>	<b>111,551,601</b>	<b>9,425,940,131</b>	<b>(3,154,480,145) 6,271,459,986</b>
Equity	-	-	28,709	43,645,871	(10,165,565)	(400,219)	364,305,244	397,414,039	397,414,039
<b>Total equity and liabilities</b>	<b>3,150,193,779</b>	<b>273,293,834</b>	<b>777,938,252</b>	<b>4,801,030,009</b>	<b>204,924,758</b>	<b>140,116,694</b>	<b>475,856,845</b>	<b>9,823,354,170</b>	<b>(3,154,480,145) 6,668,874,025</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>90,350,773</b>	<b>1,864,882,509</b>	<b>727,686,842</b>	<b>25,102,178</b>	<b>-</b>	<b>27,778,266</b>	<b>2,735,800,568</b>	<b>- 2,735,800,568</b>

## 45.2 Segment Details with respect to geographical locations

2024						
Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total	
----- (Rupees in '000) -----						
<b>Profit and loss account</b>						
Net mark-up / return / profit	161,817,392	2,973,269	145,520	748,228	5,754,285	171,438,694
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	69,253,125	361,691	273,941	198,787	235,876	70,323,420
Total income	231,070,517	3,334,960	419,461	947,015	5,990,161	241,762,114
Segment direct expenses	57,427,294	2,279,161	1,358,227	6,908,222	1,475,273	69,448,177
Inter segment expense allocation	110,690,554	-	-	-	-	110,690,554
Total expenses	168,117,848	2,279,161	1,358,227	6,908,222	1,475,273	180,138,731
Credit loss allowance	3,804,172	225,446	3	(385,503)	859,105	4,503,223
Profit / (loss) before tax	59,148,497	830,353	(938,769)	(5,575,704)	3,655,783	57,120,160
<b>Statement of financial position</b>						
Cash and Bank balances	328,787,317	25,458,301	10,804,570	5,257,264	3,124,781	373,432,233
Investments	4,548,041,994	40,273,421	-	3,958,760	22,575,101	4,614,849,276
Net inter segment lending	67,253,026	-	-	-	-	67,253,026
Lendings to financial institutions	30,000,000	-	-	-	-	30,000,000
Advances - performing	1,334,373,019	46,867,609	-	-	22,023,442	1,403,264,070
- non-performing	208,140,414	49,785,668	1,905,119	-	9,607,267	269,438,468
Credit loss against advances	(208,960,031)	(49,798,232)	(1,905,119)	-	(7,412,030)	(268,075,412)
Advances - net	1,333,553,402	46,855,045	-	-	24,218,679	1,404,627,126
Others	321,593,454	3,381,504	22,122	262,572	5,828,566	331,088,218
<b>Total assets</b>	<b>6,629,229,193</b>	<b>115,968,271</b>	<b>10,826,692</b>	<b>9,478,596</b>	<b>55,747,127</b>	<b>6,821,249,879</b>
Borrowings	1,918,267,755	6,977,772	-	-	12,511,395	1,937,756,922
Deposits and other accounts	3,760,751,002	48,907,231	6,450,502	4,519,881	44,583,681	3,865,212,297
Net inter segment borrowing	-	61,452,445	4,279,997	3,589,328	(2,068,744)	67,253,026
Others	482,763,026	293,850	96,193	1,442,456	2,383,368	486,978,893
<b>Total liabilities</b>	<b>6,161,781,783</b>	<b>117,631,298</b>	<b>10,826,692</b>	<b>9,551,665</b>	<b>57,409,700</b>	<b>6,357,201,138</b>
Equity	467,447,410	(1,663,027)	-	(73,069)	(1,662,573)	464,048,741
<b>Total equity and liabilities</b>	<b>6,629,229,193</b>	<b>115,968,271</b>	<b>10,826,692</b>	<b>9,478,596</b>	<b>55,747,127</b>	<b>6,821,249,879</b>
<b>Contingencies and commitments</b>	<b>2,836,266,060</b>	<b>13,008,078</b>	<b>627,153</b>	<b>-</b>	<b>8,870,094</b>	<b>2,858,771,385</b>

2023						
Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total	
----- (Rupees in '000) -----						
<b>Profit and loss account</b>						
Net mark-up / return / profit	168,298,374	(1,990,221)	130,022	1,066,688	1,849,409	169,354,272
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	43,797,918	256,393	353,114	200,284	164,291	44,772,001
Total income	212,096,292	(1,733,828)	483,136	1,266,972	2,013,701	214,126,273
Segment direct expenses	47,926,841	2,655,212	1,409,334	4,394,781	1,749,186	58,135,353
Inter segment expense allocation	37,309,817	-	-	-	-	37,309,817
Total expenses	85,236,658	2,655,212	1,409,334	4,394,781	1,749,186	95,445,171
Provision and write off-net	16,070,861	(155,051)	539	-	(534,210)	15,382,139
Profit / (loss) before tax	110,788,773	(4,233,989)	(926,737)	(3,127,809)	798,725	103,298,963
<b>Statement of financial position</b>						
Cash and Bank balances	292,868,964	24,745,433	10,517,717	8,252,155	2,075,780	338,460,049
Investments	4,331,764,496	46,695,908	-	5,301,910	30,411,991	4,414,174,305
Net inter segment lending	90,971,176	-	-	-	-	90,971,176
Lendings to financial institutions	192,430,437	-	-	-	-	192,430,437
Advances - performing	1,341,645,421	43,244,999	3	32	25,894,427	1,410,784,883
Advances - non-performing	156,074,812	53,255,763	2,045,768	-	9,744,094	221,120,437
Provision against Advances	(171,187,530)	(52,900,243)	(2,045,768)	(15,436)	(7,683,674)	(233,832,651)
Advances - net	1,326,532,703	43,600,519	3	(15,404)	27,954,847	1,398,072,669
Others	317,387,876	4,758,849	130,708	1,726,462	1,732,671	325,736,563
<b>Total assets</b>	<b>6,551,955,651</b>	<b>119,800,709</b>	<b>10,648,428</b>	<b>15,265,123</b>	<b>62,175,289</b>	<b>6,759,845,199</b>

2023						
Pakistan	Asia Pacific (including South Asia)	Europe	Unites States of America	Middle East	Total	
----- (Rupees in '000) -----						
Borrowings	2,159,579,051	8,299,024	-	-	9,865,119	2,177,743,194
Deposits and other accounts	3,573,794,135	46,442,386	4,705,117	7,801,287	40,366,989	3,673,109,914
Net inter segment borrowing	-	64,906,375	5,733,904	6,298,941	14,031,957	90,971,177
Others	414,010,210	1,445,243	209,407	1,821,637	3,120,382	420,606,878
<b>Total liabilities</b>	<b>6,147,383,396</b>	<b>121,093,028</b>	<b>10,648,428</b>	<b>15,921,864</b>	<b>67,384,447</b>	<b>6,362,431,163</b>
Equity	404,572,255	(1,292,319)	-	(656,741)	(5,209,158)	397,414,036
<b>Total equity and liabilities</b>	<b>6,551,955,651</b>	<b>119,800,709</b>	<b>10,648,428</b>	<b>15,265,123</b>	<b>62,175,289</b>	<b>6,759,845,199</b>
<b>Contingencies and commitments</b>	<b>2,710,698,390</b>	<b>12,116,117</b>	<b>808,936</b>	<b>430,156</b>	<b>11,746,969</b>	<b>2,735,800,568</b>

## 46. TRUST ACTIVITIES

### 46.1 Endowment Fund

Students Loan Scheme was launched by Government of Pakistan in collaboration with major commercial banks with a view to extend financial help by way of mark-up free loan to the meritorious students without sufficient resources for pursuing scientific technical and professional education within Pakistan.

The Scheme is being administered by a high powered committee headed by the Deputy Governor, State Bank of Pakistan and the Presidents of NBP, HBL, UBL, MCB, ABL and the Deputy Secretary, Ministry of Finance as member and Senior Director of IH&SME Finance Department (Infrastructure, Housing & SME Finance Department) as a secretary of the Committee. The State Bank of Pakistan has assigned National Bank of Pakistan to operate the scheme.

The Committee in its meeting held on August 7, 2001 approved creation of Endowment Fund initially at an amount of Rs. 500 million, Rs. 396 million were transferred from the old Qarz-e-Hasna (Defunct) Fund, Rs. 50 million contributed by the Government of Pakistan and Rs. 54 million were contributed by participating banks (HBL, NBP and UBL 25% each, MCB 17.5% and ABL 7.5%).

The amount of the Endowment Funds in investments stands at Rs. 1,045.2 million as at December 31, 2024 (2023: Rs. 936.8 million).

46.2 The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these consolidated financial statements. Assets held under trust are shown in the table below:

Category	No. of IPS Accounts	As at December 31, 2024			Total
		Securities Held (Face Value)			
		Market Treasury Bills	Pakistan Investment	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Assets Management Companies	48	-	-	-	-
Charitable institutions	6	-	-	-	-
Companies	49	197,964,850	145,097,700	-	343,062,550
Employee Funds	49	131,428,285	515,439,700	-	646,867,985
Individuals	2,820	3,449,070	52,200	-	3,501,270
Insurance Companies	8	65,180,000	176,685,400	-	241,865,400
Non-Government Organizations	-	-	-	-	-
Others	104	301,544,070	777,591,430	-	1,079,135,500
<b>Total</b>	<b>3,084</b>	<b>699,566,275</b>	<b>1,614,866,430</b>	<b>-</b>	<b>2,314,432,705</b>

Category	No. of IPS Accounts	As at December 31, 2023			Total
		Securities Held (Face Value)			
		Market Treasury Bills	Pakistan Investment	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Assets Management Companies	48	-	-	-	-
Charitable institutions	6	-	-	-	-
Companies	42	203,783,170	59,782,300	24,417,400	287,982,870
Employee Funds	47	55,528,855	429,482,600	-	485,011,455
Individuals	2,317	3,008,590	63,200	-	3,071,790
Insurance Companies	8	49,300,000	172,939,300	-	222,239,300
Non-Government Organizations	-	-	-	-	-
Others	97	164,055,135	544,853,930	-	708,909,065
<b>Total</b>	<b>2,565</b>	<b>475,675,750</b>	<b>1,207,121,330</b>	<b>24,417,400</b>	<b>1,707,214,480</b>

47 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, associates, joint ventures, employee benefit plans and its directors and Key Management Personnel. The details of investment in subsidiaries, joint venture and associated undertaking and their provisions are stated in note 11 of the consolidated financial statements of the Bank.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

	2024								2023									
	Director s	Key manage- ment personnel	Subsidiarie s	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties	Director s	Key manage- ment personnel	Subsidiarie s	Associates	Joint venture	Pension Fund (Current)	Pension Fund (NIDA A/c)	Provident Fund	Other related parties
	(Rupees in '000)																	
<b>Balances with other banks</b>																		
In current accounts	-	-	-	-	-	-	-	-	279,616	-	-	-	-	-	425,938	-	-	-
	-	-	-	-	-	-	-	-	279,616	-	-	-	-	-	425,938	-	-	-
<b>Investments</b>																		
Opening balance	-	-	-	-	-	-	-	-	4,921,177	-	-	-	-	-	-	-	-	6,512,634
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,021)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	(4,921,077)	-	-	-	-	-	-	-	-	(1,150,536)
Closing balance	-	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	4,921,177
<b>Credit loss allowance for diminution in value of investments</b>																		
value of investments	-	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	164,975
<b>Advances</b>																		
Opening balance	-	265,788	317,063	2,540,453	-	-	-	-	-	-	339,734	227,063	2,665,220	-	-	-	-	2,085,795
Addition during the year	-	75,194	135,000	-	-	-	-	-	-	-	24,777	764,000	-	-	-	-	-	-
Repaid during the year	-	(99,509)	-	(2,357,281)	-	-	-	-	-	-	(58,217)	(674,000)	(124,767)	-	-	-	-	(520,649)
Transfer in / (out) - net	-	17,139	-	-	-	-	-	-	-	-	(40,506)	-	-	-	-	-	-	(1,565,146)
Closing balance	-	258,612	452,063	183,172	-	-	-	-	-	-	265,788	317,063	2,540,453	-	-	-	-	-
<b>Credit loss allowance held against advances</b>																		
	-	-	217,063	183,172	-	-	-	-	-	-	-	217,063	2,540,453	-	-	-	-	-



## RELATED PARTY TRANSACTIONS

	2024							2023							
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund
	(Rupees in '000)							(Rupees in '000)							
<b>Income</b>															
Mark-up / return / interest earned	-	13,918	52,268	-	-	-	-	-	3,054	1,928	-	-	-	-	422,679
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	297,000	111,506	-	-	81,180	-	-	186,300	-	-	-	-	144,720
Net gain on sale of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent income / Lighting & Power and Bank charges	-	-	21,585	6,451	-	-	21,027	-	-	21,399	6,077	-	-	-	21,027
<b>Expense</b>															
Mark-up / return / interest paid	3,065	8,898	130,337	31,800	-	95,946	1,816,643	292	7,496	162,076	108,007	31,505	150,743	1,844,455	297,705
Expenses paid to company in which Director of the bank is interested as CEO and director	-	-	-	-	-	-	926,655	-	-	-	-	-	-	-	598,462
Remuneration to key management executives including charge for defined benefit plan	-	854,055	-	-	-	-	-	-	711,643	-	-	-	-	-	-
Contribution for other corporate & social responsibility paid to company in which Directors of the bank is interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid to subsidiaries	-	-	24,327	-	-	-	-	-	-	11,182	-	-	-	-	-
Directors fee & other allowances	95,191	-	-	-	-	-	-	88,232	-	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### 47.1 Transactions with Government-related entities

The entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the group.

