

BUILDING CUSTOMER EXPERIENCE

The Bank of Punjab focuses on building an exceptional customer experience through a holistic approach that goes beyond just providing routine banking products and services.

The Bank's approach involves deeply understanding the needs and preferences of its customers along with study of industry trends and using that knowledge to create personalized and meaningful interactions with its valued clients.

The Bank strongly believes in seamless delivery of services to its customers with a customer-centric approach. The Bank recognizes that a great customer experience is built through a clear and effective communication ensuring that customers' voice and concerns are duly heard and addressed in a prudent and timely manner. Through delivering un-matched exceptional services, the Bank shall continue to foster a strong relationship with its customers based on the pillars of trust and loyalty.

THE BANK OF PUNJAB

Statement of Adherence with the International Integrated Reporting Framework:

The annual report of The Bank of Punjab (BOP) has been compiled in compliance with established reporting standards and framework. BOP integrated report duly explains the value created by the Bank in its normal course of business for its stakeholders. The annual report also describes in detail the Bank's business model, long term & short strategy, risk & opportunities and governing rules & regulations. The annual report has been compiled in accordance with the criteria set out by joint committee of ICAP & ICMA for Best Corporate Report Awards 2024.

The Bank of Punjab is one of the leading commercial Bank of the

Country playing effective role in improving financial inclusion thereby ensuring a sustained and balanced growth of all segments of society. Being a public sector entity with majority shareholding of Government of the Punjab, along with core commercial business activities, BOP is also leading all major initiatives of GOPb directed towards poverty alleviation and economic uplift of the Country. The Bank with a large network of online branches, provides modern banking services to its diverse clientele thereby impacting lives of millions of peoples.

With a view to provide detailed information of financial & non-financial activities, the Bank has adopted International Integrated Reporting. Going forward, the Bank shall continue to improve upon its reporting in line with growing needs of its stakeholders and reporting requirement of regulators.

Scope and Boundary of BOP Annual Report 2024:



Integrated Reporting

CONTENTS

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

SCOPE

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



Financial Reporting

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

SCOPE

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

Reporting Period:

The annual report of BOP for year 2024 covers all financial and non-financial information about the Bank and its Group of companies for the period 01-01-2024 to 31-12-2024. However, any material event occurred after 31-12-2024 but before approval of Financial Statements by BOD as on 17-02-2025, have also been included in this report.

Assurance by External Auditors:

The Financial Statements of BOP for year 2024 have been audited and assured by M/s A.F. Ferguson & Co., Chartered Accountants.

Materiality:

All information presented in annual report has been prepared and incorporated on the basis of concept of materiality.

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THE BANK OF PUNJAB

A BRIEF PROFILE

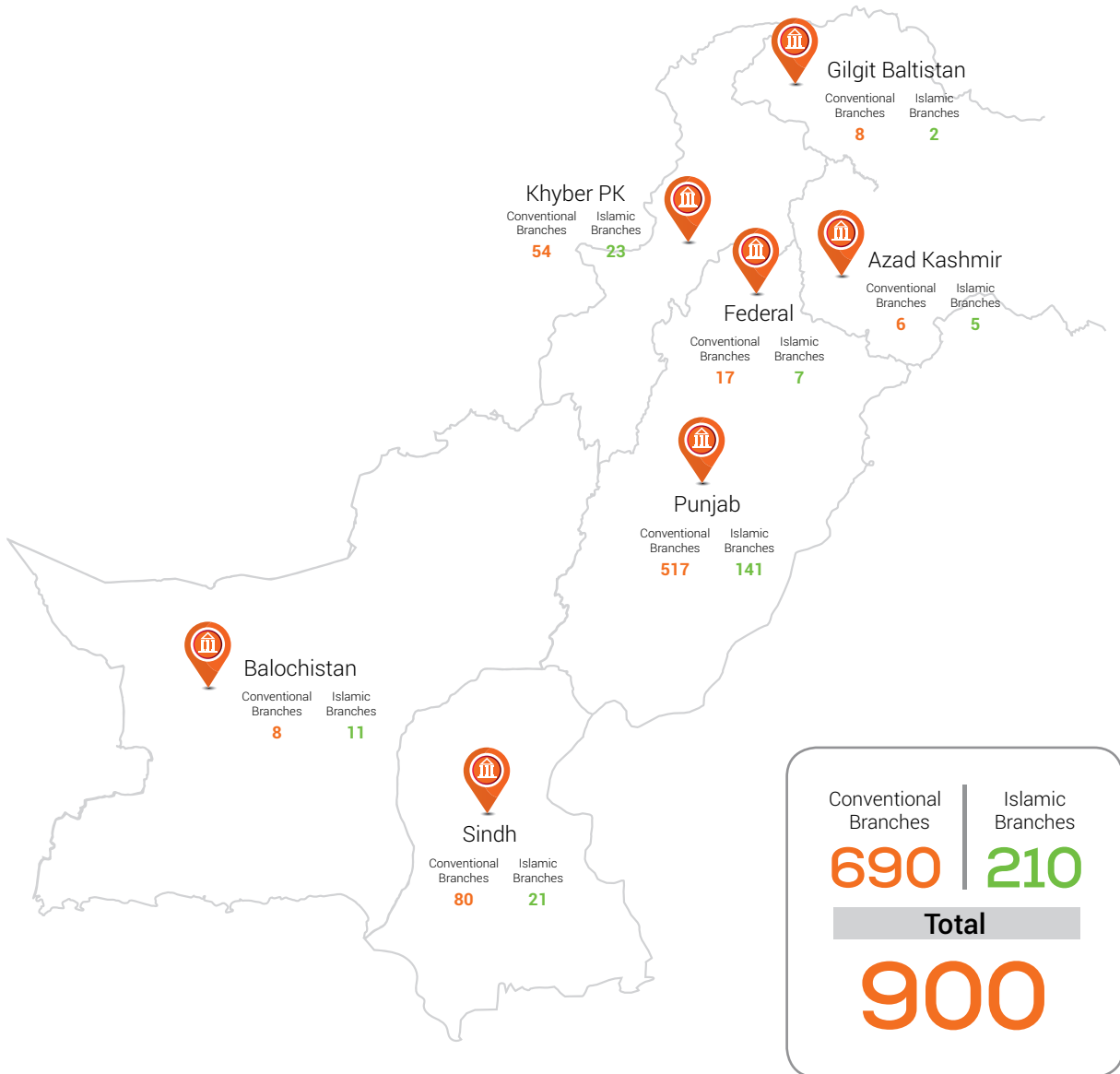
The Bank of Punjab was established in 1989 under The Bank of Punjab Act, 1989 by the Government of the Punjab. The Bank was granted status of a scheduled Bank in 1994 by SBP and currently carries a strong network of 900 online branches across the Country along with ATM network of 889 offering 24/7 banking services to its diverse clientele.

The Bank is also offering Islamic Banking services to its valued clients through 258 Islamic Banking Windows. The Bank's Head Office is located in Lahore whereas Treasury & Capital Market

and Corporate & Investment Banking are being managed from state of the art offices established in Karachi.

The Bank of Punjab is the second largest public sector Bank of the Country. The Bank fully adheres to Prudential Regulations of State Bank of Pakistan and all other governing rules & regulations.

Geographical breakdown of Bank's branch network as on December 31, 2024 is as under:



• Including 16 Sub-Branches and 258 Islamic banking windows

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

The Bank of Punjab is offering range of products and services to its diverse clientele to meet their modern banking needs. The Bank has a very strong footprint in the areas of Corporate & Investment, Commercial, SME, Agriculture and Consumer financing products. The Bank's TAQWA Islamic Banking commenced operations in year 2013 and is currently offering a complete range of Shariah compliant products and services to its valued clients. Additionally, Bank is also offering Credit Card, Branchless Banking, Mobile Banking, Internet Banking and Cash Management services to its clients.

The Bank of Punjab Group has following Subsidiaries/Associates:

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

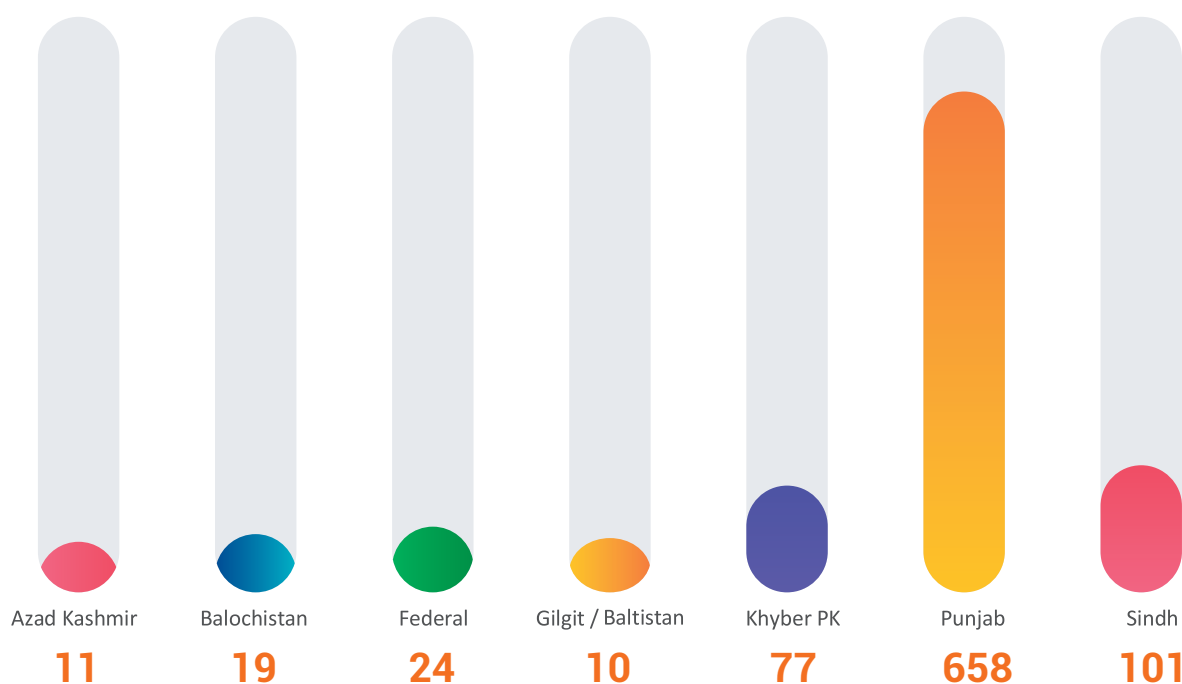
Sr#	Name
2	First Punjab Modaraba, a modaraba company managed by Bank's wholly owned subsidiary PMSL
3	BOP Capital Securities (Private) Limited, a brokerage company
4	BOP Exchange (Private) Limited, a wholly owned subsidiary of the Bank

During the year 2024, the Bank established BOP Exchange (Private) Limited, a wholly owned subsidiary of the Bank, to handle permissible exchange related business as per guidelines set out by the State Bank of Pakistan.

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

DETAIL OF PERCENTAGE SHAREHOLDING IN SUBSIDIARIES IS AS FOLLOWS:

Subsidiaries	2024	2023
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
BOP Capital Securities (Private) Limited	100.00%	100.00%
BOP Exchange (Private) Limited	100.00%	-



01.

ORGANIZATIONAL OVERVIEW AND OPERATING ENVIRONMENT

The Bank operates within a dynamic, competitive landscape, leveraging innovative strategies to meet evolving market demands.





MISSION



VISION

OUR VISION

"Your banking partner in creating value and improving lives"

OUR MISSION

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



CORE VALUES "E-TIME".



Empathy



Teamwork



Innovation



Meritocracy



Excellence

to ensure best in class customer service

CREDIT RATING

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



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



Credit Rating By PACRA 2024

Long Term	AA+
Short Term	A1+

RATING DEFINITION

Long Term Rating

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

Short Term Rating

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

PRODUCTS & SERVICES

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

DEPOSIT PRODUCTS - CONVENTIONAL BANKING

Current Deposits

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

Saving Deposits

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

Term Deposits

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

BOP ROSHAN DIGITAL ACCOUNT

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

BOP KHAAS BANKING

BOP Khaas Current Account - It is a current account for all individual and sole proprietor customers who have relationship balance of PKR 3 million or Clients with monthly salary of PKR 500K or more. These accounts will be allowed to grow in 12-month period to reach minimum threshold of PKR 3million as relationship balance.

BOP Khaas Saving Account - It is a saving account for all individual and sole proprietor customers who have relationship balance of PKR 3 million or Clients with monthly salary of PKR 500K or more. These accounts will be allowed to grow in 12-month period to reach minimum threshold of PKR 3million as relationship balance.

BANCASSURANCE

"Bancassurance" "Bancassurance" means distribution of insurance products of insurance companies through bank's distribution channels. The concept of bancassurance in Pakistan took birth in 2003 but this sector got encouragement during 2008-2009. This product attracted a number of banks in Pakistan, especially those with large branch network and extensive clientele. At present, there are more than twenty banks involved in the business of bancassurance with different companies.

This business is managed by Life Insurance Companies and falls under the purview of Securities and Exchange Commission of Pakistan (SECP) who has provided comprehensive guidelines for Bancassurance business which are mandatory to be followed by the banks & insurance companies.

The Bank of Punjab is in agency arrangements with two insurance companies i.e. M/s EFU Life Assurance Limited and M/s IGI Life Insurance Limited for Bancassurance plans whereby BOP act as corporate insurance agent for specified insurance products of these companies. It is to be cleared that these plans are underwritten by these insurance companies and the Bank of Punjab is only acting as their corporate distribution agent. These plans are not guaranteed by The Bank of Punjab or its affiliates and are not The Bank of Punjab product.

PRODUCTS & SERVICES

Conventional Assets Products:

Consumer

- Car Lease - CarGar
- Apna Ghar House Financing
- Apna Ghar Low Cost Housing Finance
- Personal Loan
- BOP Solar
- Carvaan Fleet Financing
- BOP Smart Advance Cash
- Digital Personal Loan

Agri & SME

- BOP Agri Kissan Dost Production Loan
- BOP Agriculture Non Farm Loan
- Bop Tractor & Agri Implements/ machinery Leasing
- BOP Fleet Financing
- BOP Shamsi Tawanai
- Farm Mechanization
- BOP Electronic warehouse receipt financing
- Punjab Rozgar Scheme PRS
- PMYB and ALS
- Financing Facility for Storage of Agriculture Produce (FFSAP)
- BOP Business Asaan
- BOP Apni Dokaan
- BOP Fori Sahulat
- BOP Kamyab Karobar
- BOP Shamsi Tawanai
- BOP Supply Chain Finance
- BOP e-Business Qarza

Corporate

- Project Finance
- Debt Syndications and Consortium Financing
- Corporate Finance
- Long Term/Demand Finance
- Working Capital Finance
- Letter of Credit, Contracts and Export collection services
- FE Loans, Pre and Post Shipment Export Financing
- Import Financing
- Bills Discounting
- Letter of Guarantees
- Cash Management Services and etc.
- Housing & Construction Finance
- Advisory Services
- Hospital Finance
- Employee Banking

SBP REFINANCE SCHEMES

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

GOVERNMENT INITIATIVES

- Punjab Rozgar Scheme
- Prime Minister Youth Business & Agriculture Loan Scheme
- BOP SME Asaan Finance Scheme (SAAF)
- Provision of Interest-Free Bikes to Students Scheme

RAAST - PAKISTAN FIRST INSTANT PAYMENT PORTAL

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

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

TAQWA ISLAMIC BANKING PRODUCTS:

Liability Products:

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

Asset Products:

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

DIGITAL BANKING & CASH MANAGEMENT SERVICES:

Digital Banking Initiatives:

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

CASH MANAGEMENT INITIATIVES:

Some of the key initiatives are as under:

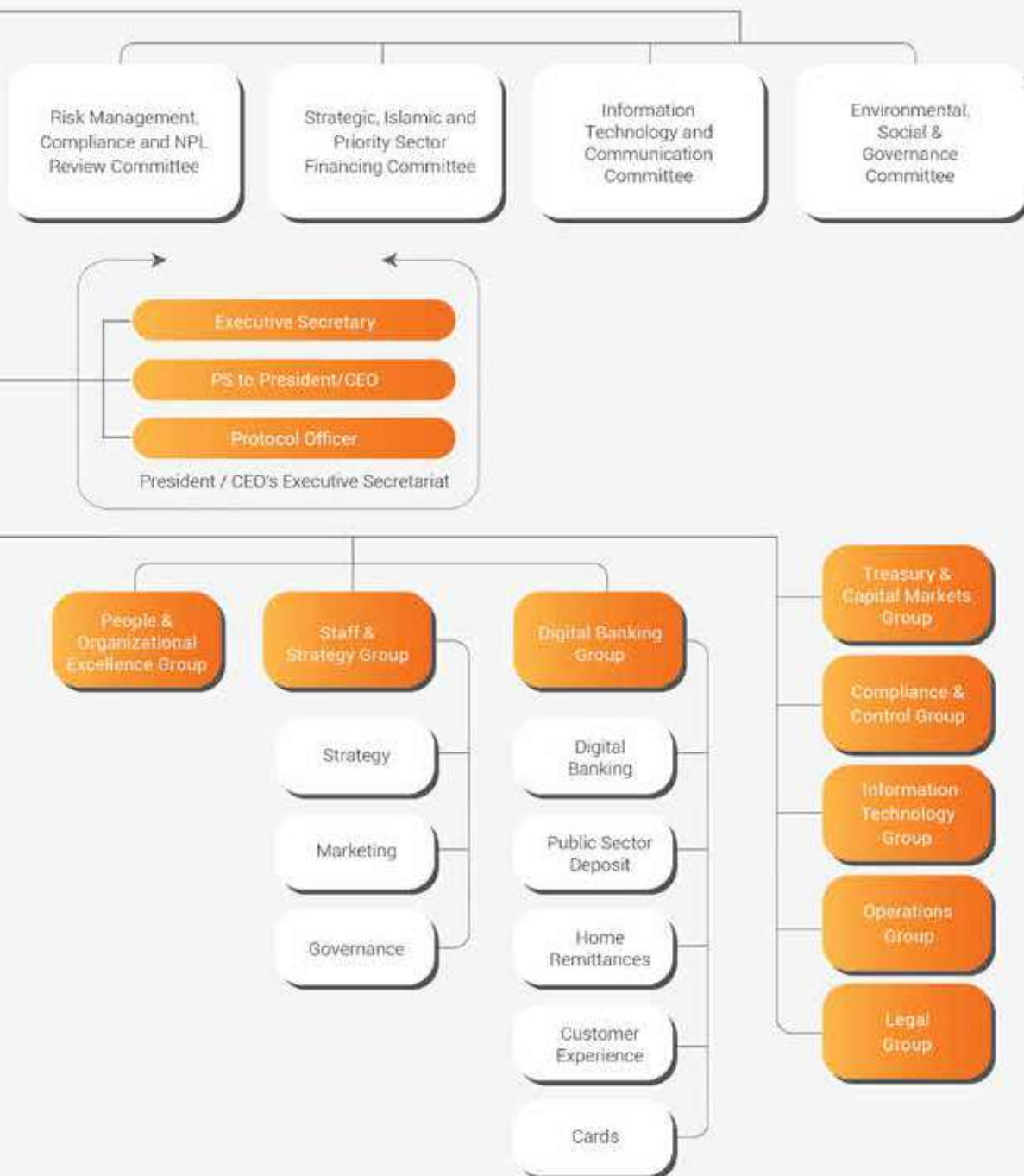
1. Customized Collection / Receivable Management
2. Payable Management
3. Over the Counter Payment Solutions
4. Hybrid Payment Solution
5. BOP-BIZ - Corporate Portal

Branchless Banking:

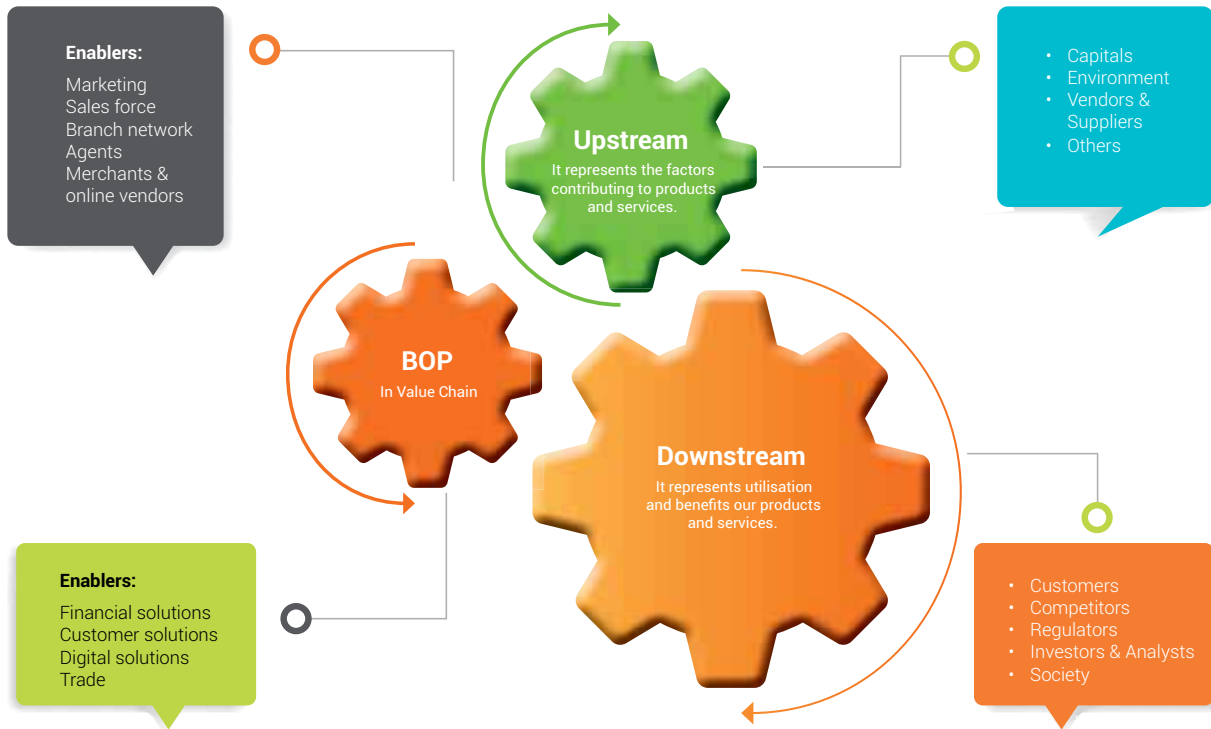
- Some of the key initiatives are as under:
- Benazir Income Support Program

THE BANK OF PUNJAB ORGANIZATIONAL STRUCTURE





VALUE CHAIN



BOP IN VALUE CHAIN

Primary activities:

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

Supporting activities:

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

UPSTREAM

Capitals: Human, Financial, Social, Manufactured and Intellectual

Environment: Political, Social, Legal, Technological and Natural

Vendors & Suppliers: Offering of various supplies and services

Others: Regulations under which Bank operates

DOWNSTREAM

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

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

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

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

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

Financial Capital

2024

Equity: Rs. 92.5 B
Subordinated debt: Rs 308 B
Deposits: Rs. 1,710 B
CAR: 17.93%

2023

Equity: Rs. 80.8 B
Deposits: Rs. 1,521 B
CAR: 18.73%

Human Capital

2024

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

2023

Total Staff Strength of 15,157
A blend of experienced and educated youth.
A transparent reward system linked with performance.
Training & Development program

Business Capital

2024

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

2023

Branch Network: 815
ATMs: 794
Mobile Banking, Internet Banking, Cash Management, Branchless Banking

Natural Capital

2024

Financing for renewable energy for staff
Green Banking Initiative

2023

Financing for renewable energy for staff
Green Banking Initiative

Intellectual Capital

2024

Implementation of new digitalization initiatives

2023

Implementation of new release of Core Banking System
Implementation of new digitalization initiatives

Social Relationship

2024

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

2023

No. of Accounts: 4.20 M
No. of Depositors: 3.74 M

EXTERNAL ENVIRONMENT



Political



Economic



Social



Technological



Environmental



Legal

1. Political Environment

The political landscape remains influenced by the implementation of IMF-backed economic reforms aimed at stabilizing Pakistan's economy. Progress under the IMF Stand-By Arrangement (SBA) and Extended Fund Facility (EFF) reflects a commitment to fiscal discipline and governance improvements. However, policy execution and potential delays in structural reforms could impact economic recovery and investor confidence.

2. Economic Environment

Economic stability has improved significantly, with GDP growth recovering to 2.38% in FY2024 and expected to reach 3.2% in FY2025. Inflation has declined sharply, averaging 6.9% by September 2024, enabling monetary easing. Trade balance improvements, rising remittances, and foreign exchange reserves stabilization underscore positive macroeconomic trends. However, fiscal deficits, high debt servicing, and reliance on external funding highlight persistent vulnerabilities.

3. Social Environment

Socioeconomic challenges, including rising unemployment and limited private-sector credit, necessitate targeted initiatives to support job creation and financial inclusion. Structural reforms, especially in taxation and energy pricing, will influence public sentiment and require effective communication to ensure social acceptance.

4. Technological Environment

Adopting sustainable technologies and fostering innovation will be critical to addressing economic and environmental challenges. Investments in research and development, especially in climate-resilient technologies, present opportunities to enhance productivity and competitiveness.

5. Environmental Environment

Pakistan faces escalating risks from climate change, ranked 11th globally for disaster vulnerability. Climate-induced shocks exacerbate economic pressures. The government's climate-sensitive budgeting and targeted investments in adaptation and mitigation reflect a proactive stance, but sustained focus on greener industries and disaster resilience is essential.

6. Legal Environment

Fiscal reforms, including tax base expansion and adherence to energy pricing commitments, are central to the IMF EFF program. These measures aim to enhance transparency and compliance but pose regulatory challenges. Legal frameworks supporting climate adaptation and foreign investment will also shape long-term stability.

During the year 2024, there has been no effect of seasonality of Banking Business.

THE LEGITIMATE NEEDS, INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

The banking industry in Pakistan is undergoing a transformation, driven by regulatory reforms, economic stabilization measures, and evolving customer expectations. Key industry trends shaping the sector are outlined below:

1. Digital Transformation and Fintech Integration

- **Increasing Digital Adoption:** The accelerated shift towards digital banking channels, including mobile and internet banking, is transforming customer experiences. The rise of fintech companies and the State Bank of Pakistan's (SBP) initiatives, such as Raast (instant payment system), are fostering financial inclusion and digital penetration.
- **Open Banking:** Emerging collaboration between banks and fintechs is leading to innovative solutions such as API-based services, enhancing customer convenience and operational efficiency.

2. Regulatory Reforms and Compliance

- **Focus on Stability:** Implementation of IMF-backed reforms has strengthened fiscal and monetary discipline, improving credit ratings and enhancing investor confidence.
- **Anti-Money Laundering (AML) and Financial Crime Compliance:** Stricter compliance requirements have prompted banks to invest in sophisticated monitoring systems and staff training to meet international standards.

3. Sustainability and Climate Financing

- **Green Banking Initiatives:** As climate change intensifies, banks are increasingly aligning their portfolios with sustainable financing practices. The adoption of Environmental, Social, and Governance (ESG) frameworks is gaining traction, supported by regulatory encouragement for green bonds and renewable energy projects.

4. Evolving Customer Preferences

- **Shift Toward Convenience:** Customers now demand seamless, personalized, and real-time services. Banks are focusing on data-driven decision-making to offer tailored financial products and enhance customer loyalty.
- **Islamic Banking Growth:** Islamic banking continues to gain market share, driven by increased demand for Sharia-compliant products and government incentives.

5. Macro-Economic Challenges and Opportunities

- **Economic Recovery:** With GDP growth expected to recover and inflation easing, banks are cautiously optimistic about credit growth, especially in agriculture, services, and SME sectors.
- **Remittance Growth:** Official remittance inflows via formal banking channels have surged, presenting opportunities for enhanced cross-border services.



Digital Transformation



Regulatory Reforms



Sustainability and Climate



Evolving Customer



Macro-Economic



OPERATING ENVIRONMENT AND BANK'S RESPONSE








External Environment

The Bank of Punjab's external environment, including political, economic, social, technological, legal and natural factors have an impact on business performance and achievement of strategic objectives. Impacts of all such factors and Bank's response have been disclosed in the Risks & Opportunities and SWOT analysis sections in annual report 2024.

Legislative and regulatory environment

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

Interests of key stakeholders and industry trends:

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

SWOT ANALYSIS

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

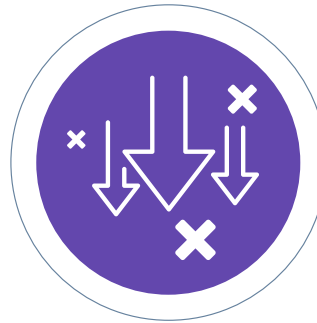
STRENGTHS

1. Strong affiliation with GoPb
2. Strong brand recognition across Punjab
3. Well-established branch network across Punjab
4. Strong Credit ratings (Long Term: AA+, Short term: A1+)
5. Loyal, stable & diverse workforce
6. Public Sector Risk Appetite with private sector processes



WEAKNESSES

1. Brand perception of a public sector institution
2. Slow speed to market due to PPRA and other govt. compliances
3. Brand acceptability outside Punjab
4. Limited Digital Footprint
5. High Cost of Business
6. Low Efficiency and Asset Utilization Ratios



OPPORTUNITIES

1. Increase Margin on deposits
2. Enhance Process Efficiency through Robotics and use of AI algorithms & AI Business Analytics
3. Increase share of wallet through cross-sell of products
4. Build digital banking business
5. Increased recoveries from NPL portfolio
6. Penetrating overseas market
7. Penetrate untapped and emerging Market Segments such as Gen X, Gen Y, Gen Z
8. Enhance Market Share of Islamic Banking
9. ESG & Blended Finance
10. Enhancing Scale & Scope of Branchless Banking Payments through acquisition of Person to Person (P2P) Payments License

THREATS

1. Global & domestic political and economic uncertainty
2. Public Sector Deposits Concentration Risk
3. Burgeoning of Infection Levels due to high Interest Rates
4. High vulnerability of SME, Agri & Consumer Risk Portfolios to Climate Change
5. Government Influence / Intervention
6. Implementation of Treasury Single Account (TSA) in Provinces
7. Increasing threats of Frauds and Cyber-security
8. Continuity of existing Loss Coverage Government Schemes by subsequent governments

COMPETITIVE LANDSCAPE & MARKET POSITIONING

1. Intense Competition:

Owing to microeconomic conditions prevalent in the Country and very high interest rate, intense market competition was faced by the Bank. Beside fierce competition among financial institution for market share of low cost deposits, better investment and lending opportunities at good spread remained scarce.

Despite very tough competition, the Bank adopted a holistic approach and continued to consolidate its market position. New products & services were also introduced during the year for meeting customer requirements in wake of on-going competition.

2. Threat of New Entrant:

During the year, there was no significant threat of new entrant in the industry.

3. Bargaining power of Customer:

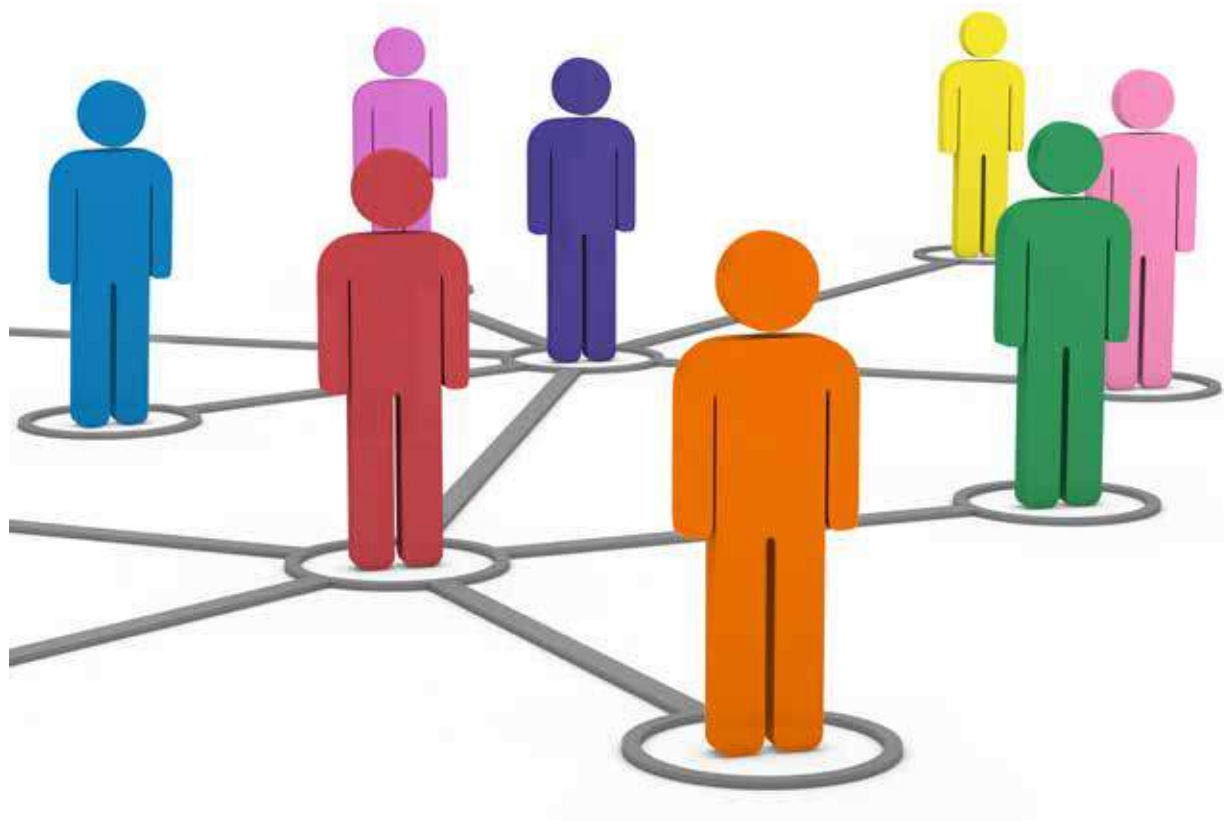
Owing to very competitive environment and volatile interest rate regime, bargaining power of customer increased manifold. Besides demand of high interest rates on deposits, lending & investment opportunities also remained scarce.

4. Bargaining power of Suppliers/ Service Providers:

Due to exchange rate volatility and tight import policy, bargaining power of suppliers/ services provider also increased. Acquisition of laptops, computers and other such equipment at a suitable rate remained a challenge. The Bank utilized its long term relationship with vendors/ suppliers to overcome the issue and its market position remained much better than its competitors in this respect.

5. Political Environment:

General elections in February 2024 and formation of Governments in Federal and provincial level brought about much needed stability in the Country. The continuation of economic polices is also helping in improving economic situation.



HISTORICAL EVENTS TIMELINE

1989

Establishment of Bank through The Bank of Punjab Act, 1989 as a provincial Bank



1994

The Bank of Punjab declared a scheduled commercial Bank by SBP



2008

Provisioning and Capital related issues resulted into non-publishing of Financial Statements from 2009-2011

2018

Re-starting of payment of Dividends to shareholders.



2017

Discharge of LOCs issued by GoPb and achievement of regulatory compliant status.



2012

Release of Bank's Financial Statements from year 2009-2011 under an LOC arrangements with GoPb and SBP.