The group in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other grouping

The group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 10,862 million (2023: 10,320 million) for the year ended December 31, 2024. As at the statement of financial position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 620,914 million (2023: 602,707 million), Rs. 1,864,349 million (2023: 1,622,331 million) and Rs.1,798,996 million (2023: 1,780,517 million), respectively and income earned on advances and investment and profit paid on deposits amounted to Rs. 74,854 million (2023: 77,719 million) and Rs. 277,132 million (2023: 184,042 million) respectively.

## 48 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- to comply with the capital requirements set by the regulators of the banking markets where the Bank operates;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

The SBP has issued instructions for Basel-III Implementation vide BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions were effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Basel-III instructions comprise the following three capital standards:

### i. Minimum Capital Requirement (MCR):

The MCR standard sets the nominal amount of capital banks/ DFIs are required to hold. Currently the MCR for banks and DFIs is Rs. 10 billion as prescribed by SBP.

### ii. Capital Adequacy Ratio (CAR):

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the banks/ DFIs. The banks/ DFIs are required to comply with the minimum requirements as specified by the SBP on standalone as well as consolidated basis. Currently the required CAR for banks is 11.50% (plus 1.50% for NBP as D-SIB requirement).

### iii. Leverage Ratio:

Tier-1 Leverage Ratio of 3% is introduced in response to Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from December 31, 2015. However, SBP vide its letter No. BPRD/BA&CPD/638/436708/2023 dated March 7, 2023 has reduced the minimum requirement to 2.5% up till March 2024 which was 3% as per BPRD circular No.6 dated August 15, 2013. The bank has a leverage ratio of 3.83% in the year ended December 31, 2024, (2023: 3.12%) and Tier-1 capital of Rs.349,238 Millions (2023:

The SBP's regulatory capital as managed by the Bank is analysed into following tiers:

#### 1. Tier 1 Capital (going-concern capital)

- Common Equity Tier 1
  - Additional Tier 1
- Tier I capital, which comprises highest quality capital element and include fully paid up capital, balance in share premium account, reserve for issue of bonus shares, general reserves and un-appropriate profits (net of accumulated losses, if any).

#### 2. Tier 2 Capital (gone-concern capital)

- Tier II capital, which includes general reserve for loan losses, revaluation reserve, exchange translation reserve and subordinated debt.

Basel III capital rules requires bank to make certain deductions from the capital before arriving at the Capital Adequacy Ratio (CAR).

Risk weighted assets are measured according to the nature and reflect an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect more contingent nature of

The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future development of the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratios compare the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratio under the SBP rules, which ultimately determines the regulatory capital, required to be maintained by Banks and DFIs.

The paid-up capital of the Bank for the year ended December 31, 2024 stood at Rs. 21,275 billion (2023 : Rs. 21,275 billion) and is in compliance with the SBP requirement for the said period. In addition the Bank has maintained minimum Capital Adequacy Ratio (CAR) of 27.39% (2023: 25.47%)

There have been no material changes in the Bank's management of capital during the year.

	2024	2023
	----- Rupees in 000 -----	
<b>CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>21,275,131</u>	<u>21,275,131</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>359,001,823</u>	290,194,013
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>359,001,823</u>	290,194,013
Eligible Tier 2 Capital	<u>127,884,327</u>	95,972,355
Total Eligible Capital (Tier 1 + Tier 2)	<u>486,886,150</u>	386,166,368
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>1,219,662,457</u>	1,064,724,576
Market Risk	<u>148,427,279</u>	121,288,938
Operational Risk	<u>367,891,513</u>	310,495,520
Total	<u>1,735,981,248</u>	<u>1,496,509,034</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>20.68%</u>	19.39%
Tier 1 Capital Adequacy Ratio	<u>20.68%</u>	19.39%
Total Capital Adequacy Ratio	<u>28.05%</u>	<u>25.80%</u>
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>359,001,823</u>	290,194,013
Total Exposures	<u>9,129,797,793</u>	8,988,394,792
Leverage Ratio	<u>3.93%</u>	<u>3.23%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>2,474,264,138</u>	1,618,093,446
Total Net Cash Outflow	<u>1,200,642,088</u>	918,191,522
Liquidity Coverage Ratio	<u>206%</u>	<u>176%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>3,776,992,766</u>	3,360,328,373
Total Required Stable Funding	<u>2,176,376,949</u>	2,113,268,425
Net Stable Funding Ratio	<u>174%</u>	<u>159%</u>

**48.1** During the year, the SBP, through its letter No. BSD-1/BANK/NBP/751797/2024 dated August 29, 2024 has reduced the D-SIB buffer requirement for the Bank from 2.50% to 1.50%.

**48.2** The full disclosure on the Capital Adequacy, Leverage Ratio and Liquidity Requirements as per SBP instructions issued from time to time, is available on NBP's website. The link to the full disclosure is available at <https://www.nbp.com.pk/blsd/>.

## 49 RISK MANAGEMENT

Risk management is about understanding and managing the potential for volatility of earnings, loss of access to reliable deposits and funding and depletion of capital arising from the business activities, whilst pursuing its strategic objectives. The group has in place a well-defined risk management strategy/ policy with clear objectives and deliverables through multi-pronged risk management processes.

The group applies the Basel framework as a cornerstone of the NBP's risk management framework and capital strategy. The group maintains a strong capital, funding and liquidity position in line with its on-going commitment to maintain balance sheet strength. The strength of risk profile management of the group stands at the following pillars:

- Identification and assessment of significant material risks
- Overseeing and managing the risk profile of the Bank within the context of the risk appetite
- Optimize risk/ return decisions by aligning them to business objective of achieving sustainable optimum growth.

In order to support RMG's activities, the strong data management mechanism is also in place to collect and consolidate exposure wise information various risk related analysis and reviews. The mechanism also helps in identification of e-CIB related information, performing periodic review, generates reports and highlights inconsistencies and errors, and issuing instructions to the relevant data entry points for rectification.

As another initiative with the objective of strengthening the existing business activities of Bank, the Business Process Review and COSO implementation project has been conducted. This will streamline the operating model, improving regulatory compliance, and also improving the customer service and product/ service deployment. This also includes aligning the existing documentation with improved risk based processes, which in turn will act as a tool for effective

In addition, Information Security Division (ISD) became an integral part of Risk Management Group to confronting the emerging risks arises due to the introduction and use of IT based systems.

### 49.1 Risk Governance Structure

Risk Management Group (RMG) operates as an independent group, i.e. separate from approvals and direct involvement in day-to-day activities. RMG reports directly to the President with a dotted line reporting to the Board Risk Committee (BRC). The group is responsible to perform the functions pertaining to development and oversight of the risk framework, methodologies and other functions assigned from time to time in line with local/ international best practices and under the supervision of SBP's regulations/ guidelines.

The Bank's Board is responsible to ensure active oversight over implementation of policies and frameworks so as to prevent any significant financial loss or reductions in shareholder value that may be suffered by the Bank. Therefore, it is the responsibility of the Board to ensure that policies and frameworks are in place to recognize all significant/ material risks to which the Bank is/ may be exposed and that the required human resource, culture, practices and systems are adequate to address such risks. The Board and its relevant committee, i.e. BRC and the senior management along with its relevant committees i.e. Credit Committee, Executive Risk Management Committee (ERMC), ALCO etc. are responsible to ensure formulation and implementation of risk management framework.

### 49.2 Risk Management Framework

The Bank implements risk management framework through a 'Three Lines of Defense' model which defines clear responsibilities and accountabilities for various offices and ensures effective & independent oversight and also that the activities take place as intended. Risk Management Group together with Compliance Group acts as second line of defense and performs integrated function of oversight and independently challenges the effectiveness of risk management actions taken by business groups, who are the first line of defense. The risk management is further strengthened by the third line of defense, where Board Audit & Compliance Committee and Audit & Inspection Group add value through independent and objective assurance in improving risk management functions of the Bank.

Following paragraphs introduce Bank's exposures to material risks associated with its business activities and explain overall strategies and processes to manage those risks:

#### 49.2.1 Credit Risk

Credit risk arises when a counterparty fails to repay a loan, leading to financial losses, cash flow disruptions, and increased debt recovery costs. For NBP, lending activities represent the primary source of credit risk. These activities include providing loans and advances, contingent liabilities such as letters of credit and guarantees, and engaging in other on- and off-balance sheet transactions.

The goal of credit risk management is to maintain credit risk exposure within acceptable levels, ensuring asset quality and achieving returns that align with the level of risk. By taking a proactive approach to managing credit risk, NBP not only safeguard its profitability and sustainability but also support the stability of the financial system and efficient capital allocation. Under the supervision of the Board Risk and Compliance Committee (BRCC), the Bank has a dedicated risk management setup, headed by the Chief Risk Officer, which ensures the efficiency of credit risk assessment, measurement, review, and reporting frameworks.

Prudent lending decisions can empower people and businesses to boost the bank's profitability and strategically guard against the risks of extending credit. The effective implementation of structured risk assessment standards, comprehensive pre-disbursement evaluation tools, and post-disbursement review systems has allowed NBP to effectively manage credit risk and mitigate losses within acceptable tolerance levels. Our risk management approach is driven by a strategic goal to maintain a robust framework, proactively identify and address risks, and facilitate sustainable business growth. The bank has in place a Risk Appetite Framework and a Credit Risk Concentration Management Framework to set limits on credit risk exposure in relation to obligors, economic groups, and industry segments.

The Risk Management function continuously evaluates the credit portfolio using detailed reports and dashboards to identify borrowers and sectors vulnerable to changes in local and global economic conditions. The Bank actively monitors account delinquencies, counterparties' financial health, prevailing economic landscape, and other relevant factors. A robust credit review mechanism and approval process, closely supervised by senior management, ensures effective

The Bank has actively undertaken the implementation of the IFRS 9 standard. This standard introduces a model for financial assets, mandating the recognition of impairment charges through the 'Expected Credit Loss' approach, departing from the existing 'Incurred Credit Loss' approach.

The Retail & Program Lending Division performs risk management of program-based products, encompassing Retail Banking Group (RBG), Inclusive Development Group (IDG), and Aitemaad Islamic Banking Group (AIBG). Adopting a credit cycle approach, the Division provides end-to-end credit management through various functions that includes policy and portfolio management, MIS and analytics, credit approvals, collection and recovery and quality assurance. The division also works closely with Operational Risk, Information Technology, Credit Administration, and Human Resource functions to ensure comprehensive risk management. The Divisional Head reports directly to the Chief Risk Officer (CRO).

Effective Credit Administration is very crucial for the Bank as it enables the Bank to effectively manage credit risk, maintain regulatory compliance, and ensure financial stability. CAD, in view of its critical role in post-approval credit management, is actively contributing to portfolio expansion and granting individuals and businesses access to essential funds. As a part of continuous improvement, CAD has implemented additional controls and enhanced its monitoring with the aim to have more efficient end-to-end processes whilst maintaining appropriate controls. Moreover, CAD is actively working on automation, focusing on advanced collateral management functions, control over limit functions, and effective vendor management. Once the Core Banking Application (CBA) is upgraded, it is expected to significantly bolster the Bank's position within its peer group, reinforcing its overall strength and building customer confidence.

The Bank employs the Standardized Approach within the SBP's Basel Accord to estimate credit risk-weighted assets. This approach allows banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

#### **49.2.1.1 Credit risk - general disclosures Basel specific**

The Bank employs the Standardized Approach within the SBP's Basel Accord to estimate credit risk-weighted assets. This approach allows Banks to incorporate external ratings of counterparties when calculating risk-weighted assets. Additionally, stress testing for credit risk is performed to evaluate the potential impact of scenarios prescribed by the regulator.

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

#### **49.2.1.2 External ratings**

The SBP Basel III guidelines require banks to use ratings assigned by specified External Credit Assessment Institutions (ECAIs) namely Pakistan Credit Rating Agency Limited (PACRA), VIS and Moody's, Fitch and Standard & Poor's.