2022

Adjudged "Best Bank for Small & Medium Businesses"



2023

- Balance Sheet cross the level of Rs. 2.0 Trillion
- Adjudged "Best Bank for Small & Medium Businesses"



2024

- Establishment of BOP Exchange Company as a wholly owned subsidiary of Bank
- Adjudged Best Bank for Agri

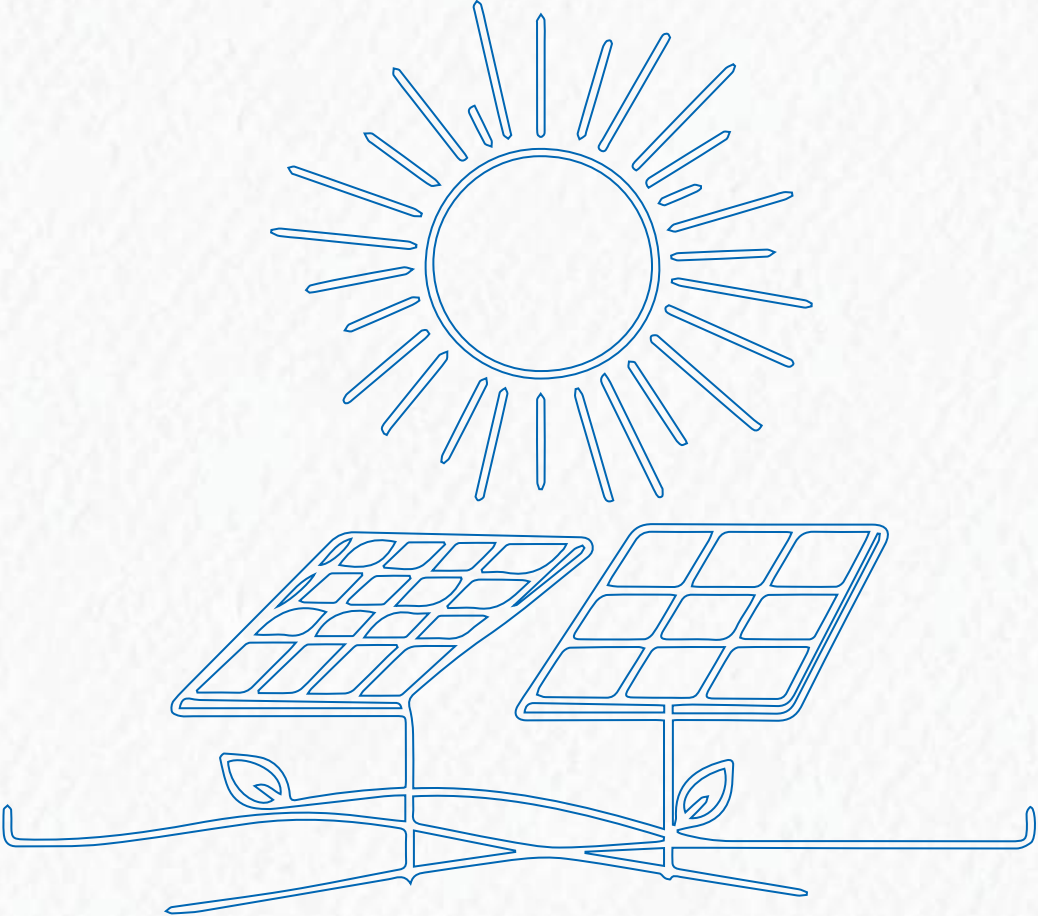
SIGNIFICANT FINANCIAL EVENTS 2024



02.

STRATEGY AND RESOURCE ALLOCATION

The BOP strategy focuses on sustainable growth, innovation, and market expansion. Resources are allocated to high-impact projects, fostering efficiency and long-term value creation.



STRATEGY AND RESOURCE ALLOCATION

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



Strategy On Market Development, Product & Service Development:

Based on past year's learnings and market developments, BOP has further refined its Strategy for 2025-2027 and has laid out an ambitious and multi-dimensional strategic vision aimed at optimizing operations, enhancing customer engagement, and fortifying its position in the Pakistani banking sector. With an emphasis on balancing traditional banking strengths with forward-thinking initiatives, the Bank's roadmap is built to drive profitability, digitize services, and expand its reach across various underserved sectors.

STRATEGIC PILLARS

DEPOSIT MIX

- Islamic Banking
- Digitalization
- Trade & Cash Management
- Remittances
- Customer Experience

COST OPTIMIZATION

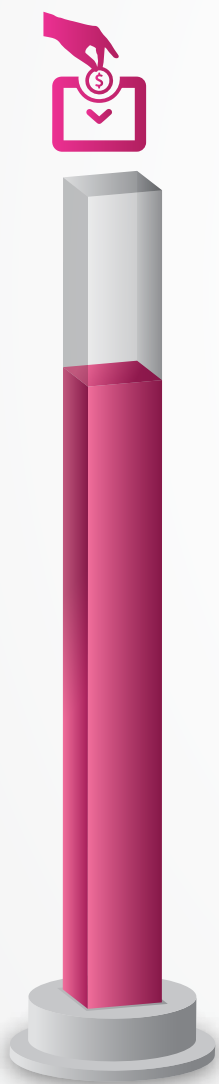
- Cash Management
- People Productivity
- Network Augmentation

RISK MANAGEMENT

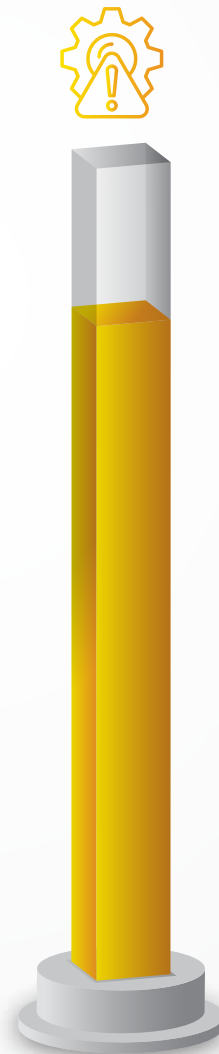
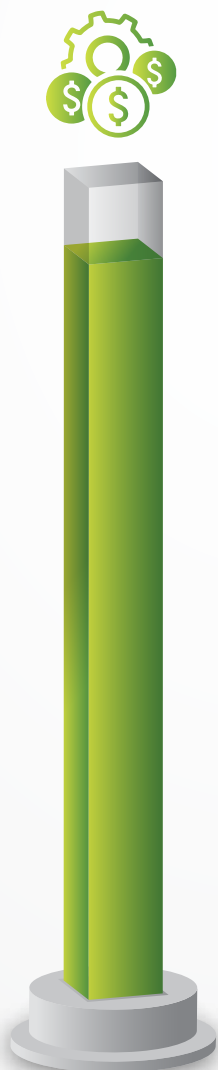
- Portfolio Health
- Non-Performing Loans

GOVERNMENT PRIORITY INITIATIVES

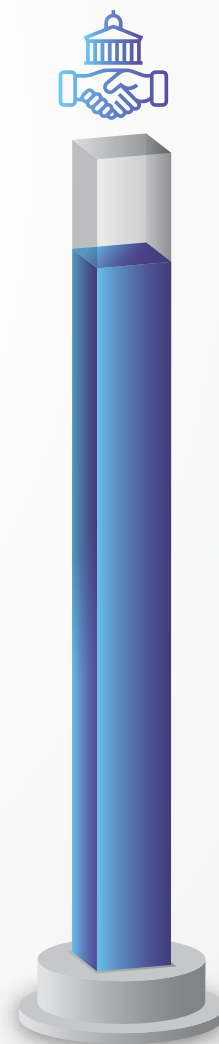
- CM Punjab & GoPb Programs
- Federal Government & S&P Initiatives
- Attract Investment
- E-Procurement



strategic pillars



strategic pillars



KEY PERFORMANCE INDICATORS

Following are Key Performance Indicators:

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

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

The Bank's strategic objectives align seamlessly with its vision of being "Your banking partner in creating value and improving lives" and its mission to meet customer needs through innovative technology and promote financial inclusion and prosperity. The target of achieving a 27% current account mix and significantly increasing digital transaction volumes by over three times between 2024 and 2027 reflects the Bank's commitment to innovation and business growth. Similarly, the focus on making 87% of all transactions digital and becoming the preferred choice for private customers underscores its dedication to enhancing customer experience and convenience. By expanding trade and cash management, implementing prudent lending practices, and attracting investment, the Bank fosters financial inclusion and economic prosperity. These strategic objectives, driven by a motivated team within a culture of excellence and empathy, exemplify the Bank's mission to empower communities and drive national growth.

Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.):

Sustainability Leadership in ESG

- Executed a \$54 million Climate Finance Facility with Agence Française de Development (AFD).
- Launched "Green Asset" and "Green Liability" products, focusing on renewable energy and sustainable agriculture financing.
- Industry-first initiative: Air purifiers installed across branches in smog-affected regions to ensure customer and staff well-being.

SME Portfolio Highlights

- 75Bn in SME Loans
- Over 3Bn in loans to Women
- 57,000 new jobs created
- Over 375,000 SME customers
- 12,000 Startups Financed
- 16,000 collateral free loans

Agri Portfolio Highlights

- Achieved the Largest number of approved borrowers (532,000) in Pakistan
- Approved agricultural loans worth 115Bn
- Financing 10Bn for agricultural logistics
- Awarded Karandaaz Challenge Fund of Rs 50Mn for Digitizing farm & non-farm lending
- Leading as Agri champion bank in Sothern Punjab, offering non-financial advisory services

Gender and Diversity Inclusion

- SBP's Best Bank for Empowering Women Entrepreneurs
- Received the Best Bank for Women Inclusion Award by PBA
- Consistently leading as Top Midsized Banks in SBP's Banking on Equality Scorecard

Social Welfare Payments for Women Empowerment (2.8Mn Women Beneficiaries Achieved).

- Launched 4 New BOP Naaz Branches for Women in Islamabad, Rawalpindi and Lahore

\$50 Mn Strategic Partnership to Boost Pakistan's Startup Ecosystem

BOP has signed MOU with Gobi Partners to support the launch of Techxila Fund II, a \$50 million initiative to empower Pakistani startups in fintech, e-commerce, health tech, logistics, and SaaS

During the year 2024, there has been no material change in Bank's business model.

FORWARD LOOKING STATEMENT

- **Current Deposits:** The Bank shall continue to improve upon percentage of current deposit in its deposit mix with an objective to help improve NIM. The Bank shall target to enhance current deposit percentage to 27% in overall deposits mix by year 2027.
- **Digital Transactions:** The Bank has vigorously invested in its digital platform and now intent to increase transaction volume by 3 time in next couple of years. Additionally, the Bank shall target to digitalize 87% of its transactions by 2027.
- **Bank of Choice for private Customers:** The Bank shall make all efforts to become preferred choice for private customer to increase its market share.
- **Substantially increase Trade & Cash Management Business:** Special focus shall remain on increasing Bank's Trade and Cash Management Business.
- **Performance:** The Bank introduced green financial products, including renewable energy loans and sustainable agriculture financing, while implementing climate-resilient initiatives such as the air purifier program in smog-affected areas. Partnerships, like the USD 54 million climate finance facility with AFD, also demonstrate the Bank's leadership in green finance, aligning with its sustainability objectives.

4. Efficient Capital Utilization

Strengthen capital adequacy and implement a RAROC-based model for risk-adjusted decision-making.

- **Performance:** The Bank raised PKR 25.2 billion in capital over the past two years and developed a RAROC model for risk-return assessment. This ensures efficient capital deployment and supports long-term profitability, directly aligning with the disclosed focus on capital optimization.

5. People Focus

Enhance talent management, employee engagement, and inclusivity to build organizational strength.

- **Performance:** The Bank implemented key initiatives, including the Women Return-ship Program, a 6% increase in female workforce representation, and a data-driven recruitment process. These actions support inclusivity, workforce diversity, and employee satisfaction, aligning with the stated commitment to people development.

6. Niche Markets

Strengthen presence in SME and agriculture sectors while promoting financial inclusion for women and small businesses.

Performance: The Bank has made substantial strides in the SME sector, moving from 6th position in December 2021 to 2nd place by June 2024 in SBP's SME Scorecard, marking a substantial market leap. The Bank has doubled its market share from 6% to 15.6% in less than three years, firmly positioning itself among the top SME banks in the country. Other active institutions in the SME segment include JS, Al Falah, Al Habib, and NBP, but BOP's exceptional growth and focus on the "S" segment (small businesses) have set it apart. In recognition of these achievements, during 2024 the Bank has received several industry awards, including "The Best SME Bank in Pakistan" by The Digital Banker, "The Best Domestic SME Bank in Pakistan" by Asian Banking & Finance and "Pakistan's Best Bank for SMEs" by Euro money.

BOP achieved a 129% increase in financing for female borrowers, a 70% growth in lending to female-led small enterprises, and significant market share gains in SME and agriculture finance. These results validate the Bank's focused efforts in niche markets and align with prior disclosures.

Explanation as to how the performance of the company aligns with the forward-looking disclosures made in the previous year:

1. Current Account Growth

Commitment to increasing the share of current account deposits to achieve a cost-effective funding model and improve deposit margin spreads.

- **Performance:** Current account deposits more than doubled between 2020 and H1 2024, reaching PKR 289 billion and contributing 18% to total deposits. The deposit margin spread improved from 2.8% in 2020 to 6.9% in 2023 and further improved by 2024 end. This progress reflects a focused effort to diversify and strengthen the deposit base, aligning with the Bank's long-term vision to achieve 27% current account mix by 2027.

2. Digitalization

Digital transformation to improve customer experience, expand financial inclusion, and reduce operational costs.

- **Performance:** Significant milestones were achieved, including a 95.3% increase in digital transaction volumes since 2022 and transitioning 75% of overall transactions to digital channels. The launch of innovative products, such as SME e-Qarza and freelancer accounts, as well as government-led initiatives like the Kissan Card and Livestock Card, further reinforced the Bank's digital-first strategy. These advancements directly support the goal of modernizing banking services and enhancing customer convenience.

3. Environmental, Social, and Governance (ESG)

Integration of ESG principles to support sustainable practices and financial inclusion.

SR.#	INITIATIVE	TIMELINE	STATUS
1	IFRS-9 Implementation	Q1 2024	Completed
2	Fund Transfer Pricing (FTP) Implementation	Q1 2024	Completed
3	Launch of National eKYC	Q2 2024	Completed
4	Implement ESRM Manual for initiation of portfolio screening	Q2 2024	Completed
5	Launch of BISP disbursements	Q2 2024	Completed
6	Evaluate Share buyback options	Q2 2024	Completed
7	Rollout of Revised Marketing Strategy	Q3 2024	Completed
8	Cultural Audit	Q3 2024	Completed
9	Review and adjustment of reward and variable compensation	Q3 2024	Completed
10	Establishment of the Bank Exchange Company	Q3 2024	Completed
11	Onboard Fintechs in EMI, NBFC, direct billing, digital lending/ Insurance/ lifestyle app spaces	Q3 2024	Completed
12	Proposal for PPCBL acquisition	Q3 2024	Completed
13	Pilot Launch of P2P Branchless Banking	Q4 2024	Completed
14	Initiate RAROC based pricing discipline	Q4 2024	Completed
15	ABEP-2024 - Opening of branches	Q4 2024	Completed
16	Implement Workload Assessment (EY) & Job Evaluation (Mercer)	Q4 2024	Completed
17	DigiBOP platform upgrade and revamp UI / UX of the app and internet banking	Q4 2024	Completed
18	Agri Graduates Batch hiring for ACD. The batch shall be trained and placed as ACOs across the country	Q4 2024	Completed
19	Launch of Digital Agri Loan Product - ACD	Q4 2024	Completed

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

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

KEY ELEMENTS OF BOP BUSINESS MODEL

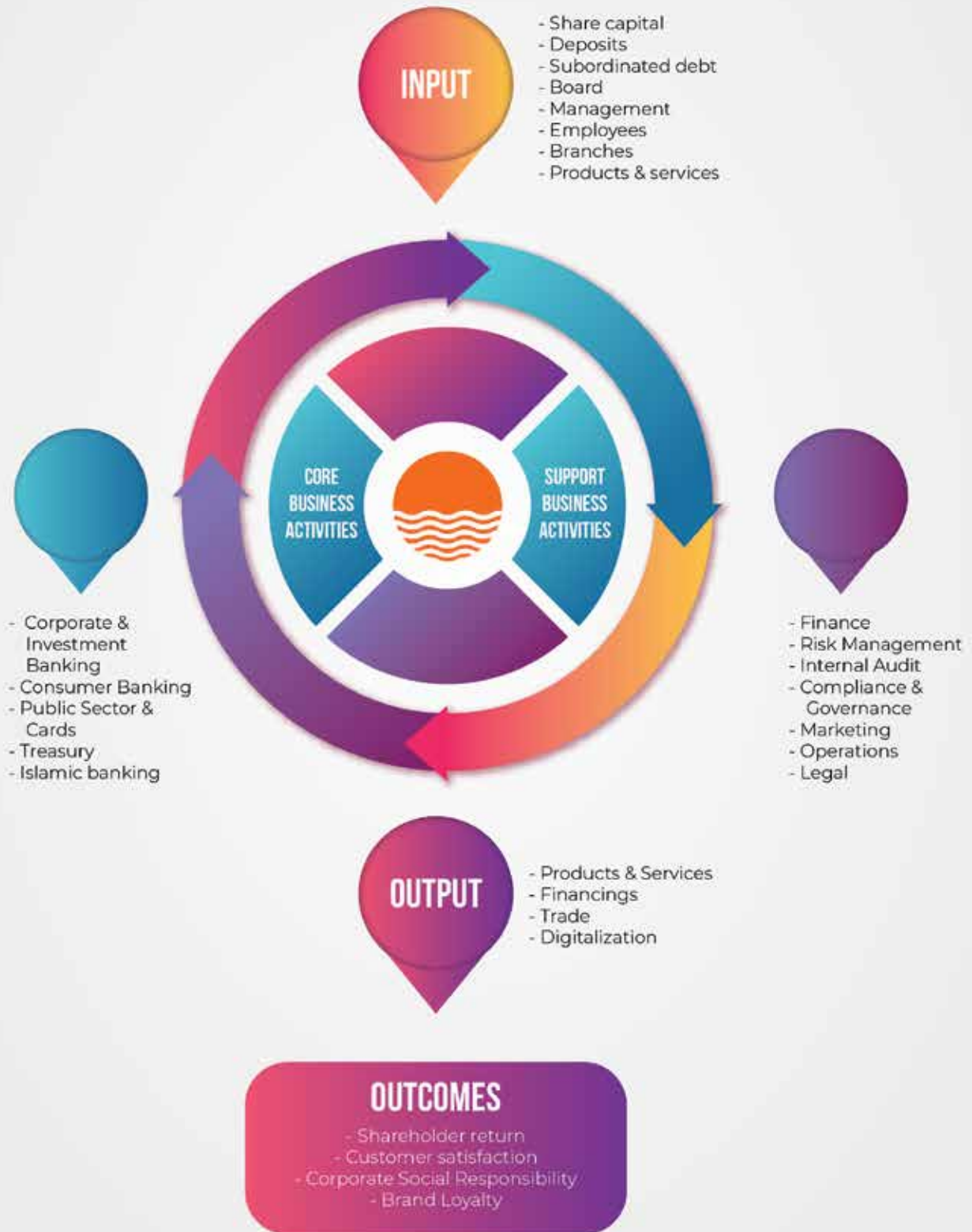
The Bank of Punjab is a financial services company incorporated in Pakistan and is listed on Pakistan Stock Exchange.



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

The Bank operates under following business segments:



BOP BUSINESS MODEL



INPUTS		OUTPUTS & OUTCOMES
<p>Financial Capital</p> <ul style="list-style-type: none"> - Share capital Rs. 32.45 B - Deposits Rs. 1,710 B - Subordinated debt Rs. 30,82 B - No. of customers 6.69 M (including Branchless Banking) 		<p>Shareholder Return</p> <ul style="list-style-type: none"> - Profit after tax Rs. 13.38 B - EPS Rs. 4.09 - Book value per share Rs. 28.283 - Dividend: 18% Cash Dividend - ROE 16.36 - ROA 0.58% - CAR 17.93% - LR 3.38%
<p>Human Capital</p> <ul style="list-style-type: none"> - Staff strength 16,344 		<p>Customer Satisfaction</p> <ul style="list-style-type: none"> - Deposits Growth 12% - CASA Mix 61% - CA Mix 21%
<p>Manufactured Capital</p> <ul style="list-style-type: none"> - Branches 900 - ATMs 889 - POS terminals 5,756 - Fixed Assets Rs. 28.55 B - Intangibles Rs. 2.47 B - Products & services 		<p>Corporate Social Responsibility</p> <ul style="list-style-type: none"> - Contribution - Job creation - Customer relation - Conducive work environment - Responsible & honest Communication
<p>Intellectual Capital</p> <ul style="list-style-type: none"> - Experienced Board - Competent Management - Strong Risk Management - Secured and Updated IT <p>Infrastructure</p> <ul style="list-style-type: none"> - Compliance Framework - Policies and Procedures - Brand Image - Secured Systems 		<p>External/Community</p> <ul style="list-style-type: none"> - Compliance with laws & regulations - Timely tax payments - Compliant regulatory ratios - Regular correspondence with stakeholders
<p>Natural capital</p> <ul style="list-style-type: none"> - Green banking initiatives - Health & safety initiatives 		

SIGNIFICANT CHANGES AND EVENTS

There have been no significant changes from prior years and also no significant event has occurred during the year 2024. Additionally, there have been no significant changes in objectives and strategies of the Bank from prior years.

STAKEHOLDERS RELATIONSHIP

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

1. Government of the Punjab

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

2. Staff at BOP

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

3. Account Holders

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

4. Investors & Shareholders

The Bank maintain an updated investor information data on its website. Further, periodical corporate briefing sessions are also arranged for information of all investors and shareholders. The Bank also arrange an interactive annual general meeting of shareholders and their all questions & queries are duly answered and addressed. All minority shareholders are encouraged through regular communications to attend AGM.

Additionally, investor relationship page at BOP corporate website is kept updated. <https://www.bop.com.pk/Investor%20Information>.

5. General Public

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

6. Regulators

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

7. Analysts & Rating Agencies

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

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

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



EXCELLENCE REWARDED THE BANK OF PUNJAB JOURNEY OF AWARDS 2024



Best Bank for Women
Inclusion in Pakistan
2024



Best Bank for
Agriculture in Pakistan
2024



EuroMoney Awards For
Excellence Pakistan Best
Bank For SMEs 2024



Excellence in
Financial Literacy
Awards-PFLW 2024



Recognizing Gender
Diversity at workplace
Award FY 2024- Banks



Gender Diversity
Awards 2024



In Appreciation of the
Highest Service Engagment
on Corporate Governance
with PIGC during FY-2023-24



Global Partnership
Award



Pakistan Domestic
SME Bank of the
Year

- | | |
|--|---|
| 1 Best Bank for Women Inclusion in Pakistan 2024 | 10 Gender Diversity Award 2024 |
| 2 Best Bank for Agriculture in Pakistan 2024 | 11 In appreciation of the Highest Service Engagement on Corporate Governance with PIGC FY - 2023-24 |
| 3 EuroMoney Award for Excellence - Pakistan's Best Bank for SMEs 2024 | 12 Global Partnership Award 2024 |
| 4 Excellence in Financial Literacy Award - PFLW 2024 | 12 Pakistan Domestic SME Bank of the Year 2024 |
| 5 Best SME Bank in Pakistan 2024 | 14 Pakistan Domestic Members & Acquisitions Deal Bank of the Year 2024 |
| 6 Award under Silver Category to Bank's Annual Report 2023 by South Asian Federation of Accountants (SAFA) | 15 Pakistan Domestic Technology & Operations Bank of the Year 2024 |
| 7 Best Corporate report awards 2024-Bank's Annual Report 2023 ranked 4th by ICAP and ICMAP | 16 Best Public Sector Bank for Islamic Retail Banking in Pakistan 2024 by Islamic Retail Banking Awards |
| 8 Pakistan Domestic Green Financing Bank of the Year 2024 | 17 Global Transaction Banking Innovation Award 2024 - Banks |
| 9 Recognizing Gender Diversity at workplace Award FY 2024 - Banks | 18 JP Morgan 2024 Quality Recognition Award |



Best SME Bank in Pakistan 2024



Award under Silver Category 2024 to Bank's Annual Report-23 (SAFA)



Best Corporate report awards 2024-Bank's Annual Report 2023



Pakistan Domestic Green Financing Bank of the Year



Pakistan Domestic Members & Acquisitions Deal Bank of the Year



Pakistan Domestic Technology & Operations Bank of the Year



Best Public Sector Bank for Islamic Retail Banking in Pakistan 2024



Global Transaction Banking Innovation Award 2024

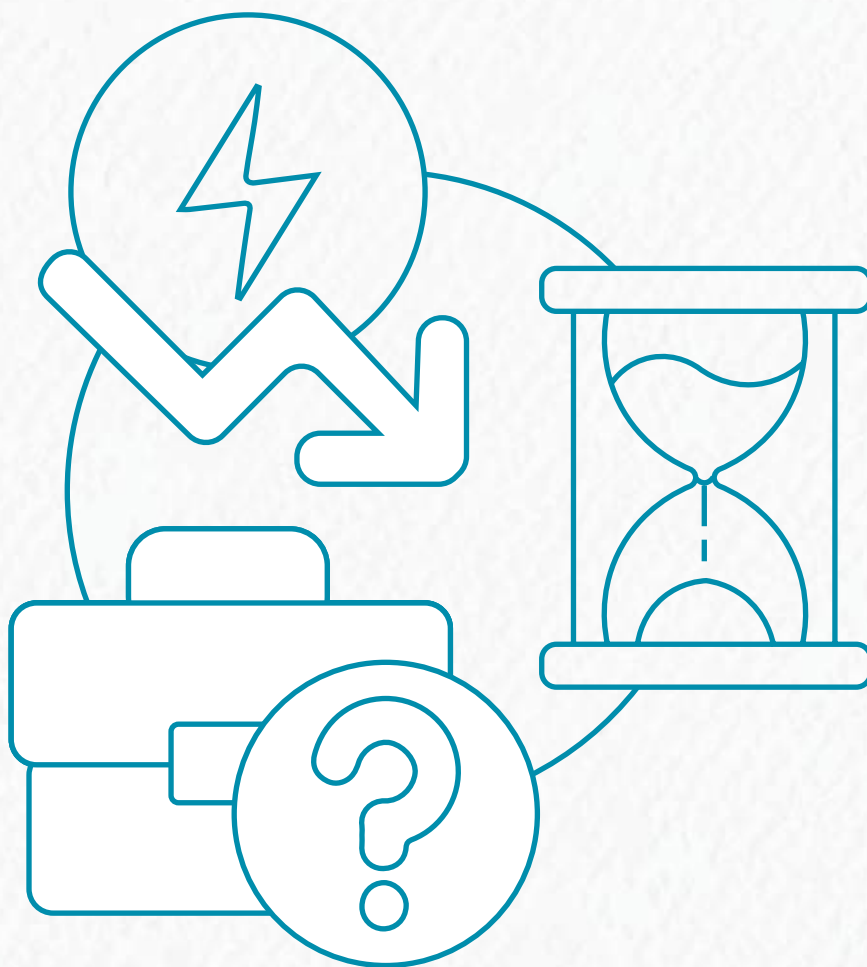


J.P.Morgan 2024 Quality Recognition Award

03.

RISK AND OPPORTUNITIES

The Bank actively monitors risks such as market volatility, regulatory changes, and operational disruptions. At the same time, it identifies opportunities in emerging technologies, new markets, and strategic partnerships.



RISK AND OPPORTUNITIES

EMINENT RISKS

There is always a possibility that unforeseen events could result in significant negative outcomes, potentially hindering the Bank's ability to achieve its strategic objectives. The Bank continuously evaluates the potential impact of emerging risks from both financial and non-financial aspects and takes appropriate corrective actions as required. The key risks that could materially impact Pakistan's banking system include macroeconomic factors, geopolitical instability, regulatory and legal challenges, cybersecurity threats, etc.

INTERNAL RISKS

The Bank addresses its internal risks through a robust Operational Risk Management Framework, which incorporates tools such as KRI's, RCSA, ORAP, and a loss database, among other standard methodologies. Furthermore, the Bank has adopted the Internal Capital Adequacy Assessment Process (ICAAP), covering its entire Balance Sheet. To effectively optimize the trade-off between risk and return, the Bank has set bank-wide risk appetite limits covering key risks. The Bank has reinforced its credit risk management approach by diversifying its credit portfolio and implementing proactive strategies for NPLs recovery, thereby reducing credit risk and protecting its capital reserves. Furthermore, the Bank has an approved Risk Management Policy (RMP), diversified funding sources, and has Recovery Plan in place, ensuring liquidity resilience and capital adequacy.

EXTERNAL RISKS- MACROECONOMIC CONDITIONS OF PAKISTAN

Definition and potential impact: Keeping in view the balance of payments gap position, along with recurring inflationary pressures and volatile policy rate changes, continuously pose challenges to Pakistan's economy. Early analyst's predictions anticipated a slowdown in GDP growth, foreseeing limited credit expansion and tighter liquidity. However, recent trends have shown a degree of resilience, with GDP growth now projected at 3.2%. This indicates that Pakistan is gradually overcoming economic challenges and adjusting to the changing financial landscape.

Mitigation strategy

The Bank of Punjab (BOP) maintains vigilant oversight of economic trends and consistently evaluate implications. The Bank generates a range of analytical reports and dashboards for the Management Committee(s) and Board, thoroughly assessing effects of economic trends on the bank's credit, market, operational, and other risk dimensions.

In addition, the Asset and Liability Management Committee (ALCO) conducts in-depth reviews of ongoing domestic and international economic developments. ALCO carefully monitors changes in interest rates scenarios and their impact on the bank's overall financial performance, encompassing both credit and market

risks. Regular stress testing and capital impact assessments are presented to ALCO for making more informed decisions. To manage interest rate risks related to investments in Government Securities and Bonds, the bank keeps evaluating such portfolio in response to prevailing interest rate environments. The bank upholds a strong capital adequacy position and frequently conducts stress testing to ensure adequate capital coverage.

GEOPOLITICAL RISK

Definition and potential impact: This risk could stem from factors related to international politics. Geopolitical tension has been a persistent issue for the subcontinent over last few years.

Mitigation strategy: Bank monitors geopolitical situations around the globe on an ongoing basis. RMG independently monitors Bank wide Country limits.

A Statement from Board for determining the following:

a) company's level of risk tolerance by establishing risk management policies.

BOP aims to strike an optimal balance between risk and return, and effectively deploy resources to achieve the Bank's strategic goals and objectives. The bank has approved Risk Management Policies to manage various risks. Further, the Bank has approved Risk Appetite Framework in place that duly covers the below mentioned risks faced by the bank which arise due to its business activities.

Metric / Indicator

Capital Adequacy and Leverage Ratio

Total Tier 1 Equity to RWA
Total Regulatory Capital to RWA (Bank Level/Islamic)
Leverage Ratio (Bank Level/Islamic)

Credit Risk

Per Party Exposure Limit/Concentration
ORR based Limits (Corporate/Commercial)
Per Group Exposure Limit/Concentration
Single Related Party Exposure
All Related Party Exposure
Large Exposure Limit
Bank's Non-Performing Loans Limit
Watch List accounts Limit
Real Estate Exposure Limit
Debt Property Swap
Weighted Average ORR (WAORR)
Advances to deposit Ratio

Market Risk & Liquidity Risk

Market Risk Capital Charge (Bank Level/Islamic)
Tax Adjusted Loss (MVE)
Earnings at Risk
Investment in Shares (Ready & Futures) - AFS/HFT excluding subsidiaries
Equity investment in futures
Investment in the units of Real Estate Investment Trust (REIT)
Foreign Exchange Exposure Limit
Liquid Assets
Liquidity Coverage Ratio
Net Stable Funding Ratio
SLR (Conventional, Islamic)
CRR (Conventional, Islamic)

Operational Risk

Capital Charge (Bank Level/Islamic)
Operational Loss Appetite
TBML Risk Appetite
ML / TF / PF Risk Appetite
Compliance Risk
Cyber Risk

b) Company's robust assessment of the principal risks faced, including those that would threaten the business model, future performance and solvency or liquidity.

To this end, the Bank has approved Risk Appetite Framework in place for managing the various significant risks associated with its business activities. The Bank utilizes advanced risk measurement tools, including RCSA, ORAP, KRIs, Duration, Price Value of a Basis Point (PVBP), and IFRS models such as PD, LGD, and EAD for ECL calculation. In addition, the Bank has effective Risk Management Framework in place; encompassing areas such as Enterprise Risk Management, Policy & Product Programs, Credit Policy, Information Security Policy, and AML/CFT Policy etc which plays a pivotal role in supporting its strategic goals and objectives.

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

The Bank strengthens its Risk Management Framework through regular reviews of its Risk related Policies and Procedures to ensure alignment with local and international regulatory standards and adherence to industry best practices. The Risk Management Group actively assesses these policies, introducing new controls, thresholds, early warning indicators, and limits to enhance risk management across all domains. This review encompasses the entire spectrum of risks at the entity level, spanning Credit, Market, Interest Rate, Liquidity, Operational, Technology, Information Security, Cross

Border, Settlement, Compliance, Legal, Money Laundering (ML), Terrorist Financing, Proliferation Financing, and Reputational Risks, among others. The main areas covered include:

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

Some CY 2024 highlights include:

- NPL ratio of 6.4%;
- Provision coverage ratio is 83.5% for the CY 2024
- Capital adequacy ratio of 17.9%, which is robust in line with regulatory requirement of 11.5%.
- Leverage ratio of 3.5% which is in line with regulatory requirement of 3.0%.
- LCR is 190.6% which is higher in reference to regulatory requirement of 100.0%.
- NSFR is 135.2% which is higher in reference to regulatory requirement of 100.0%.

With a continued focus on risk management practices alongside enhanced monitoring related to Basel II/III and SBP's IFRS-9 Application Guidelines; bank has managed to improve its' credit quality whilst also maintaining balance sheet growth.

To further strengthen its risk management capabilities, the Bank continues to enhance portfolio-exposure reporting and analytic techniques, stress testing, assessment of ratings migrations, risk modelling capabilities, model validation and calibration. The Bank also continuously monitors the impact of macroeconomic developments on the domestic front and their effects on the Bank, making adjustments as required.

For enhanced return to stakeholders with efficient utilization of funds, the Bank has rolled out the Risk-Adjusted Return on Capital (RAROC) model and is also ensuring meticulous compliance against SBP Green Banking Guidelines and ESRM Manual.

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

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

1. Credit Risk	
How we performed during the year	<ul style="list-style-type: none"> - Credit-risk-weighted assets of 514.3 Billion. - NPL ratio of 6.4%; slightly higher than last year's 6.0%. - Provision coverage ratio is 83.5% for the CY 2024 as compared to 83.4% CY 2023. - Top 10 largest funded performing obligors' exposure constituted 28.8% of gross loans as compared to 75% in CY 2023. <p>Credit Risk Management Committee of the Bank has the mandate to appropriately keep credit risk at an acceptable levels and within the risk appetite of the Bank.</p>
Risk Management Process	<p>Measure the amount that could be lost in case of eventuality.</p> <p>Monitor Infection ratio, industry concentration, % watch list portfolio, WAORR, Expected Credit Loss, RWA analysis, Regulatory ratios and stress testing etc.</p> <p>Manage portfolio diversification / adherence to credit discipline / underwriting guidelines while ensuring improvement in overall portfolio credit quality.</p>
2. Market Risk	
How we performed during the year	Market Risk of the Bank is well within defined limits (internal and regulatory) as per SBP Risk management guidelines, Bank's Investment Policy and Risk Management Policy.
Risk Management Process	<p>Measures valuation and investment/risk policies for financial instruments in the trading book using measurement tools like Duration and PVBP etc.</p> <p>Monitoring is done using standard monitoring tools like mark to market, limit monitoring (both internal and regulatory) and advance Risk measurement tools like Value at Risk (VaR), Duration and Price Value Basis Point (PVBP) etc.</p> <p>Manage through daily risk reporting and all material risks highlighted on appropriate forums i.e. ALCO and Board's RMC & NPLRC on periodic basis.</p>
3. Information Security Risk	
How we performed during the year	No material loss of confidential data or disruption of processes experienced due to information security breach during the year. The Bank has also enhanced its various IS control mechanisms.
Risk Management Process	<p>Monitor through real time integrated logs of systems and network; identifying security events and incidents; assessment of security risks in applications and systems via <i>Vulnerability Assessment and Penetration Testing</i>; maintaining and continually updating information-risk register and reporting to concerned units and management.</p> <p>We have acquired threat intelligence from various providers and receive threat advisories from several sources. This intel is used to identify relevant risk by correlating with BOP technology infrastructure.</p> <p>Manage through risk reporting and treatment; ensuring that custodians of information assets fix the identified vulnerabilities. In addition, the Bank is using preventive technological controls for various threat vectors.</p>
4. Reputational Risk	
How we performed during the year	No instance occurred which may cause/lead to impact on Banks' reputation.
Risk Management Process	<p>Measure through number of complaints/red-flags received/media news/electronic and social media etc.</p> <p>Monitor through ensuring operational alignment with Bank's mission / strategic objectives and maintenance of stakeholders' confidence.</p> <p>Manage through reduction in overall number of complaints received & resolved within defined timeframe amicably under regulatory guidelines.</p>

5. Legal Risk	
How we performed during the year	No instance occurred which places Bank into a Legal battle.
Risk Management Process	<p>Measure through number of cases filed against BOP and cases filed by BOP. Decision in favor and against BOP is also a tool to measure legal risk.</p> <p>Monitor Bank monitors all filed cases against it on quarterly basis. Further, Bank also allocates Capital Charge as per annual exercise under ICAAP.</p> <p>Manage through a dedicated in-house legal unit, panel of advocates and adequate monitoring of different red-flag/alerts raised.</p>
6. Liquidity and Funding Risk	
How we performed during the year	<ul style="list-style-type: none"> • LCR is 191% as compared to 184% CY` 2023 • NSFR is 135% as compared to 125% CY` 2023 • Gross <i>Advances / Deposits</i> (ADR) is 48% as compared to 56% CY` 2023
Risk Management Process	<p>Measure using metrics related to Basel III liquidity ratios and internally approved triggers. Liquidity stress tests are carried out using contractual, behavioral and stressed conditions coupled with contingency funding facilities.</p> <p>Monitor ALCO oversee the Bank's liquidity and funding risk, stress-test management process and corrective actions.</p> <p>Manage Funding from customer deposits (retail & corporate), long-term funding through debt securities & subordinated liabilities. Further, interbank borrowing (both call and secured), FX Swap, borrowing facilities from the State Bank of Pakistan to manage its liquidity risk during normal and liquidity crunch times.</p>
7. Operational Risk	
How we performed during the year	<ul style="list-style-type: none"> • Operational RWA stood at PKR 95.66 Billion for year CY` 2024 as compared to PKR 81.51 Billion in CY` 2023.
Risk Management Process	<p>Measurement of Operational risk is done in light of SBP risk management guidelines in supplement with BOD approved policy by using above mentioned measurement tools.</p> <p>Further, Bank is using the Basic Indicator approach prescribed by the State Bank of Pakistan (SBP) to calculate Operational Risk Capital Charge and reports as per SBP's predefined frequencies.</p> <p>Monitor using key Risk indicators, thresholds, appetite and loss event database.</p> <p>Manage through escalation of issues & events for risk transparency across the organization. All employees are responsible for identifying and assessing risks. Further, ORMC is conducted on quarterly basis in which all operational risk updates/analysis are presented based on which all key actions are decided for improvement/implementation on bank wide basis.</p>
8. Capital Risk	
How we performed during the year	<ul style="list-style-type: none"> • CAR is 17.93% as compared to 18.37% CY` 2023 • Leverage is 3.48% as compared to 3.38% CY` 2023 <p>Regulatory requirement is of 11.50% and 3.00% respectively.</p>
Risk Management Process	<p>Measure using core Tier 1 (CET1) and total capital adequacy ratios following the (Basel III- standardized approach). Leverage is measured through monitoring of Tier 1 capital against average total consolidated assets.</p> <p>Monitor through a process of forecasting capital to ensure our capital position is controlled as per Bank's internal planning while safeguarding its strategic objective and goals. Further, a long term road map is also in place to monitor target versus achievements with respect to balance sheet growth and Capital planning.</p> <p>Manage employing techniques based on the guidelines developed by the Basel Committee and the State Bank of Pakistan. The Bank also prepares an annual comprehensive ICAAP document, which is a detailed assessment of the Bank's risk profile, approaches to assessing and measuring various material risks, and capital planning under regular and stress scenarios.</p>

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

The Bank’s approach to disclosures revolves around the four-pillars core content: Governance, Strategy, Risk Management, and Metrics and Targets. These pillars guide the Bank’s overall operations, ensuring transparency, accountability, and effective management. Below is a breakdown of each pillar along with specific metrics designed to demonstrate the performance and progress of the company.

1. Governance: The Bank’s governance framework is designed to provide a clear structure of responsibility, accountability, and decision-making. This includes robust oversight by the Board of Directors, with specialized committees focusing on various aspects of risk, audit, and compliance. The Bank ensures that its leadership practices align with best-in-class corporate governance principles and regulatory requirements. The governance structure supports the implementation of strategic decisions and ensures that risks are managed effectively.

2. Strategy: The Bank’s strategy focuses on achieving sustainable growth, enhancing shareholder value, and maintaining operational efficiency. The strategy is reviewed regularly to adapt to changing market conditions and customer needs. Key strategic initiatives include expansion into new markets, investment in digital transformation, and improvement of customer service offerings.

3. Risk Management: The Bank’s risk management framework ensures that risks are proactively identified, assessed, and mitigated across all risk domains. The risk management framework is aligned with regulatory requirements and industry standards such as Basel II/III and IFRS-9. The Risk Management Group continually monitors various risk factors and ensures that mitigation strategies are implemented to safeguard the Bank’s assets and interests.

4. Metrics and Targets: The Bank uses specific metrics and targets to measure its performance and progress toward achieving its strategic objectives. These metrics are reviewed regularly and adjusted as necessary to ensure alignment with the Bank’s goals and market conditions. For instance, performance metric for few areas is given below.

Performance Domain	Performance Metrics
Technology Adoption	Implementation of AML/CFT /TBML Tools
	Implementation of CRM System
	Deployment of FRMS (Fraud Monitoring Tool)
	Automated tracking Internal/External audit observations
	Automated Review of RCSA & KRIs
Compliance Risk Assessment	Compliance Reviews
	Digital Fraud Monitoring & Investigation
	E2E COSO Documentation & ICFR Testing
	Compliance of Internal/External Audit Observations
	Compliance Conference/ Awareness Week
Training & Awareness	Compliance Themed Trainings for Branch Banking Staff
	Periodic Webinars for Compliance Awareness

By consistently measuring and reporting on these metrics, the Bank ensures that it is on track to meet its strategic objectives while managing risks and adhering to good governance practices. The transparent disclosure of these key metrics allows stakeholders to evaluate the Bank’s performance and make informed decisions.

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

Board’s RMC & NPLRC also reviews detailed presentation covering all risk management parameters, market and liquidity position along with Capital projections. Bank is maintaining sufficient liquidity in the shape of Cash, Balance with other banks and Investment in Government instruments. In this sphere the Bank has a very healthy Liquidity Ratio with sizeable liquid assets to meet any contingencies. Bank has approved Operational Risk Appetite limit under which operational losses are periodically monitored. In addition, recovery efforts are made to ensure recovery against various operational losses.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



As a responsible Financial Institution, the Bank of Punjab (BOP) recognizes the growing significance of sustainability-related risks and opportunities that can impact the availability, quality, and affordability of its capital. In alignment with global best practices and regulatory expectations, the Bank strives to adopt a comprehensive framework to identify, assess, and manage environmental, social, and governance (ESG) factors that may affect our operations, capital structure, and financial stability.

Sustainability-Related Risks

1. Climate Change and Environmental Risks:

The Bank acknowledges the increasing physical and transition risks associated with climate change. Physical risks, such as extreme weather events, flooding, and resource scarcity, can affect borrowers' repayment capacity and the value of collateral. Transition risks, arising from the global shift towards a low-carbon economy, may result in financial losses for customers in carbon-intensive industries. These risks would reduce the Bank's lending portfolio quality, affecting capital adequacy. In order to avoid such risks, bank has started screening of its Corporate and Commercial portfolio during CY 2024 as per the SBP requirements.

2. Regulatory and Legal Risks:

As governments and regulators intensify efforts to address climate change, BOP faces the risk of compliance with evolving environmental regulations and sustainability-related disclosure requirements. Non-compliance with these regulations could result in legal penalties and reputational damage, impacting

the cost of capital and the Bank's ability to attract investors. To remain compliant to evolving environmental regulations Bank's Compliance & Control Group is exercising robust oversight at bank level.

3. Reputational Risks:

In an increasingly socially conscious market, any perceived failure to adequately address sustainability concerns could harm the Bank's reputation. This may lead to reduced investor confidence, a decline in shareholder value, and an increased cost of capital. The bank is therefore engaged in the development of robust climate and sustainability strategy for sustaining investor relations and public trust.

4. Market Risks:

The Bank may face potential market risks as investors and consumers shift towards businesses with strong ESG performance. Any non-alignment with market preferences for sustainable and socially responsible investments may result in a reduced demand for BOP's financial products, affecting bank's revenue generation capacity and capital inflows. To remain competitive, the bank is actively engaged in development of various green products on both asset and liability sides.

Sustainability-Related Opportunities

1. Green Financing and Sustainable Investments:

The Bank sees significant opportunity in green and sustainable finance, offering various digital lending products such as Kissan

Card, Livestock Card, E-Qarza, Digital Personal Loan, Digital Auto Loan and sustainability-linked loans e.g. E-Bike Financing Loans for students and climate-smart Karandaaz Digital Agri loans etc. These initiatives not only support the transition to a low-carbon economy but also enhance the Bank's capital base by attracting investors focused on ESG-compliant assets. Additionally, the growing demand for sustainable investment options presents a valuable opportunity for diversifying our portfolio and attracting a broader investor base.

2. Social and Community Based Initiatives:

By prioritizing investments that foster positive social impact, such as financing for affordable housing, education, and healthcare, BOP is increasing its appeal to socially responsible investors and borrowers. These social investments and community based lending initiatives can provide stable, long-term returns, thus improving the quality and stability of the Bank's capital going forward.

3. Enhanced Risk Management and Credit Quality:

Integrating Environmental & Social Risk Management related policies and procedures into our risk management framework has enhanced the Bank's ability to identify and mitigate emerging risks early. By adopting comprehensive environmental and social risk assessments in lending decisions, BOP is improving the overall quality of its credit portfolio, contributing to stronger financial performance and capital preservation.

4. Cost of Capital Reduction:

A robust commitment to sustainability and ESG best practices plays a significant role in maintaining the Bank's credit rating and thus may also reduce the cost of capital. As Institutional investors are increasingly integrating ESG factors into their investment strategies, and by aligning with these principles, BOP may also benefit from a more favorable funding environment, lower borrowing costs, and improved access to capital markets. In this regards, BOP is the first bank in Pakistan that has successfully negotiated a 50 Million Euros funded facility from Agence Francaise de Development, France.

The Bank of Punjab is committed to addressing sustainability-related risks while seizing opportunities that align with our long-term strategic objectives. Through proactive risk management, innovative product offerings, and an unwavering commitment to sustainability, we aim to strengthen the availability, quality, and affordability of our capital. By aligning our financial strategies with global sustainability standards, BOP is well-positioned to navigate evolving market conditions, attract responsible investment, and contribute positively to the broader community and environment.

Our focus on sustainability not only enhances our financial resilience but also ensures that we remain a trusted partner in driving sustainable growth and development for our customers and stakeholders.

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

The Bank of Punjab recognizes the potential risks associated with supply chain disruptions stemming from environmental, social, or governance (ESG) incidents. These disruptions may arise from factors such as natural disasters, regulatory changes, labor issues, or sustainability-related challenges impacting our suppliers or partners. Such events can affect the bank's operations, reputation, and financial performance.

To mitigate these risks, the bank has implemented a comprehensive strategy which includes:

- 1. Risk Monitoring:** Continuous assessment of ESG-related risks across the supply chain, utilizing both internal audits and third-party evaluations.
- 2. Supplier Engagement:** Strengthening relationships with suppliers to ensure they adhere to our sustainability and governance standards, and promoting transparency in their operations.
- 3. Diversification:** Diversifying our supply chain to reduce dependency on any single supplier or region, especially those vulnerable to ESG-related disruptions.
- 4. Business Continuity Planning:** Developing and maintaining robust contingency plans to ensure minimal disruption in the event of an ESG incident, enabling rapid recovery and continuity of services.

We are committed to proactively addressing ESG risks, ensuring long-term sustainability, and minimizing any negative impact on our operations and stakeholders.

Board's statement about the company's strategic objectives and the intended impact on stakeholders on ESG (Environmental, Social and Governance) reporting/ Sustainability Reporting in line with IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'

The Board of Directors of the Bank of Punjab recognizes that Environmental, Social, and Governance (ESG) factors are central to the long-term resilience and sustainable growth of the bank. We are committed to aligning our operations, governance, and business strategies with internationally recognized standards and frameworks, including IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures.' These frameworks guide our approach to transparent, accountable, and comprehensive ESG reporting, ensuring that we not only meet regulatory expectations but also foster trust and value creation for all stakeholders.

The Bank's strategic objectives surrounding ESG can be encapsulated in three key pillars:

- 1. Environmental Stewardship:** We are committed to reducing our environmental footprint through sustainable banking practices. This includes promoting Green Finance, financing Renewable Energy Projects and working with clients to integrate climate-resilient strategies into their business models. In line with IFRS S2, we will report on climate-related risks and opportunities, particularly in terms of governance, risk management, and the integration of climate-related considerations into our decision-making processes.
- 2. Social Responsibility:** The Bank of Punjab seeks to be a socially responsible corporate citizen, dedicated to promoting financial inclusion, employee well-being, and community development. Through our various CSR initiatives, we aim to address social challenges, support education, health, and empower underserved populations. Our Green Banking and E&S Risk Management policies are tailored to ensure alignment with the needs of our customers and the communities we serve.
- 3. Governance and Accountability:** We are committed to maintaining the highest standards of corporate governance, integrity, and ethical conduct. Our governance framework ensures accountability at every level of the organization, with a robust system for risk oversight, compliance, and stakeholder engagement.

Our approach to ESG reporting is designed to have a positive, far-reaching impact on all stakeholders, including shareholders, employees, customers, regulators, and the broader community. By adhering to IFRS S1 and S2 disclosures, we aim to enhance transparency, improve decision-making, and foster stakeholder trust in our sustainability initiatives.

- 1. Investors and Shareholders:** Our commitment to clear and accurate ESG reporting, particularly regarding climate-related financial risks will provide investors with relevant information to assess the Bank's long-term sustainability and financial performance. This supports more informed investment decisions and contribute to the Bank's goal of delivering sustainable value to shareholders.
- 2. Employees:** By embedding sustainability into our corporate culture, we aim to create a more inclusive and supportive work environment. Our employees will benefit from the values that prioritizes ethical leadership, diversity, and long-term stability, which are essential for attracting and retaining top talent.
- 3. Clients and Partners:** As a leading bank, we strive to offer products and services that meet the growing demand for sustainable finance. Our customers will benefit from our expertise in integrating ESG principles into banking solutions, supporting their own sustainability goals, and advancing their climate-resilient strategies.

- 4. Communities and Society:** Our strategic initiatives on environmental and social responsibility will have a direct positive impact on local communities, particularly through financial inclusion, community development programs, and environmental sustainability projects. By focusing on these areas, we aim to contribute to the broader societal goal of creating a sustainable future for all.

The Bank of Punjab's commitment to aligning its strategic objectives with the provisions of IFRS S1 and S2 is a testament to our dedication to sustainable growth and responsible business practices. Our ESG initiatives will create long-term value for stakeholders while addressing global challenges such as climate change and social inequality. The Board is confident that this approach will not only enhance our competitiveness but will also position the Bank as a leader in responsible banking and corporate governance in the years to come.

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

In compliance with IFRS S1, the Bank of the Punjab recognizes the significance of sustainability-related risks and opportunities in shaping its business operations and financial outcomes. The bank integrates these considerations into its strategic framework, fostering resilience and enhancing long-term stakeholder value through sustainable financial practices and innovative green banking initiatives.

BOP integrates climate risk into our overall risk management framework by integrating ESRM policies & procedures in the bank's financial portfolio analysis, engaging in Green Banking practices to simultaneously achieve Own Impact Reduction, Green Business Facilitation, and ESRM. At BOP, we have diversified our credit portfolio to increase sustainable financing, focusing on the Digital SME products, Renewable Energy Projects, E-vehicles, and Climate-Smart Agri products.

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

Bank of the Punjab ensures robust governance through a structured framework to manage sustainability-related risks and opportunities, aligning with IFRS S1. Sustainability is embedded in the bank's strategy, integrating ESG principles to drive responsible growth and innovation. A proactive risk management approach addresses sustainability challenges, safeguarding operational resilience. The bank employs Board approved ESG Roadmap to track progress on sustainability goals, demonstrating transparency and commitment to long-term value creation.

The screening of Corporate / Commercial loan transactions against ESMS has been initiated from July 1, 2024 in phased manner. The bank has started to report the quantitative data of its Corporate / Commercial borrowers related to E&S to SBP since September 30, 2024.

Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company.

Bank of the Punjab remains committed to understanding and addressing sustainability-related risks and opportunities across its value chain. The bank focuses on fostering collaboration with stakeholders, enhancing operational efficiencies, and promoting sustainable practices. By integrating sustainability considerations into its decision-making processes, the bank aims to ensure a responsible approach to resource utilization and stakeholder engagement. This reflects its dedication to creating a resilient and sustainable value chain.

Disclosure about company's climate-related risks and opportunities, as required in IFRS S2 including explanation of the specific methodologies and tools used by the company.

Bank of the Punjab is committed to addressing climate-related risks, including environmental and regulatory challenges, while identifying opportunities such as investments in sustainable projects. The bank follows established methodologies to align its climate strategy with evolving industry standards and aims to integrate climate considerations into its decision-making processes.

A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.

Chairman's Message:

In the current dynamic financial and environmental context, the significance of sustainability in determining a company's direction is clear. At the Bank of Punjab, we understand that incorporating sustainable practices into our operations is not only an ethical obligation but also a strategic requirement that directly impacts our financial outcomes. Sustainability enhances efficiency. Through investments in green technologies, energy-efficient systems, and digital solutions, we have successfully lowered operational expenses while reducing our environmental impact. Sustainability is a fundamental component of our strategy aimed at generating long-term value. By harmonizing our business objectives with international sustainability benchmarks, including the United Nations Sustainable Development Goals (SDGs), we guarantee that our growth is both inclusive and resilient. These initiatives establish us as a progressive organization, equipped to address future challenges and seize opportunities.

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

- Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.;

The Bank of Punjab (BOP) has developed the Green Banking policy in February 2024. ESRM is one of the critical pillars of Green Banking adoption and in light of the SBP ESRM Implementation Manual, The BOP's Board had approved the ESRM Policy in January 2024 whereas ESRM Procedural Manual was approved in May, 2024 respectively through which the Bank initiated the integration of ESRM procedures into its credit evaluation processes. It serves as a course of action for the bank to strategize, implement, and monitor the Environmental & Social (E&S) risks at all levels of the bank by way of setting out the procedures, roles, and responsibilities for the identification, assessment, mitigation, and monitoring of E&S risks arising from the bank's credit portfolio.

BOP has demonstrated its commitment to social welfare through various initiatives. These include establishing a daycare center at BOP Tower and workplace building for employee support and organizing tree plantation drives at educational institutions. Health and safety campaigns, such as PinkTober for breast cancer awareness and Movember for men's health, have been successfully executed. Safety training sessions were conducted in collaboration with traffic police, and employee engagement was promoted through activities like the BOP Qalandars Cricket League, fostering team spirit and a healthy work-life balance.

Social:

- BOP sponsored students from NUST as part of its National Talent Hunt Program.
- BOP sponsored the Lahore Garrison Institute for Special Education (LGISE).
- BOP sponsored the GGCW Gulberg A.S.H Conference 2024.
- The bank gave Laptop & Mobile Phone to Winners of Logo Competition of National Volunteer Corps.
- Distributed E-bikes to Students Under CM Punjab Youth Initiative.
- BOP sponsored the 27th Sustainable Development Conference (SDC) 2024.
- The Bank of Punjab was recognized as the Best bank for Women Inclusion at the Pakistan banking awards 2024
- The Bank of Punjab awarded best Bank Pan-Pakistan for Empowering Women Entrepreneurs under the "Empower her Campaign". Recognized by the State Bank of Pakistan women entrepreneurship day 2024.
- The Bank of Punjab proudly sponsored the 1st CM Pink Games 2024, Promoting women's participation in sports and fostering gender equality.
- BOP sponsored the first T20 Chief Minister Open Deaf Cricket Championship 2024.
- BOP sponsored Faizan Fayyaz Khan -A Young Tennis Player.
- The bank also sponsored the Lahore Gymkhana Annual

- Swimming Gala 2024.
- The 8th Sheheryar Malik Memorial Pakistan Open Tennis Championship 2024 was sponsored by BOP.
- The bank also sponsored the TCF Event - Cycle for Change.
- BOP sponsored 2nd Shalimar Chess Championship.
- Free Motor Cycle Helmet Drive to promote Road Safety and Community Welfare.
- Arranged the BOP Qalandars Cricket League event exclusively for its employees, fostering team spirit and promoting a healthy work life balance
- Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources;**

In line with its sustainability goals, the company has implemented several environmental initiatives. Solar panels have been installed at 49 branches and 53 ATMs to reduce the carbon footprint. Paper conservation efforts are ongoing through e-statement drives and public awareness messages. Additionally, the Green Office Program for L&DC, BACHS, Bedian Road Lahore, managed in partnership with WWF Pakistan, focuses on reducing environmental impact, supported by the development of KPIs for paper, water, fuel, electricity, and waste management. alongside the installation of air purifiers across 18 districts to ensure healthier environments.

Environmental:

- Mr. Arslan M. Iqbal (Chief Risk Officer - BOP) spoke during the panel discussion titled 'Financing the Just Transition' at Ethical Finance Global 2024.
- Tree Plantation Drive at DPS School Lahore
- Tree Plantation Drive at BACHS, Lahore
- BOP successfully negotiated a closed a funded facility of 50 Million Euros with AFD France

- The Bank of Punjab proudly introduces composting pits in collaboration with MM Traders (waste Management Company) for our L&DD office Organic waste under the Green Office certification Program.
- Save Paper, Save Tree Message Displayed on ATM screen
- Save Paper, Save Tree Message on Credit Card E-Statement

As part of its commitment to sustainability, the bank of Punjab provided bicycles to students of beacon House University.

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

The organization has integrated technology into its sustainability agenda through initiatives such as the E- Bike Financing program, launched in partnership with the Government of Punjab, and digital solutions like the Kissan Card and the Livestock Card for financial assistance of the farmers. Climate Smart Agriculture financing and provision of Zig-Zag technology financing for brick kilns highlight the Bank's focus on eco-friendly innovations.

- Information on consumption and management of materials, energy, water, emissions and waste**

Efforts to manage resources effectively includes collection of baseline data for Electricity, Fuel, and Paper consumption under Scope-I. Employee training on natural resource conservation and resource efficiency has also been prioritized during CY2024.

Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.

- BOP has developed Key Performance Indicators (KPIs) for resource conservation including paper, electricity, water, fuel, and waste management.

TOTAL STAFF TRAINED (12,002)	
ESRM Working & Steering Committees + Senior Management of the Bank	58
Board Members Training on ESG & Green Banking	06
Inclusion of Green Banking in E-Learning Module	10,005
Training on Approved ESRM Procedure Manual	136
Training on Green Banking, ESG & Green Financing	1,262
WWF - Pakistan Orientation Session of entire L&DC Staff	50
Webinar on Climate Smart Agriculture for Agri Division Staff	140
Training of Messengers and Drivers on Natural Resource Conservation /KPI & EHS	221
Training on Own Impact Reduction by L&DD	124

04.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Bank is committed to sustainability by integrating eco-friendly practices into its operations and reducing its environmental footprint.



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITIES

Corporate Social Responsibility (CSR) is a self-regulating social and ethical value proposition for promoting sustainable economic development, while ensuring fulfillment of Bank's responsibilities as a self-disciplined corporate citizen. The Bank of Punjab recognizes the importance of being a responsible organization in conduct of its business, while fulfilling its corporate and social obligations. The Bank is committed to the principle of "giving back to society" across a variety of dimensions, which can be helpful in improving the lives of people across the communities where it serve. The Bank aims to focus on high visibility projects/activities primarily of permanent nature, having a lasting impact on the economic and social wellbeing of the communities, which we serve.

CSR Initiatives 2024:

Education

- BOP sponsored 05 deserving students of IBA Karachi under National Talent Hunt Program and made payment of their

complete fee. Last tranche was paid in year 2024

- BOP sponsored 05 deserving students of NUST under National Talent Hunt Program and made payment of their complete fee. 3rd tranche was paid in year 2024
- BOP sponsored Pakistan Spelling Bee Competition 2024 supporting healthy activities amongst students.

Environment

- BOP collaborated with WWF Pakistan and arranged 1,000 tree plantation at Divisional Public School, Township, Lahore
- BOP collaborated with the Citizen Foundation (TCF) in Cycle for Change event to promote healthy activities
- In order to foster eco-friendly activities BOP collaborated with Beacon House University (BNU) and LUMS and sponsored bicycles for intra-campus commuting use.



Diversity & Inclusion

- To promote healthy sports activities amongst DAPs, BOP in collaboration with Deaf Association in arranging 1st T20 Chief Minister Open Deaf Championship 2024.
- BOP collaborated with Lahore Garrison Institute for Special Education (LGISE) a specialized educational institution for DAPs to provide necessary support.

Health

- BOP collaborated with state of the art Al-Shifa Eye Trust Hospital for provision of health related support to needy segment.

Public Service

- BOP collaborated with National Accountability Bureau (NAB) in arranging awareness campaign on International Anti-Corruption day.
- BOP arrange distribution of Umbrellas amongst different individuals like traffic police staff etc.











HUMAN RESOURCE FUNCTION



Succession Planning



Merit-based Recruitment



Performance-based Appraisal System



Promotion, Reward, and Motivation



Training & Development



Gender and Racial Diversity



People with Disabilities (PWD) Employment



Employee Engagement & Feedback



Employee Engagement Activities

At The Bank of Punjab, we understand that our people are key to our business success. In 2024, our Human Resource function focused on strategic initiatives to enhance employee experience, foster performance excellence, collaboration and promote diversity & inclusion.

a) Succession Planning

To ensure leadership continuity and development, the Bank established a comprehensive succession planning policy. This initiative identifies critical roles, evaluates talent gaps, and creates development plans for future leaders. In 2024, the Board reviewed and aligned the succession planning policy to meet both current and future needs. Succession plans for senior and middle management have been approved, with development schedules now being executed.

b) Merit-based Recruitment

We continued our commitment to merit-based recruitment, ensuring that hiring decisions are driven by skills, qualifications, and cultural fit. This approach enables us to attract top talent and foster a high-performing, diverse workforce. 2,664 regular employees joined the bank in 2024, with a particular focus on talent acquisition within Branch network. Additionally, the bank emphasized batch hiring for youth, as well as the recruitment of female employees and individuals with disabilities (PWD). We

also launched the Returnship Program, offering career re-entry opportunities for professional women.

c) Performance-based Appraisal System

Our performance appraisal system is designed to be objective and transparent, directly linking rewards to performance. By utilizing a comprehensive balanced scorecard approach, the Bank ensures alignment between strategic objectives and Key Performance Indicators (KPIs) for all positions, including the President & CEO and senior management. This framework enables continuous performance enhancement across multiple strategic domains, contributing to the bank's long-term growth and resilience.

Our performance management cycle consists of Planning, Monitoring, Evaluation, and Recognition. Regular feedback and performance improvement plans help employees hone their skills, address development areas, and strive for excellence.

d) Promotion, Reward, and Motivation

We recognize and reward exceptional performance through a variety of initiatives, including promotions, bonuses, and recognition awards. The annual BOP Awards celebrate the achievements of our employees and boost morale across the organization. To ensure transparency and meritocracy,

our promotion cycle is conducted twice a year, with an external consultant overseeing promotion tests to ensure the transparency of the system. Promotion interviews further refine selection criteria to ensure capable leadership in key roles.

e) Training & Development

The Bank of Punjab is committed to investing in employee development, providing training programs, workshops, and online courses aimed at enhancing skills, knowledge, and leadership capabilities. In 2024, 54% of training programs were focused on professional, regulatory, and functional skills, while 44% were dedicated to personal development, leadership, and academic growth. Post-training tests and regular feedback ensure the quality and effectiveness of our development initiatives.

The Bank's extended focus remained on capacity-building in line with regulatory frameworks to fulfil the compliance obligations, total mandatory trainings exceeded the number of 9900 in this regard, with the help of in-house 6,930 trainings and by external subject-matter experts almost 1,200 various learning programs have been arranged during the year.

Skill gap and training need analysis was also conducted as a part of ongoing exercise, as a result customized learning modules were introduced and 11,455 unique trainings were arranged to develop cognitive thinking and socio-emotional skills, breaking internal bias to lead career progression.

f) Gender and Racial Diversity

Fostering a diverse and inclusive workplace is a core priority. In 2024, we continued our efforts to promote gender and racial diversity, with female staff representation rising to 26% from 20% in the previous year. Our commitment to diversity is further reflected in policies such as the Diversity & Inclusion Policy, Gender Mainstreaming Policy, and the Policy for People with Disabilities (PWD).

The Cultural Fitness Diagnostics Survey is conducted for the first time to understand the current state of BOP's culture through measurement of the current traits with a participation rate of 94%. BOP's Cultural Health is 71% which is categorized as "highly healthy"

g) People with Disabilities (PWD) Employment

The bank reaffirmed its commitment to inclusivity by meeting and exceeding the quota for employing people with special abilities, in 2024, we hired over 30 individuals with special abilities to not only meet this quota but also to further our inclusivity efforts. These initiatives provide valuable opportunities for talented individuals to contribute to our organization while promoting a diverse workforce.

h) Employee Engagement & Feedback

Regular employee feedback is vital for understanding concerns, ideas, and aspirations. In 2024, we conducted surveys, focus groups, and town hall meetings to engage with employees and implement changes that enhance their experience. Our most recent engagement survey achieved an impressive 98% participation rate, with 10,328 respondents. The survey highlighted that 92% of employees feel engaged, providing valuable data for developing targeted strategies to further improve employee engagement.

i) Employee Engagement Activities

At BOP, we strive to foster a vibrant and engaging workplace culture. Our employee engagement activities include initiatives like Pinktober (raising awareness about breast cancer), Movember (promoting men's health), and Mental Health Awareness Month (raising awareness of mental health issues). We also hosted the first ever family grand event "the BOP Family Gala", BOP Cricket League, and BOP Colors of Arts to encourage creativity and promote team bonding.

In 2023, we launched a daycare facility, which received an overwhelmingly positive response. In 2024, we expanded this service to better support employees and plan to extend it to additional cities across Pakistan, ensuring greater flexibility and support for our workforce.

By focusing on these strategic initiatives, we continue to strengthen our human capital, driving business performance, employee engagement, and diversity. We remain committed to nurturing a talented, inclusive, and high-performing workforce that delivers exceptional results for our customers and stakeholders.

GENDER PAY GAP

As on 31st december 2024

The mean and median pay for the women is around 3769% and 21.28% higher than that of men.

INFORMATION TECHNOLOGY

The Bank of Punjab is offering a variety of banking services to its customers. The IT Strategy describes present and future plans which are in line with the bank's business plans.

The IT Strategy is aimed at facilitating business units to take initiatives and to launch new products swiftly in a secure environment.

The BOP Network infrastructure advancements in various BOP segments increased noteworthy performance in overall network infrastructure and offered numerous benefits to organizations, contributing to improved performance, security, scalability, and overall efficiency.

The current infrastructure foundation builds on unified data communication, energy efficiency, and better user experience and is ready to support business growth.

The cutting-edge SD-WAN infrastructure offers enhanced performance, and faster speed with remarkable bandwidth expansion to fulfill the bank's future branch-side performance needs. The advanced firewall implementation complements regulator and PCI/DSS compliances with the provision of evolving cyber threat protection.

The current BOP modernized network infrastructure met the standards of agility & innovation with deep network management / redundancy ability to provide seamless services to the organization's internal and external valuable customers.

Following the Board's vision, Bank has implemented the following Technology solutions during the year 2024 as part of strategic and GoPb initiatives:

Business Initiatives

1. Deployment of Collection Software
2. Image Based Clearing Solution
3. Campaign Management Setup for Contact Center
4. Loan Origination System
5. Launch of Taqwa Islamic Card

Regulatory Initiatives

1. National eKYC using Blockchain Technology
2. RAAST SBP Mandates

Government Initiatives

1. BISP - Benazir Income Support Fund
2. KISSAN Credit Card
3. Live Stock Credit Card
4. Himmat Card, Minority & Dhi Rani Card - Wallet
5. Api Chat Apna Ghar
6. Punjab Youth Internship Pogram

Oracle ERP Modules and Its Implementation in BOP

Oracle offers a comprehensive suite of Enterprise Resource Planning (ERP) modules designed to meet the transactional and as well as reporting requirements of Banks. These modules provide a unified platform for managing various aspects of Bank's operations. Oracle ERP modules helps in streamlining operations, reduce manual tasks, and improve overall efficiency. It also helps in reducing costs by automating manual processes, eliminating redundant systems, and improving resource utilization. It also provides advanced analytics capabilities which support in gaining insights of business segment performance and help in making informed decisions.

Oracle modules implemented by the Bank along with usage thereof is mentioned hereunder:

1- Oracle General Ledger (GL):

- Branch and GL wise daily consolidation of data
- End to end integration of data posting from Core Banking to GL Module
- Chart of Account Management
- Facilitation in preparation of Financial Reporting
- Facilitation in preparation of Regulatory Reporting
- Maintenance of year to date and period end average of each GL
- Generation of Required Reports

2- Oracle Payable:

- Vendor Management
- Entry of invoices
- Payment of invoices
- Cost Center allocation
- Inquiry of invoices and payment
- Centralized withholding tax deduction and depositing thereof
- Reporting of Account Reporting
- Generation of Required Reports

3- Purchasing:

- Booking of purchase orders
- Receipts and receiving transactions
- Approved supplier management
- CWIP Payment management
- Option of Application of Sales Tax on purchase order
- Generation of Required Reports

4- Fixed Assets:

- Booking/Creation of Assets
- Monthly depreciation on assets and transfer thereof to branches
- Revaluation of assets

- Disposal of Assets
- Booking of Capitalized Items
- Management of NBA including disposal and transfer thereof
- Generation of Required Reports

5- Inventory (Stationery):

- Inbound receiving of stock of stationery
- Booking of purchase orders
- Receipts and receiving transactions
- Maintenance of Indents/ requisitions of branches
- Transfer of stationery cost to branches
- Generation of Required Reports

6- Property Manager (IFRS-16):

- Creation of property and buildings leases
- Booking of Right of Use Assets/ Liabilities
- Booking of monthly Markup and Amortization expenses as per requirement of IFRS-16 (Leases)
- Centralized Payment of rent and deduction of withholding tax
- Generation of Required Reports

7- ORACLE HYPERION PLANNING & BUDGETING:

- Automates entire planning and budgeting cycle
- Integrated with Oracle EBS General Ledger, Fixed Assets & other source systems
- Segment wise budgeting of Advances and Deposits
- Business rules (drivers) based planning and forecasting
- Financial Reporting Studio improves the monitoring of overall budget activities
- Task list driven data entry to facilitate the user
- Ability to maintain multiple versions of budgets i.e. draft version, final version & What if version Smart View integration allows budget inputs from departments with restricted access.

The Bank is successfully using Oracle ERP Module since year 2018 and necessary training is also arranged for functional and technical resources on need basis.



INFORMATION & CYBER SECURITY



SECURITY

1. Information Security and Cybersecurity: Strengthening the Digital Frontier

As the Bank progress further into the digital age, BOP acknowledge the critical importance of strong information security and cybersecurity practices in safeguarding the growing digital trust of our customers and integrity of its operations. BOP remains committed to protecting information assets, fostering trust and confidence among our customers, investors, and stakeholders. This disclosure underscores our continuous efforts to address emerging cyber risks and maintain compliance with regulatory standards, reinforcing our dedication to protecting digital trust. BOP recognize the growing sophistication of cyber threats and remain resolute in enhancing our cybersecurity measures across the organization. Periodic evaluations and updates to the information security program and policy demonstrate our commitment to adopting the latest industry trends, technological advancements, and ensuring compliance with

regulatory requirements, all aligned with our organizational vision.

2. Accountability and Compliance in Cyber Risk Management

The Board of Directors at BOP directs, evaluates and monitors the cyber security of Bank's information assets, as well as legal and regulatory implications of cyber risks. BOP recognize the critical importance of ensuring that cybersecurity measures comply with all relevant legal and regulatory requirements. In the event of any cyber breach or security incident, the bank is prepared to take immediate action to mitigate risks and enforce appropriate responses in line with legal obligations.

Board keeps an oversight on cybersecurity risks and the actions required to address any breaches. This includes assessments of the impact on customers, stakeholders, and regulatory obligations, with immediate actions taken to communicate with all affected parties in a timely and transparent manner.

3. Strategic Alignment with Cybersecurity Standards and Regulations

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

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

4. Cybersecurity Integration into Risk Oversight

The Board is committed to fostering a positive 'tone at the top' that supports robust cyber risk management, safeguarding key assets. Regular reporting on cybersecurity and breach-related matters is a priority. While acknowledging the inevitability of cyber incidents, the Board emphasizes the importance of minimizing their impact on the Bank and its ecosystem. This is achieved through the implementation of secure, vigilant, and resilient cyber programs, integrating security into every decision made by the management.

Cybersecurity Committee along with Operational Risk Management and Compliance Risk Management Committees of the Bank actively evaluate, anticipate and improvise BOP's risk mitigation practices and capabilities. They address evolving cybersecurity risks and corresponding regulations, collectively monitor and execute strategic cyber threat assessments of new business products.

5. Dedicated Oversight by Board Committees

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

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

6. Proactive Risk Identification and Incident Management

BOP has implemented a robust monitoring system that enables the identification and assessment of cybersecurity risks before they turn into incidents that could disrupt operations. This system incorporates both automated and manual monitoring tools, coupled with intelligence feeds to detect new and emerging threats in real time. **Cyber Security Committee** has been formulated as a cross functional body to oversee and manage the cyber security risks enterprise wide. The Governance, Risk and Compliance (GRC) team focuses on Information Security risk management, while the Security Operations Center (SOC) team handles cyber incident management. Both teams collaborate with the Chief Information Security Officer (CISO) office to address identified risks and incidents, ensuring effective communication with all stakeholders.

In the event of a major cyber incident, the system ensures that the Cyber Emergency Response Team (CERT) or relevant board committees are notified, allowing for swift decision-making.