The SBP through its letter number BSD/BAI-2/201/1200/2009 dated December 21, 2009 accorded approval to the Bank for use of ratings assigned by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL). The Bank uses these ECAIs to rate its exposures denominated in Bangladeshi currency on certain corporate exposures and banks incorporated in Bangladesh.

The Bank uses external ratings for the purpose of mapping risk weights as per the Basel III framework. Instances whereby an exposure is rated by two or more ratings agencies, mapping into different risk weights, instructions outlined in Regulatory guidelines on BASEL framework shall be adhered to for selection of applicable rating.

#### **49.2.1.3 Credit risk mitigation policy**

The group defines collateral as the assets or rights provided to the group by the borrower or a third party in order to secure a credit facility. The group would have the rights of secured creditor in respect of the assets / contracts offered as security for the obligations of the borrower / obligor.

#### **49.2.1.4 Collateral valuation and management**

As stipulated in the SBP Basel guidelines, the group uses simple approach for credit risk mitigation. Under this approach the risk weighting of the collateral instrument collateralizing or partially collateralizing the exposure is substituted for the risk weighting of the counterparty.

#### **49.2.1.5 Types of collaterals**

The group determines the appropriate collateral for each facility based on the type of product and counterparty. In case of corporate and SME financing, fixed assets are generally taken as security for long tenure loans and current assets for working capital finance usually backed by mortgage or hypothecation. For project finance, security of the assets of the borrowers and assignment of the underlying project contracts are generally obtained. Additional security such as pledge of shares, cash collateral, TDRs, SSC/DSCs, charge on receivables may also be obtained. Moreover, in order to cover the entire exposure personal guarantees of directors / borrowers are also obtained generally by the group. For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the property and automobile being financed respectively.

The group also offers products which are primarily based on collateral such as shares, specified securities and pledged commodities. These products are offered in line with the SBP prudential regulations and approved product policies which also deal with types of collateral, valuation and margining.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorisation approved by the MCC under its delegation powers. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

#### **49.2.1.6 Types of eligible financial collateral**

For credit risk mitigation purposes (capital adequacy purposes), the Bank considers all types of financial collaterals that are eligible under the SBP Basel III accord. This includes cash / TDRs, gold, securities issued by Government of Pakistan such as T-Bills and PIBs, National Savings Certificates, certain debt securities rated by recognised credit rating agencies, and guarantees from certain specified entities (Government of Pakistan, Banks etc.) under substitution effect of Basel.

#### **49.2.1.7 Credit concentration risk**

Credit concentration risk arises mainly due to concentration of exposures under various categories viz. industry, geography, and single/group borrower exposures. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single borrower, group borrowers and related parties. Moreover, in order to restrict the industry concentration risk, Bank's Credit Risk Concentration Management Framework spells out the maximum allowable exposure that it can take on specific industry. Additionally, the Internal Rating System allows the Bank to monitor risk rating concentration of borrowers against different grades / scores ranging from 1 - 12 (1 being the best and 12 being

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

#### 49.2.1.8 Methodologies and models used for the measurement of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal / external rating grade for subject customer. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account being restructured. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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

Stage 1 (Performing assets):	When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the forward looking LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.
Stage 2 (Underperforming assets):	When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.
Stage 3 (Non performing assets):	For financial instruments considered credit-impaired, the Bank recognises LTECLs for these instruments. A description of how the Bank defines credit-impaired and default is given in relevant section. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.
Undrawn financing commitments:	When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. Expected draw-down is added to the EAD and the ECL is then based on the present value of the expected cash flows of EAD if the financings are drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both financings and an undrawn commitment, ECLs are calculated on un-drawn portion (after application of CCF) of the facility and presented within other liabilities.
Guarantee and letters of credit contracts:	The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for financial guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee and letter of credit contracts are recognised within other liabilities.

#### Forward looking information

The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for Wholesale & Retail portfolio.

These economic variables and their associated impact on the PD vary by the portfolio.

The rating band / DPD bucket wise PDs are computed through migration analysis using atleast 5 years historical transition matrices of respective portfolio. Furthermore, a detailed regression analysis is carried out using Marco Economic variables (i.e. Average Inflation rate ,GDP Growth rate and Exports were regressed against Bank's Internal Default Rates) in order to attain forward-looking PDs for each following year.

In addition to the base economic scenario, the Bank also uses other possible scenarios along with scenario weightings. The number of scenarios and their attributes are reassessed at each reporting date.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In its ECL models, the Bank relies on range of the following forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index
- Export

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), discounted at an approximation to the EIR, defined as follows:

**Probability of Default (PD):**

The Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- For corporate, commercial, and SME loan portfolios, the Bank has used a obligor risk rating (ORR) transition based approach to determine the segment wise PDs for each ORR.
- For housing, agriculture, cash and gold and advance salary, a days-past-due ("DPD") based migration approach has been used; and these PD's for wholesale & retail portfolio are then adjusted with forward looking information to arrive at point in time (PIT) PDs;
- For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), historical PDs were estimated on the basis of global default Rates taken from s&P rating-wise transition matrices. These annual default Rates were converted into forward-looking PDs using the vasicek model. The forecast global macro-economic variables were derived using historical regression between global macro-economic variables and Pakistan macro-economic variables.

### **Exposure at Default (EAD)**

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. The Bank's product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behaviour, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

### **Loss Given Default (LGD):**

LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive. It is expressed as a percentage of the EAD. Bank has estimated segment wise LGDs for Corporate / Commercial, SE, ME & Agri Portfolio as well as product wise LGDs for Auto Finance, Personal Loan, Home Finance and Credit Card portfolio. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money.

The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs, through use of term structure of Point in time PDs.

#### 49.2.1.9 ECL Principles, Grouping and Calculations

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

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

When estimating the ECLs, the Bank considers three scenarios (a base, best and a worst case). Each of these scenario's is based on different macro-economic forecasts and is associated with different set of PDs & LGD.

Furthermore, to mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following

- History of legal certainty & enforceability
- History of recovery

The Bank's management has only considered cash, gold & gold ornaments, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs. Furthermore, The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

#### Impact on Regulatory Capital:

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has permitted Banks to opt for transitional arrangement for the ECL impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

Accordingly, Bank has opted for transition arrangement to phase in ECL impact and below tabulated is the impact on key ratios, had the transitional arrangement not applied.

Key Ratios	With Transitional arrangement	Without Transitional arrangement
Total Capital to total RWA (CAR)	28.05%	26.48%
Leverage Ratio	3.93%	3.72%

#### 49.2.1.10 ECL Modeling and staging criteria/ Significant increase in ECLs

Significant increase in credit risk (SICR): A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument compared to the risk of default expected at the time of initial recognition.

The Bank uses a number of qualitative and quantitative measures in assessing SICR including, inter alia, the deterioration of Obligor Risk Ratings (ORR), in line with Bank's internally approved grid outlining specific notches downgrade for each ORR / external rating, payments being past due by 60 days, and other qualitative factors (such as watchlisting or restructuring of account).

#### 49.2.1.11 Loans and advances definitions and methodologies of categorisation, credit loss allowance stages and movements between stages

##### Backward Transition:

In line with Bank's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Bank of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a significant increase in credit risk (SICR) no longer exist. However, a minimum period of three months from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2.

For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

#### 49.2.1.12 Lendings to financial institutions

##### Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held			Provision held
					2024			2023
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
	----- Rupees in 000 -----							
Public / Government	-	85,000,000	-	-	-	-	-	-
Private	30,172,150	107,604,587	172,150	174,150	-	-	172,150	174,150
	<b>30,172,150</b>	<b>192,604,587</b>	<b>172,150</b>	<b>174,150</b>	<b>-</b>	<b>-</b>	<b>172,150</b>	<b>174,150</b>

#### 49.2.1.13 Investment in debt securities

##### Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					2024			2023
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
	----- Rupees in 000 -----							
Cement	245,508	245,168	132,838	20,168	24	-	20,168	20,168
Chemical	1,076,217	326,742	1,076,217	326,742	-	-	1,076,217	326,742
Construction	2,962,405	2,630,239	2,298,072	1,633,739	-	116,952	1,633,739	1,633,739
Engineering	4,842	4,842	4,842	4,842	-	-	4,842	4,842
Fertilizer	1,152,560	1,152,560	1,152,560	1,152,563	-	-	1,152,560	1,152,559
Sugar	214,549	640,719	214,549	640,719	-	-	214,549	640,719
Textile	582,953	725,810	582,954	582,953	-	-	582,954	582,953
Financial	17,961,954	15,119,874	4,049,988	501,012	86	-	49,988	501,012
Electronics and electrical appliances	1,308,738	1,308,738	1,308,738	1,308,738	-	-	1,308,738	1,308,738
Glass and Ceramics	11,361	11,361	11,361	11,361	-	-	11,361	11,361
Leather and Tanneries	5,288	5,288	5,288	5,288	-	-	5,288	5,288
Food and Personal Care Products	11,184	11,184	11,184	11,184	-	-	11,184	11,184
Pharmaceuticals	2,413	2,413	2,413	2,413	-	-	2,413	2,413
Technology and Communication	6,170	8,348	6,170	8,348	-	-	6,170	8,348
Vanaspati and Allied Industries	4,238	4,238	4,238	4,238	-	-	4,238	4,238
Oil and Gas Marketing	687	687	687	687	-	-	687	687
Cable and Electrical Goods	4,284	4,509	4,284	4,509	-	-	4,284	4,509
Automobile Parts and Accessories	1,185	1,185	1,185	1,185	-	-	1,185	1,185
Power (electricity), Gas, Water, Sanitary	29,623,717	29,925,996	2,200,000	-	-	406,750	-	-
Tobacco	144	144	144	144	-	-	144	144
Paper and Board	10,794	10,794	10,794	10,794	-	-	10,794	10,794
Jute	7,081	7,081	7,081	7,081	-	-	7,081	7,081
Metal Products	840,000	590,000	590,000	-	45	-	340,000	-
Services	607,068	780,515	607,068	-	-	-	607,068	-
Telecom	-	-	-	-	-	-	-	-
Miscellaneous	34,685	23,606	34,685	23,443	-	-	34,685	23,447
	<b>56,680,024</b>	<b>53,542,041</b>	<b>14,317,339</b>	<b>6,262,151</b>	<b>154</b>	<b>523,702</b>	<b>7,090,336</b>	<b>6,262,151</b>

##### Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance held			Provision held
					2024			2023
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
	----- Rupees in 000 -----							
Public/ Government	25,242,579	26,694,858	18,862	18,862	-	-	18,862	18,862
Private	31,437,445	26,847,183	14,298,477	6,243,289	154	523,702	7,071,474	6,243,289
	<b>56,680,024</b>	<b>53,542,041</b>	<b>14,317,339</b>	<b>6,262,151</b>	<b>154</b>	<b>523,702</b>	<b>7,090,336</b>	<b>6,262,151</b>