7. Strengthening Security through Independent Reviews

To ensure the resilience of our cybersecurity posture, BOP conducts periodic independent security assessments of its technology environment, including an evaluation of third-party risks while onboarding them. These assessments are carried out by accredited external auditors and cybersecurity experts, who assess the effectiveness of our security controls, identify vulnerabilities, and recommend improvements.

The most recent comprehensive security review was conducted in the third quarter of 2024, and we are currently implementing recommended enhancements. These assessments are a critical component of our ongoing commitment to cybersecurity excellence and ensuring that we remain protected against the evolving threat landscape.

8. Ensuring Business Continuity and Resilience

Bank remains prepared to respond to any IT failure or disruption in service with its detailed Business Continuity (BCP) and Disaster Recovery Plan (DRP). These plans ensure that critical business operations continue with minimal disruption in the event of a significant incident, based on the maximum tolerable downtime driven by business needs.

The DRP is supported by a backup and recovery infrastructure and mechanism, which is tested regularly through disaster recovery drills.

9. Leveraging the Industrial Revolution 4.0 for Enhanced Governance

We have made significant strides in embracing the technologies driving the digital transformation, including Blockchain, Artificial Intelligence (AI), including machine learning and Gen AI. These innovations are being leveraged to enhance transparency, improve operational efficiency, and bolster cybersecurity practices.

Our cybersecurity enhancement initiatives are aligned with digital transformation, ensuring that the adoption of new technologies is done in a secure manner, protecting both customer data and organizational assets. Our arsenal of tools, including SIEM, SOAR, XDR, Breach and Attack Simulations, brand protection, and attack surface monitoring, stands to benefit significantly from advancements in automation, AI technology, ultimately enabling us to enhance monitoring & defense, reporting, and governance.

10. Building a Cyber-Resilient Culture

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

This program includes regular training on identifying phishing attacks, best practices for data protection, and the latest cybersecurity threats. Specialized training is also provided to

key IT and security personnel, ensuring they are equipped to respond to the latest cyber threats. Additionally, we continue to emphasize cybersecurity awareness through periodic campaigns, including during our annual Cybersecurity Awareness Month.

11. Building a Cyber-Resilient Future

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

- Consolidating the security functions with the adoption of AI-enabled security tools
- Upgrading the Cybersecurity Framework to align with the current cybersecurity and threat landscape
- Advancing the implementation of the Zero Trust security in selected segments
- Strengthening the supply chain and third-party risk management processes
- Enhancing the implementation of global security standards, such as PCI DSS and ISO 27001

In conclusion, BOP remain steadfast in our commitment to creating a secure, resilient, and transparent digital ecosystem. Our proactive approach, combined with our continued investment in cybersecurity technologies and strategies, ensures that we maintain a reasonably secure posture to meet the challenges of the future while safeguarding our stakeholders' trust.



BUSINESS CONTINUITY PLAN

The Bank's Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) are crucial for ensuring operational resilience in the face of disruptions.

The BCP outlines strategies to minimize downtime, protect key assets, and maintain critical operations following incidents such as natural or manmade disasters, cyberattacks, or any failures to serve our customers.

The DRP complements the BCP that outlines how to respond to a disaster event including but not limited to physical and IT infrastructure, data and recover / restoration to the original state of business affairs in the most efficient manner, enabling business continuity.

These plans offer significant benefits:

- **Clear Guidelines and Structure:** Provide defined roles, responsibilities, communication protocols, safety measures, access to critical information, and continuous training and drills for effective crisis management.
- **Operational Resilience:** Maintain operations during disruptions, minimizing downtime and financial impact.
- **Employee Well-being:** Offer emotional support and ensure employee safety during crises.
- **Risk Mitigation:** Reduce the likelihood and impact of disruptions, strengthening the bank's overall resilience.
- **Reputation Protection:** Enable quick recovery and maintain customer trust by demonstrating a robust response to challenges.

BOP has largely tested, improved and made its BCP more robust during testing times of COVID-19 pandemic. In 2024, a significant emphasis was placed on enhancing business continuity through rigorous drills and comprehensive training.

- **Drills:**
 - A total of 743 branches successfully conducted fire drills, and 720 branches participated in robbery simulations.
 - These drills encompassed all branches, including Retail Banking Branches, Sub-Branches, Regional Offices, and Taqwa Islamic Banking branches.
- **Training:**
 - In addition to drills as above, 287 employees underwent comprehensive one-day Business Continuity Planning courses conducted at the L&DD BACHS in Lahore.

These concerted efforts in disaster preparedness, training, and simulation drills have significantly reinforced the institution's resilience and readiness to effectively manage potential

disruptions. During the year on various occasions, the bank demonstrated its BCP readiness to cope any untoward situation and served its customers tirelessly.

Disaster Recovery Plan:

The purpose of Disaster Recovery Plan is to establish procedures whereby the critical information assets and technology services at BOP can be restored in a timely and orderly manner. To ensure critical business functions can be operated on an interim basis and critical information assets continue to support in case of a disaster.

The plan provides peace time as well as contingency time activities. The backup strategy for critical information asset shall be devised according to the criticality of business functions in terms of their Recovery Time Objective (RTO) and Recovery Point Objective (RPO).

The Disaster Recovery Plan is intended to be used by BCP teams and all concerned staff, particularly ITD, as an action guide in the event of a disruption, providing a planned response to a disaster event.

The core objectives of Disaster Recovery Plan for BOP are:

- Provide a plan for the capacity and readiness to have the systems available during business hours as per agreed Recovery Time Objectives (RTOs);
- Direct a backup mechanism to meet the RPO for the critical data
- Availability of all key Information Technology (IT) resources required to support critical business processes in various disaster situations; and
- Recovering IT services from the Disaster Recovery Site, in case of any disaster at primary site
- An effective and tested Disaster Recovery Plan to ensure that all critical business processes are not significantly interrupted in disaster conditions

05.

GOVERNANCE

The Bank upholds strong governance practices, prioritizing transparency, accountability, and ethical decision-making.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Ghazanfar Abbas Jilani	Director
Dr. Muhammad Amjad Saqib	Director
Mr. Mujahid Sherdil	Director
Mr. Muhammad Naeem Khan	Director
Mr. Zafar Masud	President & CEO
Mr. Kamran Hafeez	Secretary to the Board

BOARD AUDIT COMMITTEE

Mr. Muhammad Naeem Khan	Chairman
Syed Ghazanfar Abbas Jilani	Member
Dr. Muhammad Amjad Saqib	Member
Mr. Mujahid Sherdil	Member

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

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

HUMAN RESOURCE, COMPENSATION, PERFOR- MANCE EVALUATION AND NOMINATION COMMITTEE (HRCPE&NC)

Mr. Muhammad Naeem Khan	Chairman
Dr. Muhammad Amjad Saqib.....	Member
Syed Ghazanfar Abbas Jilani	Member
Mr. Mujahid Sherdil	Member

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

Dr. Muhammad Amjad Saqib	Chairman
Syed Ghazanfar Abbas Jilani	Member
Mr. Muhammad Naeem Khan	Member
Mr. Mujahid Sherdil	Member

INFORMATION TECHNOLOGY AND COMMUNICATIONS COMMITTEE (IT&CC)

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

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE (ES&GC)

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

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

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Fax No. +92 42 35869037

WEBSITE www.bop.com.pk

BOARD OF DIRECTORS – COMPOSITION, PERFORMANCE AND PROFILE

Board of Directors:

Syed Ghazanfar Abbas Jilani	Director
Dr. Muhammad Amjad Saqib	Director
Mr. Mujahid Sherdil	Director
Mr. Muhammad Naeem Khan	Director
Mr. Zafar Masud	President & CEO
Mr. Kamran Hafeez	Secretary to the Board

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

Performance Evaluation of Board of The Bank of Punjab for the year - 2023 was carried out in line with the regulatory requirement. Services of External Independent Evaluators M/s Pakistan Institute of Corporate Governance (PICG) were hired. Their report was presented to Board of Directors, who reviewed and deliberated on suggestions and key focus areas as highlighted in the report.

The Evaluation is conducted in two phases, addressing the three core elements outlined in the Listed Companies (Corporate Governance) Regulations, 2019 and the SBP's Guidelines on Performance Evaluation of the Board of Directors (for Banks).

Phase 1

- Board (as a whole)
- Board Committees

Phase 2

- Individual Board Members

The Board Strategy Performance Index (BSPI) developed by PICG, which essentially shows overall effectiveness, given BOP-Board 91%, whereas Banking sector average is 90%.

The external Consultants in conclusion provide a summary of key focus areas & suggestions which include encouraging paperless operations, adoption of more digital tools and ensure governance focus. Another key focus area includes integration of ESG practices into Bank's long term strategy.

BRIEF PROFILE OF BOARD MEMBERS



MR. ZAFAR MASUD

President & CEO

Mr. Zafar Masud is a development and social impact focused banker, entrepreneur and public sector expert having around 30 years of proven track record of exceptional success stories in Banking, Development Finance, Energy and Corporate Governance.

He has earned rich banking experience while being at top positions in multinational banks **within and outside Pakistan**, including American Express Bank, Citigroup, Dubai Islamic Bank, and **Barclays Bank PLC**, where he had served as **Regional Managing Director & CEO for Southern Africa**, managing total balance sheet of US\$ 3 Billion and 10,000 people.

Mr. Masud has been the **Member of the Board of Directors of the State Bank of Pakistan (SBP)**, appointed in March 2013 for three years. He had served as the **Member** on the most prestigious and coveted **Constitutionally Independent Monetary Policy Committee** of the Government of Pakistan until his departure from the Board in August 2016. After successfully completing one three year term

on the Board of Directors of SBP, was re-appointed on the Board of SBP for another term of three years in April 2016 - a testament of recognition of his **exceptional performance as the Board Member of this most prestigious institution**. He had served as the Chairman of Publications Review Sub-Committee and Members of Human Resources and Investment Sub-Committees of the Board. His contribution on the Board, particularly in the areas of Publications, Monetary Policy, Foreign Remittances/ Investments, Banking and Human Resources, has been recognized and praised, across the board.

He has **contributed in the revitalization & transformation of National Savings, Ministry of Finance (MoF), Government of Pakistan (GoP), where he remained as Chief Executive/ Director General for two years (2016-18)**. He was instrumental in initiating a digital transformation of the organization with the support of Gates Foundation, Foreign Commonwealth & Development Office (formerly, DFID) Government of UK, USAID and the World Bank. During his tenure at National Savings, he had successfully launched welfare products for Differently-abled Persons and Shuhadah's Families and set in motion the launch of Overseas Pakistanis Savings Certificates and Shariah Compliant Savings Schemes.

Between 2018 and 2020, he has the **honor of being the Founding CEO (Interim) for InfraZamin Pakistan (IZP) - a Private Infrastructure Development Group, UK (PIDG) driven initiative** - for setting-up first of its kind **credit enhancement company in Pakistan for social infrastructure financing** in local currency, working closely with **Securities & Exchange Commission of Pakistan (SECP)** in **framing the necessary rules and regulations** to allow entry and functioning of such entities into this very important arena of infrastructure financing in Pakistan. He's currently **servicing on the Board of Directors of IZP** as nominee director of the main sponsor - InfraCo Asia Singapore.

He also rendered his services as **Director on the Boards** of major public and private sector entities including **Port Qasim Authority (PQA), Quaid-e-Azam Thermal Power (Private) Limited, Gadoon Textile Mills Limited**, etc. He has remained a member of the **IMF motivated Task Force on Framing State Owned Entities (SOE) Law** set-up by the Ministry of Finance, Government of Pakistan.

Mr. Masud was earlier appointed as **Convener of one of the largest interest free loan programs in Pakistan** – an innovative poverty-alleviation and social-safety project of the Ministry of Finance, Government of Pakistan. In addition to designing the entire program, he was credited for managing it end-to-end, quickest and smoothest execution, with exceptional success, including **getting the program consented from IMF and the World Bank**.

Since April 2020, Mr. Zafar Masud has been serving as **President & CEO of The Bank of Punjab (BOP)** - the second largest public sector bank in the Country with US\$ 7 Billion in balance sheet size and over 14,000 staff. He is **spearheading a strategic transformational drive to steer BOP towards cutting-edge digitally motivated financial institution**, to be positioned in industry's top-tier banks with focus on empathy, compassion and the best in class corporate governance practices.

He is **leading the Board of Directors of Oil & Gas Development Company Limited** - the largest entity in Pakistan in terms of market capitalization with foreign listing, as it's **non-executive Chairman**.

Earlier in May 2020, he had **miraculously survived the PK8303 airplane crash in Karachi**. His colleagues dedicated a book to him called "The Miraculous Survivor".

He has been decorated with the **highest civil award of Hungary in August 2021** for spearheading the initiative to furthering Hungarian-Pakistani cross cultural ties, by restoring -175-years old subcontinental artwork of Hungarian Artist August Schoefft.

Mr. Masud is an **MBA ('93)** with **specialization in Banking** from the most prestigious Institute of Business Administration, University of Karachi (**IBA Karachi**). He's also an alum of the world renowned business school Insead, Fontainebleau France Campus, qualified in Corporate Governance.

He's a regular **contributor to local and international media**, including **Tedtalk**, etc., on the topics of banking, economics and energy and is also an **author of a publication in two volumes titled "Out of the Box"** which is a collection of his various newspaper articles, write-up and presentations on these topics. **Co-authored a publication on pension reforms** with the DfID/ FCDO consultants for KPK. **Featured, the only one outside Western Hemisphere, in 30 Transformative insights from Greatest Minds by best-seller author Scott Miller** in his book "Master Mentors - Volume 2".

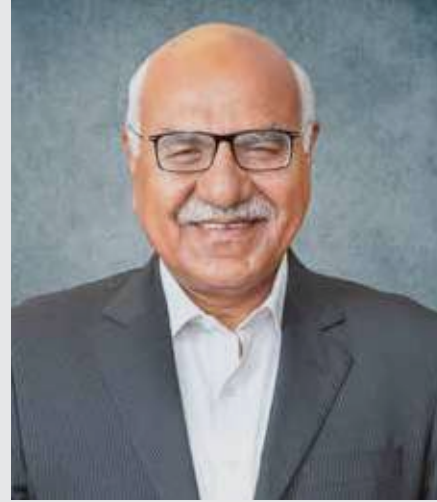
His **latest book - Leased Breath** - based on his **musings as air crash survivor**, is presently under publication.

Mr. Masud has a **dedicated website** (zafarmasud.com)



MR. MUJAHID SHERDIL

Director



DR. MUHAMMAD AMJAD SAQIB

Director

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

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

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

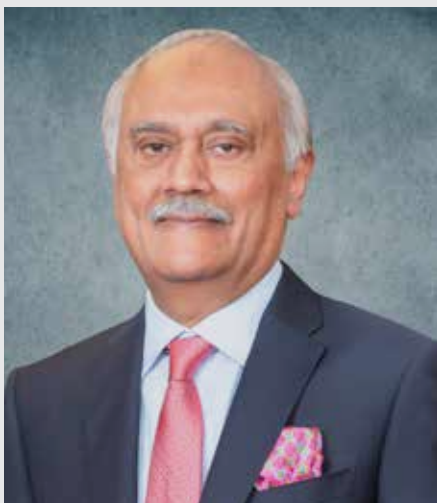
Mr. Mujahid remained an outstanding tennis player during his educational career at Aitchison College, Lahore and Grinnell College, USA.

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

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

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

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



SYED GHAZANFAR ABBAS JILANI

Director

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

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

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

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

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

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



MR. MUHAMMAD NAEEM KHAN

Director

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

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

He holds a Bachelor degree from Government College Lahore.

BOARD COMMITTEES COMPOSITION AND TORs

BOARD AUDIT COMMITTEE (BAC)

Mr. Muhammad Naeem Khan	Chairman
Syed Ghazanfar Abbas Jilani	Member
Dr. Muhammad Amjad Saqib	Member
Mr. Mujahid Sherdil	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

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

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

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

Terms of Reference

TORs of the Committee include ensuring, inter alia:

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

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



HUMAN RESOURCE, COMPENSATION AND NOMINATION COMMITTEE (HRC&NC)

Mr. Muhammad Naeem Khan	Chairman
Dr. Muhammad Amjad Saqib	Member
Syed Ghazanfar Abbas Jilani	Member
Mr. Mujahid Sherdil	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

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



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

Dr. Muhammad Amjad Saqib	Chairman
Syed Ghazanfar Abbas Jilani	Member
Mr. Muhammad Naeem Khan	Member
Mr. Mujahid Sherdil	Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

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

INFORMATION TECHNOLOGY AND COMMUNICATIONS COMMITTEE (IT&CC)

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

Terms of Reference

TORs of the Committee include ensuring, inter alia:

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

ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE (ES&GC)

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

Terms of Reference

TORs of the Committee include ensuring, inter alia:

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

SHARIAH BOARD COMPOSITION AND PROFILE

Shariah Board of Taqwa Islamic Banking Group, The Bank of Punjab comprises of following members:

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

Mufti Muhammad Zahid

(Chairperson Shariah Board)

Mufti Muhammad Zahid is a renowned personality in the field of Shariah having a long association of 29 years while serving as a teacher in various branches of Islam & Arabic language, Vice President of Jamia Imdadia Faisalabad and member of its Dar-ul-Hfta since 1989.

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

Mufti Muhammad Zahid has authored various publications including (اسلامى بينكارى كى بنيادى) (translation from English to Urdu of the work of Mufti Muhammad Taqi Usmani).

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

Mufti Muhammad Mushtaq Ahmed

Member - Shariah Board

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

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

Mufti Rafey Ashraf Usmani

Member - Shariah Board

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

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

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

Mufti Muhammad Umar Irfan

Resident Shariah Board Member

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

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

MANAGEMENT



Zafar Masud
President / CEO



Farid Ahmed Khan
Group Chief Corporate & Investment
Banking



Asif Riaz
Group Chief Consumer Banking



Nadeem Amir
Chief Financial Officer



Nofel Daud
Chief Digital Officer



Ijaz ur Rehman Qureshi
Group Head Operations



Faisal Ejaz Khan
Chief Information Officer



Jawad Bin Shabbir

Group Head People & Organizational
Excellence



Ahmad Mansoor

Chief Compliance Officer



Arslan Muhammad Iqbal

Chief Risk Officer



Qasim Nadeem

Group Head Treasury & Capital Market



Umer Iqbal Sheikh

Group Head Islamic Banking



Hamza Khalid Randhawa

Chief Legal Officer



Syed Muhammad Rehan

Chief Internal Auditor



Raza Bashir

Group Head Staff & Strategy



Kamran Hafeez

Secretary to the Board

MANAGEMENT AND ITS COMMITTEES

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

Key Management Committees

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

Type	Committee	Abbreviation	Purpose
Management	Disciplinary Harassment & Grievance Committee	DHAGC	To investigate/address harassment at workplace and abusive conduct, provide all employees with a platform to address their Grievances & to investigate and address all matters where disciplinary action is warranted.
	Agriculture Credit Committee	ACC	This committee oversees the affairs related to Agriculture Financing at BOP.
Steering	Environmental & Social Risk Management Committee	ESRM	Establish and oversee the bank-wide implementation of the ESRM framework, ensuring compliance with regulatory timelines and SBP guidelines & form a Working Committee to develop ESRM policies, transition plans, and automation processes. Review validations, consultant appointments, infrastructure upgrades, and monitor the implementation progress, providing periodic reports to the BRMC & BOD.
	Islamic Banking Transformation Steering Committee	IBTSC	The committee reviews the performance of Taqwa Islamic Banking Group vis-a-vis its Business Plan & Strategy.
	Steering Committee International Banking	SCIB	The International Banking Committee will monitor, evaluate and lead the process of establishing International Banking Operations for The Bank of Punjab
Approval	Non-Banking Assets	NBA	To ensure effective management and/or disposal of Bank's NBAs.
	Charity Committee	CHAR	To approve distribution of charity funds of Islamic Banking Group, as per charity policy of the Bank.

BOARD REMUNERATION POLICY

KEY HIGHLIGHTS:

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

The salient features of the policy are as under:

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



CODE OF CONDUCT - BOARD OF DIRECTORS

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

Duties, Power and responsibilities

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

Compliance with Rules & Regulations

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

Integrity, Honesty, Confidentiality and Reputation

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

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

Ethics and Disclosure

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

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

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

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

Conflict of Interest

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

Insider Trading

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

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

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

Evaluation of the Board

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

CODE OF CONDUCT AND BUSINESS PRACTICES



INTRODUCTION

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

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

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

- **Excellence** is a cornerstone, with employees ethically bound to maintain professionalism and exceptional performance when interacting with all stakeholders.

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

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

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

2. Unlawful activities & Political participation:

- 2.1 All employees stand firmly against supporting the activities of any Group or individual that unlawfully threatens public order and safety. They shall not be an office bearer of any

political party, take part in, subscribe in aid of, or assist in any way, any political movement in or outside of Pakistan against the country. They shall not express views detrimental to the ideology, sovereignty, or integrity of Pakistan.

- 2.2 No employee shall canvass or otherwise interfere or use his/her/their influence in connection with or take part in any election as a candidate to a legislative/local body or issue an address to the electorate or in any manner announce or allowed to be announced publicly as a candidate or prospective candidate whether in Pakistan or elsewhere. Employees may, however, exercise their right to vote.

3. Outside Pressure:

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

4. Conflict of Interest:

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

5. Personal Gain, Gifts and Inducements:

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

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

6. Confidentiality:

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

7. Accountability, Reporting & Transparency:

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

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

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

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

8. Data Security & Password Sharing:

Employees must not disclose confidential data/information including but not limited to critical reports, financial data, system password, customer or employee's personal information and/or any other data/information that could be

used for hacking/encryption/phishing, etc. All employees to ensure meticulous compliance with the IT security policy of the Bank and communication from time to time.

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

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

10. Insider trading:

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

11. Professionalism:

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

12. Disclosures:

12.1 Disclosure of interest in invention:

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

12.2 Close blood relative:

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

12.3 Change in personal circumstances:

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

13. Use of Social Media & Communication Tools:

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

13.1 Public Speaking / Public Appearance:

Employees of the Bank are advised to be prudent and specific while delivering verbal or written speech at public forums, where allowed. The employee must ensure that the speech is in the best interest of the Bank and does not involve false/misleading/deceptive information and/or disclosure of the Bank's confidential information. Public comments (verbal or written) made in a private capacity shall not be attributed as official comments of the Bank.

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

13.2 Rumors / Misleading Information:

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

13.3 Avoiding Offensive Material:

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

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

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

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

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

It is the responsibility of all employees to have accurate and up-to-date knowledge of regulations set by SBP to combat financial crimes. Any relationship/ dealing with Proscribed Listed Entities and Individuals is prohibited. Employees are

ethically and morally responsible not to indulge in and report immediately any suspicious financial crime to the competent authority. Employees must refrain from corruption, including bribery and/or any illicit financial activity. Employees found guilty and/or involved in any illicit financial crime or activity will be subject to legal consequences, judicial proceedings and/or disciplinary action.

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

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

Employees of the Bank are responsible to adhere with the KYC/CDD guidelines provided in AML/CFT/CPF policy. Employees must adhere to the policies and procedures of the Bank / SBP regulations / Law and order while dealing with customers/clients. Employees must act according to the operational and regulatory requirements and be aware of the character and actions of customers, vendors, and counterparties. Employees must be prudent while establishing business/banking relationships with those customers, clients, individuals, businesses, and entities. Employees should conduct maximum caution and follow the principles of KYC/CDD and Fair Treatment to Customers (FTC).

14.3 Fair Dealing and Mis-Selling:

Marketing materials, sales information, and advisory activities to the customers should always be based on the principles of fairness, objectivity and transparency. Employees must not

perform deliberate or negligent sale of products or services in circumstances where the contract is either misrepresented, or the product or service is unsuitable for the customer's needs and risk inclination.

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

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

14.4 General Compliance:

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



15. Work Environment & Discipline:

15.1 Ethics and courtesy:

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

15.2 Diversity & Inclusion:

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

15.3 Zero Tolerance to Workplace Violence:

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

15.4 Punctuality / Absence from Work:

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

15.5 Dress Code:

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

15.6 Learning & Professional Development:

Employee must make dedicated efforts to improve/enhance their personal and professional capabilities, behaviors, competencies and skill sets in respective areas through

continuous training, professional education, certifications, diplomas, focus groups and/or any other medium of learning, complying with the internal/external/regulatory requirements.

15.7 Workplace Harassment / Bullying / Racism / Gender Sensitization:

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

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

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

15.8 Use of Drugs and Weapons:

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

15.8.2 Smoking is allowed only in designated areas.

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

16. Bank Reputation:

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

17. Whistle-Blowing Program:

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

18. Treasury Functions & dealership:

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

19. Personal Dealing:

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

19.1 Borrowing and Lending:

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

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

19.2 Buying & selling:

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

19.3 Guarantee:

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

20. Moonlighting & Employment outside the Bank:

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

- 20.1 Act as an agent for an insurance company or any other 3rd Party, otherwise than as an agent for or on behalf of the Bank.
- 20.2 Employees shall refrain from investment in the shares of companies owned by the Bank's Customers unless listed on the stock exchange

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

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

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

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

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

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

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

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

22. Violation/Non-Compliance of the Code:

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

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

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF THE BANK OF PUNJAB

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

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

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

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

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

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

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

Sr. No.	Reference	Description
1	Regulation 6(1) / Rule 3(2)	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. However, subsequent to the retirement of two independent directors during the year, the Board composition did not have the required number of independent directors.



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Sr. No.	Reference	Description
2	Regulation 7	It is mandatory that the Board shall have at least one female director. However, there was no female director holding the office of Director during the current year.
3	Regulation 9(2)	It is mandatory that the Chairman shall be elected subject to the terms and conditions and responsibilities provided under section 192 of the Companies Act, 2017 and these Regulations. However, The Bank of Punjab Act, 1989, provides specific provision related to the stated regulation.
4	Regulation G-10 of Corporate Governance Regulatory Framework issued by State Bank of Pakistan	It is mandatory that Board IT Committee shall have atleast one member having relevant qualification or experience of IT. However, the Board IT Committee did not have any director with the relevant qualification or experience.
5	Rule 8(1)	The performance evaluation of members of the Board including the Chairman and the Chief Executive shall be undertaken annually by the Government for which the Government shall enter into performance contract with each member of the Board at the time of its appointment. Though the Government has not performed such performance evaluation directly, however, the Bank has arranged external evaluation of the Board during the year.



A. F. Ferguson & Co.
Chartered Accountants

Lahore

Date: March 04, 2025

UDIN: CR202410092WEQ7Sn8Fy

STATEMENT OF COMPLIANCE

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

Name of Bank: The Bank of Punjab
Name of the line Ministry: Finance Department (Government of Punjab)
For the year ended: December 31, 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) issued for the purpose of establishing a framework of good governance, whereby a public sector Bank is managed in compliance with the best practices of public sector governance. In case where there is inconsistency with the Regulations, the provisions of the Rules shall prevail.
- II. The Bank has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)																
			Tick the relevant box																		
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																		
2.	The Board has at least one-third of its total members as independent directors. As at December 31, 2024, the Board includes: <table border="1" data-bbox="252 1126 730 1429"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td>Independent Directors</td> <td>- Mr. Mohammad Naeem Khan</td> <td>17-02-2022</td> </tr> <tr> <td>Executive Director</td> <td>- Mr. Zafar Masud</td> <td>16-04-2020</td> </tr> <tr> <td rowspan="3">Non-Executive Directors</td> <td>- Syed Ghazanfar Abbas Jilani</td> <td>28-05-2020</td> </tr> <tr> <td>- Mr. Muhammad Amjad Saqib</td> <td>03-03-2016</td> </tr> <tr> <td>- Mr. Mujahid Sherdil</td> <td>08-03-2023</td> </tr> </tbody> </table>	Category	Names	Date of Appointment	Independent Directors	- Mr. Mohammad Naeem Khan	17-02-2022	Executive Director	- Mr. Zafar Masud	16-04-2020	Non-Executive Directors	- Syed Ghazanfar Abbas Jilani	28-05-2020	- Mr. Muhammad Amjad Saqib	03-03-2016	- Mr. Mujahid Sherdil	08-03-2023	3(2)		✓	Mr. Mohammad Mudassir Amray and Mr. Asif Reza Sana, Directors remained on the Board throughout the year. Their term expired on 30.12.2024.
Category	Names	Date of Appointment																			
Independent Directors	- Mr. Mohammad Naeem Khan	17-02-2022																			
Executive Director	- Mr. Zafar Masud	16-04-2020																			
Non-Executive Directors	- Syed Ghazanfar Abbas Jilani	28-05-2020																			
	- Mr. Muhammad Amjad Saqib	03-03-2016																			
	- Mr. Mujahid Sherdil	08-03-2023																			
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																		
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Companies Act, 2017 (the Act).	3(7)	✓																		
5.	The chairman of the Board is working separately from the chief executive of the Bank.	4(1)	✓		The Chairman of the Board appointed by the Government of Punjab (GoPb) was de-notified by GoPb in January 2024. Chairman of the Board is elected, for each meeting, by the Board of Directors, at the start of the Board meeting.																
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓																		
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)	✓																		

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)
			Tick the relevant box		
8.	(a) The Bank has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures, including posting the same on the Bank's website (www.bop.com.pk). (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	√		
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	√		
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	√		During the year, a conflict of interest policy has been developed. The policy is under final review and approval process. However, guidance is available in Mechanism and Standard Operating Procedures of 'Related Party Transactions' approved by RMC&NPL Review Committee of the Board.
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Bank.	5(5)(b)(vi)	√		
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	√		
13.	The Board has ensured compliance with the law as well as the Bank's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	√		
14.	The Board has developed a vision or mission statement and corporate strategy of the Bank.	5(6)	√		
15.	The Board has developed significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	√		Policy of Marketing of services to be rendered by the Bank has been developed and under consideration of management for final approval.
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Bank as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	√		
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	√		
18.	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	√ √ √		The Bank follows instructions of SBP as promulgated vide BPRD Circular No. 05 of 2021 dated November 22, 2021 titled 'Corporate Governance Regulatory Framework' (CGRF).
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)	√		

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)																					
			Tick the relevant box																							
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																							
21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) The Board has prepared half yearly accounts and undertaken limited scope review by the auditors. (c) The Board has placed the annual financial statements on the Bank's website.	10	✓ ✓ ✓																							
22.	All the Board members underwent an orientation course arranged by the Bank to apprise them of the material developments and information as specified in the Rules.	11	✓																							
23.	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the Board members. (d) The committees were chaired by the following non-executive directors: <table border="1" data-bbox="252 1176 730 1697"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>Board Audit Committee</td> <td>4</td> <td>Mr. Muhammad Naeem Khan</td> </tr> <tr> <td>Risk Management, Compliance and NPL Review Committee</td> <td>3</td> <td>Syed Ghazanfar Abbas Jilani</td> </tr> <tr> <td>Human Resource, Compensation, Performance Evaluation and Nomination Committee</td> <td>4</td> <td>Mr. Muhammad Naeem Khan</td> </tr> <tr> <td>Strategy, Islamic and Priority Sectors' Financing Committee</td> <td>4</td> <td>Dr. Muhammad Amjad Saqib</td> </tr> <tr> <td>Information, Technology and Communication Committee</td> <td>3</td> <td>Dr. Muhammad Amjad Saqib</td> </tr> <tr> <td>Environmental, Social & Governance Committee</td> <td>3</td> <td>Syed Ghazanfar Abbas Jilani</td> </tr> </tbody> </table>	Committee	Number of Members	Name of Chair	Board Audit Committee	4	Mr. Muhammad Naeem Khan	Risk Management, Compliance and NPL Review Committee	3	Syed Ghazanfar Abbas Jilani	Human Resource, Compensation, Performance Evaluation and Nomination Committee	4	Mr. Muhammad Naeem Khan	Strategy, Islamic and Priority Sectors' Financing Committee	4	Dr. Muhammad Amjad Saqib	Information, Technology and Communication Committee	3	Dr. Muhammad Amjad Saqib	Environmental, Social & Governance Committee	3	Syed Ghazanfar Abbas Jilani	12	✓ ✓ ✓ ✓		The roles and responsibilities of the Procurement Committee are being currently performed by the Board directly.
Committee	Number of Members	Name of Chair																								
Board Audit Committee	4	Mr. Muhammad Naeem Khan																								
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Environmental, Social & Governance Committee	3	Syed Ghazanfar Abbas Jilani																								
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓																							
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																							
26.	The Bank has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																							

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)												
			Tick the relevant box														
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	√														
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Bank except those disclosed to the Bank.	18	√														
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The Annual Report of the Bank contains criteria and details of remuneration of each director.	19	√	√													
30.	The financial statements of the Bank were duly endorsed by the Chief Executive and Chief Financial Officer before consideration and approval of the audit committee and the Board.	20	√														
31.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members as at December 31, 2024:	21 (1)	√														
	<table border="1"> <thead> <tr> <th>Name of Member</th> <th>Category</th> <th>Professional Background</th> </tr> </thead> <tbody> <tr> <td>Mr. Muhammad Naeem Khan</td> <td>Independent Director</td> <td>Senior Retired Banker & Agriculturist.</td> </tr> <tr> <td>Syed Ghazanfar Abbas Jilani</td> <td rowspan="3">Non - Executive Director</td> <td>Retired Federal Secretary, GoP</td> </tr> <tr> <td>Mr. Mujahid Sherdil</td> <td>Presently, Finance Secretary, GoPb</td> </tr> <tr> <td>Dr. Muhammad Amjad Saqib</td> <td>Founder and Chairman of Akhuwat, the largest interest-free microfinance program in the world. Highly regarded social Entrepreneur.</td> </tr> </tbody> </table>	Name of Member	Category	Professional Background		Mr. Muhammad Naeem Khan	Independent Director	Senior Retired Banker & Agriculturist.	Syed Ghazanfar Abbas Jilani	Non - Executive Director	Retired Federal Secretary, GoP	Mr. Mujahid Sherdil	Presently, Finance Secretary, GoPb	Dr. Muhammad Amjad Saqib	Founder and Chairman of Akhuwat, the largest interest-free microfinance program in the world. Highly regarded social Entrepreneur.	21(2)	√
Name of Member	Category	Professional Background															
Mr. Muhammad Naeem Khan	Independent Director	Senior Retired Banker & Agriculturist.															
Syed Ghazanfar Abbas Jilani	Non - Executive Director	Retired Federal Secretary, GoP															
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Dr. Muhammad Amjad Saqib		Founder and Chairman of Akhuwat, the largest interest-free microfinance program in the world. Highly regarded social Entrepreneur.															
	The chief executive and chairman of the Board are not members of the Audit Committee.																
32.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.	21(3)	√														
	(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.		√														

Sr. No.	Provision of the Rules	Rule No.	Y	N	BOP Remark(s)
			Tick the relevant box		
33.	The audit committee shall appoint a secretary of the Committee, who shall circulate minutes of its meetings to the all members, directors and the chief financial officer, within fourteen days of the meeting	21(9)	√		In the instance of BOD meeting being held on the same date as Board Audit Committee, the Chairman invariably presents a synopsis of BAC meeting to the Board. Further, synopsis of BAC minutes are also shared with Board members before the Board meeting.
34.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	√ √ √		
35.	The external auditors of the Bank have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	√		
36.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	√		

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

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

Sr. No.	Rule / sub-rule no.	Reasons for non-compliance	Future Course of Action
1	3(2)	Mr. Mohammad Mudassar Amray and Mr. Asif Reza Sana, Directors elected on October 11, 2021 have retired from the Board of the Bank on 30-12-2024 (FPT Clearance date) after completing a term of three years. These positions remained vacant only for one day i.e. 31-12-2024 during 2024.	Extra Ordinary General Meeting (EOGM) for election of four Directors will be held after due consultation with Government of Punjab being majority/sponsor shareholders of the Bank.
2	8(1)	The performance Evaluation of members of the Board including the Chairman and the chief executive shall be undertaken annually by the Government for which the Government shall enter into performance contract with each member of the Board at the time of its appointment.	Services of M/s. Pakistan Institute of Corporate Governance (PICG) were hired for independent Board Evaluation. PICG performed independent Evaluation of the Board and Directors for the year 2023. The report of Board Evaluation was presented to the Board and shared with GoPb.

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

1. The total number of directors are as follows:

- a. Male : 05
- b. Female : 0

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

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

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

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

- a) Mr. Muhammad Ali Khan - Divisional Head - Operations Group
- b) Mr. Faisal Ejaz Khan - Chief Information Officer
- c) Mr. Ali Afzal - Head - Corporate & Investment Banking Group
- d) Ms. Sidrah Jawaid - Head - Staff & Strategy Group

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

a) Board Audit Committee (BAC):

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

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

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

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

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

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

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

e) Information Technology and Communication Committee (ITCC):

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

f) Environmental, Social & Governance Committee:

Sr. No.	Name of Committees	Frequency of Meeting
1	Syed Ghazanfar Abbas Jilani	Chairman
2	Mr. Mohammad Naeem Khan	Member
3	Dr. Muhammad Amjad Saqib	Member

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

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

8. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or directors of the Bank.
9. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
10. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the following non-compliance(s):

- i) As per regulation 6(1), it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. Mr. Mohammad Mudassir Amray and Mr. Asif Reza Sana, Directors elected on October 11, 2021 have retired from the Board of the Bank on 30-12-2024 (FPT Clearance date) after completing a term of three years. These positions remained vacant only for one day i.e. 31-12-2024 during 2024.