#### 49.2.1.14 Advances

##### Credit risk by industry sector

Sector Change	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					2024			
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
----- Rupees in 000 -----								
Agriculture, Forestry, Hunting & Fishing	115,101,438	98,624,179	59,623,751	7,981,816	2,344,417	231,812	7,144,814	5,858,554
Mining & Quarrying	2,997,004	4,953,424	192,334	205,554	58,414	-	192,334	205,554
Textile	158,393,261	172,772,809	38,446,498	38,746,011	3,206,068	2,332,019	38,286,703	38,590,888
Chemical & Pharmaceuticals	9,528,745	8,726,797	5,253,406	5,608,202	179,349	9,561	5,206,889	4,858,290
Cement	23,766,311	29,429,909	6,291,552	6,286,205	459,020	18,690	5,527,365	4,306,468
Sugar	32,494,636	35,723,868	15,473,023	15,237,588	146,598	465,096	15,473,023	15,237,588
Footwear and Leather garments	1,637,081	2,548,291	1,091,113	1,305,280	7,910	136	1,088,303	1,271,149
Automobile & Transportation Equipment	9,017,546	8,926,304	1,380,656	962,288	241,780	76,607	1,374,031	954,395
Electronics & Electrical Appliances	9,664,286	10,503,866	4,753,298	4,778,714	44,853	2,493	4,720,555	3,688,323
Construction	22,048,431	23,638,052	9,751,095	10,057,457	61,953	627,904	9,729,560	9,936,191
Oil & Gas	270,712,396	311,928,714	19,783,847	19,618,900	4,867,063	3,052,715	36,351,983	19,323,280
Power (electricity), Gas, Water, Sanitary	160,207,995	191,933,546	12,362,352	14,882,572	2,510,062	2,641,340	10,742,733	12,709,678
Wholesale and Retail Trade	59,878,358	53,130,430	11,847,289	11,827,052	14,778	-	11,597,525	11,630,991
Transport, Storage and Communication	75,316,094	73,230,722	17,232,785	17,134,803	184,019	15,464	14,917,504	15,080,210
Financial	136,267,709	2,874,807	344,460	340,098	18,499	701	339,191	324,146
Services	44,262,655	48,455,066	1,301,450	2,260,499	95,749	162,907	1,214,412	1,571,278
Individuals	183,202,191	210,381,015	7,400,924	6,900,504	2,051,721	439,534	5,828,559	4,318,671
Fertilizer	2,895,562	5,496,940	1,391,094	2,730,894	37,817	650	1,363,159	2,690,260
Metal Products	72,997,045	75,901,770	32,511,687	30,959,009	146,968	81,642	32,323,086	30,871,562
Telecommunication	29,777,778	32,954,455	877,816	1,312,494	693,476	334,796	877,816	1,104,242
Public Sector Commodity Operations	154,240,557	127,236,872	74,198	718,876	-	-	74,198	235,368
Rice Trading & Processing	47,439,549	44,913,336	5,605,102	4,541,062	1,428,741	55,486	5,453,474	4,361,754
Food and Tobacco	22,199,266	22,581,792	8,767,732	9,386,521	567,251	150,878	8,604,421	7,954,097
Glass and Ceramics	6,570,308	7,089,518	296,493	271,493	7,605	-	296,493	271,493
Paper & Board	4,273,736	3,939,798	610,718	576,412	32,796	81,770	589,787	565,726
Engineering	3,660,605	8,845,740	1,305,957	1,508,928	44,213	0	1,203,457	1,370,855
Plastic Products	3,767,532	3,865,916	1,731,563	1,735,045	1,087	-	1,641,158	1,396,225
Media	398,683	664,016	151,334	151,334	16,328	2	151,334	151,334
Flour Mills	4,641,652	4,409,585	840,495	555,705	152,239	18,737	773,594	525,782
Sports Goods	1,535,815	1,457,410	33,294	34,794	282	-	33,294	34,794
Surgical equipments	902,571	981,604	13,159	13,159	953	-	13,159	13,159
Others	2,966,199	3,565,142	2,548,496	2,196,447	129,820	7,681	2,699,350	2,158,447
	<b>1,672,762,996</b>	<b>1,631,685,693</b>	<b>269,288,971</b>	<b>220,825,716</b>	<b>19,751,831</b>	<b>10,808,620</b>	<b>225,833,264</b>	<b>203,570,752</b>
(294,721)								

##### Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held			Provision held
					2024			
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	
----- Rupees in 000 -----								
Public/ Government	604,290,709	644,878,073	51,337,669	982,500	-	-	337,619	498,992
Private	1,068,472,287	986,807,620	217,951,302	219,843,216	19,751,831	10,808,620	225,495,645	203,071,760
	<b>1,672,762,996</b>	<b>1,631,685,693</b>	<b>269,288,971</b>	<b>220,825,716</b>	<b>19,751,831</b>	<b>10,808,620</b>	<b>225,833,264</b>	<b>203,570,752</b>

#### 49.2.1.15 Contingencies and commitments

	2024	2023
	----- Rupees in 000 -----	
<b>Credit risk by industry sector</b>		
Agriculture, Forestry, Hunting and Fishing	229,085	218,136
Mining and Quarrying	3,559,445	73,466
Textile	21,024,719	15,709,777
Chemical and Pharmaceuticals	8,756,360	8,405,999
Cement	2,567,426	5,949,829
Sugar	221,542	5,303
Footwear and Leather garments	32,793	51,827
Automobile and Transportation Equipment	4,382,093	2,423,164
Electronics and Electrical Appliances	3,470,564	3,509,467
Construction	9,909,840	10,408,498
Oil & Gas	108,118,521	59,322,425
Power (electricity), Water, Sanitary	50,826,895	50,934,421
Wholesale and Retail Trade	2,332,478	3,105,839
Transport, Storage and Communication	54,873,340	55,560,127
Financial Services	847,846,794	856,711,238
Individuals	1,567,386,041	1,512,041,370
Fertilizer	212,308	228,227
Metal Products	3,613,420	4,832,942
Telecommunication	13,540,609	23,669,700
Public Sector Commodity Operations	31,452,915	32,082,348
Rice processing and Trading	27,399,543	3,437,431
Food and Tobacco	483,325	358,732
Glass and Ceramics	2,866,583	2,082,149
Paper and Board	594,346	502,829
Engineering	2,134,032	2,100,963
Plastic Products	90,458,587	81,202,951
Sports Goods	108,908	246,351
Surgical equipments	33,709	6,229
Others	76,299	86,235
	<u>258,866</u>	<u>532,595</u>
	<u><u>2,858,771,385</u></u>	<u><u>2,735,800,568</u></u>
<b>Credit risk by public / private sector</b>		
Public / Government	1,798,995,582	1,708,517,452
Private	1,059,775,803	1,027,283,116
	<u><u>2,858,771,385</u></u>	<u><u>2,735,800,568</u></u>

\* Contingent liabilities for the purpose of this note are presented at cost and includes direct credit substitutes, transaction related contingent liabilities and trade related contingent liabilities.

#### 49.2.1.16 Concentration of advances

The bank's top ten (10) exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 2,074,573 million (2023: Rs. 1,959,515 million) are as following:

	2024	2023
	----- Rupees in 000 -----	
Funded	554,555,082	441,093,207
Non Funded	1,520,018,147	1,518,421,637
Total Exposure	<u><u>2,074,573,229</u></u>	<u><u>1,959,514,844</u></u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 2,158,452 million (2023: Rs. 2,045,103 million)

Total funded classified therein	2024		2023	
	Amount	Credit loss allowance	Amount	Credit loss allowance
OAEM	-	-	-	-
Substandard	51,000	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	<u><u>51,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

#### 49.2.1.17 Advances - Province/Region-wise disbursement & utilization

Province/Region	2024						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	659,220,612	657,735,567	-	1,485,044	-	-	-
Sindh	587,484,427	1,000,000	584,837,367	1,647,060	-	-	-
KPK including FATA	16,881,142	-	-	16,881,142	-	-	-
Balochistan	5,078,348	-	-	-	5,078,348	-	-
Islamabad	120,272,040	-	-	-	-	120,272,040	-
AJK including Gilgit-Baltistan	5,123,306	-	-	-	-	-	5,123,306
<b>Total</b>	<b>1,394,059,874</b>	<b>658,735,567</b>	<b>584,837,367</b>	<b>20,013,246</b>	<b>5,078,348</b>	<b>120,272,040</b>	<b>5,123,306</b>

  

Province/Region	2023						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	488,630,825	487,273,108	111,328	1,246,389	-	-	-
Sindh	623,940,498	-	622,376,734	1,176,470	-	387,294	-
KPK including FATA	10,821,813	-	-	10,821,813	-	-	-
Balochistan	3,714,956	-	-	-	3,714,956	-	-
Islamabad	118,306,922	-	-	-	-	118,306,922	-
AJK including Gilgit-Baltistan	3,763,094	-	-	-	-	-	3,763,094
<b>Total</b>	<b>1,249,178,108</b>	<b>487,273,108</b>	<b>622,488,062</b>	<b>13,244,672</b>	<b>3,714,956</b>	<b>118,694,216</b>	<b>3,763,094</b>

#### 49.2.2 Market risk

Market Risk is the value of on and off-balance sheet positions of a financial institution that are adversely affected by movements in market factors such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

The Bank's market risk is managed through Market & Liquidity Risk Management Policy duly approved by the Board. The Bank has in-place market risk limits to manage risks within the Bank's approved risk appetite.

The Standardized Approach is used to calculate capital charge for market risk as per Basel framework. Stress testing for interest sensitive, equity, and FX exposures is carried out regularly to estimate the impact on the capital of the Bank.

In addition to the regulatory requirements, Bank has devised proprietary stress testing scenarios which are periodically performed to assess the impact on capital of the Bank for Internal Capital Adequacy and Assessment Process (ICAAP). Limits/ zones and management action triggers/ plans corresponding to various ratios/ limits/ thresholds are defined in the

#### 49.2.2.1 Statement of Financial Position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	----- Rupees in 000 -----					
Cash and balances with treasury banks	314,787,387	-	314,787,387	295,455,482	-	295,455,482
Balances with other banks	58,644,846	-	58,644,846	43,004,567	-	43,004,567
Lendings to financial institutions	30,000,000	-	30,000,000	192,430,437	-	192,430,437
Investments	4,518,537,899	96,311,377	4,614,849,276	4,367,407,940	46,766,365	4,414,174,305
Advances	1,404,627,126	-	1,404,627,126	1,398,072,669	-	1,398,072,669
Property and equipment	62,231,233	-	62,231,233	57,477,067	-	57,477,067
Right-of-use assets	6,596,343	-	6,596,343	7,335,901	-	7,335,901
Intangible assets	2,577,003	-	2,577,003	2,186,294	-	2,186,294
Deferred tax assets	-	-	-	-	-	-
Other assets	259,683,639	-	259,683,639	258,737,303	-	258,737,303
<b>Total</b>	<b>6,657,685,476</b>	<b>96,311,377</b>	<b>6,753,996,853</b>	<b>6,622,107,660</b>	<b>46,766,365</b>	<b>6,668,874,025</b>

#### 49.2.2.2 Foreign exchange risk

Foreign exchange risk arises from the impact of currency movements on the value of the Bank's foreign exchange exposures, a result of participation in financial markets and international operations.

In order to manage currency risk exposure, the Bank enters into ready, spot, forward and swaps transactions with the SBP, financial institutions and corporates. The Bank's foreign exchange exposure comprises of forward contracts, purchase of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign placements and foreign currency assets and liabilities. Foreign Exchange exposure is managed within the regulatory and internal limits.

	2024				2023			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	----- Rupees in 000 -----							
United States Dollar	407,614,555	566,598,696	183,543,747	24,559,606	407,071,417	526,851,269	149,166,105	29,386,253
Great Britain Pound Sterling	1,327,328	7,393,733	5,479,782	(586,623)	4,560,991	8,045,545	8,217,517	4,732,962
Euro	10,343,955	13,886,149	7,455,351	3,913,157	11,881,678	14,678,082	5,639,911	2,843,507
Japanese Yen	5,521,105	1,673,326	(162,608)	3,685,171	5,270,516	1,265,119	2,990	4,008,387
Other currencies	128,626,622	48,668,830	4,582,589	84,540,381	122,811,374	63,651,435	6,779,686	65,939,626
	<b>553,433,565</b>	<b>638,220,735</b>	<b>200,898,861</b>	<b>116,111,691</b>	<b>551,595,977</b>	<b>614,491,450</b>	<b>169,806,209</b>	<b>106,910,734</b>

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----- Rupees in 000 -----			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	28,304	-	39,378
- Other comprehensive income	1,161,117	-	1,069,107	-

#### 49.2.2.3 Equity position risk

Stock trading activities also raise risk which occur due to adverse movements stock prices. The Bank's equity exposure is managed through limits imposed by the regulator for both overall investment and exposure in single scrip. Moreover, internal limits are set to manage equity risk by placing stop loss and VaR limits and/or through diversification within overall equity portfolio

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----- Rupees in 000 -----			
Impact of 5% change in equity prices on				
- Profit and loss account	-	1,329,805	-	3,966
- Other comprehensive income	4,387,208	-	3,912,948	-

#### 49.2.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate risk arises due to adverse movements in yield curve that is being monitored by ALCO with an objective to manage the potential adverse impact on the profitability of the Bank. This may arise due to volatility in market interest rates and any mismatch/ gaps in the amount of financial assets/ liabilities in different maturity time bands. The sources of IRR are based on following sub-risks.