Extra Ordinary General Meeting (EOGM) for election of four Directors will be held after due consultation with Government of Punjab being majority/sponsor shareholders of the Bank.

- ii) As per regulation 7, it is mandatory that the Board shall have at least one female director. As per The Bank of Punjab Act, 1989, section 10(1), four Directors are to be elected in special meeting by the shareholders for a term of three years. For this purpose, Extra Ordinary General Meeting (EOGM) will be held for the election of these directors. It is expected that a female director may be elected under section 10(1)(b) or nominated by the GoPb under section 10(1)(c) of The Bank of Punjab Act, 1989 and to ensure compliance with Code of Corporate Governance.
- iii) As per regulation 9(2), The Chairman shall be elected subject to such terms & conditions and responsibilities as provided under Section 192 of the Act and these Regulations. However, The Bank of Punjab Act, 1989, provides specific provision related to the stated regulation.

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

- iv) As per regulation G-10 of Corporate Governance Regulatory Framework issued by State Bank of Pakistan, the Board IT Committee of a bank shall have minimum of three (03) directors as its members with at least one member having relevant qualification or experience of IT. However, the requirement of Board IT Committee is not mandatory for DFIs. An Information Technology and Communications Committee (IT&CC) is in place, however these directors don't have relevant qualification or experience of IT.

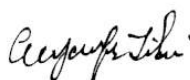


ZAFAR MASUD
President & CEO



MUHAMMAD NAEEM KHAN
Independent Director

For & on behalf of Board



SYED GHANZAFAR ABBAS JILANI
Director / Chairman

STATEMENT OF INTERNAL CONTROLS



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

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

The Bank's governance structure to implement and monitor internal controls consists of three lines of defense in line with applicable regulations and best practices for financial institutions. First line of defense consists of businesses and Operations functions those are responsible for implementing controls in all activities & transactions handled by the bank. Moreover, they ensure that business risks are properly identified and mitigated, control breaches are identified on a timely basis and corrective actions are efficiently implemented. Their role is to identify design and implementation gaps in processes and ensures that timely remedial actions are undertaken.

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

Internal Audit Function (IAF) acts as third line of defense, independent from the line management, is entrusted with the supervisory function with respect to the review of internal controls. IAF evaluates, validates, monitors and contributes to ongoing effectiveness of control systems as part of its scope. It periodically reports significant findings, directly to the Board Audit Committee (BAC). The IAF is also entrusted with the function to assess adequacy and effectiveness of control activities and ensure compliance with all the prescribed policies and procedures.

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

Internal Controls System evolves continuously and this statement is based on the management's self-assessment towards various aspects of current Internal Controls regime. The Bank's System of Internal Controls is designed to minimize and manage risks as these cannot totally eliminate the risk of failure to achieve the desired objectives; hence it can only provide reasonable assurance, not absolute assurance, against material misstatement or loss. The system of internal control followed by the Bank is considered to be adequate in design and is being effectively implemented and continuously monitored.



ZAFAR MASUD
President/CEO

ECONOMIC REVIEW

The year 2024 ended on a positive note, marked by broad-based improvements in key macroeconomic indicators. Headline inflation dropped to 4.1% in December 2024, down from a peak of 38% in May 2023, which allowed space for the SBP to reduce interest rates from June 2024. An increase in worker remittances helped improve the current account balance, turning it into a surplus and contributing to the growth of SBP's foreign exchange reserves above the \$12 billion threshold. Enhanced credit ratings boosted investor confidence, propelling the KSE 100 index to 115,000 by year-end. Looking ahead to 2025, the accommodative monetary policy is expected to gradually boost demand, supporting growth recovery in 2025.

Visible improvement in macroeconomic indicators was the key highlight of 2024. Real GDP rebounded to 2.5% in FY2024 from a contraction of 0.22% in FY2023. Agriculture growth of 6.2%, the highest in the two decades, was pivotal to economic recovery, supported by 3% and 2% growth in the manufacturing and services sectors.

Headline inflation experienced a sharp decline, dropping from the peak of 38% in May 2023 to 4.1% in December 2024. This marked the lowest inflation rate in over six years, driven by significant reductions in monthly prices across food, energy, and transport sectors, alongside a favorable base effect from the previous year. With inflation returning to single digits, the SBP initiated its monetary easing cycle in June 2024, aligning with trends observed among global central banks.

The SBP Monetary Policy Committee responded promptly to the rapid decline in inflation, reducing the policy rate from a record-high 22% in June 2023 to 13% by the end of 2024. This cumulative 900-basis-point reduction was supported by improvements in the macroeconomic environment, including declining inflation, a current account surplus of \$0.9 billion during Jul-Nov FY2025, and a primary fiscal surplus of 0.9% of GDP in FY2024. These positive developments boosted investor confidence, as reflected in increased private sector credit offtake and a significant rally in the stock market.

The Pakistan Stock Exchange (PSX) emerged as the second-best performing market globally in 2024, with the KSE 100 Index recording an impressive gain of 84%. The resumption of the IMF Extended Fund Facility (EFF) program played a pivotal role in restoring the country's credit ratings, significantly boosting domestic and foreign investor confidence. A favorable interest rate environment and exchange rate stability further enhanced business sentiment, which is expected to strengthen as economic growth gradually accelerates.

Pakistan's default risk dropped by 93%, with Credit Default Swap (CDS) spreads reaching a multi-year low of 505 basis points in December 2024. This improvement has facilitated the country's re-entry into global financial markets, aided by easing global financial conditions. Additionally, monetary easing by the US Federal Reserve and other major central banks is expected to attract foreign inflows, positioning Pakistan as an attractive destination for investors seeking growth opportunities in emerging markets.

The banking sector achieved a respectable asset growth rate of 12.4% in CY2024, while deposits grew by 12%. However, sector profitability slowed during CY2024, with Return on Assets (ROA) and Return on Equity (ROE) declining to 1.3% and 22.5%, respectively. Falling returns on earning assets, as

reduction in interest rates led to a reduction in net interest income as a proportion of gross income to 79%, down from 83% in 2023.

As Pakistan transitions into 2025, the steadfast implementation of reforms under the IMF program will remain essential to sustaining growth momentum. The recently launched 13th Five-Year Annual Plan (2024-29) is poised to drive the economy toward sustainable growth and long-term prosperity. The banking sector will continue to play a vital role in this transformation by fostering a more inclusive, dynamic, and future-ready financial ecosystem. Leveraging technology to enhance the accessibility, usage, and quality of financial services will be critical in supporting economic progress and national development objectives.



PRESIDENT / CEO'S REVIEW

I am pleased to present the Bank of Punjab's Annual Report for the financial year ended December 31, 2024. This report stands as a testament to our remarkable performance despite a challenging economic environment and an increasingly competitive banking landscape.

During the year under review, the State Bank of Pakistan (SBP) maintained a tight monetary policy, successfully achieving a significant reduction in inflation. The global economic landscape also saw easing financial conditions, with the U.S. Federal Reserve reducing the federal funds target range by 50 basis points in September. Following this trend, the State Bank of Pakistan began lowering its policy rate in June 2024, bringing it down to 13%-15% by year-end, compared to 22% at the end of 2023. This decline reflects disinflationary trends and overall stability in domestic and external financial conditions.

Strategic Growth & Performance

Amidst evolving economic conditions, BOP pursued a holistic strategic approach focused on strengthening its capital base, expanding its network, and maintaining compliance with SBP regulatory requirements. Over the past few years, our rapid expansion and innovative product offerings have driven strong financial performance. With robust profitability growth, BOP's balance sheet remained above the PKR 2 trillion mark, positioning us among the top commercial banks in Pakistan.

Our aggressive expansion strategy has cemented BOP's presence as one of the fastest-growing banks in Pakistan. Over the past few years, we have added more than 200 branches and sub-branches nationwide. Simultaneously, our Taqwa Islamic Banking operations have expanded significantly, including the introduction of Islamic banking windows alongside conventional banking services. This initiative not only strengthens BOP's position in the growing Islamic banking market but also aligns with SBP's roadmap for full-fledged conversion of BOP into an Islamic bank. A comprehensive implementation plan has been developed, and BOP is fully prepared to lead this industry-wide transformation.

Digital Innovation & Customer-Centric Approach

Recognizing the importance of digitalization and a seamless, secure banking experience, BOP has made substantial investments in its digital

platforms. Our Digibop digital banking suite now offers a wide range of services through mobile apps and internet banking. Additionally, we introduced WhatsApp Banking, providing convenient and secure banking access to our customers.

Further, our branchless banking platform has been strengthened to serve millions of customers under government programs, such as the Benazir Income Support Program (BISP). Through this system, BOP has facilitated the efficient and transparent disbursement of funds to beneficiaries under various Government of Punjab initiatives.

Innovative Financial Solutions & Sectoral Impact

Our BOP Credit Card, launched a few years ago, has become a market success, receiving recognition from industry stakeholders. In 2024, we played a key role in the Punjab Government's Kissan Card initiative, enabling over 550,000 farmers to access credit for agricultural needs. This initiative has been a game-changer for both Pakistan's agriculture sector and the banking industry. Additionally, thousands of credit cards were issued under the Punjab Livestock Scheme, supporting sustainable farming practices. These efforts contribute significantly to financial inclusion and economic empowerment.

Deposit Growth & Financial Strength

To enhance our deposit mix and margins, BOP has focused on a dynamic strategy of expansion, service excellence, and



innovation. Our improved customer service and modernized branch environment have played a pivotal role in attracting private-sector deposits. This strategy has resulted in notable growth in CASA (Current Account Savings Account) deposits, improving the cost of funds and strengthening our financial standing.

Over the past few years, we have also witnessed a remarkable improvement in our asset quality, with a significant reduction in Non-Performing Loans (NPLs), leading to lower provisioning requirements. Our successful recovery efforts over the past three years have revitalized a considerable NPL portfolio, reinforcing BOP's financial health and boosting profitability.

Strong Financial Performance & Industry Leadership

Due to prudent management, strategic marketing, and operational efficiency, BOP successfully met all financial targets outlined in our Strategic Business Plan.

While deposit growth remained strong, our loan portfolio also exceeded targets, maintaining an impressive Advances-to-Deposit Ratio (ADR), which continues to outperform industry benchmarks. Notably, BOP has retained its leadership position in the SME and Agricultural sectors.

Brand Recognition & Industry Achievements

BOP's exemplary performance has earned local and international recognition, securing multiple prestigious awards, including the Pakistan Banking Awards for "Best Bank for Agriculture" and "Best Bank for Women Inclusion."

Looking Ahead

The achievements of 2024 are a testament to the dedication, resilience, and teamwork of the entire BOP family. These accomplishments lay a strong foundation for a promising future, driven by innovation, strategic growth, and unwavering commitment to serving our customers and stakeholders.

I would like to express my sincere gratitude to the Government of Punjab, the Board of Directors, and the State Bank of Pakistan for their continuous support and guidance. I also extend my appreciation to our valued depositors, customers, and shareholders for their trust and confidence in BOP.

Finally, I am immensely proud of the BOP team, whose hard work and dedication have made these achievements possible. Together, we look forward to an even brighter future, achieving new milestones, and continuing to drive sustainable growth for years to come.

ZAFAR MASUD
President / CEO



DIRECTORS' REPORT

For the year ended December 31, 2024

The Board of Directors is pleased to present the 35th Annual Report of The Bank of Punjab together with the audited Financial Statements and Auditors' Report thereon for the year ended December 31, 2024.

Performance at a Glance

Despite facing challenges on both the revenue and expenditure sides, including the implementation of IFRS-9, the debt restructuring of a large state-owned entity, a difficult interest rate environment, the MDR (Minimum Deposit Rate) compliance, and significant investments in technology and infrastructure, the Bank posted a pre-tax profit of Rs. 24.56 billion for the year 2024. The Board also declared a cash dividend of Rs. 1.8 per share, marking a historic milestone with the highest-ever profit and the largest cash dividend payout in the bank's 35-year history.

As at close of the year 2024, total deposits grew to Rs. 1,710 billion from Rs. 1,521 billion in 2023. A significant contributor to this growth was the 24% increase in current account deposits, which rose to Rs. 354 billion and now constitute 20.7% of total deposits. These deposits have more than doubled over the past three years. The balance sheet expanded to Rs. 2,380 billion, further strengthening the bank's financial and capital position. Revenue growth remained strong across all segments, particularly in fee income and capital gains etc., which grew by 51% during the year. Based on results of 3rd quarter of the year 2024, the Bank maintained the lowest cost per employee at Rs. 2.4 million against a peer average of Rs. 3.6 million, the second-lowest cost per branch at Rs. 45.5 million against a peer average of Rs. 56.3 million, and a total administrative cost-to-gross revenue ratio of 12.2%



compared to the industry average of 15.0%, demonstrating strong cost discipline and operational efficiency. With a continued focus on improving the composition of current accounts within total deposits and the removal of minimum deposit rate conditions on public sector deposits, the cost-to-income ratio is expected to improve in the coming years.

The Board has approved BOP's inaugural dividend policy, which explores the possibility of interim/quarterly dividends, moving beyond the conventional annual model, with a preference for cash dividends over bonus shares. This shift aims to strengthen investor confidence and attract long-term institutional investments, backed by projected stability in BOP's earnings.

Financial Highlights 2024

The profit before and after taxation for the year ended December 31, 2024 together with appropriations is under:

	Rs. In Million
Profit Before Tax	24,565
Taxation - net	11,189
Profit After Taxation	13,375
Un-appropriated profit brought forward	31,522
Impact of first time adoption of IFRS-09 - net of tax	(4,822)
Other comprehensive (loss) / income	48
Profit available for appropriation	40,123
Transfer to statutory reserve	(2,675)
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	(26)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	108
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	1
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	237
Transactions with owners recognized directly in equity :	
Final stock dividend - December 31, 2023 declared subsequent to year end at 10.0% per share	(3,272)
Unappropriated Profit Carried Forward	34,497
Earnings per Share (Rs.)	4.09

Capital Adequacy and Minimum Capital Requirements

As on December 31, 2024, paid-up capital (net of losses) amounted to Rs. 34.67 billion and the Bank stands compliant with SBP's minimum capital requirement of Rs. 10.0 billion. Further, the Bank's Capital Adequacy Ratio (CAR) remained at 17.93% as against 18.37% as of December 31, 2023, with a comfortable margin over regulatory requirement of 11.50%.

Internal Controls

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

Bank's Board of Directors:

As on December 31, 2024, the Bank's Board of Directors consists of 5 members with 1 independent director.

SR.#	NAME OF DIRECTORS	STATUS	
1	Dr. Muhammad Amjad Saqib	Director	Non-Executive
2	Syed Ghazanfar Abbas Jilani	Director	Non-Executive
3	Mr. Mujahid Sherdil	Director	Non-Executive
4	Mr. Muhammad Naeem Khan	Director	Independent
5	Mr. Zafar Masud	Director / President & CEO	Executive

As of December 31, 2024, there are following 6 Sub-Committees of Board of Directors:

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

Board of Directors' and Board Committees' Attendance during year 2024:

Sr#	Name of Director	Board of Directors		Sub-Committees of Board of Directors										Total			
		Member	Attended	BAC		RMC & NRC		HRC & NC		SI&PSFC		ITCC			ES&GC		
				Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended		
1	Dr. Muhammad Amjad Saqib	M	11	-	-	M	7	M	10	C	8	-	-	M	3	39	
2	Syed Ghazanfar Abbas Jilani	M	11	M	4	C	7	M	10	S	6	S & M	4	M	3	45	
3	Mr. Mohammad Mudassir Amray	M	11	C	4	M	7	-	-	S	3	M	3	M	3	31	
4	Mr. Asif Reza Sana	M	11	-	-	S	1	C	10	M	8	M	4	M	3	37	
5	Ms. Nadia Rehman (*)	M	0	-	-	-	-	M	0	-	-	-	-	-	-	0	
6	Mr. Muhammad Naeem Khan	C	11	M	4	M	7	-	-	M	8	M	3	C	3	36	
7	Mr. Mujahid Sherdil	M	1	M	0	-	-	M	0	M	1	-	-	-	-	2	
8	Mr. Naweed Akhtar Sharif (*)	M	0	-	-	M	1	-	-	-	-	-	-	-	-	1	
9	Mr. Mohammad Jehanzeb Khan (*)	M	0	-	-	-	-	M	0	-	-	-	-	-	-	0	
10	Mr. Zafar Masud	P/CEO	11	-	-	P/CEO	6	P/CEO	10	M&P/CEO	8	P/CEO	4	P/CEO	3	42	
Total Number of Meetings held during 2024			11		4		7		10		8		4		3	233	
C	Chairman	BAC		Board Audit Committee						SI&PSFC		Strategy, Islamic & Priority Sector Financing Committee					
M	Member	RMC & NRC		Risk Management, Compliance & NPL Review Committee						ITCC		Information Technology & Communications Committee					
S	Special Invitation	HRCPE & NC		Human Resource, Compensation, Performance Evaluation & Nomination Committee						ES&GC		Environmental, Social & Governance Committee					

(*) Mr. Mohammad Jehanzeb Khan, Mr. Naweed Akhtar Sharif and Ms. Nadia Rehman, Directors have been denotified by the GoPb on 25.01.2024.

Statement of compliance with Corporate and Financial Reporting Framework

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

- The financial statements, together with notes thereon have been prepared in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017. These Statements present fair state of affairs, the result of its operations, cash flows and changes in equity and comprehensive income. Proper books of account of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting and Financial Reporting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed in the Annual Accounts. The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- All the statutory liabilities, if any, have been adequately disclosed in the financial statements.

- Directors Remuneration Policy is disclosed at page no 90 of Annual Report
- Risk Management Framework has been appropriately disclosed at Page No. 44 of the Annual Report.
- Value of investment of Staff Provident Fund and Gratuity Fund, based on latest audited accounts is Rs. 4.269 billion & Rs. 2.098 billion, respectively.
- Statement showing pattern of shareholding as on December 31, 2024 is disclosed at page No. 432 of the Annual Report.
- Statement showing key operating and financial data for the last six years is disclosed at page No. 134 of the Annual Report.
- Statement of compliance with code of corporate governance is presented at page No. 100 of the Annual Report.
- Statement on Corporate Social Responsibility is given at Page No 56 of the Annual Report.
- There has been no interest of directors in any significant contract / arrangement during the year.
- Related party transactions have been disclosed at page No. 259 of the Annual Report.

Credit Rating

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

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

Subsidiaries

The detail of Bank's subsidiaries are as follows:

Rs. In Million			
Sr#	Name	Current Period Total Assets	Comparative Period Total Assets
1	Punjab Modaraba Services (Private) Limited	53,571	34,255
2	First Punjab Modaraba	1,963,002	2,189,748
3	BOP Capital Securities (Private) Limited	345,860	146,009
4	BOP Exchange (Pvt) Ltd	1,046,556	-

Outlook for the year 2025

The Board recognized that, with a clear vision, strong leadership, and a robust financial position, BOP is well-positioned to continue its growth trajectory, delivering greater value to its customers, investors, and the broader economy.

Looking ahead, the Board has approved the strategic roadmap for 2025-27, focusing on growth, capital build-up, digital innovation, and cost efficiency. A key priority is the acceleration of the transition to a fully Shariah-compliant banking model, in line with SBP guidelines. Additionally, the Bank will continue expanding its digital services with enhanced cybersecurity measures and will introduce AI-powered financial solutions to improve customer experience and operational efficiency.

Auditors

The retiring auditors' M/s A.F. Ferguson & Co. Chartered Accountants, being eligible, have offered themselves for reappointment for the year ending December 31, 2025. The Board of Directors, on the suggestions of Board Audit Committee, recommended the above firm as statutory auditors of the Bank for year 2025.

Acknowledgement

The Board acknowledges valuable support and guidance of State Bank of Pakistan and Government of the Punjab and thankful to shareholders and customers for their continued support. The Board also recognizes that with a clear vision, strong leadership and a robust financial position, BOP is well-positioned to continue its growth trajectory, delivering greater value to its customers, investors, and the broader economy.

For and on behalf of the Board


President / CEO


Chairman

ڈائریکٹرز رپورٹ

برائے سال 31 دسمبر 2024

بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو اختتام پزیر ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں اور اس پر آڈیٹرز کی رپورٹ کے ساتھ بینک آف پنجاب کی 35 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی جھلکیاں 2024

سال 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے لیے قبل از ٹیکس اور بعد از ٹیکس منافع اور تخصیصات درج ذیل ہیں۔

کارکردگی ایک نظر میں:

(ملین روپے میں)

24,565	قبل از ٹیکس منافع:
11,189	ٹیکس (نیٹ):
13,375	بعد از ٹیکس منافع:
31,522	غیر مختص شدہ منافع برائے گزشتہ سال:
(4,822)	IFRS-9 کے پہلے اطلاق کا اثر (نیٹ آف ٹیکس):
48	دیگر جامع (نقصان)/آمدنی:
40,123	مختص کرنے کے لیے دستیاب منافع:
(2,675)	قانونی ذخائر میں منتقلی:
(26)	ایف وی اوی آئی کے تحت ایکویٹی سرمایہ کاری کے ازالے پر غیر مختص شدہ منافع میں منتقلی:
108	گلسڈ اثاثوں کی ازسرنو قیمت گذاری کے اضافے سے غیر مختص شدہ منافع میں منتقلی (نیٹ آف ٹیکس):
1	گلسڈ اثاثوں کی ازسرنو قیمت گذاری کے اضافے سے غیر مختص شدہ منافع میں منتقلی (نیٹ آف ٹیکس):
237	غیر بینکنگ اثاثوں کی دوبارہ تشخیص پر سرپلس سے غیر تقسیم شدہ منافع میں منتقلی فروخت پر مالکان کے ساتھ براہ راست ایکویٹی میں تسلیم شدہ لیمن دین: حتمی اسٹاک ڈیویڈنڈ - 31 دسمبر 2023
(3,272)	(بعد میں اعلان شدہ) @10.0% فی شیئر:
34,497	غیر مختص شدہ منافع برائے اگلے سال:
4.09	فی شیئر آمدنی (روپے میں):

آئی ایف آر ایس-9 کے نفاذ، ایک بڑے سرکاری ادارے کے قرضوں کی تنظیم نو، ایک مشکل شرح سود ماحول، ایم ڈی آر (کم از کم ڈپازٹ ریٹ) کی تعمیل، اور ٹیکنالوجی اور بنیادی ڈھانچے میں نمایاں سرمایہ کاری سمیت محصولات اور اخراجات دونوں اطراف سے چیلنجوں کا سامنا کرنے کے باوجود، بینک نے سال 2024 کے لئے 24.56 ملین روپے کا قبل از ٹیکس منافع حاصل کیا۔ بورڈ نے 1.8 روپے فی حصص کے نقد منافع کا بھی اعلان کیا، جو بینک کی 35 سالہ تاریخ میں اب تک کا سب سے زیادہ منافع اور سب سے بڑا نقد منافع کی ادائیگی کے ساتھ ایک تاریخی سنگ میل ہے۔

سال 2024 کے اختتام پر مجموعی ڈپازٹس بڑھ کر 1710 ارب روپے ہو گئے جو 2023 میں 1521 ارب روپے تھے۔ اس اضافے میں ایک اہم کردار کرنٹ اکاؤنٹ ڈپازٹس میں 24 فیصد اضافہ تھا جو بڑھ کر 354 ارب روپے تک پہنچ گیا اور اب کل ڈپازٹس کا 20.7 فیصد بنتا ہے۔ گزشتہ تین سالوں میں یہ ذخائر دو گنا سے زیادہ ہو گئے ہیں۔ بینکس شیٹ 2,380 ارب روپے تک بڑھ گئی جس سے بینک کی مالیاتی اور سرمائے کی پوزیشن مزید مستحکم ہوئی۔ تمام شعبوں میں ریونیو میں اضافہ مضبوط رہا خاص طور پر فیس آمدنی اور کپینل گین وغیرہ میں، جس میں سال کے دوران 51 فیصد اضافہ ہوا۔ سال 2024ء کی تیسری سہ ماہی کے نتائج کی بنیاد پر بینک نے فی ملازم سب سے کم لاگت 3.6 ملین روپے کے مقابلے میں 2.4 ملین روپے برقرار رکھی، دوسری سب سے کم لاگت فی براؤنچ لاگت 56.3 ملین روپے کے مقابلے میں 45.5 ملین روپے رہی، اور مجموعی انتظامی لاگت سے مجموعی آمدنی کا تناسب 15.0 فیصد کے صنعتی اوسط کے مقابلے میں 12.2 فیصد رہا۔ مضبوط لاگت نظم و ضبط اور آپریشنل کارکردگی کا مظاہرہ۔ کل ڈپازٹس کے اندر کرنٹ اکاؤنٹس کی ساخت کو بہتر بنانے اور عوام پر کم از کم ڈپازٹ ریٹ کی شرائط کو ختم کرنے پر مسلسل توجہ کے ساتھ آنے والے برسوں میں سیکٹر ڈپازٹس، لاگت اور آمدنی کا تناسب مزید بہتر ہونے کی توقع ہے۔

بورڈ نے بی او پی کی افتتاحی ڈیویڈنڈ پالیسی کی منظوری دے دی ہے، جو واپسی سالانہ ماڈل سے آگے بڑھتے ہوئے عبوری / سرمایہ منافع کے امکانات کی تلاش کرتی ہے، جس میں بونس حصص پر نقد منافع کو ترجیح دی جاتی ہے۔ اس تبدیلی کا مقصد سرمایہ کاروں کے اعتماد کو مضبوط

سرمایہ کی مناسبت اور کم از کم سرمائے کی ضروریات

نمبر شمار	ڈائریکٹرز کے نام	ٹیلیٹس
1	ڈاکٹر محمد امجد ثاقب	ڈائریکٹر
2	سید حفصہ عباس جیلانی	ڈائریکٹر
3	جناب مجاہد شیر دل	ڈائریکٹر
4	جناب محمد نسیم خان	ڈائریکٹر
5	جناب ظفر مسعود	صدر اور چیف ایگزیکٹو آفیسر / ڈائریکٹر

31 دسمبر 2024 تک، بینک کا ادائیگی شدہ سرمایہ (خسارے کی کٹوتی کے بعد) 34.67 ارب روپے رہا اور بینک اسٹیٹ بینک آف پاکستان کی کم از کم سرمایہ کی شرط 10.0 ارب روپے پر مکمل طور پر پورا اترتا ہے۔ مزید برآں بینک کا کنٹریل ایڈیکویٹی ریشو (CAR) 17.93% رہا جو کہ 31 دسمبر 2023 کو 18.37% تھا اور یہ ریگولیٹری تقاضے 11.50% کے مقابلے میں آرام دہ مارجن کے ساتھ ہے۔

اندرونی کنٹرولز

31 دسمبر 2024 تک، بورڈ آف ڈائریکٹرز کی درج ذیل 6 سب کمیٹیاں موجود ہیں:

1. بورڈ آڈٹ کمیٹی
2. رسک مینجمنٹ، کپلائنس اور این پی ایل ریویو کمیٹی
3. ہیومن ریسورس، کمپنیشن پرفارمنس، ایویلیویشن اینڈ ٹرانزیشن کمیٹی
4. اسٹریٹیجی، اسلامی اینڈ پرائیویسیٹی سیکورٹس کمیٹی
5. انفارمیشن ٹیکنالوجی اینڈ کیبرنیٹیویٹی کمیٹی
6. انوائسمنٹل، سوشل اینڈ گورننس کمیٹی

بینک آف پنجاب کے بورڈ آف ڈائریکٹرز پر یہ مجموعی ذمہ داری عائد ہوتی ہے کہ وہ ایک مناسب اور موثر اندرونی کنٹرول سسٹم کے وجود کو یقینی بنائے جو بینک کے خطرات کو قابل قبول خطرے کے پروفائل کے اندر موثر طریقے سے منظم کرنے کے لیے تیار کیا گیا ہو۔ بورڈ کو یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ وہ مینجمنٹ کی جانب سے دیے گئے اسٹیٹمنٹ آن انٹرنل کنٹرولز کی توثیق کرتا ہے جو کہ سالانہ رپورٹ میں شامل ہے۔

بینک کے بورڈ آف ڈائریکٹرز:

31 دسمبر 2024 تک، بینک کے بورڈ آف ڈائریکٹرز میں 15 اراکین شامل ہیں، جن میں 1 خود مختار ڈائریکٹر شامل ہے۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی حاضری برائے سال 2024:

نمبر شمار	ڈائریکٹرز کے نام	براڈ آف ڈائریکٹرز	لیا سہی	آراکمی اینڈ این آر سی	آئی سی	ایچ آر سی، پی ای ایچ این سی	ایس آئی اینڈ پی ایس ای سی	آئی ٹی سی	ایس ایس اینڈ سی	ایس ایس اینڈ سی	ایس ایس اینڈ سی	ایس ایس اینڈ سی	ایس ایس اینڈ سی	ایس ایس اینڈ سی	ایس ایس اینڈ سی
1	ڈاکٹر محمد امجد ثاقب	حاضر	-	7	M	8	C	10	M	7	M	-	-	11	M
2	سید حفصہ عباس جیلانی	حاضر	4	C	M	6	S	10	M	7	C	4	M	11	M
3	جناب مجاہد شیر دل	حاضر	4	C	M	3	S	-	-	7	M	4	C	11	M
4	جناب محمد نسیم خان	حاضر	-	-	-	8	M	10	C	1	S	-	-	11	M
5	جناب ظفر مسعود	حاضر	-	-	-	-	-	0	M	-	-	-	-	0	M
6	جناب مجاہد شیر دل	حاضر	4	M	7	M	-	-	7	M	4	M	11	C	
7	جناب مجاہد شیر دل	حاضر	0	M	-	-	1	M	0	M	-	-	0	M	1
8	جناب مجاہد شیر دل	حاضر	-	-	1	M	-	-	1	M	-	-	0	M	
9	جناب مجاہد شیر دل	حاضر	-	-	-	-	-	0	M	-	-	-	0	M	
10	جناب ظفر مسعود	حاضر	-	-	6	P/CEO	10	P/CEO	6	P/CEO	-	-	11	P/CEO	
2024	مجموعی حاضری	11	4	7	10	8	10	10	10	7	4	11	11		

C	چیرمین	لیا سہی	بورڈ آڈٹ کمیٹی
M <th>ممبر</th> <td>آراکمی اینڈ این آر سی</td> <td>رسک مینجمنٹ، کپلائنس اور این پی ایل ریویو کمیٹی</td>	ممبر	آراکمی اینڈ این آر سی	رسک مینجمنٹ، کپلائنس اور این پی ایل ریویو کمیٹی
S <th>خصوصی دست</th> <td>ایچ آر سی، پی ای ایچ این سی</td> <td>ہیومن ریسورس، کمپنیشن پرفارمنس، ایویلیویشن اینڈ ٹرانزیشن کمیٹی</td>	خصوصی دست	ایچ آر سی، پی ای ایچ این سی	ہیومن ریسورس، کمپنیشن پرفارمنس، ایویلیویشن اینڈ ٹرانزیشن کمیٹی

(*) GoPb کی جانب سے مورخہ 25-01-2024 کو جناب مجاہد شیر دل، جناب مجاہد شیر دل، جناب مجاہد شیر دل اور جناب مجاہد شیر دل، ڈائریکٹرز کو ایڈجسٹ کر دیا گیا۔

اداریاتی اور مالیاتی جائزے کی تعمیل کا بیانیہ:

- سال کے دوران کسی بھی اہم معاہدے/انتظامات میں ڈائریکٹرز کا کوئی مداخلت نہیں رہا۔
- متعلقہ فریقین کے ساتھ کیے گئے لین دین سالانہ رپورٹ کے صفحہ نمبر 259 پر ظاہر کیے گئے ہیں۔

ڈائریکٹرز کو خوشی ہے کہ وہ کارپوریٹ گورننس کے ضابطہ اخلاق کے حوالے سے درج ذیل بیان پیش کر رہے ہیں:

کریڈٹ ریٹنگ:

بینک کے بہتر رسک پروفائل کو تسلیم کرتے ہوئے میسرز پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بینک کی طویل مدتی اثباتی ریٹنگ کو "AA+" برقرار رکھا ہے جبکہ قلیل مدتی اثباتی ریٹنگ کو "A1+" برقرار رکھا گیا ہے۔

مالیاتی گوشوارے اور ان کے ساتھ نوٹس بینکنگ کمینیز آرڈیننس 1962 اور کنٹینر ایکٹ 2017 کے مطابق تیار کیے گئے ہیں۔ یہ گوشوارے بینک کی مناسب مالی حالت، آپریٹنگ کے نتائج، کیش فلو، ایکویٹی میں تبدیلیوں اور جامع آمدنی کو ظاہر کرتے ہیں۔ بینک کے اکاؤنٹس کی باقاعدہ کتابتیں مرتب کی گئی ہیں۔

معیاری ریٹنگ اسکیل اور تعریف کے مطابق "AA+" طویل مدتی ریٹنگ کا مطلب ہے کہ کریڈٹ رسک کی توقع بہت کم ہے۔ یہ ظاہر کرتا ہے کہ مالیاتی معاہدوں کی بروقت ادائیگی کی صلاحیت انتہائی مضبوط ہے اور مستقبل میں نظر آنے والے عوامل سے زیادہ متاثر نہیں ہوگی۔ اسی طرح "A1+" قلیل مدتی ریٹنگ کا مطلب ہے کہ مالیاتی ذمہ داریوں کی بروقت ادائیگی کے لیے انتہائی اعلیٰ سطح کی صلاحیت موجود ہے۔

- موزوں اکاؤنٹنگ پالیسیوں کو مستقل طور پر مالیاتی بیانات کی تیاری میں لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلے پر مبنی ہیں۔

- بین الاقوامی اکاؤنٹنگ، مالیاتی رپورٹنگ معیارات اور پاکستان میں لاگو اسلامی مالیاتی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی بھی انحراف کو سالانہ حسابات میں واضح طور پر ظاہر کیا گیا ہے۔ اندرونی کنٹرول کا نظام مؤثر طریقے سے ڈیزائن نافذ اور مانیٹر کیا گیا ہے۔

- بینک کی مسلسل کام کرنے کی صلاحیت پر کوئی اہم شک و شبہ نہیں ہے۔

- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اہم انحراف نہیں ہوا جیسا کہ لسٹنگ ریگولیشنز میں بیان کیا گیا ہے۔

- تمام قانونی واجبات اگر کوئی ہیں مالیاتی گوشواروں میں مناسب طور پر ظاہر کیے گئے ہیں۔

- ڈائریکٹرز کی معاوضہ پالیسی سالانہ رپورٹ کے صفحہ نمبر 90 پر ظاہر کی گئی ہے۔

- رسک مینجمنٹ فریم ورک سالانہ رپورٹ کے صفحہ نمبر 44 پر مناسب طور پر بیان کیا گیا ہے۔

- اسٹاف پروویڈنٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کی مالیت، تازہ ترین آڈٹ شدہ حسابات کے مطابق بالترتیب 4.269 ارب روپے اور 2.098 ارب روپے ہے۔

31 دسمبر 2024 تک کے شیئر ہولڈنگ پیٹرن کی تفصیلات سالانہ رپورٹ کے صفحہ نمبر 432 پر دی گئی ہیں۔

- گزشتہ چھ سالوں کے کلیدی آپریشنل اور مالیاتی ڈیٹا کی تفصیلات سالانہ رپورٹ کے صفحہ نمبر 134 پر دی گئی ہیں۔

- کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان سالانہ رپورٹ کے صفحہ نمبر 100 پر پیش کیا گیا ہے۔

- کارپوریٹ سوشل ریسپانسیبلٹی (CSR) کا بیان سالانہ رپورٹ کے صفحہ نمبر 56 پر دیا گیا ہے۔

ذیلی ادارہ:

بینک کے ذیلی اداروں کی تفصیل درج ذیل ہے:

نمبر شمار	نام	موجودہ دورانیہ کیلئے ناص ادا شدہ جات	تفصیلی مدت کیلئے ناص ادا شدہ جات
1	پنجاب مضاربہ سرورز (پرائیویٹ) لمیٹڈ	53.571	34.255
2	فرسٹ پنجاب مضاربہ	1,963.002	2,189.748
3	بی او پی کھول سٹیورٹیز (پرائیویٹ) لمیٹڈ	345.860	146.009
4	بی او پی ایچ پی پرائیویٹ لمیٹڈ	1,046.556	-

سال 2025 کے لیے مستقبل کا نقطہ نظر:

آگے دیکھتے ہوئے بورڈ نے 2025-27 کے لیے ایک اسٹریٹجک روڈ میپ کی منظوری دی ہے جس کا مرکز ترقی، سرمایہ میں اضافہ، ڈیجیٹل جدت، اور لاگت کی مؤثر شکست عملی ہوگا۔ ایک اہم ترجیح اسٹیٹ بینک آف پاکستان (SBP) کی ہدایات کے مطابق مکمل شریعت کے مطابق بینکاری ماڈل میں منتقلی کے عمل کو تیز کرنا ہے۔ اس کے علاوہ، بینک ڈیجیٹل خدمات کو مزید وسعت دے گا، سائبر سیکیورٹی کو مضبوط کرے گا اور مصنوعی ذہانت (AI) پر مبنی مالیاتی حل متعارف کرائے گا تاکہ گاہکوں کے تجربے اور عملی کارکردگی کو بہتر بنایا جاسکے۔

آڈیٹرز:

ریٹائر ہونے والے آڈیٹرز مسز اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، جو دوبارہ کو بھی تسلیم کرتا ہے کہ ایک واضح ڈٹن، مضبوط قیادت اور مضبوط مالی پوزیشن کے ساتھ، بی او پی تقرری کے اہل ہیں نے سال 2025 کے لیے اپنی خدمات جاری رکھنے کی پیشکش کی ہے۔ اپنے صارفین، سرمایہ کاروں اور وسیع تر معیشت کو زیادہ سے زیادہ قدر فراہم کرتے ہوئے اپنی بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ کمیٹی کی سفارشات پر انہیں بینک کے سال 2025 کے ترقی کے راستے کو جاری رکھنے کے لئے اچھی طرح سے تیار ہے۔

لیے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے۔

بورڈ کی جانب سے

اعلمہ شکر:

Afzal
صدر ای ای او

Rezaul Karim
چیئر مین

بورڈ اسٹیٹ بینک آف پاکستان اور حکومت پنجاب کی گراں قدر حمایت اور رہنمائی کا اعتراف کرتا ہے اور شیئر ہولڈرز اور صارفین کی مسلسل حمایت پر ان کا شکریہ ادا کرتا ہے۔ بورڈ اس بات



REVIEW REPORT BY CHAIRMAN OF AUDIT COMMITTEE

The Audit Committee of the Board consists of 03 members and is being headed by an experience independent Director, Mr. Mohammad Naeem Khan, as Chairman. The members of Audit Committee possess very rich and diverse experience of serving on the Board of various entity besides holding senior management positions in different public and private sector organizations.