- Re-pricing risk; arising from changes to the overall level of interest rates and inherent mismatches in the re-pricing term of banking book items.
- Yield curve risk; arising from a change in the relative level of interest rates for different tenors and changes in the slope or shape of the yield curve.
- Basis risk; arising from differences between the actual and expected interest margins on Banking book items over the implied cost of funds of those items.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----- Rupees in 000 -----			
Impact of 1% change in interest rates on				
- Profit and loss account	-	321,262	-	402,100
- Other comprehensive income	21,487,481	-	20,443,787	-

49.2.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

2024												
Effective Yield / interest rate	Total	Exposed to Yield / interest risk									Non-interest bearing financial instruments	
		Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	2 to 10 years	Above 10 Years		
----- Rupees in 000 -----												
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	4.0%	314,787,387	48,777,802	-	-	-	-	-	-	-	-	266,009,585
Balances with other banks	10.7%	58,644,846	6,161,320	750,824	605,181	716,457	-	-	-	-	-	50,411,064
Lending to financial institutions	19.8%	30,000,000	30,000,000	-	-	-	-	-	-	-	-	-
Investments	19.8%	4,614,849,276	699,962,202	1,202,993,983	989,636,165	866,003,307	284,899,267	171,253,762	124,639,101	102,365,484	2,336,428	170,759,579
Advances	14.9%	1,404,627,126	434,267,630	379,461,619	219,216,950	84,335,549	22,370,722	26,734,243	43,232,169	62,829,290	40,439,536	91,739,419
Other assets	-	187,030,211	-	-	-	-	-	-	-	-	-	187,030,211
		6,609,938,846	1,219,168,955	1,583,206,425	1,209,458,296	951,055,312	307,269,989	197,988,005	167,871,269	165,194,774	42,775,964	765,949,858
<b>Liabilities</b>												
Bills payable	-	26,060,123	-	-	-	-	-	-	-	-	-	26,060,123
Borrowings	20.7%	1,937,756,922	1,866,830,523	16,077,088	19,720,345	967,481	3,573,437	2,605,938	4,995,166	22,850,206	136,740	-
Deposits and other accounts	12.3%	3,865,212,297	2,254,833,266	165,626,282	247,944,847	142,528,000	8,882,966	31,116,038	41,928,830	4,736,575	-	967,615,494
Lease Liabilities against right-of-use assets	9.8%	8,585,682	1,009	4,710	32,223	167,229	619,327	1,137,990	1,827,830	4,287,977	507,388	-
Subordinated debt	%	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	%	400,196,058	-	-	-	-	-	-	-	-	-	400,196,058
		6,237,811,082	4,121,664,798	181,708,080	267,697,414	143,662,710	13,075,730	34,859,965	48,751,825	31,874,757	644,127	1,393,871,675
<b>On-balance sheet gap</b>		372,127,764	(2,902,495,843)	1,401,498,345	941,760,882	807,392,602	294,194,259	163,128,040	119,119,444	133,320,017	42,131,837	(627,921,817)
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions		1,585,818,397	-	-	-	-	-	-	-	-	-	1,585,818,397
Commitments in respect of:												
- forward foreign exchange contracts		200,898,861	84,001,311	102,780,386	13,838,614	278,550	-	-	-	-	-	-
- forward government securities transactions		68,747,535	-	-	211,235	50,500,000	(220,000)	-	18,256,300	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		15,467,596	-	-	-	-	-	-	-	-	-	15,467,596
Commitments for acquisition of:												
- fixed assets		1,082,641	-	-	-	-	-	-	-	-	-	1,082,641
- other commitments		-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>		1,872,015,031	84,001,311	102,780,386	14,049,849	50,778,550	(220,000)	-	18,256,300	-	-	1,602,368,635
<b>Total yield / interest risk sensitivity gap</b>		2,244,142,795	(2,818,494,532)	1,504,278,731	955,810,731	858,171,152	293,974,259	163,128,040	137,375,744	133,320,017	42,131,837	974,446,818
<b>Cumulative yield / interest risk sensitivity gap</b>			(2,818,494,532)	(1,314,215,801)	(358,405,070)	499,766,082	793,740,341	956,868,381	1,094,244,125	1,227,564,142	1,269,695,979	2,244,142,797

2023												
Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk								Non-interest bearing financial instruments		
		Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	2 to 10 years		Above 10 Years	
----- Rupees in 000 -----												
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	4.0%	295,455,482	47,892,144	-	-	-	-	-	-	-	-	247,563,338
Balances with other banks	10.7%	43,004,567	4,688,914	3,376,854	671,770	758,450	-	-	-	-	-	33,508,579
Lending to financial institutions	19.8%	192,430,437	192,420,714	-	-	-	-	-	-	-	-	9,723
Investments	19.8%	4,414,174,305	1,217,495,026	1,016,852,727	406,102,259	1,046,953,641	125,302,736	219,655,801	161,244,939	97,933,065	4,827,262	117,806,849
Advances	14.9%	1,398,072,669	398,482,253	400,789,064	198,012,729	64,385,689	23,471,767	41,855,723	44,435,433	58,092,119	60,544,803	108,003,089
Other assets	0%	258,732,684	1,154,262	86,327	-	1,397,158	-	-	-	-	-	256,094,937
		6,601,870,144	1,862,133,313	1,421,104,972	604,786,758	1,113,494,938	148,774,503	261,511,524	205,680,372	156,025,184	65,372,065	762,986,515
<b>Liabilities</b>												
Bills payable	0.0%	68,000,448	-	-	-	-	-	-	-	-	-	68,000,448
Borrowings	20.7%	2,177,743,194	2,087,923,897	39,730,834	7,640,293	710,905	1,073,314	1,066,201	6,558,534	33,017,995	21,221	-
Deposits and other accounts	12.3%	3,673,109,914	1,754,993,189	164,721,333	205,025,317	211,301,760	20,390,959	8,319,597	16,710,676	2,777,796	-	1,288,869,287
Lease Liabilities against right-of-use assets	9.8%	208,268	-	-	-	64,241	-	144,027	-	-	-	-
Subordinated debt	%	8,682,732	971	4,534	31,018	284,918	596,179	1,380,043	1,768,936	4,127,708	488,425	-
Other liabilities	%	341,891,306	591,709.00	-	-	1,417,279.00	-	-	-	-	-	339,882,318
		6,269,635,862	3,843,509,766	204,456,701	212,696,628	213,779,103	22,060,452	10,909,868	25,038,146	39,923,499	509,646	1,696,752,053
<b>On-balance sheet gap</b>		332,234,282	(1,981,376,453)	1,216,648,271	392,090,130	899,715,835	126,714,051	250,601,656	180,642,226	116,101,685	64,862,419	(933,765,538)
<b>Off-balance sheet financial instruments</b>												
Documentary credits and short-term trade-related transactions		1,633,847,479	-	-	-	-	-	-	-	-	-	1,633,847,479
Commitments in respect of:												
- forward foreign exchange contracts		169,806,209	60,702,960	87,931,586	21,171,663	-	-	-	-	-	-	-
- forward government securities transactions		(4,332,657)	-	-	-	(658)	-	-	(2,908,182)	(1,423,817)	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		44,432,555	-	-	-	-	-	-	-	-	-	44,432,555
Commitments for acquisition of:												
- fixed assets		1,129,442	-	-	-	-	-	-	-	-	-	1,129,442
- other commitments		-	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet gap</b>		1,844,883,028	60,702,960	87,931,586	21,171,663	(658)	-	-	(2,908,182)	(1,423,817)	-	1,679,409,476
<b>Total Yield / Interest Risk Sensitivity Gap</b>			(1,920,673,493)	1,304,579,857	413,261,793	899,715,177	126,714,051	250,601,656	177,734,044	114,677,868	64,862,419	745,643,938
<b>Cumulative Yield / Interest Risk Sensitivity Gap</b>			(1,920,673,493)	(616,093,636)	(202,831,843)	696,883,334	823,597,385	1,074,199,041	1,251,933,085	1,366,610,953	1,431,473,372	2,177,117,310

	2024	2023
	----- Rupees in '000 -----	
<b>49.2.2.6 Reconciliation of Financial Assets &amp; Liabilities with Total Assets &amp; Liabilities</b>		
<b>Total Financial Assets as per note 48.2.2.5</b>	<b>6,609,938,846</b>	6,601,870,144
<b>Add: Non-Financial Assets</b>		
Property and equipment	<b>62,231,233</b>	57,477,067
Intangible assets	<b>2,577,003</b>	2,186,294
Right-of-use assets	<b>6,596,343</b>	7,335,901
Other assets	<b>72,653,428</b>	4,619
	<b>144,058,007</b>	67,003,881
<b>Total assets as per statement of financial position</b>	<b><u>6,753,996,853</u></b>	<u>6,668,874,025</u>
<b>Total Financial Liabilities as per note 50.2.2.5</b>	<b>6,237,811,082</b>	6,269,635,862
<b>Add: Non-Financial Liabilities</b>		
Deferred tax liabilities	<b>40,995,264</b>	842,568
Other liabilities	<b>11,141,766</b>	981,556
<b>Total liabilities as per statement of financial position</b>	<b><u>6,289,948,112</u></b>	<u>6,271,459,986</u>

### 49.2.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks. For effective implementation, the group has a comprehensive Operational Risk Management Policy Framework (ORMPF) and procedures. These provide guidance for setting up operational risk strategy of the group, selection and adoption of risk and loss measurement tools, reporting, and establishment of operational risk management process.

Operational risks are core components of doing business arising from the day-to-day operational activities of the group including launching of new products and services. The group realizes that operational risks cannot be fully mitigated, it therefore determines an appropriate balance between accepting potential losses and related costs of mitigation.

Further, the group has adopted an Operational Risk Management Policy Framework and Operational Risk Appetite duly approved by the Board. Furthermore, the group has rolled-out operational risk events (OREs) collection mechanism whereby field functionaries and Groups/Divisions at head office are responsible to report operational losses under their jurisdictions on immediate basis. OREs are reviewed and appropriate corrective measures are taken on an ongoing basis. Risk Evaluation exercise is carried out for new products, processes and systems as per

The group also conducts root cause analysis of major OREs covering key control lapses and accordingly suggests mitigating actions. As per regulatory framework, the group calculates capital charge for its operational risk using Basic Indicator Approach (BIA).

Moreover, the group closely monitored overall operational environment and undertakes required actions to ensure the safety and security of the group's staff and its assets. The group takes measures to ensure continuously improve customer service levels and resolve related complaints to meet the expectations of its stakeholders.

The group's operations stays highly resilient and the group deploys all necessary measures for the health and safety of its employees to prevent them from any unwarranted situation.

### 49.2.4 Information Security Risk

Management of Information Security risk is given due importance, considering extensive customer base and increasing digital footprint of the group. A mechanism has been devised for upscaling technology infrastructure and related channels from information security standpoint. Further, due to evolving cyber threat landscape, the group has taken appropriate actions to monitor and respond to cybersecurity risks and adopted a heightened state of cybersecurity. We are living in a highly technologically dependent environment, where most of the business functions are performed with information technology for storing, processing and sharing of information. The information "assets" that are being used to store, process and transmit the information face various types of threats. If threats materialize and are able to exploit the vulnerabilities (weaknesses) present in these information assets, the confidentiality, integrity and availability of information get compromised and/or may result in a breakdown of IT assets. In order to mitigate the risks, certain controls and countermeasures need to be assessed and implemented. The group has devised a governance mechanism to manage related risks through development of policies & frameworks, and deployed security tools to ensure adequate implementation of internal controls and monitoring of security threats within technology infrastructure.

As a first line of defense, the Business groups have primary responsibility for identifying, measuring, and controlling the risks within their areas of accountability. Information Security Division (ISD) is the second line of defense against cyber risks. Therefore, the group regularly assesses the information security controls and undertakes employees' awareness and training. The group works with its key technology partners to ensure that potentially vulnerable systems are identified and appropriate fixes & controls are implemented to secure the systems. The group is actively communicating with its customers on interacting with the group in a secure manner through its full suite of channels including online and digital grouping.

Over the last two years, the group has taken various initiatives to uplift its cyber security controls. Management is cognizant of the fact that cyber security is a top priority, and the group is taking appropriate steps to monitor and respond to it. The Information Security Division (ISD) works under the supervision of Chief Information Security Officer (CISO). Numerous steps have been taken by the group to identify cyber security weaknesses of systems & infrastructure.

#### **49.2.5 Enterprise-wide Risk**

The group has a Board approved Enterprise Risk Management (ERM) Framework in place. The ERM framework is a holistic approach starting from strategy setting, capital and financial planning to managing, monitoring, and reporting of risks inherent in the day-to-day business of the group. It documents the risk management structure and processes driven by the group's board of directors, management, and other personnel. All this provides reasonable assurance regarding the achievement of the group's strategic objectives.

In addition to the Pillar I risks, the group has a structure to identify other Pillar II material risks on a periodic basis. The group has in place an Internal Capital Adequacy & Assessment Process (ICAAP) to identify and quantify material risks, including Pillar II risks, and continually re-assess the adequacy of the capital buffer and risk appetite, which is set periodically in order to build a solid platform for business growth.

In accordance with the regulatory requirements for Domestic Systemically Important groups (D-SIBs), the group has put in place a Recovery Plan to prepare the group to act promptly and efficiently in the event of stress situations that may threaten the financial and operational strength and viability of a group and pose a risk on group's ability to remain a going concern. Moreover, risks that are material and arise within the group or due to behaviour of the country's market and economic conditions, whether in isolation or in combination are addressed in the group-wide Recovery

group's Stress-testing framework comprises of tools to deliver a timely assessment of the resilience of the group's capital under stressed conditions to the senior management. It ranges from simple sensitivity analysis to sophisticated stress testing methods to capture the abnormal movement of market and economic indicators and to translate such scenarios into projections of group's profitability, liquidity and capital planning.

This framework paves the way to a quantitative, forward-looking assessment of capital adequacy (movement/ level of Capital Adequacy Ratio (CAR) of the group) to provide an indication of how much capital might be needed to absorb any expected and any unforeseen losses. It helps in identifying potential vulnerabilities within the group and assessing solvency by applying plausible/ past adverse scenarios under extreme conditions.

#### **49.2.6 Liquidity Risk**

Liquidity risk is the risk of loss to a group arising from its inability to meet obligations as they fall due or to fund assets, without incurring unacceptable costs or losses. More simply, liquidity risk is the possibility that a group will be unable to meet its financial commitment to a customer, creditor, or investor when due, in a timely and cost-effective manner.

To mitigate this risk, the group has arranged diversified funding sources, manages specific assets with liquidity in mind and monitors liquidity position on daily basis. In addition, the group maintains statutory deposits with central groups inside and outside Pakistan. The purpose of liquidity management is to ensure that there are sufficient cash flows to meet all of the group's liabilities when due, under both normal and stress conditions without incurring unacceptable losses, as well as to capitalize on opportunities for business expansion and profitability. This includes the group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature and to make new loans and investments, as opportunities arise.

The Asset and Liability Committee (ALCO) is responsible for ensuring that the group has adequate liquidity and monitors liquidity gaps, to execute this responsibility. Mandatory as well as optional stress testing and ratio based liquidity assessments are performed to proactively identify and manage liquidity position, needs/ requirements. The group has put in place various limits/ ratios, triggers and related management actions in place to monitor and mitigate liquidity risk. The group calculates and monitors, on regular basis, Basel-III Liquidity standards (includes LCR, NSFR and LMTs), liquidity ratios as per SBP parameters besides other internal liquidity measures.









#### 49.2.7 Derivative risk

A derivative is a contract that derives its value from the performance of an underlying asset which can be an index, interest rate, commodity price, security price, FX rate etc. Derivatives include forwards, futures, swaps, options etc. In Pakistan, futures and forwards are most commonly traded derivatives.

Currently, the group is not an active participant in the Pakistan derivatives market as it does not hold an Authorized Derivative Dealer (ADD) license to perform derivative transactions. Once acquired, the group will carry out transactions that are permitted under the Financial Derivatives Business Regulations issued by SBP, which may include Interest rate swaps, forward rate agreements, foreign currency options, etc.

Moreover, the group may also offer other over the counter derivative products to satisfy customer requirements, specific approval of which will be sought from the SBP on a transaction by transaction basis.

#### 50 EVENTS AFTER THE REPORTING DATE

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

**50.2** The Board of Directors in their meeting held on February 28, 2025 has announced final cash dividend of Rs. 8 per share (2023: Rs. Nil per share). The consolidated financial statements for the year ended December 31, 2024, do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2025.

#### 51 GENERAL

**51.1** Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary, to facilitate comparison and better presentation. No significant reclassifications have been made during the current year.

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

#### 52 DATE OF AUTHORISATION FOR ISSUE

The consolidated financial statements were authorised for issue on February 28, 2025 by the Board of Directors of the group.

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Chairman

President / CEO

Chief Financial Officer

Director

Director

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF  
OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED  
DURING THE YEAR ENDED DECEMBER 31,2024

Rs. In 000

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors/ (with CNIC No.)	Father's/ Husband's name	Outstanding liabilities at beginning of year				Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
-----Rupees in '000-----											
1	Warehousing Systems Limited Plot No.8, West Warf Industrial Area, Karachi	Samina Saigal 42301-9208295-6  Sadeed Anver Malik 42301-1033177-3	Tariq Ahmed Saigal (Husband)  Saeed Ahmed Malik	-	-	652	652	47,095	-	44,692	91,787
2	Irfan Textile Pvt Ltd. 31 Km Ferozepur Road, Lahore.	Yawar Irfan Khan 35202-6657307-7 Syed Muhammad Jawad Ahsan 35202-6356700-9 Muhammad Ahmad Irfan Khan 35202-0268314-1	Muhammad Irfan ullah Khan  Syed Muhammad Ahsan uddin  Muhammad Irfan ullah Khan	564,548	83,466	2,502	650,516	-	-	85,968	85,968
3	Paramount Spinning Mills Ltd , SITE Kotri,Raiwind Punjab	Tanveer Ahmed Shakoor 42201-0350138-5	Mr.Abdul Shakoor	79,585	14,327	-	93,912	29,585	-	14,327	43,912
4	Lalazar Flour Mills Chak # 182/6-R, Kacha Paca Noor Shah Road, Sahiwal.	Sh. Ashfaq Ahmed 36502-1378032-3  Saima Sadaf 36502-1305750-0	Sh. Bashir Ahmed  Sh. Ashfaq Ahmed	25,706	5,225	26,100	57,031	-	-	24,031	24,031
5	Decent Rice Mills (Pvt) Ltd 28-KM, Sargodha Road, District Jhang	Ch. Tanveer Iqbal 33100-1616674-1  Syed Ali ul Asad 33100-6580397-5	Ch. Muhammad Iqbal  Syed Ashfaq Ahmed	22,649	13,762	95	36,506	-	-	2,372	2,372
6	Decent Trading Company 28-KM, Sargodha Road, District Jhang	Abdul Nasir 33100-8452254-3  Ch.Naveed Niaz 33100-0956589-5	Niaz Ahmed  Niaz Ahmed	19,000	12,708	104	31,812	-	-	1,887	1,887
7	Adnan Rice Mills (Pvt) Ltd 15-KM, Bhakkar Road, District Jhang	Rehana Anjum 33202-2514085-2  Adnan Jamshed 33202-4533543-9	Chaudhary Jamshaid Iqbal (Husband)  Chaudhary Jamshaid Iqbal (Father)	13,650	5,872	81	19,603	-	-	1,159	1,159
8	M/s. Zamindara Rice International Kotli Bawa Faqir Chand , Pasrur	Jalal Ashraf Warraich 34101-3254657-3  Muhmamad Ashraf Warriach 34101-5024953-1	Muhammad Ashraf  Muhammad Sadiq	-	1,773	9,013	10,786	-	-	1,802	1,802
9	M/s Zamindara Rice Mills Kotli Bawa Faqir Chand , Pasrur	Jalal Ashraf Warraich 34101-3254657-3  Muhmamad Ashraf Warriach 34101-5024953-1  Nazia Mobeen 42301-0781431-2	Muhammad Ashraf  Muhammad Sadiq  Mobeen Ashraf	2,774	1,399	5,498	9,671	-	-	1,100	1,100
10	Ms. Tabasum Shah Flat No. 603, 6Th Floor, Komal Apartment, Johar More, Karachi	Ms. Tabasum Shah 45203-5418702-6	Ali Murad Shah	1,557	-	-	1,557	1,557	-	-	1,557
11	Muhammed Nauman Thq Hospital Fort Abbas, Muhalla Medical Colony, Fort Abbas	Muhammed Nauman 31304-3423127-7	Muhammed Hanif	1,401	-	-	1,401	1,401	-	-	1,401
12	Liaquat Ali Chak No. 266 Rb Madina Town Khurrianwala, Tehsil Jaranwala	Liaquat Ali 33104-2068752-5	Asghar Khan	1,370	-	-	1,370	1,370	-	-	1,370
13	M/S Hashim Khudadaad Hamid Behind Shah Enterprises, near Shalimar Town,Pindi Bye Pass Gujranwala	Jalal Ashraf Warraich 34101-3254657-3	Muhammad Ashraf	-	180	3,850	4,030	-	-	770	770
14	Ashraf Javed Street No. 06 Bilal Park Kahar Pura Muridke	Ashraf Javed 35401-1757241-9	Muhammed Din	845	-	-	845	845	-	-	845
15	Muhammed Amin Basti Nazar Kot, Po Islampura	Muhammed Amin 31101-1657670-3	Wali Muhammed	845	-	-	845	845	-	-	845
16	Abdul Qadeer , Qadirpur Lar Po Same Tehsil Multan Saddar	Abdul Qadeer 36303-2165759-5	Mehar Din	837	-	-	837	837	-	-	837
17	Lal Bux Village Sadullah Naper, Garhi Haleem, Shikarpur	Lal Bux 43303-5903084-5	Rahib	791	-	-	791	791	-	-	791
18	Riaz Hussain H. No. 17/19-18, Muhalla Mumtaz, Badah, Talka Dokri	Riaz Hussain 43203-6682755-9	Gulzar Ali Khoso	778	-	-	778	778	-	-	778
19	Zafar Iqbaltarar, Village Post Office Saida Sharif Tehsil Phalia	Zafar Iqbaltarar, 34403-2542040-3		771	-	-	771	771	-	-	771
20	Iftikhar Hussain S/o Haitam Khan Street # 5, Usmanabad Colony, Distt: Multan	Iftikhar Hussain 36102-8072932-9	Haitam Khan	766	-	-	766	766	-	-	766
21	Naseer Ahmed Chak No. 16 Gnb Po Same Nankana Sahib	Naseer Ahmed 35402-6942493-7	Ghulam Muhammed	751	-	-	751	751	-	-	751
22	Wali Muhammed H. No.466/1 Muhalla Family Line Arirport Jcd	Wali Muhammed 43102-4769603-7	Ali Murad	689	-	-	689	689	-	-	689

23	Parveen Akhtar Railway Road, Phulwaran, Tehsil Bhalwal	Parveen Akhtar 38401-0192054-4	Muhammed Younas	687	-	-	687	687	-	-	687
24	Muhammed Ajmal Chah Hayat Muqadam Wala, Muhalla Ameer Abad, Multan	Muhammed Ajmal 36302-9727086-9	Wahid Bux	679	-	-	679	679	-	-	679
25	Muhammed Ilyas Village Sardarpur, Talka Khanpur	Muhammed Ilyas 43302-6719374-5	Muhammed Moosa	671	-	-	671	671	-	-	671
26	Mehmood S/O Sawan Chandio Village Muhammed Chandio, PO Qazi Ahmed, Talka Qazi Ahmed	Mehmood 45401-7846417-3	Sawan Chandio	669	-	-	669	669	-	-	669
27	Sajid Hussain Street, Lane No. 07, Sadique Town, Adiyala Road, Rwp	Sajid Hussain 37405-0618427-1	Khadim Hussain	663	-	-	663	663	-	-	663
28	Moula Bux Bhand, Mohalla Rasool Abad, Larkana	Moula Bux 43204-4611217-9	Yar Muhammed	656	-	-	656	656	-	-	656
29	Tahir Shabbir Khan Jalal Pur Road, H. No. 33/ E, Balouch Colony, Shujaabad	Tahir Shabbir Khan 36304-1353400-5	Muhammed Shabbir Khan Hamzai	637	-	-	637	637	-	-	637
30	Abdul Salam H. No 496, Street 05, Sector 01, Mohalla Talli, Tehsil & Dist Haripur	Abdul Salam 13302-0505401-9	Abdul Rasheed	632	-	-	632	632	-	-	632
31	Shah Jahan Chak No. 121/9 L Po Same Sahiwal	Shah Jahan 36502-0229508-1	Sohna	628	-	-	628	628	-	-	628
32	Asghar Khan Janak Shakandara Lachi, Kohat	Asghar Khan 14301-2027760-1	Raees Khan,	600	-	-	600	600	-	-	600
33	Mumtaz Mugheri, Near Maal Piri, Bhens Colony, Larkana	Mumtaz 43203-3734271-7	Muhammed Hassan	596	-	-	596	596	-	-	596
34	Fakhar Zaman Basti Bhattian Wala, Po Same Murad Abad Distt Muzaffar Garh	Fakhar Zaman 32304-3644381-7	Haji Muhammed Khan,	594	-	-	594	594	-	-	594
35	Sarraz Masih Mansoor Wali Kachi Abadi, Police Line Hq, H11, Islamabad	Sarraz Masih 61101-8806613-5	Payara Masih,	592	-	-	592	592	-	-	592
36	Gohar Ali Toukay, Matta Swat	Gohar Ali 15601-1042337-5	Abdul Mateen Khan	589	-	-	589	589	-	-	589
37	Faizan Ali H. No 49, Gulshan E Mehran Colony, Nasrpur Road, Tando Allah Yar	Faizan Ali 41307-8502332-1	Sagheer Ahmd	579	-	-	579	579	-	-	579
38	Saifullah Kalhoro Kalhoro, Village & Po Balishah, Talka Mehtar	Saifullah Kalhoro 41205-8507598-3	Abdul Wahab Kalhoro	572	-	-	572	572	-	-	572
39	Manzoor Masih New Christian Colony Chak No. 14, Gajani Tehsil Chistian	Manzoor Masih 31102-4471478-3	Mohin	551	-	10	561	551	-	10	561
40	Muhammed Akber Lokri Mardan Shah, Qadir Abad	Muhammed Akber 34403-3716102-9	Bashir Ahmed,	556	-	-	556	556	-	-	556