Current composition of Audit Committee is as under:

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

During the year 2024, 4 meetings of Audit Committee were held. Major Responsibilities of Board Audit Committee are as under:

- Review of annual and interim financial statements of the Bank, prior to their approval by the Board, focusing on major judgmental areas, significant adjustments resulting from the audit, going concern assumption, any changes in accounting policies and practices, compliance with applicable accounting standards, compliance with Regulations and other statutory and regulatory requirements; and all related party transactions;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of management letter issued by external auditors and management's response thereto;
- Internal audit reports are provided to external auditors for the review and that auditors shall discuss any major findings in relation to the reports with the audit committee, which shall report matters of significance to the Board;
- Determination of appropriate measures to safeguard the Bank's assets;
- Coordination between the internal and external auditors of the Bank;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Bank;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Review the efficacy of remedial actions taken to prevent recurrence of frauds/ forgeries/ dacoities such as strengthening of internal controls, etc;

- Supervise the Whistle Blowing Unit;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording and the reporting structure are adequate and effective;
- Review of the Bank's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 and identification of significant violations thereof;
- Monitoring compliance with relevant applicable regulations and identification of significant violations thereof;
- Recommending to the Board the appointment of external auditors, their removal, audit fees and related matters;

During the year 2024, the Audit Committee has reviewed 3 quarterly and one annual accounts of the Bank and recommended the same to BOD for final approval. The Committee also reviewed periodical report on significant and material issues pointed out by the Internal Audit Function and External Auditors. During the year 2024, Bank's Internal Audit Function has performed its role in a very satisfactory manner and further necessary measures are being taken improve efficiency of this key function.

It is confirmed that Annual Report is fair, balanced and understandable and also it provides necessary information for shareholders to assess the company's position and performance, business model and strategy.

The Board Audit Committee is fully aware of its responsibilities and shall continue to perform its role in accordance with the regulatory requirements. It shall be ensured that Bank's Internal Audit Function remains fully independent and perform its function in line with regulatory requirements and as per best industry practices.

For & Behalf of Board Audit Committee


Chairman

REPORT OF SHARIAH BOARD

Taqwa Islamic Banking The Bank of Punjab (TIB BOP) (For The Financial Year 2024)



Alhamdulillah TIB BOP has completed another year of successful banking operations. By the grace of Almighty Allah, this year also BOP Taqwa Islamic Banking recognized as "Best Public Sector Bank" for "Islamic Retail Banking in Pakistan". This award is given by Committee of Islamic Retail Banking Awards- IRBA. This is the most prestigious award of the banking sector and TIB BOP has won this award for the second consecutive year. Over 130 Islamic banks which are globally ranked every year for this award. This award reflects the hard work and commitment of the entire team of TIB BOP towards the cause of promoting Islamic banking in Pakistan.

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

SHARIAH COMPLIANCE:

- TIB BOP is equipped with a team of qualified personals in its Shariah Compliance Department (SCD), working under the supervision and guidance of the Shariah Board. The prime objective of this function is to ensure Shariah Compliance at various levels and take corrective measures.
- The main modes of financing used for the bank's financing activities during the year consist of Murabaha, Ijarah, Diminishing Musharakah, Istisna, Tijarah, Musawamah, and Running Musharakah.
- The Shariah Board supervised and analyzed various products, concepts, transactions, processes and their Shariah Compliance as an ongoing process to ensure that the transactions are valid and in conformity with Shariah injunctions.
- The Internal Shariah audit unit evaluates the adherence to Shariah guidelines by the Bank. During the year, Shariah Audit of various TIB BOP branches/departments was conducted that enabled the Bank to improve the Shariah control environment. To strengthen and broaden the functions of

Shariah control, the Shariah Compliance Department (SCD) of the bank under the supervision of RSBM, facilitated the customers by conducting several industry visits in order to understand the customer's need and to offer best suitable products, and formulating customized process flows, Shariah Structuring for syndicate financing after assessment of customers' business models. As a part of the departmental responsibilities, SCD also reviewed the process of profit distribution to the depositors on monthly basis. During the course of on-site visit of branches, SCD also guided staff regarding day to day operations while dealing with general banking customers.

PRODUCTS AND POLICIES:

During the year, the Bank developed and launched, through Product Development Department, different products along with their variants with approval of Shariah Board including Islamic Financing for Storage of Agriculture Produce (IFFSAP) PPM, Taqwa Solar Finance PPM, Taqwa Khair Account PPM, Prime Minister's Youth Business & Agriculture Scheme (PMYB&ALS) etc.

Additionally, during 2024 Shariah Board has also reviewed different already approved PPM's & Policies including Islamic Banking Training & Development Policy, Islamic Banking Conversion Plan 2024-2027.

SHARIAH OPINION:

After review of reports of the Shariah Compliance Department, Internal and External Shariah Audit reports, we are of the opinion that: TIB BOP operations are overall satisfactory as per details given below:

- TIB BOP has by and large complied with Shariah rules and principles in the light of Fatawa, rulings and guidelines issued by Shariah Board.
- TIB BOP has by and large complied with directives, regulations, instructions and guidelines related to Shariah compliance issued by SBP.
- TIB BOP has a satisfactory mechanism in place to ensure Shariah compliance in its overall operations.
- TIB BOP has a proper system in place to ensure that any earnings realized from the sources or by the means which

are prohibited by Shariah have been credited to charity account and are being properly utilized. Detail of the charity fund is available in the statement of financial position of TIB BOP.

- TIB BOP has an acceptable system of profit / loss distribution and pool management. Profit is being properly distributed to all Mudarabah based accounts according to Mudarabah principles.
- Bank's BOD and management are cognizant of the importance of Shariah compliance in the products and processes of the bank. In this spirit, the bank is continuously focusing on enhancing the Islamic Banking knowledge and skill set of the staff. Islamic Banking Training Unit and SCD with the coordination of Learning & Development Centre of the Bank has imparted training on Islamic banking products.
- The Shariah Board has been provided with adequate resources enabling it to discharge its duties effectively.

RECOMMENDATIONS:

In light of the BOP conversion plan for 2024-2027, which aims to transition the entire bank into Islamic Banking by the end of 2027, the following important areas have been identified for focused attention:

Islamic Banking Conversion Plan 2024- 2027

The Bank is encouraged to establish research and development Department (R&D) to explore alternative solutions to conventional banking products and consider options beyond the initial plan for more flexibility and adaptability.

IT System

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

Staff/Human Resource related Matters

To ensure successful implementation of the Conversion Plan, it is crucial to effectively execute the conversion process in line with Shariah principle. To achieve this, it is recommended to integrate Shariah experts into key departments of the bank, such as Shariah Compliance Department, Product Development Department and Internal Shariah Audit Unit etc.

Awareness Sessions

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

Staff Training

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

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

والله سبحانه وتعالى اعلم



Mufti Rafey Ashraf Usmani
Member Shariah Board



Mufti Muhammad Umar Irfan
Resident Member Shariah Board



Mufti Muhammad Mushtaq Ahmed
Member Shariah Board



Mufti Muhammad Zahid
Chairperson Shariah Board

Date: 24-Jan-2025

شریحہ بورڈ رپورٹ

تقویٰ اسلامی بینکنگ - دی بینک آف پنجاب (برائے مالی سال - 2024ء)

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

• شرعی کنٹرول کے نظام کو مزید موثر اور وسیع بنانے کے لیے، بینک کے "شریحہ کمپلائنس ڈیپارٹمنٹ" نے ریزٹیڈینٹ شریحہ بورڈ ممبر کی زیر نگرانی، کسٹمر کے بزنس ماڈل اور اس کی ضرورت کو سمجھنے کے لئے کئی صنعتی یونٹس کے دورے کئے تاکہ کسٹمر کی ضرورت کے پیش نظر مناسب پراڈکٹس تجویز کی جائے اور اس کے مطابق پراسس فلور اور سنڈیکیٹ فائننسنگ کا شریحہ اسٹریٹجی ترمیم دیا جائے۔ "شریحہ کمپلائنس ڈیپارٹمنٹ" نے دیگر ذمہ داریوں کے ساتھ کھانہ داروں کو نفع کی تقسیم کے نظام کو ماہانہ بنیادوں پر جانچا ہے، برانچوں کی جانچ کے دوران "شریحہ کمپلائنس ڈیپارٹمنٹ" نے عملے کو کسٹمر کے ساتھ روزمرہ معاملات کے متعلق رہنمائی فراہم کی ہے۔

پراڈکٹس اور پالیسی:

• دوران سال بینک نے پراڈکٹ ڈیولپمنٹ ڈیپارٹمنٹ کی مدد سے مختلف نئی پراڈکٹس اور ان کی اقسام شریحہ بورڈ کی منظوری کے ساتھ تیار کر کے متعارف کروائے، جن میں اسلامی فائننسنگ فار سٹورج آف ایگریکلچر پروڈیوس (IFFSAP)، تقویٰ سولر فائننس، تقویٰ خیر اکاؤنٹ کے پی پی ایم اور پرائم منسٹری تھب بزنس اینڈ ایگریکلچر اکیسم (PMYB&ALS) وغیرہ کی پراڈکٹس شامل ہیں۔

• مزید برآں، سال 2024 میں شریحہ بورڈ نے پہلے سے منظور شدہ مختلف پی پی ایمز اور پالیسیز بشمول اسلامی بینکنگ ٹریڈنگ اینڈ ڈیولپمنٹ پالیسی اور اسلامی بینکنگ کنورژن پلان 2024-2027 وغیرہ کا بھی جائزہ لیا۔

شرعی آراء:

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

- "تقویٰ اسلامی بینکنگ آف پنجاب" نے مجموعی طور پر فتاویٰ، احکامات اور شریحہ بورڈ کی جانب سے دی جانے والی ہدایات کی روشنی میں شرعی اصول و ضوابط کی پاسداری کی ہے۔
- "تقویٰ اسلامی بینکنگ آف پنجاب" اسٹیٹ بینک آف پاکستان کے شریحہ کمپلائنس سے متعلق جاری کردہ احکامات، قواعد و ضوابط، ہدایات اور رہنما اصولوں پر بحیثیت مجموعی کاربند رہا ہے۔
- "تقویٰ اسلامی بینکنگ آف پنجاب" میں آپریٹرز کو شریحہ کمپلائنس بنانے کیلئے تسلی بخش نظام موجود ہے۔
- ممنوعہ ذرائع سے حاصل ہونے والی آمدن کو خیراتی اکاؤنٹ میں منتقل کرنے اور اسکے مؤثر استعمال کو یقینی بنانے کیلئے "تقویٰ اسلامی بینکنگ آف پنجاب" میں ایک مؤثر نظام موجود ہے۔ خیراتی رقم کی تفصیل بینک کی "سالانہ مالیاتی رپورٹ" میں موجود ہے۔
- "تقویٰ اسلامی بینکنگ آف پنجاب" میں نفع و نقصان کو تقسیم کرنے اور

الحمد للہ "تقویٰ اسلامی بینکنگ - دی بینک آف پنجاب" نے آپریٹرز کا ایک اور سال کامیابی سے مکمل کر لیا ہے۔ اس سال اللہ تعالیٰ کے فضل و کرم سے "تقویٰ اسلامی بینکنگ - دی بینک آف پنجاب" کو پاکستان میں ریشیل بینکنگ کے حوالے سے "پبلک سیکٹر کا بہترین بینک" تسلیم کیا گیا۔ یہ اعزاز اسلامک ریشیل بینکنگ ایوارڈز (IRBA) کی کمیٹی کی جانب سے عطا کیا گیا۔ یہ ایوارڈ بینکنگ سیکٹر کا ایک قابل قدر ایوارڈ سمجھا جاتا ہے، اور تقویٰ اسلامی بینکنگ نے یہ ایوارڈ مسلسل دوسرے سال حاصل کیا ہے۔ اس ایوارڈ کے لیے ہر سال ایک سو تیس سے زائد اسلامی بینکوں کی درجہ بندی کی جاتی ہے۔ یہ ایوارڈ تقویٰ اسلامی بینکنگ - دی بینک آف پنجاب کی پوری ٹیم کی پاکستان میں اسلامی بینکاری کے فروغ کے لیے محنت اور عزم کی عکاسی کرتا ہے۔

شریحہ بورڈ "تقویٰ اسلامی بینکنگ - دی بینک آف پنجاب" کے آپریٹرز کے متعلق ذیل میں اپنی رائے پیش کرتا ہے۔ بورڈ آف ڈائریکٹرز اور مینجمنٹ، بینک کے مجموعی کاموں کو منظم کرنے کے لیے ایک موثر، جامع اور شرعی اصولوں سے ہم آہنگ ماحول مہیا کرنے کے لیے پرعزم ہیں۔ رواں سال شریحہ بورڈ نے مختلف امور پر تبادلہ خیال کرنے کے لئے متعدد میٹنگز کیں ان میں داخلی/خارجی شریحہ آڈٹ رپورٹس، شریحہ کمپلائنس رپورٹس، شریحہ کمپلائنس ڈیپارٹمنٹ اینڈ ایگریکلچر رپورٹ، مختلف پالیسیز، پروسیجرز، نئی پراڈکٹس، موجودہ پراڈکٹس کی تجدید، لین دین کا نظام، بزنس، مارکیٹنگ کا مواد اور بینک آف پنجاب کا کنورژن پلان وغیرہ شامل تھا۔

شریحہ کمپلائنس:

- "شریحہ کمپلائنس ڈیپارٹمنٹ - تقویٰ اسلامی بینکنگ آف پنجاب" با صلاحیت افراد پر مشتمل ہے، جو شریحہ بورڈ کی نگرانی اور رہنمائی میں کام کر رہا ہے، اس ڈیپارٹمنٹ کا بنیادی مقصد مختلف مراحل پر شرعی احکامات کی تعمیل کو یقینی بنانا اور اصلاحی اقدامات کرنا ہے۔
- رواں سال بینک نے فائننسنگ کیلئے بالخصوص مراہجہ، مسادمہ اجارہ، شرکت، متاقصہ، احصناع، تجارت اور رنگ مشارک کی پراڈکٹس اختیار کیں۔
- شریحہ بورڈ نے مختلف پراڈکٹس، عقود، اور معاملات کی شریعت سے مطابقت کو برقرار رکھنے کیلئے نگرانی کا عمل مسلسل جاری رکھا تاکہ تمام معاملات شریعت کی اصولوں کے مطابق سرانجام پاتے رہیں۔
- "انٹرنل شریحہ آڈٹ ڈیپارٹمنٹ" بینک کے معاملات میں شرعی اصولوں کی پابندی کو جانچتا ہے۔ انٹرنل شریحہ آڈٹ ڈیپارٹمنٹ نے رواں سال "تقویٰ اسلامی بینکنگ - دی بینک آف پنجاب" کی برانچز اور ڈیپارٹمنٹس کا آڈٹ کیا، جس کے نتیجے میں بینک کے شریحہ کنٹرول کے ماحول کو بہتر بنانے میں مدد ملی۔

عوامی آگاہی سیمینار:

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

اسٹاف ٹریننگ:

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

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

واللہ سبحانہ و تعالیٰ اعلم



مفتی رفیع اشرف عثمانی
شریعی بورڈ ڈبیر



مفتی محمد عرفان
ریزیڈنٹ شریعی بورڈ ڈبیر



مفتی محمد زاہد
چیرمین شریعی بورڈ



مفتی محمد شفیق احمد
شریعی بورڈ ڈبیر

تاریخ اجراء: 24 جنوری 2025ء

پول سٹیٹ کا ایک قابل قبول نظام موجود ہے۔ عقد مضار بہ کی بنیاد پر قائم تمام کھاتوں کو مضار بہ کے اصولوں کے مطابق مناسب طریقہ سے نفع تقسیم کیا جا رہا ہے۔

- بینک کے بورڈ آف ڈائریکٹرز اور مینجمنٹ بینک کی پراڈکٹس اور پراسسز کو شریعہ کمپلائنس کرنے میں سنجیدہ ہے۔ اسی وجہ سے بینک اسلامی بینکاری سے متعلق عملہ کی صلاحیتوں کی بہتری کی طرف مسلسل متوجہ ہے۔ "اسلامک بینکنگ ٹریننگ یونٹ" اور "شریعی کمپلائنس ڈیپارٹمنٹ" نے بینک کے "لرننگ اینڈ ڈیولپمنٹ ڈیپارٹمنٹ" کے تعاون سے اسلامک بینکنگ کی پراڈکٹس کی ٹریننگ کا انعقاد کروایا ہے۔
- شریعی بورڈ کو مناسب وسائل مہیا کیے گئے ہیں تاکہ وہ اپنی ذمہ داریوں کو احسن اور موثر طریقہ سے سرانجام دے سکے۔

سفارشات:

- بینک آف پنجاب کے کنورژن پلان 2024-2027 کے تناظر میں جس کفایت پورے بینک کو 2027 تک اسلامی بینک میں تبدیل کرنا مقصود ہے۔ چند توجہ طلب امور کی ذیل میں نشاندہی کی جاتی ہے۔

اسلامک بینکنگ کنورژن پلان 2024-2027:

- اس بات کی حوصلہ افزائی کی جاتی ہے کہ کنورژن پلان کے تناظر میں بینک، ریسرچ اینڈ ڈیولپمنٹ (آر اینڈ ڈی) کا شعبہ قائم کرے، اور سودی بینک کی پراڈکٹس کے متعلق ابتدائی پلان سے ہٹ کر دیگر آپشنز پر بھی غور و فکر کرے جو کہ زیادہ قابل عمل اور لچک دار ہوں۔

آئی ٹی سسٹم:

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

اسٹاف/ایچ آر کے متعلق معاملات:

- کنورژن پلان کے کامیاب نفاذ کے لیے کنورژن پراسس کو شرعی اصولوں سے مکمل ہم آہنگی کے ساتھ زیر عمل لانا انتہائی اہم ہے۔ اس امر کے حصول کے لیے یہ تجویز دی جاتی ہے کہ بینک کے کلیدی ڈیپارٹمنٹس مثلاً شریعی کمپلائنس ڈیپارٹمنٹ، پراڈکٹ ڈیولپمنٹ ڈیپارٹمنٹ، اور انٹرنل شریعی آڈٹ یونٹ وغیرہ میں شریعی ماہرین کو شامل کیا جائے۔

FAIR TREATMENT OF CUSTOMERS FRAMEWORK & CONSUMER GRIEVANCE

The centralized Complaint Management Unit (CMU) of the Bank is independent of business, established for resolution of complaints in collaboration with business and support functions. This unit is responsible for acknowledging, tracking, escalating, and closing customer complaints within a specified turnaround time upon receiving resolution from the concerned stakeholders. The Unit also performs in-depth qualitative and quantitative complaint analysis, followed by suggestions and recommendations for addressing root causes of such complaints and drive continuous Bank wide service quality improvement.

During the year 2024, CMU undertook the initiatives to optimize processes for improved reporting and system enhancements. Accordingly, CMU has successfully reached a significant milestone in 2024 where there has been no instance of breach in stipulated regulatory timeline set out for resolution of a complaint. This achievement reflects Bank's commitment to operational excellence and customer satisfaction. In order to attain desired goal, Bank has implemented a series of strategic measures, including:

- **Enhanced Monitoring:** The Bank has established a robust tracking mechanisms to ensure that all complaints are addressed within the required timeframes.
- **Training and Development:** Continuous training for staff has been prioritized to improve response times and complaint resolution.

- **Proactive Communication:** Open lines of communication with stakeholders to promptly address potential delays or issues.

The above narrated proactive steps have enabled the Bank to maintain compliance with regulatory timelines, reinforcing its dedication to exceptional service delivery.

In addition to above, The Bank of Punjab has taken the lead over its competitors by implementing a quality assurance process for complaint closures. This initiative is vital for maintaining trust and accountability within the Complaints Management Unit. Quality Assurance (QA) is being performed at minimum of 60% of complaints and 100% QA of complaint tagged as "Sensitive Customer Complaint" and "Fraud related".

Going forward, during the year 2025, the Bank will continue its endeavor to further reduce TAT required for resolution of complaint to meet the aspiration of its customers.

During the year 2024, total number of complaints received were 66,970.

The Complaint Types as per SBP's Consumer Grievances Handling Mechanism (CGHM) and average TAT is detailed hereunder:

Product /service Area	Average Time taken to resolve a complaint
Account Maintenance	4WD
Mobile Banking/SMS Banking/Mobile App	3WD
ATM/Debit Card	6WD
Branchless/Agent Banking	2WD
Personal Loan	3WD
E-banking	3WD
Branch Level Issues	4WD
Home Loan	4WD
Utility Bills	3WD

*WD = Working Days

DISTRICT WISE SUMMARY OF BRANCHES AS OF 31 DECEMBER, 2024

Sr. No.	District Name	Conventional	Islamic	Total
1	Abbottabad	1	1	2
2	Astore	1	-	1
3	Attock	9	-	9
4	Badin	2	-	2
5	Bagh	-	1	1
6	Bahawalnagar	8	4	12
7	Bahawalpur	10	5	15
8	Bajaur Agency	1	1	2
9	Bannu	1	1	2
10	Batagram	-	1	1
11	Bhakkar	4	2	6
12	Bhimber	1	1	2
13	Bunner	1	1	2
14	Chakwal	11	1	12
15	Charsadda	3	-	3
16	Chiniot	4	1	5
17	Chitral	2	1	3
18	D.G.Khan	14	2	16
19	D.I.Khan	5	1	6
20	Dadu	1	1	2
21	Diamar	1	-	1
22	Faisalabad	30	7	37
23	Ghizer	1	-	1
24	Ghotki	1	1	2
25	Gilgit	3	1	4
26	Gujranwala	34	7	41
27	Gujrat	39	4	43
28	Gwadar	1	-	1
29	Hafizabad	4	1	5
30	Haripur	1	-	1
31	Hunza	1	-	1
32	Hyderabad	4	2	6
33	Islamabad	17	7	24
34	Jacobabad	1	-	1
35	Jhang	9	3	12
36	Jhelum	9	2	11
37	Karachi Central	9	1	10
38	Karachi East	17	3	20
39	Karachi South	20	5	25
40	Karachi West	7	1	8
41	Karak	-	1	1
42	Kashmore	1	-	1

DISTRICT WISE SUMMARY OF BRANCHES AS OF 31 DECEMBER, 2024

Sr. No.	District Name	Conventional	Islamic	Total
43	Kasur	15	2	17
44	Kech(Turbat)	-	1	1
45	Khairpur	1	1	2
46	Khanewal	4	4	8
47	Khushab	4	1	5
48	Khuzdar	1	-	1
49	Khyber Agency	1	-	1
50	Killa Abdullah	1	-	1
51	Killa Saifullah	1	2	3
52	Kohat	2	1	3
53	Korangi	4	1	5
54	Kotli	1	1	2
55	Kurram Agency	1	-	1
56	Lahore	87	33	120
57	Lakki Marwat	-	1	1
58	Larkana	1	1	2
59	Layyah	6	2	8
60	Lodhran	4	1	5
61	Loralai	1	1	2
62	Lower Dir	2	1	3
63	Mahmand Agency	2	-	2
64	Malakand	1	2	3
65	Malir	3	-	3
66	Mandi Bahauddin	12	1	13
67	Mansehra	-	1	1
68	Mardan	4	1	5
69	Mianwali	6	2	8
70	Mirpur	3	-	3
71	Mirpur Khas	2	-	2
72	Multan	17	10	27
73	Muzaffarabad	1	1	2
74	Muzaffargarh	15	-	15
75	Nankana Sahib	6	1	7
76	Narowal	15	1	16
77	Naushro Feroze	1	1	2
78	Noshki	-	1	1
79	Nowshera	3	1	4
80	Okara	12	7	19
81	Pakpattan	8	2	10
82	Peshawar	12	2	14
83	Pishin	-	1	1

Sr. No.	District Name	Conventional	Islamic	Total
84	Quetta	2	3	5
85	Rahim Yar Khan	8	4	12
86	Rajan Pur	10	1	11
87	Rawalpindi	29	12	41
88	Rawlakot (Poonch)	-	1	1
89	Sahiwal	10	5	15
90	Sakardu	1	1	2
91	Sanghar	1	1	2
92	Sargodha	11	3	14
93	Shaheed Benazirabad	1	1	2
94	Shangla	-	1	1
95	Sheikhupura	11	1	12
96	Shikarpur	1	-	1
97	Sialkot	28	2	30
98	Sibi	-	1	1
99	Sukkur	1	1	2
100	Swabi	1	1	2
101	Swat	9	2	11
102	Tando Allahyar	1	-	1
103	TANK	1	-	1
104	Toba Tek Singh	6	5	11
105	Upper Dir	-	1	1
106	Vehari	8	2	10
107	Zhob	1	-	1
108	Ziarat	-	1	1
Grand Total		690	210	900

06.

ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

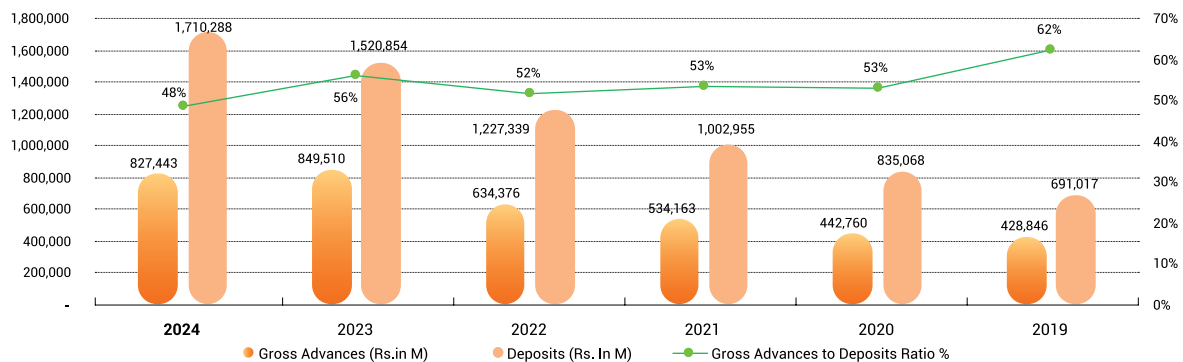
The Bank regularly analyzes financial data to assess performance, identify trends, and inform strategic decisions.



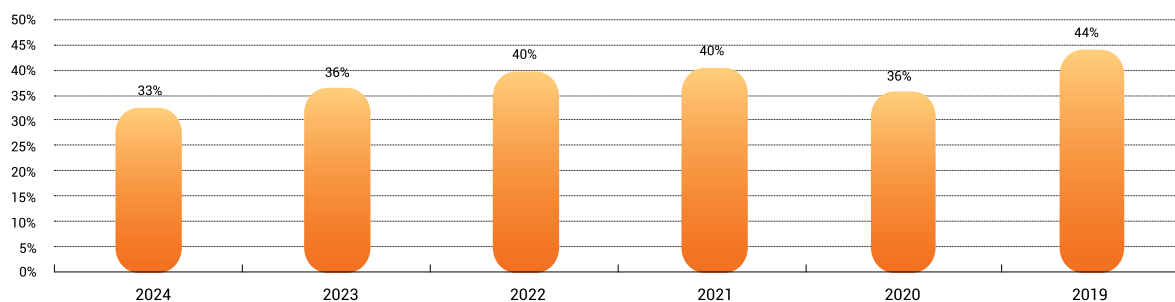
STATEMENT OF FINANCIAL PERFORMANCE

	2024	2023	2022	2021	2020	2019
Rupees in million						
ASSETS						
Cash and balances with treasury banks	100,773	100,894	73,203	71,319	69,272	53,415
Balances with other banks	3,261	8,283	4,814	8,718	2,398	10,311
Lendings to financial institutions	14,769	144,961	69,819	30,980	16,087	4,060
Investments - net	1,320,916	913,191	638,259	531,683	567,789	361,453
Advances - net	777,397	806,387	589,581	484,405	391,161	383,313
Fixed assets	28,555	20,789	18,237	11,940	8,548	8,877
ROU assets	12,866	12,424	12,102	7,892	6,265	6,342
Intangible assets	2,472	2,091	1,768	1,101	689	793
Deferred tax assets - net	9,051	10,243	14,555	13,696	7,774	6,568
Other assets - net	109,919	196,916	59,551	35,218	25,465	33,797
	2,379,979	2,216,180	1,481,890	1,196,952	1,095,446	868,928
LIABILITIES						
Bills payable	7,637	5,508	6,324	10,109	4,169	3,421
Borrowings	409,006	453,966	80,820	71,323	154,841	77,045
Deposits and other accounts	1,710,288	1,520,854	1,227,339	1,002,955	835,068	691,017
Lease liabilities	17,101	15,727	14,353	9,480	7,298	6,718
Subordinated debts	30,820	30,205	17,204	7,789	6,792	8,794
Other liabilities	112,596	109,166	70,798	40,463	35,017	35,250
	2,287,448	2,135,425	1,416,838	1,142,119	1,043,185	822,245
NET ASSETS	92,531	80,755	65,052	54,833	52,262	46,682
REPRESENTED BY						
Share capital - net	32,453	32,453	29,478	26,174	26,174	26,174
Reserves	17,627	14,952	12,684	10,517	8,029	6,640
Surplus on revaluation of assets - net of tax	7,954	1,829	(2,323)	(1,369)	5,955	5,371
Unappropriated profit / (Accumulated Losses)	34,497	31,522	25,213	19,511	12,103	8,497
	92,531	80,755	65,052	54,833	52,262	46,682

SIX YEAR ADVANCES & DEPOSIT



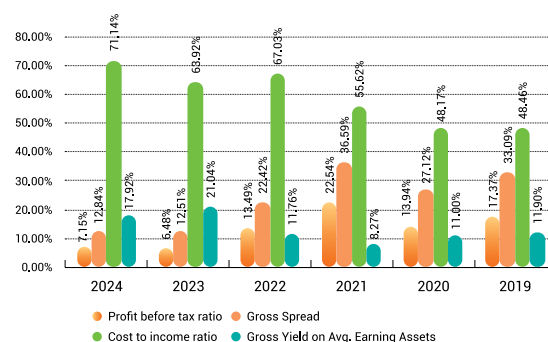
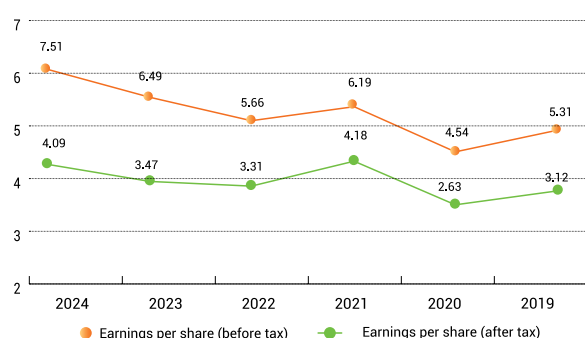
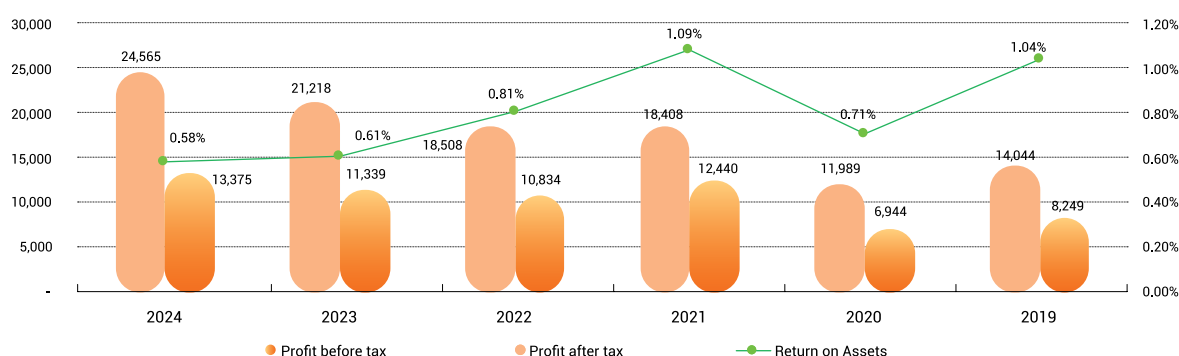
ADVANCES CONCENTRATION LEVEL IN ASSETS



STATEMENT OF PROFIT & LOSS ACCOUNT

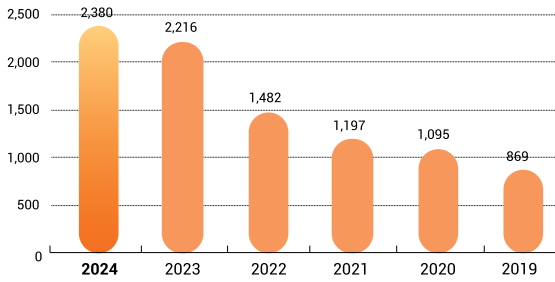
	2024	2023	2022	2021	2020	2019
Rupees in million						
Mark-up / return / interest earned	343,791	327,194	137,168	81,651	86,019	80,867
Mark-up / return / interest expensed	299,634	286,248	106,410	51,775	62,694	54,110
Net mark-up / interest income	44,157	40,946	30,758	29,876	23,325	26,757
NON MARK-UP / INTEREST INCOME						
Fee and commission income	11,374	7,429	7,332	5,103	3,732	3,530
Dividend income	354	568	708	377	137	104
Foreign exchange income	857	298	1,887	577	328	11
Gain on securities - net	11,763	5,255	343	1,786	8,466	222
Net gain on derecognition of financial assets measured at amortised cost	1,148	-	-	-	-	-
Other income - net	1,193	4,168	306	61	382	73
Total non-markup / interest income	26,689	17,718	10,576	7,904	13,046	3,940
Total income	70,846	58,663	41,335	37,780	36,371	30,696
NON MARK-UP / INTEREST EXPENSES						
Operating expenses	49,900	37,120	27,374	20,637	16,880	14,453
Workers welfare fund	491	324	289	363	335	285
Other charges	7	55	43	13	304	139
Total non-markup / interest expenses	50,398	37,498	27,705	21,014	17,519	14,876
Profit before provisions	20,448	21,165	13,630	16,766	18,852	15,820
Provisions and write offs - net	(4,117)	(53)	(4,878)	(1,642)	6,862	1,776
PROFIT BEFORE TAXATION	24,565	21,218	18,508	18,408	11,989	14,044
Taxation - net	11,189	9,879	7,673	5,968	5,046	5,795
PROFIT AFTER TAXATION	13,375	11,339	10,834	12,440	6,944	8,249
Basic earnings per share	4.09	3.47	3.31	4.18	2.63	3.12
Diluted earnings per share	4.09	3.47	3.31	4.18	2.63	3.12

SIX YEAR PROFIT ANALYSIS

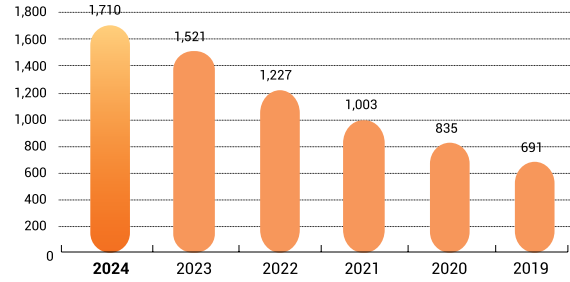


ANALYSIS OF THE FINANCIAL PERFORMANCE

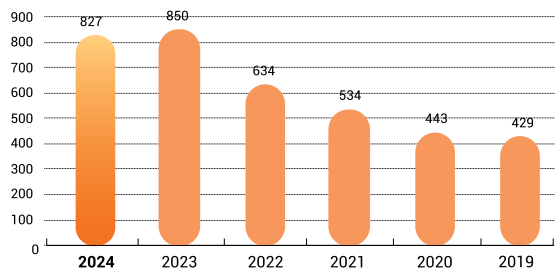
TOTAL ASSETS - CAGR 22%



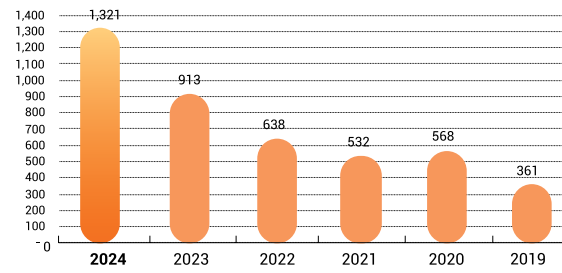
DEPOSITS - CAGR 19%



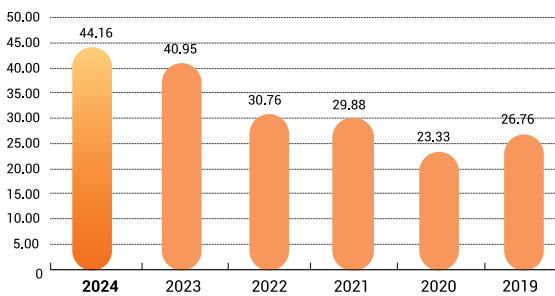
GROSS ADVANCES - CAGR 12%



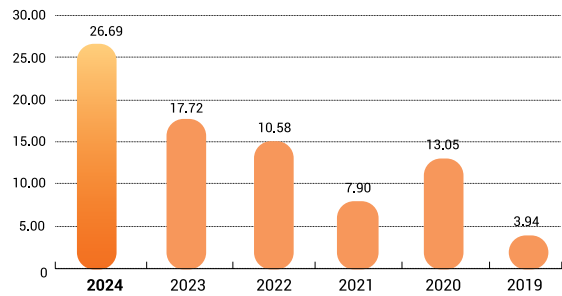
INVESTMENTS - NET - CAGR 36%



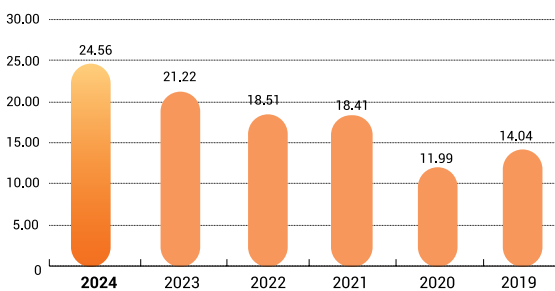
NET INTEREST MARGIN - CAGR 14%



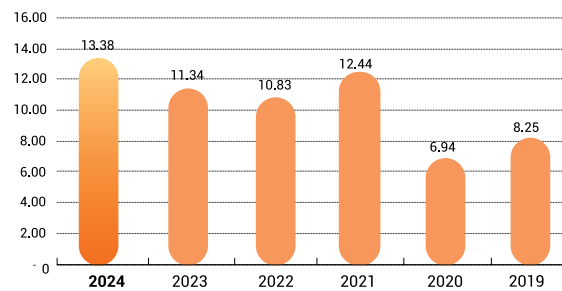
NON MARKUP INCOME - CAGR 39%



PROFIT BEFORE TAX - CAGR 15%



PROFIT AFTER TAX - CAGR 12%



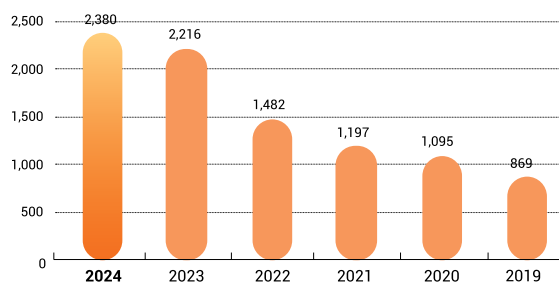
SIX YEARS PERFORMANCE REVIEW

Statement of Financial Position

TOTAL ASSETS

As of December 31, 2024, Bank's Total Assets stood at Rs. 2.4 Trillion as against Rs. 869 Billion as of December 31, 2019 registering a CAGR of 22%. This increase in Bank's assets is mainly due to significant growth in Deposits & Borrowing and resultant growth in Advances and Investments. In order to enhance its footprints in different regions of the country to increase share of wallet, the Bank continued to expand its Branch Network over last six years. During the year 2024, 85 new Branches were opened and the Branch Network now stands at 900 Branches as against 624 Branches as of December 31, 2019.

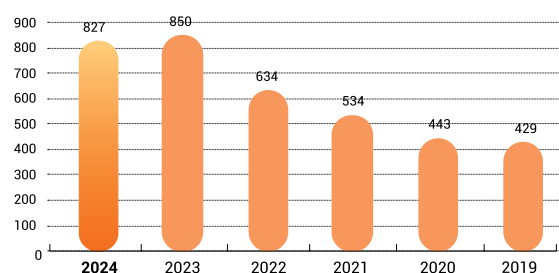
TOTAL ASSETS - CAGR 22%



GROSS ADVANCES

As of December 31, 2024, the Gross Advances stood at Rs. 850 Billion as against Rs. 429 Billion as of December 31, 2019 with a CAGR of 12%. Apart from growth in Corporate/Commercial portfolio, the Bank focused on SME, Agriculture, Consumer and Retail Finance. In this regard, new products were introduced, tailored to the specific needs of different segments of customers. The Lending portfolio under Taqwa Islamic Banking has also witnessed significant growth over the years. The Gross Advances to Deposits ratio stood at 48% as against 62% as of December 31, 2019.

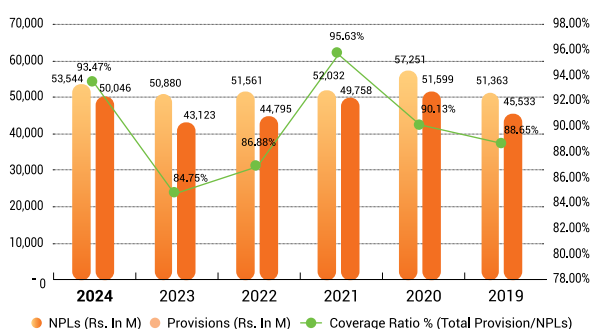
GROSS ADVANCES - CAGR 12%



NPLs

The Bank has been making all out efforts for recovery of its legacy NPLs portfolio and significant recovery has been made in this regard. In this regard, matter has been taken up at different legal forums for recovery/regularization of NPLs. As on December 31, 2024, NPLs % reduced to 6.5% as against 11.6% as of December 31, 2019. Despite significant growth in Advances portfolio, the Bank has been successful in avoiding any major addition in NPLs despite very challenging operating/economic conditions. Further, the Bank is fully compliant with provisioning requirements under Prudential Regulations of SBP and IFRS-9.

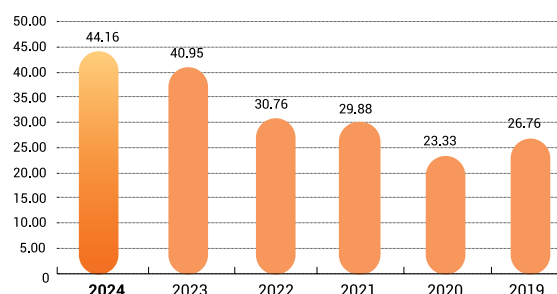
NON PERFORMING LOANS



NET INVESTMENTS

Bank's Investments have registered significant growth over the years. In line with Bank's strategy to improve the risk profile of assets, major concentration of Bank's Investments has been maintained in Government Securities. As of December 31, 2024, Bank's net Investments stood at Rs. 1,321 Billion as against Rs. 361 Billion as of December 31, 2019 registering a CAGR of 36%.

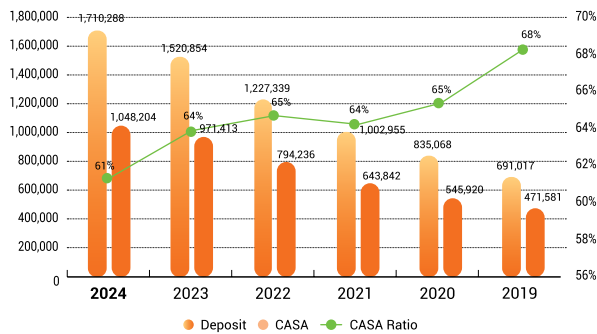
NET INTEREST MARGIN - CAGR 14%



SIX YEARS PERFORMANCE REVIEW

DEPOSITS

In order to enhance its presence in untapped areas and improve business volumes, the Bank has continuously focused on expanding its Branch Network and, accordingly, 324 new Branches have been opened across the country during last 6 years. Further, Bank's product lines have been revamped in line with customers' needs while improving upon service quality and efficiency. The Bank has especially focused on introducing new Digital Banking Products like Internet Banking, Mobile Banking etc. As of December 31, 2024 Deposits stood at Rs. 1,710 Billion as against Rs. 691 Billion as of December 31, 2019 registering a CAGR of 19%. The Bank is providing 24/7 Banking Services to its valued clients through its various Digital Banking Products/Services.



Profit And Loss Account

NET INTEREST MARGIN

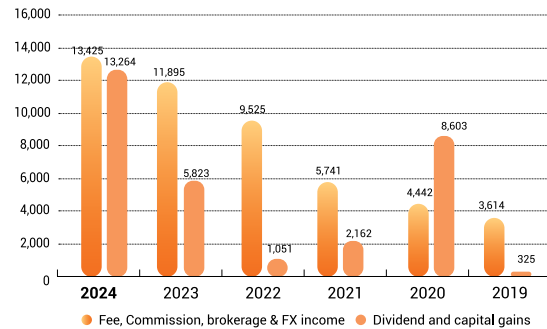
Bank's Strategic Business Plan envisages the strategy to focus on growth in Deposits with a improved mix of low cost CASA Deposits. Further, the Bank has been successful in deploying the funds in different lucrative avenues of Lending and Investments with generation of steady revenue streams. Accordingly, Bank's NIM has significantly improved to Rs. 44.16 billion in year 2024 as against Rs. 26.76 billion during year 2019 thereby registering a CAGR of 14%.

NON MARKUP INCOME

In order to improve Non-markup Income, the Bank has been focusing on introducing new products and services along with deepening of relationship with existing clients to procure incremental business. The Fee/FX/Other Income has improved to Rs. 13.43 Billion in year 2024 as against Rs. 3.61 Billion during year 2019 with a CAGR of 25%. Owing to efficient handling of investments portfolio by Bank's

Treasury, significant surplus on investments were accrued on the Books. Accordingly, the Bank was able to realize significant capital gains during last 6 years. The Dividend and Capital Gains during year 2024 stood at Rs. 13.26 Billion as against Rs. 0.33 Billion during year 2019.

SIX YEAR - NON MARKUP INCOME



OPERATING EXPENSES

During year 2024, the Operating Expenses stood at Rs. 49.90 Billion as against Rs. 14.45 Billion during year 2019. During the period, 324 Branches have been opened to expand the Bank's outreach resulting in rise in Personnel Cost & Property Expenses. The Bank has also invested significantly in new technologies including implementation/upgradation of new Core Banking System (Flexcube) and other applications in line with Bank's growth strategy. The Bank has also implemented austerity measures to keep a check on its other operating expenses and keep them in line with inflationary parameters and growth in business volumes.

PROVISIONS & WRITE OFFS

During year 2024, net provision of Rs. (412) Billion has been reversed on account of recovery/regularization of NPLs as against provision charge of Rs. 1.78 billion during year 2019. The Bank is fully compliant with Provisioning requirements under SBP Prudential Regulations and IFRS-9.

PROFIT BEFORE TAX

Bank has been successful in posting a consistent growth in Profit Before Tax during 2019-2024. During year 2024, despite extremely challenging operating/economic conditions, the Bank posted highest ever Profit Before Tax of Rs. 24.57 Billion as against Rs. 14.04 Billion during year 2019 registering a CAGR of 12%.

INVESTMENTS SEGMENT WISE

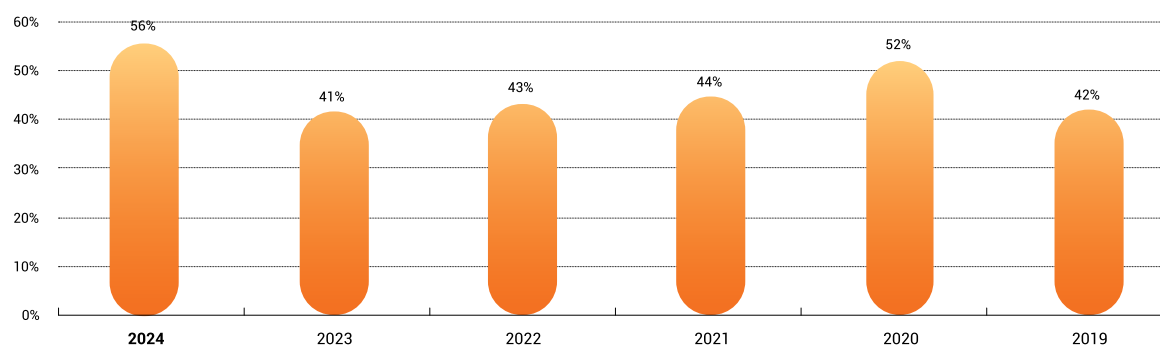
INVESTMENT BY CATEGORY

	2024	2023	2022	2021	2020	2019
Rupees in million						
Investment by Category						
MTBs	314,581	27,203	62,110	125,198	329,511	133,654
PIBs	936,341	830,084	527,564	379,677	214,789	214,043
Debt	58,452	48,248	37,769	19,936	19,847	12,133
Shares	11,542	7,656	10,816	6,871	3,641	1,623
Total	1,320,916	913,191	638,259	531,683	567,789	361,453
Investment at cost						
FVTPL / Held for trading securities	95,261	44,070	6,431	33,507	19,147	9,962
FVOCI / Available for sale securities	1,082,977	779,709	553,323	451,369	487,557	291,838
Amortized cost / Held to maturity securities	138,761	98,548	96,884	61,300	60,484	59,762
Subsidiaries	1,375	275	165	165	165	165
Total investments	1,318,375	922,602	656,803	546,340	567,353	361,727
Investment at market value						
FVTPL / Held for trading securities	96,093	44,125	6,368	33,528	19,148	9,958
FVOCI / Available for sale securities	1,084,871	770,408	535,007	436,856	488,157	291,733
Amortized cost / Held to maturity securities	138,741	98,548	96,884	61,299	60,483	59,762
Subsidiaries	1,210	110	-	-	-	-
Total investments	1,320,916	913,191	638,259	531,683	567,789	361,453

CATEGORY OF INVESTMENTS



INVESTMENTS TO TOTAL ASSETS %



SIX YEARS' VERTICAL ANALYSIS

	2024		2023		2022		2021		2020		2019	
	Rs Min	%	Rs Min	%	Rs Min	%	Rs Min	%	Rs Min	%	Rs Min	%
Statement of Financial Position												
ASSETS												
Cash and balances with												
treasury banks	100,773	4%	100,894	5%	73,203	5%	71,319	6%	69,272	6%	53,415	6%
Balances with other banks	3,261	0%	8,283	0%	4,814	0%	8,718	1%	2,398	0%	10,311	1%
Lendings to financial institutions	14,769	1%	144,961	7%	69,819	5%	30,980	3%	16,087	1%	4,060	0%
Investments - net	1,320,916	56%	913,191	41%	638,259	43%	531,683	44%	567,789	52%	361,453	42%
Advances - net	777,397	33%	806,387	36%	589,581	40%	484,405	40%	391,161	36%	383,313	44%
Fixed assets	28,555	1%	20,789	1%	18,237	1%	11,940	1%	8,557	1%	8,877	1%
ROU assets	12,866	1%	12,424	1%	12,102	1%	7,892	1%	6,256	1%	6,342	1%
Intangible assets	2,472	0%	2,091	0%	1,768	0%	1,101	0%	689	0%	793	0%
Deferred tax assets - net	9,051	0%	10,243	0%	14,555	1%	13,696	1%	7,774	1%	6,568	1%
Other assets - net	109,919	5%	196,916	9%	59,551	4%	35,218	3%	25,465	2%	33,797	4%
	2,379,979	100%	2,216,180	100%	1,481,890	100%	1,196,952	100%	1,095,446	100%	868,928	100%
LIABILITIES												
Bills payable	7,637	0%	5,508	0%	6,324	0%	10,109	1%	4,169	0%	3,421	0%
Borrowings	409,006	17%	453,966	20%	80,820	5%	71,323	6%	154,841	14%	77,045	9%
Deposits and other accounts	1,710,288	72%	1,520,854	69%	1,227,339	83%	1,002,955	84%	835,068	76%	691,017	80%
Lease liabilities	17,101	1%	15,727	1%	14,353	1%	9,480	1%	7,298	1%	6,718	1%
Subordinated debts	30,820	1%	30,205	1%	17,204	1%	7,789	1%	6,792	1%	8,794	1%
Other liabilities	112,596	5%	109,166	5%	70,798	5%	40,463	3%	35,017	3%	35,250	4%
	2,287,448	96%	2,135,425	96%	1,416,838	96%	1,142,119	95%	1,043,185	95%	822,245	95%
NET ASSETS	92,531	4%	80,755	4%	65,052	4%	54,833	5%	52,262	5%	46,682	5%
REPRESENTED BY												
Share capital - net	32,453	1%	32,453	1%	29,478	2%	26,174	2%	26,174	2%	26,174	3%
Reserves	17,627	1%	14,952	1%	12,684	1%	10,517	1%	8,029	1%	6,640	1%
Surplus on revaluation of assets - net of tax	7,954	0%	1,829	0%	(2,323)	0%	(1,369)	0%	5,955	1%	5,371	1%
Unappropriated profit / (Accumulated Losses)	34,497	1%	31,522	1%	25,213	2%	19,511	2%	12,103	1%	8,497	1%
	92,531	4%	80,755	4%	65,052	4%	54,833	5%	52,262	5%	46,682	5%
Profit & Loss Account												
Mark-up / return / interest earned	343,791	93%	327,194	95%	137,168	93%	81,651	91%	86,019	87%	80,867	95%
Mark-up / return / interest expensed	(299,634)	-81%	(286,248)	-83%	(106,410)	-72%	(51,775)	-58%	(62,694)	-63%	(54,110)	-64%
Net mark-up / interest income	44,157	12%	40,946	12%	30,758	21%	29,876	33%	23,325	24%	26,757	32%
Non mark-up / interest income	26,689	7%	17,718	5%	10,576	7%	7,904	9%	13,046	13%	3,940	5%
Total income	70,846	19%	58,663	17%	41,335	28%	37,780	42%	36,371	37%	30,696	36%
Non mark-up / interest expenses	(50,398)	-14%	(37,498)	-11%	(27,705)	-19%	(21,014)	-23%	(17,519)	-18%	(14,876)	-18%
Profit before provisions	20,448	6%	21,165	6%	13,630	9%	16,766	19%	18,852	19%	15,820	19%
Provisions and write offs - net	4,117	1%	53	0%	4,878	3%	1,642	2%	(6,862)	-7%	(1,776)	-2%
Profit before taxation	24,565	7%	21,218	6%	18,508	13%	18,408	21%	11,989	12%	14,044	17%
Taxation - net	(11,189)	-3%	(9,879)	-3%	(7,673)	-5%	(5,968)	-7%	(5,046)	-5%	(5,795)	-7%
Profit after taxation	13,375	4%	11,339	3%	10,834	7%	12,440	14%	6,944	7%	8,249	10%

Investments & Advances remained major components of Asset Mix of the Bank. The Bank opted to channelize incremental funds in Risk Free Investments and grow Advances Book in a very careful manner. Accordingly, the mix of Advances-net reduced to 33% in 2024 as against 44% in year 2019. The mix of Investments improved to 56% as against 42% in year 2019.

Owing to Branch Expansion and products diversification, the Bank was able to post a steady growth in Deposits with a CAGR of 19%. As of December 31, 2024, the Mix of Deposits and Borrowings stood at 72% & 17%, respectively.

Markup Income has shown a steady growth with main contribution from income on Advances and Investments. The contribution of markup income constitutes 93% of the total revenue for year 2024. Markup Expense has also increased due to growth in Deposit base and rise in Borrowings/Subordinate Loans. Concentration of Non Markup Income for year 2024 remained at 7% as against 5% during year 2023. The concentration of Non Markup Expense remained at 14% & 11% for the years 2024 & 2023, respectively. The rise in Non-Markup Expenses is in line with Branch Expansion, investment in new technologies and inflationary parameters.

SIX YEARS' HORIZONTAL ANALYSIS

	2024		2023		2022		2021		2020		2019	
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Statement of Financial Position												
ASSETS												
Cash and balances with treasury banks	100,773	0%	100,894	38%	73,203	3%	71,319	3%	69,272	30%	53,415	23%
Balances with other banks	3,261	-61%	8,283	72%	4,814	-45%	8,718	264%	2,398	-77%	10,311	78%
Lendings to financial institutions	14,769	-90%	144,961	108%	69,819	125%	30,980	93%	16,087	296%	4,060	-85%
Investments - net	1,320,916	45%	913,191	43%	638,259	20%	531,683	-6%	567,789	57%	361,453	72%
Advances - net	777,397	-4%	806,387	37%	589,581	22%	484,405	24%	391,161	2%	383,313	0%
Fixed assets	28,555	37%	20,789	14%	18,237	53%	11,940	40%	8,557	-4%	8,877	1%
ROU assets	12,866	4%	12,424	3%	12,102	53%	7,892	26%	6,256	-1%	6,342	100%
Intangible assets	2,472	18%	2,091	18%	1,768	61%	1,101	60%	689	-13%	793	-11%
Deferred tax assets - net	9,051	-12%	10,243	-30%	14,555	6%	13,696	76%	7,774	18%	6,568	-18%
Other assets - net	109,919	-44%	196,916	231%	59,551	69%	35,218	38%	25,465	-25%	33,797	23%
	2,379,979	7%	2,216,180	50%	1,481,890	24%	1,196,952	9%	1,095,446	26%	868,928	22%
LIABILITIES												
Bills payable	7,637	39%	5,508	-13%	6,324	-37%	10,109	143%	4,169	22%	3,421	-4%
Borrowings	409,006	-10%	453,966	462%	80,820	13%	71,323	-54%	154,841	101%	77,045	84%
Deposits and other accounts	1,710,288	12%	1,520,854	24%	1,227,339	22%	1,002,955	20%	835,068	21%	691,017	16%
Lease liabilities	17,101	9%	15,727	10%	14,353	51%	9,480	30%	7,298	9%	6,718	100%
Subordinated debts	30,820	2%	30,205	76%	17,204	121%	7,789	15%	6,792	-23%	8,794	0%
Other liabilities	112,596	3%	109,166	54%	70,798	75%	40,463	16%	35,017	-1%	35,250	31%
	2,287,448	7%	2,135,425	51%	1,416,838	24%	1,142,119	9%	1,043,185	27%	822,245	22%
NET ASSETS												
	92,531	15%	80,755	24%	65,052	19%	54,833	5%	52,262	12%	46,682	24%
REPRESENTED BY												
Share capital - net	32,453	0%	32,453	10%	29,478	13%	26,174	0%	26,174	0%	26,174	0%
Reserves	17,627	18%	14,952	18%	12,684	21%	10,517	31%	8,029	21%	6,640	33%
Surplus on revaluation of assets - net of tax	7,954	335%	1,829	-179%	(2,323)	70%	(1,369)	-123%	5,955	11%	5,371	65%
Unappropriated profit	34,497	9%	31,522	25%	25,213	29%	19,511	61%	12,103	42%	8,497	158%
	92,531	15%	80,755	24%	65,052	19%	54,833	5%	52,262	12%	46,682	24%
Profit & Loss Account												
Mark-up / return / interest earned	343,791	5%	327,194	139%	137,168	68%	81,651	-5%	86,019	6%	80,867	72%
Mark-up / return / interest expensed	(299,634)	5%	(286,248)	169%	(106,410)	106%	(51,775)	-17%	(62,694)	16%	(54,110)	102%
Net mark-up / interest income	44,157	8%	40,946	33%	30,758	3%	29,876	28%	23,325	-13%	26,757	33%
Non mark-up / interest income	26,689	51%	17,718	68%	10,576	34%	7,904	-39%	13,046	231%	3,940	7%
Total income	70,846	21%	58,663	42%	41,335	9%	37,780	4%	36,371	18%	30,696	29%
Non mark-up / interest expenses	(50,398)	34%	(37,498)	35%	(27,705)	32%	(21,014)	20%	(17,519)	18%	(14,876)	17%
Profit before provisions	20,448	-3%	21,165	55%	13,630	-19%	16,766	-11%	18,852	19%	15,820	43%
Provisions and write offs - net	4,117	7678%	53	-99%	4,878	197%	1,642	-124%	(6,862)	286%	(1,776)	-255%
Profit before taxation	24,565	16%	21,218	15%	18,508	1%	18,408	54%	11,989	-15%	14,044	15%
Taxation - net	(11,189)	13%	(9,879)	29%	(7,673)	29%	(5,968)	18%	(5,046)	-13%	(5,795)	25%
Profit after taxation	13,375	18%	11,339	5%	10,834	-13%	12,440	79%	6,944	-16%	8,249	9%

Bank's Asset Base has registered consistent growth during 2019-2024 and it crossed Rs. 2.0 Trillion mark in 2023. During year 2024, Total Assets registered growth of 7% while CAGR for 2019-24 remained at 22%.

Deposits also grew at a steady rate with a CAGR of 19%. Highest growth of 24% was registered in year 2023. During the period 2019-2024, 324 Branches were opened by the Bank.

Owing to consistent growth in profitability, the Equity registered a steady growth. The YOY growth for year 2024 remained at 15%. On profitability side, Markup Income of the Bank registered a CAGR of 39% during 2019-2024. The main components were Markup earned on Advances & Investments. In line with Bank's strategy to grow Advances portfolio cautiously and divert incremental funds towards investment in risk free Government Securities, the major contribution came from Markup Income on Investments.

Markup Expense also registered a CAGR of 49% due to above stated growth in Deposits. It also includes impact of change in Minimum Profit Rates on PLS Deposits in line with change in SBP Policy Rate. The Cost of Deposits was effectively managed by the Bank through focus on low cost CASA Deposits.

Non Markup Income registered as CAGR of 39% during 2019-2024. The main contribution was made by Capital Gains realized on Securities during different years. The Fee Based Income also registered as steady growth. Non-Markup Expenses registered a CAGR of 26%. The rise is mainly on account of personnel/property expenses in line with expansion in Branch network (324 Branches added), inflation and investment in new technologies.

Provision Reversal for year 2024 stood at Rs. (4.12) Billion as against Provision Reversal of Rs. (0.05) Billion during year 2023. The Charge of Rs. 6.9 Billion for year 2020 includes General Provision of Rs. 3.3 Billion and Specific Provision of Rs. 1.7 Billion on subjective basis. The Bank is fully compliant with the provisioning requirements under prudential regulations of SBP and IFRS-9.

SIX YEARS' FINANCIAL PERFORMANCE

FINANCIAL RATIOS 2019-2024

	2024	2023	2022	2021	2020	2019	
	Rupees in million						
Profit and loss account							
Mark-up/ return earned	343,791	327,194	137,168	81,651	86,019	80,867	
Mark-up/ return expensed	299,634	286,248	106,410	51,775	62,694	54,110	
Net interest margin	44,157	40,946	30,758	29,876	23,325	26,757	
Fee, Commission, brokerage, FX and other income	13,425	11,895	9,525	5,741	4,442	3,614	
Dividend and capital gains	13,264	5,823	1,051	2,162	8,603	325	
Total income	70,846	58,663	41,335	37,780	36,371	30,696	
Total Non markup expenses	50,398	37,498	27,705	21,014	17,519	14,876	
Operating profit before tax and provision	20,448	21,165	13,630	16,766	18,852	15,820	
WWF	491	324	289	363	335	285	
Admin expenses	49,900	37,120	27,374	20,637	16,880	14,453	
Provisions / write-offs	(4,117)	(53)	(4,878)	(1,642)	6,862	1,776	
Profit before tax	24,565	21,218	18,508	18,408	11,989	14,044	
Profit after tax	13,375	11,339	10,834	12,440	6,944	8,249	
Cash / stock dividend *	5,889	3,272	2,974	3,305	2,644	1,983	
Included dividends accounted after year end							
Statement of Financial Position							
Authorised capital	50,000	50,000	50,000	50,000	50,000	50,000	
Paid up capital - net	32,453	32,453	29,478	26,174	26,174	26,174	
Reserves	17,627	14,952	12,684	10,517	8,029	6,640	
Unappropriated Profit	34,497	31,522	25,213	19,511	12,103	8,497	
Shareholder's equity	84,577	78,926	67,375	56,202	46,306	41,311	
Surplus on revaluation of assets - net of tax	7,954	1,829	(2,323)	(1,369)	5,955	5,371	
Total Assets	2,379,979	2,216,180	1,481,890	1,196,952	1,095,446	868,928	
Earning Assets	2,117,206	1,868,086	1,297,199	1,054,108	972,981	747,797	
Gross Advances	827,443	849,510	634,376	534,163	442,760	428,846	
Advances - net of provisions	777,397	806,387	589,581	484,405	391,161	383,313	
Non-Performing Loans (NPLs)	53,544	50,880	51,561	52,032	57,251	51,363	
Investments	1,320,916	913,191	638,259	531,683	567,789	361,453	
Total Liabilities	2,287,448	2,135,425	1,416,838	1,142,119	1,043,185	822,245	
Deposits	1,710,288	1,520,854	1,227,339	1,002,955	835,068	691,017	
Current & Saving Deposits (CASA)	1,048,204	971,413	794,236	643,842	545,920	471,581	
Borrowings	409,006	453,966	80,820	71,323	154,841	77,045	
Interest bearing Liabilities	1,447,183	1,285,253	722,736	596,619	583,269	426,088	
Contingencies and Commitments	512,546	542,766	501,638	469,024	213,750	195,225	
Profitability ratios							
Profit before tax ratio	%	7.15%	6.48%	13.49%	22.54%	13.94%	17.37%
Gross Yield on Average Earning Assets	%	17.25%	20.67%	11.67%	8.06%	10.00%	11.85%
Gross Yield on Avg. Earning Assets (incl. dividend & capital gains)	%	17.92%	21.04%	11.76%	8.27%	11.00%	11.90%
Gross Spread	%	12.84%	12.51%	22.42%	36.59%	27.12%	33.09%
Net markup/ interest margin	%	1.86%	1.85%	2.08%	2.50%	2.13%	3.08%

		2024	2023	2022	2021	2020	2019
Rupees in million							
Non interest income to total income	%	7.20%	5.14%	7.16%	8.83%	13.17%	4.65%
Return on average equity (ROE)	%	16.36%	15.50%	17.53%	24.27%	15.85%	21.77%
Return on average assets (ROA)	%	0.58%	0.61%	0.81%	1.09%	0.71%	1.04%
Return on average investment (ROI)	%	1.20%	1.46%	1.85%	2.26%	1.49%	2.89%
Return on Capital Employed (ROCE)	%	16.36%	15.50%	17.53%	24.27%	15.85%	21.77%
Interest Ratio	%	87.16%	87.49%	77.58%	63.41%	72.88%	66.91%
Non markup/ interest income to total assets	%	1.12%	0.80%	0.71%	0.66%	1.19%	0.45%
Net markup/ interest income(after provision)to total assets	%	2.03%	1.85%	2.40%	2.63%	1.50%	2.87%
Markup/interest expense to markup/interest income	%	87.16%	87.49%	77.58%	63.41%	72.88%	66.91%
Admin expense to profit before tax	Times	2.03	1.75	1.48	1.12	1.41	1.03
Operating Expense Ratio	Times	2.05	1.77	1.50	1.14	1.46	1.06
Gain Ratio	%	16.60%	8.96%	0.83%	4.73%	23.28%	0.72%
Net investment in Finance Lease to Total Assets	%	2.80%	2.13%	2.63%	3.11%	2.87%	3.80%
Admin Exp to Profit before Tax	%	203.14%	174.94%	147.91%	112.11%	140.79%	102.91%
Non-markup/ interest expense to total income	%	13.60%	10.87%	18.75%	23.46%	17.68%	17.54%
Admin expense to non- markup income	Times	1.87	2.10	2.59	2.61	1.29	3.67
Cost to income ratio	%	71.14%	63.92%	67.03%	55.62%	48.17%	48.46%
Cost to income ratio (excluding WWF)	%	70.44%	63.37%	66.33%	54.66%	47.25%	47.53%
Cost to income ratio (adjusted)	%	60.76%	63.37%	66.33%	54.66%	47.25%	47.53%
Shareholder funds	%	3.55%	3.56%	4.55%	4.70%	4.23%	4.75%
Total shareholder return	%	17.00%	15.95%	17.40%	22.65%	15.96%	22.40%
Return on shareholder funds	%	17.00%	15.95%	17.40%	22.65%	15.96%	22.40%
Investment ratios / Market ratios							
Earnings per share (before tax)	Rs	751	649	566	619	454	531
Earnings per share (after tax)	Rs	409	347	331	418	263	312
Breakup value per share / Net assets per share:							
- without surplus on revaluation of fixed assets & investments	Rs	25.852	24.125	22.654	21.259	17.516	15.626
- without surplus on revaluation of fixed assets	Rs	26.442	23.461	20.391	19.307	19.051	16.934
- Including Investment in Related Party at market value							
and also with Surplus on Revaluation of fixed assets	Rs	27.973	25.578	24.502	23.179	18.658	16.816
- with surplus on revaluation of fixed assets & investments	Rs	28.283	24.684	21.872	20.741	19.768	17.658
Cash / stock Dividend	%	18.00%	10.00%	10.00%	12.50%	10.00%	7.50%
Dividend per share	%	1.8	1	1	1.25	1	0.75
Dividend Yield ratio	%	30.11%	23.23%	16.00%	14.67%	10.19%	6.89%
Dividend Payout ratio	%	44.03%	28.85%	30.20%	29.88%	38.07%	24.04%
Price to book value ratio	Times	0.38	0.26	0.21	0.41	0.46	0.64
Price to earning ratio	Times	1.46	1.24	1.89	2.04	3.74	3.49
Dividend cover ratio	Times	2.27	3.47	3.31	3.35	2.63	4.16
Share Information							
Market value per share - Dec 31	Rs	10.81	6.48	4.57	8.47	9.14	11.33
High - during the year	Rs	11.03	8.20	8.80	10	14.33	14.57
Low - during the year	Rs	4.59	3.17	4.45	7.61	6.52	6.97