41	Fareed Ahmed H. No. 47, Muhalla Police Headquarter, Saddar, Hyderabad	Fareed Ahmed 41303-2321304-7	Ghulam Sarwar	555	-	-	555	555	-	-	555
42	Khalid Mehmood H. No. 320-B, Sector 4, Alnoor Colony, Rawalpindi	Khalid Mehmood 34101-1320935-7	Makhmool Ahmed	548	-	-	548	548	-	-	548
43	Muhammed Nawaz Near Old Cia Staff Office, Muhalla Bagh Wala, Jhang Saddar	Muhammed Nawaz 33202-7447108-1	Mian Allah Ditta,	546	-	-	546	546	-	-	546
44	Syed Shah Sultan Mohalla Hospital Havelian	Syed Shah Sultan 13101-0865235-5	Syed Fida Hussain	545	-	-	545	545	-	-	545
45	Lal Bux Village Naseer Khan Korai, Po Hayat Pitafi Talka Mirpur Mathelo	Lal Bux 45104-6716130-0	Habibullah,	537	-	-	537	537	-	-	537
46	Muhammed Yousif Village Nau Tharo Wadho District Qamber Shahdadkot	Muhammed Yousif 43204-1154528-3	Arbab Soomro	534	-	-	534	534	-	-	534
47	Javed Mohalla Shaikh Zaid Colony, Larkana	Javed 43203-0696468-3	Khadim Shaikh	531	-	-	531	531	-	-	531
48	Ghulam Nabi Village Juman Shah, Po Mirpur Buriro, Thull	Ghulam Nabi 43105-2733356-9	Ghulam Rasool	528	-	-	528	528	-	-	528
49	Ghulam Sarwar Piyaro Goth, Badah Talka Dokri	Ghulam Sarwar 43201-1243585-9	Qaimudin Khokhar,	523	-	-	523	523	-	-	523
50	Ghulam Ali Panhwer Mohalla Bagho Dero Po Talka Kamber Ali Khan	Ghulam Ali Panhwer 43202-3077918-1	Momin Panhwer	521	-	-	521	521	-	-	521
51	Iqbal Hussain Pehlwan, Sultan Pur Hamar, Multan	Iqbal Hussain 36303-0887761-3	Muhammed Pehlwan,	508	-	-	508	508	-	-	508
52	Raja Muhammed Muzammil S/O Abdul Rasheed Fateh Garh, Mohalla Rohail Pura, Sialkot	Raja Muhammed Muzammil 34603-2327298-5	Abdul Rasheed	508	-	-	508	508	-	-	508
53	Good Family Construction Llc/ Baku, Narimanov Rayonu, Çəmənzəminli Küçəsi, Ev 53	Zulfugarova Sevinj Aliyusif Aze 07437682	Zulfugarova Sevinj Aliy	8,575	7,017	6,494	22,085	-	-	6,629	6,629
54	Sema Llc/ Baku Şəhəri, Ak.M.Qasimov Küçəsi, Ev 29, Mənzil 151	Ahmadov Sahin Aze 08251958	Ahmadova Gunel	-	2,835	40	2,875	-	2,835	40	2,875
55	Ibrahimov Ali Arif/ Kəlbəcər Şəh, N.Gəncəvi Pr, Ev 235, Mənzil 05	Ibrahimov Ali Arif Aze № 02294307	Ahmadova Gunel	595	939	-	1,533	595	939	-	1,533
56	Zulfugarov Vidadi Aliyusif/ Neftçala Ray, Bankə Qəsəbəsi, L. Rzayev Küçəsi, Ev 10	Zulfugarov Vidadi Aliyusif Aze 06130440	Zulfugarov Ali Yusif	12,767	7,492	-	20,259	-	5,828	-	5,828

57	Mammadov Khaladdin Gani /Bakı Şəh, Narimanov Rayonu, Mustafa Kamal Atatürk Prospektiev 39 Nömrəli, 68 Nömrəli Mənzil	Mammadov Khaladdin Gani Aze № 03876595	Mammadov Gani	-	15,964	484	16,448	-	15,964	1,305	17,269
58	Zulfugarova Sevinj Aliyusif/ Baku, Narimanov Rayonu, Çəmənçəminli Kütçəsi, Ev 53	Zulfugarova Sevinj Aliyusif Aze № 07437682	Zulfuqarov Aliyusif	9,948	7,548	-	17,496	-	6,068	-	6,068
59	Allahverdiyeva Gulafar Şahmurad/ Abşeron Rayonu Masazır Kəndi, S.Ə.Şirvani Kütçəsi, Döngə 1, Dalan 1, Ev 3.	Allahverdiyeva Gulafar Şahmurad Aze № 08143334	Allahverdiyev Şahmurad	5,141	2,812	500	8,452	-	1,367	500	1,867
60	Rustamov Zulfugar Rustam O. Baku City, Nasimi District, M M. Qashgay Street, House 63 A, Apartment 23	Rüstəmov Zülfüqar Rüstəm O. Aze № 05031863	Rustamov Rustam O.	-	2,068	1,558	3,625	-	2,068	1,558	3,625
61	Fayzullayev Mənasib Abdulkhan O Abşeron Ray, Kərdalan City, District 28, House 15, Apartment 50	Feyzullayev Mənasib Abdulkhan O Aze № 06170280	Fayzullayev Abdulkhan	6,713	4,549	2,149	13,411	-	-	2,149	2,149
62	Bagirov Ramzi Boyukagha Oglu, Masalli District, Erkivan Settlement	Bağirov Rəmzi Böyükəğa Oğlu Aze № 06956471	Bagirov Boyukagha	13,060	8,997	1,014	23,071	-	8,997	1,014	10,011
63	Ashrafov Qardash Khan Humbat; Address Baku City, Nasimi District, 3Rd Alatava House 108	Ashrafov Qardash Khan Humbat Aze 00424999	Ashrafov Humbat	10,314	7,169	2,352	19,836	-	3,779	2,352	6,132
64	Husynov İabal Cabbar Oglu	Husynov İabal Cabbar Oglu Aze 02369854	Hussainov Jabbar	4,994	4,237	530	9,760	3,356	4,237	530	8,123
<b>TOTAL:</b>				<b>828,954</b>	<b>210,338</b>	<b>63,025</b>	<b>1,102,317</b>	<b>109,567</b>	<b>52,082</b>	<b>194,194</b>	<b>355,843</b>

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



2024			2023		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total

1 Due from financial institutions  
Call Money Placement

----- Rupees in '000 -----

30,000,000	-	30,000,000	-	-	-
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2 Investments by segments:

2024				2023			
Cost / Amortised cost	Credit loss allowance for	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value

----- Rupees in '000 -----

- Debt Instruments

**Classified / Measured at amortised cost**

Federal Government securities

-Ijarah Sukuks

Non Government debt securities

- Sukuk

14,057,627	-	-	14,057,627	14,087,500	-	-	14,087,500
130,807	(130,807)	-	-	130,807	(130,807)	-	-
14,188,434	(130,807)	-	14,057,627	14,218,307	(130,807)	-	14,087,500

**Classified / Measured at FVOCI**

Federal Government securities

-Ijarah Sukuks

Non Government debt securities

83,155,034	-	2,334,037	85,489,071	20,513,568	-	(726,606)	19,786,962
22,784,066	(550,572)	278,821	22,512,315	17,343,866	-	326,390	17,670,256
105,939,100	(550,572)	2,612,858	108,001,386	37,857,434	-	(400,216)	37,457,218

**Classified / Measured at FVTPL**

Non Government debt securities

- Sukuk

1,832,366	-	868	1,833,234	-	-	-	-
1,832,366	-	868	1,833,234	-	-	-	-

Mutual Funds Units

12,536	-	326	12,862	-	-	-	-
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**Total investments**

121,972,436	(681,379)	2,614,052	123,905,109	52,075,741	(130,807)	(400,216)	51,544,718
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2.1 Particlurs of credit loss allowance

2024				2023	
Stage 1	Stage 2	Stage 3	Total	Provision for diminution	Total
----- Rupees in '000 -----					
99,880.00	110,692.00	470,807	681,379	130,807	130,807

3 Islamic financing and related assets

	Note	2024	2023
----- Rupees in '000 -----			
Ijarah	3.1	8,436	13,749
Murabaha	3.2	1,050,778	3,291,932
Running Musharaka		104,490,555	30,500,000
Diminishing Musharaka		14,530,164	19,357,928
Musawama		7,443	-
Salam		-	-
Istisna		-	705,500
Wakala tul Istismar		8,500,000	8,500,000
Advance for Murabaha		378,000	-
Advance for Diminishing Musharaka		1,320,707	113,086
Advance for Istisna		12,797,450	8,850,972
Inventories against Istisna		3,815,624	3,342,628
Gross Islamic financing and related assets		146,899,157	74,675,795
Less: Credit loss allowance against Islamic financings			
Stage 1		(664,490)	-
Stage 2		(28,044)	-
Stage 3		(1,985,408)	-
- Specific		-	(913,875)
- General		-	(636,731)
Islamic financing and related assets - net of credit loss allowance		(2,677,942)	(1,550,606)
		144,221,215	73,125,189

3.1 Ijarah

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

  

	2023						Book Value as at 31 Dec 2023
	Cost			Accumulated Depreciation			
	As at Jan 01, 2023	Additions / (deletions)	As at Dec 31, 2023	As at Jan 01, 2023	Charge for the year	As at Dec 31, 2023	
----- Rupees in 000 -----							
Plant & machinery	63,474	- (3,646)	59,828	50,820	- (3,371)	47,449	12,379
Vehicles	168,680	(162,680)	6,000	143,126	1,065 (139,561)	4,630	1,370
Equipment	-	-	-	-	-	-	-
Total	232,154	-	65,828	193,946	1,065 (142,932)	52,079	13,749
		(166,326)					

3.1.1 Future Ijarah payments receivable

	2024				2023			
	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
----- Rupees in 000 -----								
Ijarah rental receivables	475	-	-	475	1,460	-	-	1,460

	Note	2024	2023
----- Rupees in 000 -----			
<b>3.2 Murabaha</b>			
Murabaha financing	3.2.1	1,050,778	3,291,932
Inventory for Murabaha		-	-
Advances for Murabaha		378,000	-
		<b>1,428,778</b>	<b>3,291,932</b>
<b>3.2.1 Murabaha receivable - gross</b>	3.2.2	1,152,762	3,409,195
Less: Deferred murabaha income	3.2.4	13,366	31,040
Profit receivable shown in other assets		88,618	86,223
Murabaha financings		<b>1,050,778</b>	<b>3,291,932</b>
<b>3.2.2 The movement in Murabaha financing during the year is as follows:</b>			
Opening balance		3,409,195	1,868,953
Sales during the year		4,367,769	11,165,657
Adjusted during the year		6,624,202	9,625,415
Closing balance		<b>1,152,762</b>	<b>3,409,195</b>
<b>3.2.3 Murabaha sale price</b>		4,367,769	11,165,657
Murabaha purchase price		<b>4,249,509</b>	<b>10,750,858</b>
		<b>118,260</b>	<b>414,799</b>
<b>3.2.4 Deferred murabaha income</b>			
Opening balance		31,040	73,359
Arising during the year		118,260	402,591
Less: Recognised during the year		135,934	(444,910)
Closing balance		<b>13,366</b>	<b>31,040</b>

4 Due from head office ( please specify underlying contract and nature of transaction) -

5 Deposits

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
-----Rupees in 000-----						
<b>Customers</b>						
Current deposits	40,619,109	215,067	40,834,176	22,342,688	185,921	22,528,609
Savings deposits	80,198,997	-	80,198,997	56,721,533	-	56,721,533
Term deposits	17,145,145	-	17,145,145	16,261,024	-	16,261,024
Others	4,800,439	-	4,800,439	810,992	-	810,992
	<b>142,763,690</b>	<b>215,067</b>	<b>142,978,757</b>	96,136,237	185,921	96,322,158
<b>Financial institutions</b>						
Current deposits	136,864,262	-	136,864,262	1,879,123	-	1,879,123
Savings deposits	28,979,564	-	28,979,564	15,071,912	-	15,071,912
Term deposits	615,500	-	615,500	528,613	-	528,613
	<b>166,459,326</b>	<b>-</b>	<b>166,459,326</b>	17,479,648	-	17,479,648
	<b>309,223,016</b>	<b>215,067</b>	<b>309,438,083</b>	113,615,885	185,921	113,801,806

5.1 Composition of deposits

- Individuals
- Government / Public sector entities
- Banking companies
- Non-Banking financial institutions
- Private sector

2024	2023
----- Rupees in 000 -----	
78,737,881	54,111,171
41,395,878	23,779,916
137,454,684	2,338,737
29,004,641	15,140,911
22,844,999	18,431,071
<b>309,438,083</b>	<b>113,801,806</b>

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 87,194 million (2023 Rs 55,033 million).

	2024	2023
<b>6 Charity fund</b>		
Opening balance	6,369	203
Additions during the period		
Received from customers on account of delayed payment	1,302	9,067
Profit on charity saving account	284	99
	7,955	9,369
Payments / utilization during the period		
Education	3,500	1,500
Health	3,500	1,500
Others	-	-
	7,000	3,000
Closing balance	955	6,369
<b>6.1 Charity paid during the year are as follows</b>		
Indus Hospital & Health Network	2,500	1,500
The Citizen Foundation	1,500	1,500
Network of Organizations Working with People with Disabilities, Pakistan (NOWPDP)	2,000	-
Abaseen Institute of Medical Science (AIMS)	1,000	-
Total	7,000	3,000
<b>7 Islamic banking business unappropriated profit</b>		
Opening balance	3,529,477	2,297,141
Add: Islamic banking profit for the period	6,332,854	3,529,477
Less: Taxation	-	-
Less: Impact of adoption of IFRS 9	(1,440,726)	-
Less: Transferred / Remitted to head office	(3,529,477)	(2,297,141)
Closing balance	4,892,128	3,529,477
<b>8 Contingencies and commitments</b>		
-Guarantees	-	-
-Commitments	-	-
-Other contingent liabilities	-	-
	-	-
<b>9 Profit/Return earned of financing, investments and placement</b>		
Profit earned on:		
Financing	16,191,448	12,351,676
Investments	13,780,656	9,231,359
Placements	8,679	1,519
Others	-	-
	29,980,783	21,584,554
<b>10 Profit on deposits and other dues expensed</b>		
Deposits and other accounts	12,898,692	9,901,324
Due to Financial Institutions	292	-
Amortisation of lease liability against - ROUA	144,456	79,419
Others (General Account)	6,695,911	3,783,784
	19,739,351	13,764,527
<b>11 Pool management</b>		

NBP-AIBG has managed following pools for profit and loss distribution.

a) General depositor pool

The General pool consists of all other remunerative deposits. NBP Aitemaad (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

b) Special depositor pools (Total 253 during the period and 33 as at Dec 31, 2024)

Special pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, and after allocation of share of profit to commingled equity, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

c) Equity pool

Equity pools include AIBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

**Key features and risk & reward characteristics**

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

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

**Sector**

	2024	2023
	----- Percentage -----	
Textile	1.56%	3.34%
Fuel & energy	11.14%	24.72%
Leasing/Modarbas	0.01%	0.02%
Sugar	2.48%	6.12%
Cement	1.64%	3.81%
Gas	0.19%	0.15%
Financial	10.67%	1.57%
Federal Government	32.52%	27.29%
Real Estate	1.08%	2.45%
Agriculture	0.46%	0.24%
Commodity Operations	34.54%	23.66%
Others	3.71%	6.62%
	<b>100.00%</b>	<b>100.00%</b>

**Parameters for profit allocation and charging expenses**

Profit of the pools has been distributed between Mudarib and Rab-ul-Mall by using preagreed profit sharing ratios. The share of Rab-ul-Mall's profit has been distributed among different customers using the various weightages assigned to the different categories of the pool.

No provision against any non performing asset of the pool is passed on to the pool except on the actual loss / write off of such non performing asset. Administrative expense are borne by mudarib and not charged to Mudaraba pool.

**Mudarib Share**

**31-Dec-24  
Rupees in '000**

Gross Distributable Income	22,255,543
Mudarib (Bank) share of profit before Hiba	4,160,949
Mudarib Share in percentage	18.70%

**Hiba from Mudarib Share**

Mudarib (Bank) share of profit before Hiba	4,160,949
Hiba from bank's share to depositors	1,170,675
Hiba from bank's share to depositors in percentage	28.13%

**Profit rates**

During the year ended Dec 31, 2024 the average profit rate earned by NBP Islamic Banking Group is 17.99 % and the profit distributed to the depositors is 14.30 %.

**NATIONAL BANK OF PAKISTAN**  
**Pattern of Shareholding**  
**as at December 31, 2024**

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Government Holding</b>			
M/S. FEDERAL GOVERNMENT OF PAKISTAN	1	6,238,919	0.29
M/S. PAKISTAN ATOMIC ENERGY COMMISSION	1	679,424	0.03
FINANCE DIVISION, MINISTRY OF FINANCE, GOVT. OF PAKISTAN	1	1,656,788	0.08
<b>State Bank of Pakistan</b>			
M/S. STATE BANK OF PAKISTAN	1	1,599,845,728	75.20
<b>Directors, Chief Executive Officer, their spouse(s) and minor children</b>			
REHMAT ALI HASNIE	1	949	0.00
FARID MALIK	1	1,000	0.00
<b>Associated Companies, undertakings and related parties</b>			
	1	70,000	0.00
<b>NIT and ICP</b>			
	1	1,213,078	0.06
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>			
	9	10,482,944	0.49
<b>Insurance Companies</b>			
	10	22,033,590	1.04
<b>Modarabas and Mutual Funds</b>			
	32	38,155,155	1.79
<b>Public Sector Companies and Corporation</b>			
	6	118,928,006	5.59
<b>General Public</b>			
a. Local	10,174	114,592,558	5.39
b. Foreign	108	1,134,719	0.05
Foreign Companies	20	149,669,794	7.03
Others	204	62,810,374	2.95
<b>Totals</b>	<b>10,571</b>	<b>2,127,513,026</b>	<b>100.00</b>

Share holders holding 10% or more	Shares Held	Percentage
M/S. STATE BANK OF PAKISTAN	1,599,845,728	75.20

# NATIONAL BANK OF PAKISTAN

## 76<sup>TH</sup> ANNUAL GENERAL MEETING FORM OF PROXY

Folio No. \_\_\_\_\_ or CDC participant identity no. \_\_\_\_\_

CDC A/C No. \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of the National Bank of Pakistan, holding shares no. \_\_\_\_\_

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

also a member of the National Bank of Pakistan (Folio No. \_\_\_\_\_) or failing him/her \_\_\_\_\_

of \_\_\_\_\_ also a member of National Bank of Pakistan (Folio No. \_\_\_\_\_) as my/our Proxy to attend the

76<sup>th</sup> Annual General Meeting of National Bank of Pakistan, to be held at 04:00 P.M. (PKT) on Tuesday, March 25,

2025, at **National Bank of Pakistan, Head Office Building, I.I. Chundrigar Road, Karachi, Pakistan,**

or through electronic means..

Proxy holder email address (for attending meeting through electronic means): \_\_\_\_\_

and mobile number \_\_\_\_\_

Signed this \_\_\_\_\_ day of March, 2025

**Affix Revenue Stamp  
of Five Rupees.**

### Witnesses:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No. \_\_\_\_\_

Signature \_\_\_\_\_

(Signature should agree with the  
specimen signature registered  
with the Bank)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No. \_\_\_\_\_

## NOTE

### Attending Meeting through Proxies:

1. All members, entitled to attend and vote at the Annual General Meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A Corporation, being a member, may appoint any person, regardless of whether they are a member or not, as a proxy.
2. The proxy instrument must be complete in all respects and in order to be effective should be deposited at Office of the Registrar or Office of the Secretary Board, 2 nd floor, NBP Head Office, I. I. Chundrigar Road, Karachi, not later than 48 hours before the time of holding the meeting.
3. For attending the meeting through electronic means (Zoom), a proxy form shall be submitted along with the proxy holders' email address and mobile number.
4. If any member appoints more than one proxy for any meeting and more than one instrument, of the proxy, is deposited with the Registrar or the Bank, all such instruments of proxy shall be rendered invalid.

### The shareholders will further have to follow the following guidelines for appointing proxies:

- i. In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations shall submit the proxy form as per the requirements mentioned below:
  - a) The proxy form shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form.
  - b) An attested copy of CNIC or valid Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- ii. In case of Government of Pakistan/State Bank of Pakistan/ corporate entity, the original or duly authenticated Board of Directors' resolution or power of attorney with specimen signatures of the nominee shall be submitted along with proxy form to Messrs. CDC Share Registrar Services Limited or to the Office of the Secretary Board, 2nd floor, NBP head Office, I. I. Chundrigar Road, Karachi.

# نیشنل بینک آف پاکستان

اطلاع برائے چھ ہفتروں سالانہ اجلاس عام

## اجلاس عام

فولیو نمبر \_\_\_\_\_ یاسی ڈی سی پارٹنیشن آئیڈنٹیٹی نمبر \_\_\_\_\_

سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_

میں / ہم \_\_\_\_\_

جن کا تعلق \_\_\_\_\_

سے ہے نیشنل بینک آف پاکستان ہولڈنگ شیئر ز نمبر \_\_\_\_\_ کا / کے رکن ہوتے ہوئے بذریعہ ہذا \_\_\_\_\_ کے \_\_\_\_\_ کو

جو کہ نیشنل بینک آف پاکستان (فولیو نمبر) \_\_\_\_\_ کا رکن بھی ہے یا \_\_\_\_\_ کے \_\_\_\_\_ کی ناکامی کی صورت میں

جو کہ نیشنل بینک آف پاکستان (فولیو نمبر) \_\_\_\_\_ کا رکن بھی ہے کو میرے / ہمارے نمائندے کے طور پر نامزد کرتا ہوں / کرتے ہیں تاکہ وہ نیشنل بینک آف پاکستان کے

76 ویں سالانہ اجلاس عام میں میرے / ہمارے پراسی کے طور پر شرکت کریں جو کہ بروز منگل، مورخہ 25 مارچ 2025ء کو شام 04:00 بجے نیشنل بینک آف پاکستان، ہیڈ آفس بلڈنگ، آئی۔آئی۔

چندریگر روڈ، کراچی، پاکستان۔ ذاتی موجودگی اور الیکٹرونک ذرائع پر منعقد ہوگا۔

پراسی کی ای میل ایڈریس (الیکٹرونک ذرائع سے شرکت کے لئے) \_\_\_\_\_ موبائل نمبر \_\_\_\_\_

اسے مارچ 2025 کی \_\_\_\_\_ تاریخ کو دستخط کیا گیا:

پانچ روپے کے  
ریونیو اسٹیپ

گواہان:

نام \_\_\_\_\_

پتہ \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

نام \_\_\_\_\_

پتہ \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

دستخط \_\_\_\_\_

دستخط دیئے گئے نمونے سے مطابقت رکھتے ہوں یا بینک میں رجسٹرڈ ہوں

## نوٹ

### پراسی کے ذریعے اجلاس میں شرکت

- 1- تمام ممبران، جو سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے حقدار ہیں، کسی دوسرے ممبر کو تحریری طور پر اپنے پراسی کے طور پر مقرر کرنے کے حقدار ہیں، تاکہ وہ شرکت کریں اور ووٹ دیں۔ ایک قانونی ادارہ، ایک رکن ہونے کے ناطے کسی بھی شخص کو چاہے وہ رکن ہے یا نہیں، بطور پراسی مقرر کر سکتا ہے۔
- 2- پراسی کی جزئیات ہر لحاظ سے مکمل ہونا چاہئے اور موثر ہونے کے لئے رجسٹر کے دفتر یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی میں میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے جمع کروانا ہوگا۔
- 3- الیکٹرونک ذرائع (زوم) کے ذریعے میٹنگ میں شرکت کے لئے پراسی ہولڈرز کے ای میل ایڈریس اور موبائل نمبر کے ساتھ ایک پراسی فارم جمع کروانا لازمی ہے۔
- 4- اگر کوئی ممبر کسی بھی میٹنگ کے لئے ایک سے زیادہ پراسی کا تقرر کرتا ہے اور پراسی کے ایک سے زیادہ انسٹرومنٹ رجسٹر یا بینک کے پاس جمع کرائے جاتے ہیں، تو پراسی کے ایسے تمام انسٹرومنٹ کو غلط قرار دیا جائے گا۔

### حصص یافتگان کو پراسیوں کی تقرری کے لئے درج ذیل رہنما اصولوں پر عمل کرنا ہوگا۔

- I افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور ایواہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ کی گئی ہیں ذیل میں بیان کردہ ضروریات کے مطابق پراسی فارم جمع کروائیں۔  
الف) پراسی فارم پر دو افراد گواہی دیں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔  
ب) قومی شناختی کارڈ کی تصدیق شدہ کاپی یا بینی فینشل ماکان اور پراسی کے پاسپورٹ کی کاپی پراسی فارم کے ساتھ پیش کی جائے گی۔
- II حکومت پاکستان / اسٹیٹ بینک آف پاکستان / کارپوریٹ ادارے کی صورت میں نامزد شخص کے دستخط کے نمونے کے ساتھ اصل یا باضابطہ تصدیق شدہ بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی میسرز سی ڈی سی شیئر رجسٹرار سرولیمینڈ یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس، آئی آئی چندریگر روڈ، کراچی کو پراسی فارم کے ساتھ جمع کروانا ہوگا۔

*Celebrating*  
National Bank  
اور  
Pakistan



**Head Office**

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

**Telephone Numbers**

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Phone: +91-21-99062000 (60 lines)

**NBP Call Centre**

UAN: 111-627-627

**Website**

[www.nbp.com.pk](http://www.nbp.com.pk)