SIX YEARS' FINANCIAL PERFORMANCE

FINANCIAL RATIOS 2019-2024

		2024	2023	2022	2021	2020	2019
		Rupees in million					
Market Capitalisation	Rs in million	35,366	21,200	13,592	22,392	24,163	29,953
Asset Quality and Liquidity ratios							
Gross Advances to deposits ratio / Credit - Deposit ratio	%	48.38%	55.86%	51.69%	53.26%	53.02%	62.06%
Gross Advances to deposits & borrowings ratio	%	39.04%	43.02%	48.49%	49.72%	44.73%	55.83%
Net Advances to deposits ratio	%	45.45%	53.02%	48.04%	48.30%	46.84%	55.47%
Investments to deposits ratio	%	77.23%	60.04%	52.00%	53.01%	67.99%	52.31%
Cost of Funds	%	15.72%	15.95%	8.89%	5.16%	7.09%	7.93%
Weighted Average Cost of Deposits	%	15.24%	14.78%	8.87%	5.12%	7.04%	7.68%
Cash flow coverage ratio	Times	1.50	1.24	1.40	(0.57)	3.77	3.80
CASA to total deposits	%	61.29%	63.87%	64.71%	64.19%	65.37%	68.24%
Advances net to total assets	%	32.66%	36.39%	39.79%	40.47%	35.71%	44.11%
NPLs to Gross advances ratio	%	6.47%	5.99%	8.13%	9.74%	12.93%	11.98%
Provision to Gross advances ratio	%	6.05%	5.08%	7.06%	9.32%	11.65%	10.62%
NPLs to Shareholders Equity	%	63.31%	64.47%	76.53%	92.58%	123.64%	124.33%
Coverage Ratio (specific provision/ NPLs)	%	83.53%	83.39%	85.68%	89.76%	83.58%	87.84%
Coverage Ratio (total provision/ NPLs)	%	93.47%	84.75%	86.88%	95.63%	90.13%	88.65%
Earning assets to total assets ratio	%	88.96%	84.29%	87.54%	88.07%	88.82%	86.06%
Investment to deposit ratio	%	77.23%	60.04%	52.00%	53.01%	67.99%	52.31%
Investments to total assets ratio	%	55.50%	41.21%	43.07%	44.42%	51.83%	41.60%
Cash & Cash Equivalents to Total Assets	%	4.35%	4.92%	5.26%	6.69%	6.54%	7.32%
Cash to Current Liabilities	%	4.82%	5.38%	6.02%	7.70%	7.24%	8.16%
Deposits to total assets	%	71.86%	68.63%	82.82%	83.79%	76.23%	79.53%
NPLs write off to NPLs provisions	%	-7.70%	-3.35%	-11.08%	-3.70%	11.76%	3.63%
Total liabilities to total assets	%	96.11%	96.36%	95.61%	95.42%	95.23%	94.63%
Commitments & contingencies to total equity	Times	6.06	6.88	7.45	8.35	4.62	4.73
Earning assets to interest bearing Liabilities	Times	1.46	1.45	1.79	1.77	1.67	1.76
Deposits to shareholder equity	Times	20.22	19.27	18.22	17.85	18.03	16.73
Net interest income as percentage of working funds	%	2.22%	2.59%	2.62%	2.95%	2.71%	3.92%
Non interest income as percentage of working funds	%	1.34%	1.12%	0.90%	0.78%	1.52%	0.58%
Assets to Equity	Times	25.72	27.44	22.78	21.83	20.96	18.61
Current / Quick Ratio	Times	1.09	1.08	1.11	1.12	1.08	1.08
Efficiency ratio	%	67.47%	62.38%	59.84%	53.04%	57.81%	51.22%
Cash reserve ratio	%	3.94%	4.15%	3.62%	4.38%	4.20%	3.89%
Liquid assets to total assets ratio	%	60.18%	45.40%	47.32%	49.89%	57.02%	48.08%
Gross non performing assets to gross advances	%	6.96%	6.62%	9.33%	11.09%	14.65%	13.64%
Gross non performing assets to gross advances & investments	%	2.68%	3.17%	4.59%	5.48%	6.42%	7.40%
Non-Performing loans to Total Loans	%	6.47%	5.99%	8.13%	9.74%	12.93%	11.98%
Debt to equity ratio (as per market value)	Times	0.32	0.43	0.35	0.15	0.14	0.17
Debt to equity ratio (as per book value)	Times	0.33	0.37	0.26	0.14	0.13	0.19

		2024	2023	2022	2021	2020	2019
		Rupees in million					
Statutory liquidity reserve ratio	%	79.09%	60.49%	52.41%	52.69%	68.53%	52.88%
Risk Adequacy							
Tier I Capital	Rs in million	96,392	86,194	61,876	43,994	41,937	37,926
Total Eligible Capital	Rs in million	121,222	102,678	68,272	53,333	57,207	49,669
Risk Weighted Assets (RWA)	Rs in million	676,180	558,951	520,751	434,510	352,514	335,542
Tier I to RWA	%	14.26%	15.42%	11.88%	10.12%	11.90%	11.30%
Common equity tier 1 capital adequacy ratio	%	12.49%	13.29%	10.34%	10.12%	11.90%	11.30%
RWA to total assets	%	28.41%	25.22%	35.14%	36.30%	32.18%	38.62%
Capital Adequacy Ratio	%	17.93%	18.37%	13.11%	12.27%	16.23%	14.80%
Net Return on Average RWA	%	2.17%	2.10%	2.27%	3.16%	2.02%	2.62%
Capital ratio	%	3.55%	3.56%	4.55%	4.70%	4.23%	4.75%
DuPont Analysis							
Net Operating Margin		18.88%	19.33%	26.21%	32.93%	19.09%	26.87%
Asset Utilization		3.08%	3.17%	3.09%	3.30%	3.70%	3.88%
Leverage Ratio / Equity Multiplier		26.52	25.36	22.35	21.41	19.85	18.76
Industry Share							
Deposits	%	6.22%	5.22%	5.23%	4.27%	3.84%	3.73%
Advances	%	6.66%	6.62%	4.99%	4.10%	3.87%	4.62%
Investments	%	5.68%	3.51%	3.47%	2.89%	3.90%	3.03%
Total assets	%	5.51%	4.78%	4.14%	3.34%	3.64%	3.46%
Market Capitalisation	Rs in million	35,366	21,200	13,592	22,392	24,163	29,953

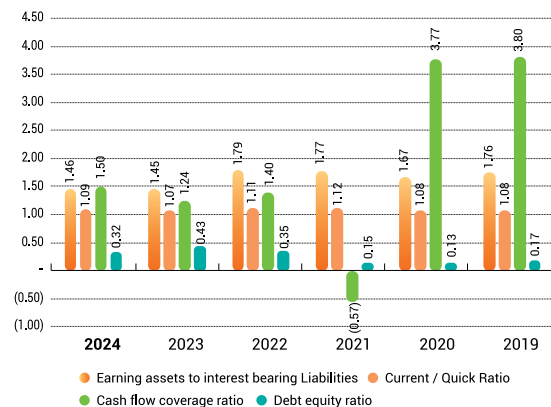
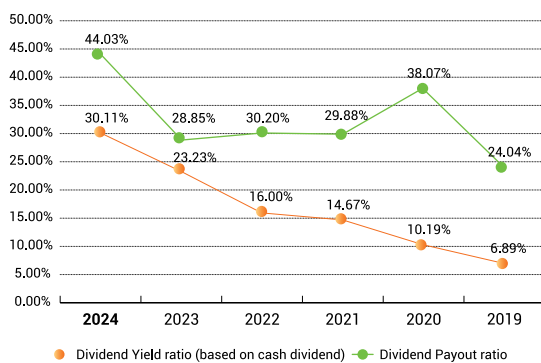
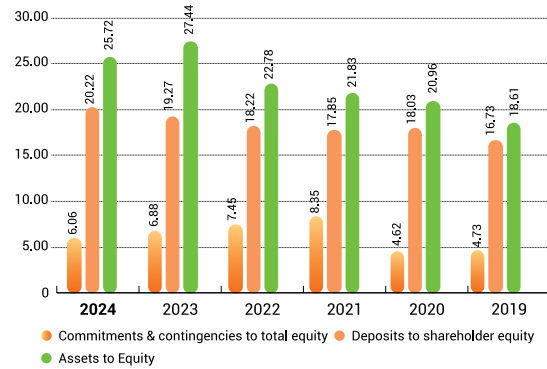
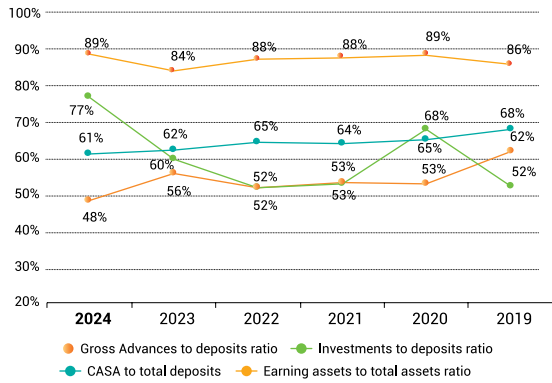
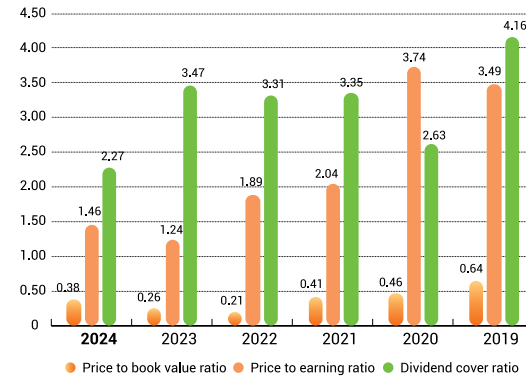
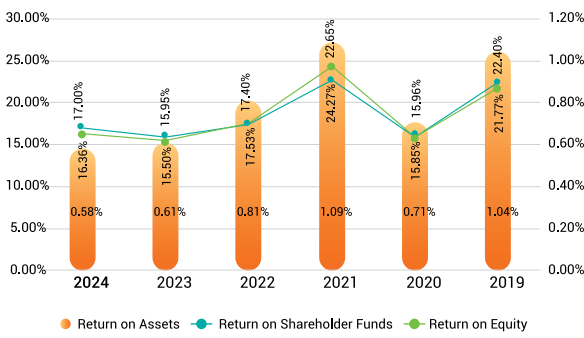
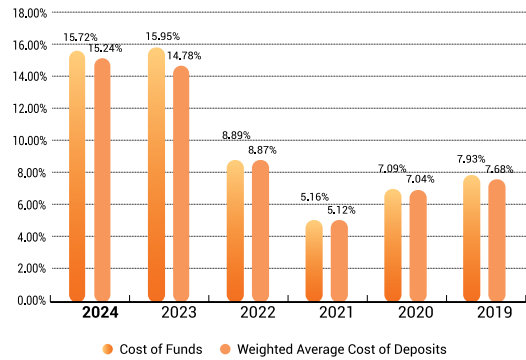
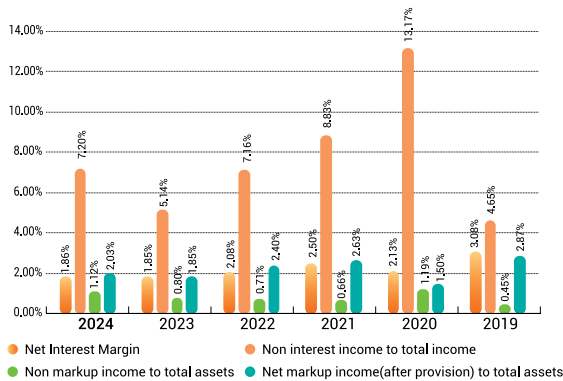
* based on available economic data released by SBP

QUALITATIVE PERFORMANCE ANALYSIS

		2024	2023	2022	2021	2020	2019
		Rupees in million					
Per Branch							
Gross Advances	Rs. In million	919.38	1,042.34	813.30	806.89	696.16	687.25
Deposits	Rs. In million	1,900.32	1,866.08	1,573.51	1,515.04	1,313.00	1,107.40
CASA	Rs. In million	1,164.67	1,162.52	1,018.25	972.57	858.36	755.74
PBT	Rs. In million	27	13.91	13.89	18.79	10.92	13.22
Others							
No. of accounts	No.	7,279,954	4,204,103	3,664,821	3,014,462	2,673,992	2,635,985
No. of branches	No.	900	815	780	662	636	624
No. of permanent employees	No.	12,333	11,420	11,093	9,358	7,930	6,620
Staff turnover ratio	%	12.48%	10.81%	9.80%	8.18%	6.47%	9.18%
Customer satisfaction index	%	41%	45%	58%	20%	0%	0%
Employee productivity rate							
Deposits per employee	Rs in million	116.70	111.34	94.07	89.10	83.78	71.68
Advances per employee	Rs in million	53.04	59.04	45.19	43.03	39.25	39.76
PBT per employee	Rs in million	1.68	1.55	1.42	1.64	1.20	1.46
Digital Banking							
No. of ATMs	No.	889	794	706	647	588	557
No. of Debit cards / smart cards issued during the year	No.	485,964	347,065	294,992	381,267	196,814	172,454
Internet Banking							
No. of customers	No.	61,621	43,296	31,356	-	-	-
No. of transactions	No.	136,195	142,145	89,999	-	-	-
Volume of transactions	Rs in million	4,178	4,086	2,622	-	-	-
Mobile Banking							
No. of customers	No.	61,621	493,642	410,286	337,803	268,178	144,600
No. of transactions - financial	No.	19,002,393	12,055,406	7,906,404	5,404,907	3,113,437	1,231,952
Volume of transactions	Rs in million	502,760	310,421	187,551	119,747	64,289	24,766
Credit Cards							
No. of new issuance	No.	28,096	11,704	94	-	-	-
No. of customers	No.	37,126	15,525	5,855	-	-	-
Total spend (transaction volume)	Rs in million	14,995	3,781	306	-	-	-
Auto Loan							
No. of loans disbursed	No.	11,969	1,158	2,375	4,703	2,944	3,361
Outstanding volume	Rs in million	17,370	17,524	21,722	22,696	17,472	13,432
Home Loan							
No. of loans disbursed	No.	45	182	952	684	24	24
Outstanding volume	Rs in million	6,716	7,087	7,533	3,687	655	655
Personal Loan							
No. of loans disbursed	No.	126,513	69,381	53,200	32,540	29,150	29,150
Outstanding volume	Rs in million	14,398	11,574	10,633	9,635	8,191	8,191

		2024	2023	2022	2021	2020	2019
		Rupees in million					
Bancassurance							
No. of customers	No.	37,744	30,250	24,879	20,341	16,876	16,579
No. of new customers	No.	7,494	5,371	4,538	3,465	297	4,393
No. of policies	No.	9,407	9,021	4,927	3,863	349	5,518
Bancassurance premium	Rs in million	607	548	275	203	18	260
Trade							
Imports - volume	Rs in million	327,711	386,696	382,296	310,404	146,235	160,376
Exports - volume	Rs in million	472,956	343,819	250,131	207,337	156,693	209,393
Home Remittance							
Volume of home remittance	USD in million	394	819	940	1,019	809	735
Volume of home remittance	Rs in million	109,693	105,908	165,535	165,597	135,865	110,442
Home remittance BOP market share	%	110%	311%	3.20%	3.30%	3.10%	3.30%
Cash Management							
throughput of cash management	Rs	807,341	274,025	216,638	116,809	93,398	-

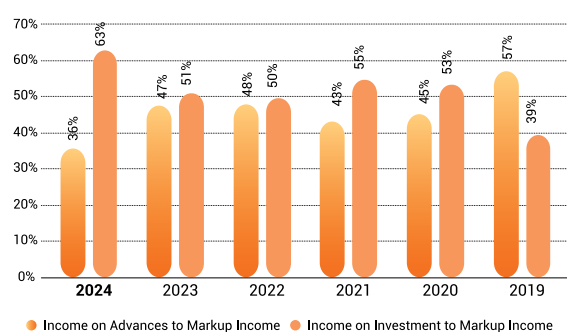
SIX YEARS' - GRAPHICAL PRESENTATION



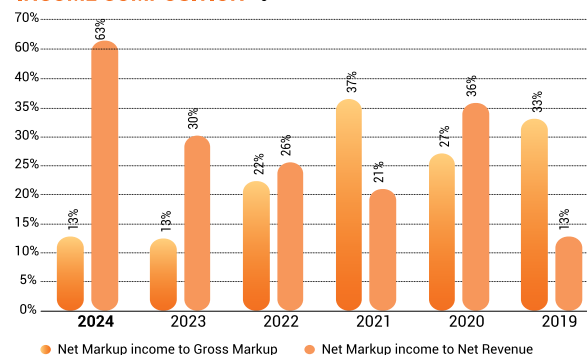
MARKUP & NON MARKUP INCOME

	2024	2023	2022	2021	2020	2019
Rupees in million						
Markup earned						
Mark-up Earned on Advances	122,553	155,223	65,667	35,135	38,860	46,190
Mark-up Earned on Investments	215,720	166,747	68,065	44,717	45,754	31,815
Mark-up Earned on lendings	4,810	4,716	3,141	1,763	1,365	2,705
Mark-up Earned on Balances with Banks	707	506	295	37	41	157
	343,791	327,194	137,168	81,651	86,019	80,867
Markup Expensed						
Mark-up expensed on deposits	230,515	190,752	90,692	43,955	52,483	46,984
Mark-up expensed on borrowings	60,151	87,918	12,358	6,168	8,411	5,237
Mark-up expensed on subordinated debts	6,782	5,638	1,863	604	862	1,110
Mark-up expensed on lease liability	2,187	1,940	1,496	1,048	937	779
	299,634	286,248	106,410	51,775	62,694	54,110
Non Markup income						
Fee and commission income	11,374	7,429	7,332	5,103	3,732	3,530
Dividend income	354	568	708	377	137	104
Foreign exchange income	857	298	1,887	577	328	11
Net gain on derecognition of financial assets at AC	1,148	-	-	-	-	-
Gain on securities - net	11,763	5,255	343	1,786	8,466	222
Other income - net	1,193	4,168	306	61	382	73
	26,689	17,718	10,576	7,904	13,046	3,940

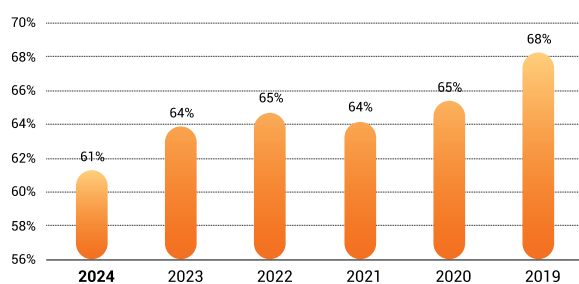
MARKUP INCOME FROM ADVANCES AND INVESTMENT %



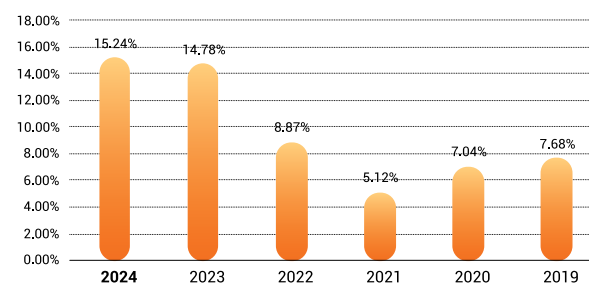
INCOME COMPOSITION %



CASA MIX %



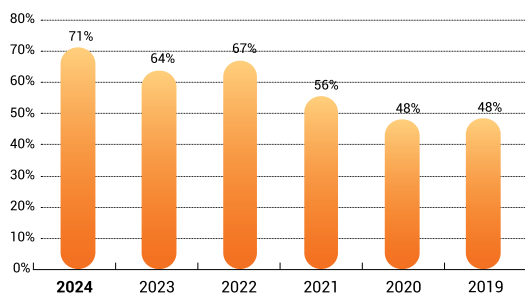
COST OF DEPOSITS %



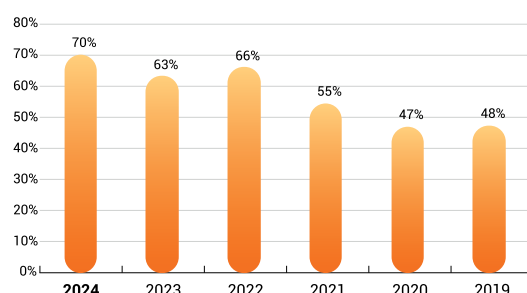
SIX YEARS' OPERATING EXPENSES

	2024	2023	2022	2021	2020	2019
Rupees in million						
Administrative Expenses	49900	37120	27374	20637	16880	14453
Total compensation expense						
Compensation expense	24,381	20,033	14,320	10,631	8,734	7,213
IFRS-09 Adjustment for staff loans - notional	3,490	-	-	-	-	-
	27,871	20,033	14,320	10,631	8,734	7,213
Property Expense						
Rent and taxes	69	39	17	22	39	71
Insurance	17	14	10	17	18	19
Utilities cost	2,081	1,515	1,136	797	664	637
Depreciation	913	774	527	523	589	528
Amortization on ROU asset	1,957	1,731	1,297	991	891	876
Others	254	127	87	50	45	24
	5,291	4,200	3,074	2,400	2,247	2,154
Information technology expenses						
Software maintenance	1,519	1,168	597	513	473	376
Hardware maintenance	92	73	71	55	82	107
Depreciation	871	543	425	348	285	230
Amortization	411	342	144	208	198	174
Network Charges	563	522	493	424	355	331
	3,456	2,648	1,730	1,547	1,393	1,219
Other operating expenses						
Directors' fees and allowances	65	36	58	42	35	9
Legal & professional charges	413	267	222	227	113	105
Subscription charges	79	38	32	39	31	16
Outsourced services costs	1,031	790	580	438	367	236
Travelling & conveyance	403	498	1,738	837	561	584
Vehicle running expenses	107	-	-	-	-	-
NIFT clearing charges	107	113	77	68	69	59
Depreciation owned assets	749	596	456	364	307	291
Depreciation NBAs	23	22	33	49	59	74
Depreciation Ijarah assets	353	187	135	119	163	238
Training & development	137	159	148	67	26	37
Postage & courier charges	359	290	246	158	221	144
Stationery & printing	870	600	389	409	265	230
Marketing, advertisement & publicity	659	683	562	650	356	103
Donations	-	-	30	-	10	1
Auditors Remuneration	19	17	13	12	11	12
Insurance expense	310	296	249	245	144	140
Deposit protection fee	749	581	509	443	352	337
Repair & Maintenance	810	529	411	294	180	158
Entertainment	316	291	215	151	112	95
Fuel charges - Generator	221	299	244	100	86	108
Commission and Brokerage	487	315	323	274	244	141
Bank charges	62	48	43	36	42	63
SMS Banking Charges	731	521	177	41	48	39
ATM Charges	2,485	1,637	357	274	174	140
Credit Card Charges	179	19	10	-	-	-
Acquiring business charges	17	-	-	-	-	-
Cash remittance & maintenance charges	731	644	389	270	200	181
Branch License fee	39	33	28	28	17	15
ECIB and CNIC verification charged	384	308	250	204	71	71
Others	388	422	328	224	242	240
	13,282	10,239	8,250	6,059	4,506	3,867
Operating expenses excluding compensation	22,029	17,087	13,053	10,006	8,146	7,240
Total operating expenses	49,900	37,120	27,374	20,637	16,880	14,453

COST TO INCOME RATIO %



COST TO INCOME RATIO (EXCLUDING WWF) %



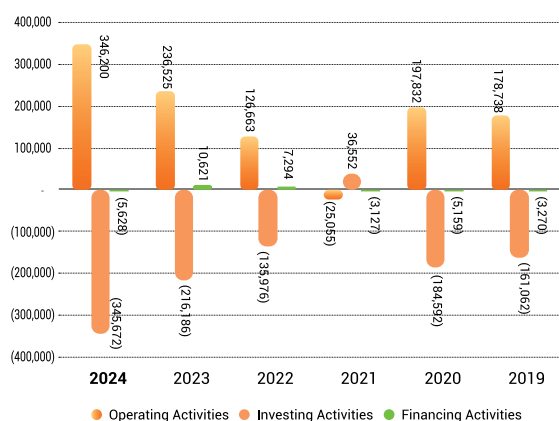
FREE CASH FLOWS

	2024	2023	2022	2021	2020	2019
Rupees in million						
Summary of Cash flows						
Cash flows from operating activities	346,200	236,525	126,663	(25,055)	197,832	178,738
Cash flows from investing activities	(345,672)	(216,186)	(135,976)	36,552	(184,592)	(161,062)
Cash flows from financing activities	(5,628)	10,621	7,294	(3,127)	(5,159)	(3,270)
Cash and cash equivalents at beginning of the year	108,978	78,018	80,036	71,667	63,586	49,181
Cash and cash equivalents at end of the year	103,413	108,978	78,018	80,036	71,667	63,586
Free Cash Flows						
Profit before taxation	24,565	21,218	18,508	18,408	11,989	14,044
Dividend income	(354)	(568)	(708)	(377)	(137)	(104)
Payment made to gratuity fund	(691)	(171)	(268)	(268)	-	-
Income tax paid	(11,058)	(7,640)	(5,003)	(6,194)	(4,851)	(3,974)
Adjustment for non-cash items	(63,517)	(10,166)	(5,302)	(659)	(1,340)	2,268
Operating assets/ liabilities changes	397,255	233,852	119,437	(35,966)	192,170	166,503
Net cash generated from operating activities	346,200	236,525	126,663	(25,055)	197,832	178,738
Capital expenditure	(6,586)	(5,140)	(4,648)	(2,461)	(1,162)	(1,102)
Free cash flows	339,615	231,385	122,015	(27,517)	196,670	177,635

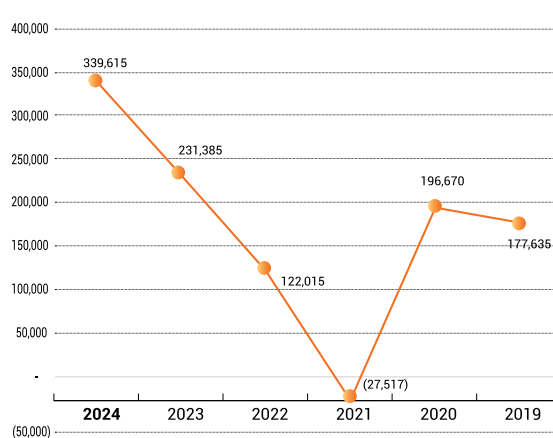
Summary of Cash Flows

Cash Flow from operating activities mainly represent the core activity of the Bank i.e. mobilization of Deposits. Since 2019, Deposits of the Bank have been growing at a consistent trend with a CAGR of 19%. During year 2024, there was net inflow of Rs. 189 Billion from Deposits, while a net outflow of Rs. 45 Billion in Borrowings was observed. Further, there was net inflow of Rs. 12 billion due to slight reduction in Advances portfolio. The major deployment under investing activities was on account of investment in Securities classified as FVPTL/HFT. During year 2024, net outflow of Rs. 3.27 Billion was recorded on account of Dividend Payment.

CASH FLOWS



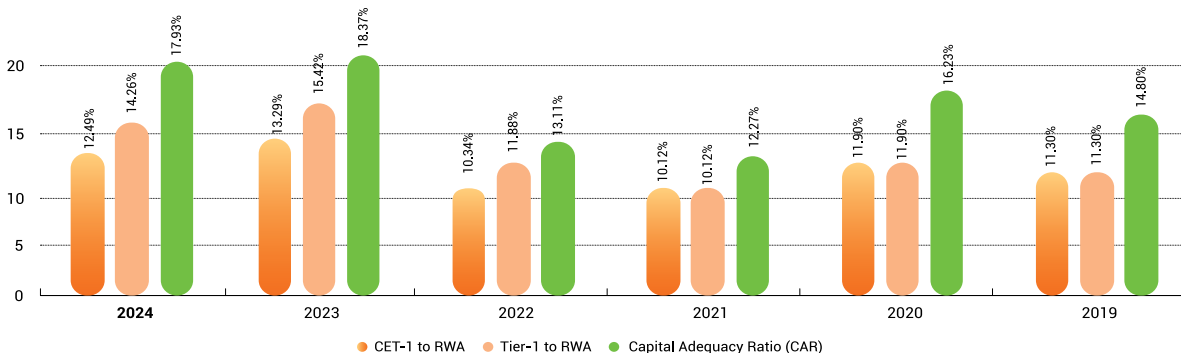
FREE CASH FLOWS



ANALYSIS OF CAPITAL ADEQUACY RATIO

	2024	2023	2022	2021	2020	2019
Rupees in million						
Capital Structure						
Tier 1 Capital						
Shareholders Equity/Assigned Capital	32,453	32,453	29,478	26,174	26,174	26,174
Share Premium	2,215	2,215	2,215	2,215	2,215	2,215
Reserves	15,412	12,737	10,469	5,814	5,814	4,425
Unappropriated Profits	37,335	31,522	25,212	21,999	12,103	8,497
ADT 1 capital	11,968	11,918	8,018	-	-	-
	99,382	90,844	75,392	56,202	46,306	41,311
Deductions:						
Book value of intangible and advances given for intangible assets	2,472	2,091	1,768	-	-	-
Other Deductions	518	2,559	11,748	12,208	4,370	3,385
	2,990	4,650	13,516	12,208	4,370	3,385
Total Tier 1 Capital	96,392	86,194	61,876	43,994	41,937	37,926
Tier 2 Capital						
Qualifying Tier 2 Instruments	17,137	14,716	5,786	6,289	6,792	7,194
General Provision subject to 125% of Total Risk Weighted Assets	657	696	615	3,054	3,748	413
Revaluation Reserves	7,037	1,073	-	-	4,831	4,140
	24,831	16,485	6,401	9,343	15,371	11,747
Deductions:						
Other deductions	-	-	5	4	5	5
Tier 2 un recognized	-	-	-	-	96	-
Total Tier 2 Capital	24,831	16,485	6,396	9,339	15,270	11,742
Total Regulatory Capital Base	121,222	102,678	68,272	53,333	57,207	49,669
Risk Weighted Assets						
Credit Risk	514,265	441,962	430,946	352,126	289,144	286,448
Market Risk	66,256	35,477	19,124	18,193	6,871	3,382
Operational Risk	95,658	81,512	70,681	64,191	56,498	45,712
Total RWA	676,180	558,951	520,751	434,510	352,514	335,542
Capital Adequacy Ratio						
Total Eligible Regulatory Capital Held	121,222	102,678	68,272	53,333	57,207	49,669
Total Risk Weighted Assets	676,180	558,951	520,751	434,510	352,514	335,542
Capital Adequacy Ratio	17.93%	18.37%	13.11%	12.27%	16.23%	14.80%

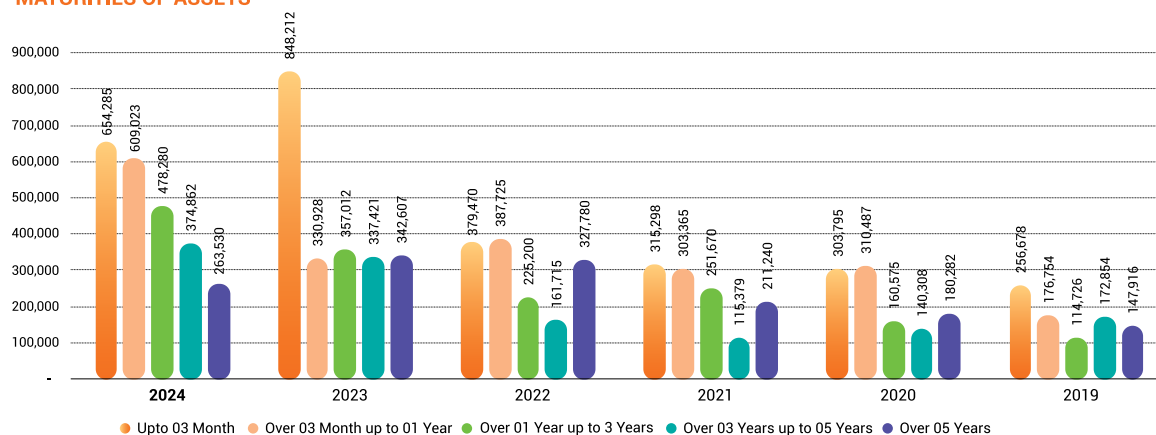
CAPITAL ADEQUACY RATIO



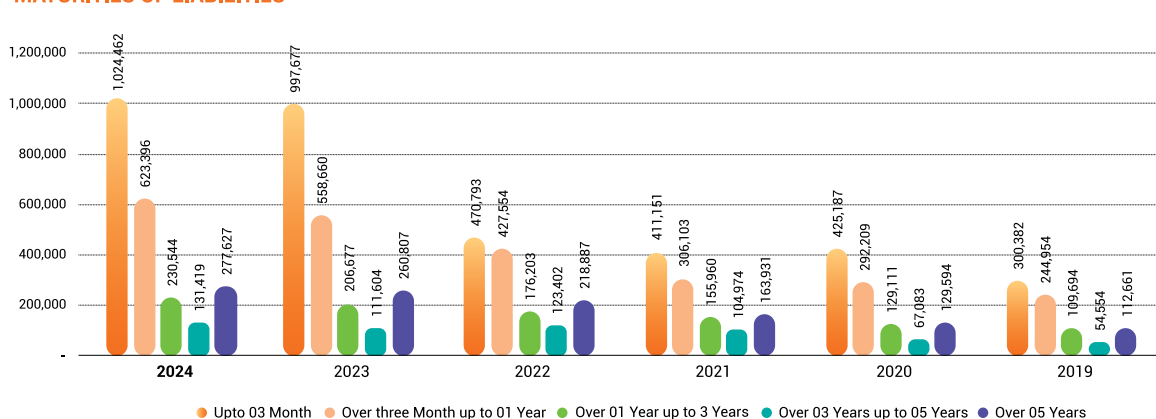
SIX YEARS MATURITIES (EXPECTED) OF ASSETS & LIABILITIES

	2024	2023	2022	2021	2020	2019
Rupees in million						
Six Years Maturities of Assets						
Upto 03 Month	654,285	848,212	379,470	315,298	303,795	256,678
Over 03 Months up to 01 Year	609,023	330,928	387,725	303,365	310,487	176,754
Over 01 Year up to 3 Years	478,280	357,012	225,200	251,670	160,575	114,726
Over 03 Years up to 05 Years	374,862	337,421	161,715	115,379	140,308	172,854
Over 05 Years	263,530	342,607	327,780	211,240	180,282	147,916
Six Years Maturities of Liabilities						
Upto 03 Month	1,024,462	997,677	470,792	411,151	425,187	300,382
Over three Month up to 01 Year	623,396	558,660	427,554	306,103	292,209	244,954
Over 01 Year up to 3 Years	230,544	206,677	176,203	155,960	129,111	109,694
Over 03 Years up to 05 Years	131,419	111,604	123,402	104,974	67,083	54,554
Over 05 Years	277,627	260,806	218,887	163,931	129,594	112,661

MATURITIES OF ASSETS



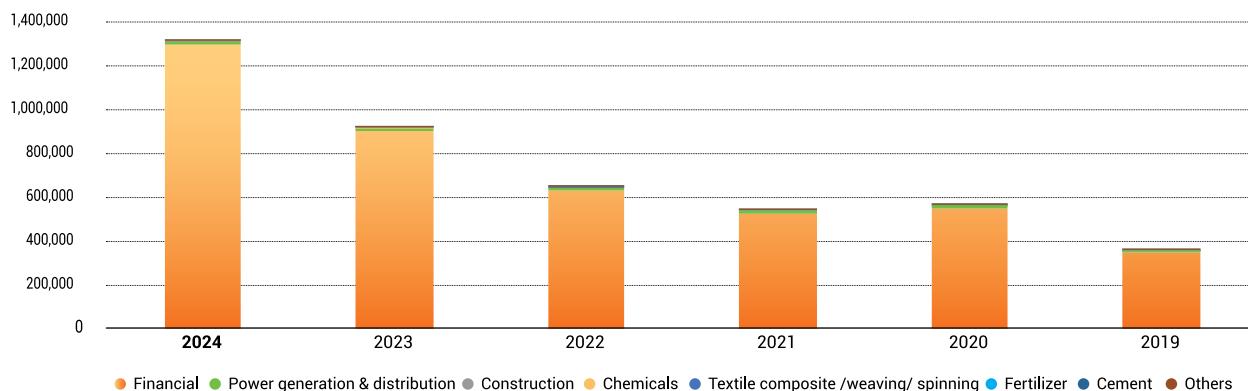
MATURITIES OF LIABILITIES



SIX YEARS CONCENTRATION OF ASSETS & LIABILITIES

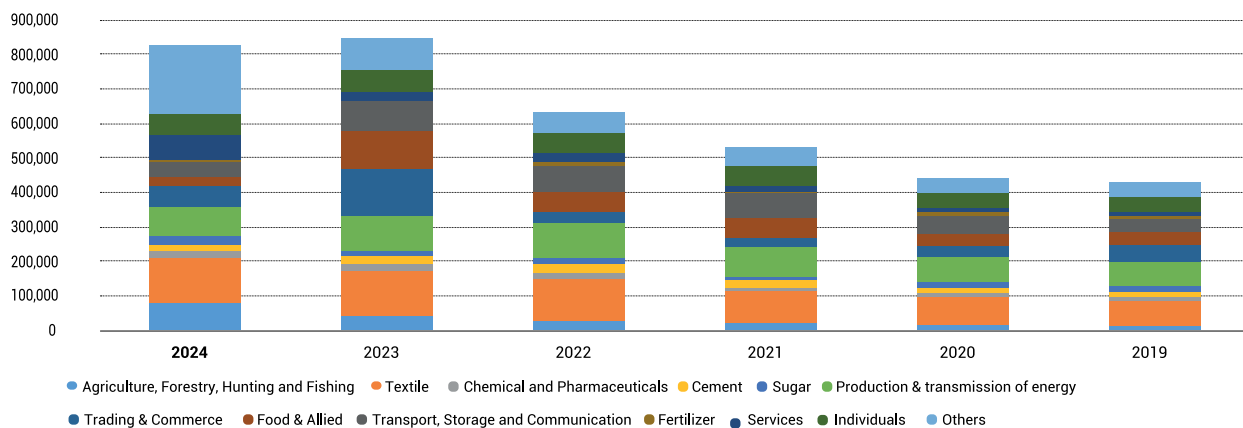
	2024	2023	2022	2021	2020	2019
Rupees in million						
Investments at cost						
Cement	-	190	1,322	1,563	218	180
Chemicals	270	3,172	2,378	1,945	1,884	1,551
Construction	3,123	3,211	2,611	47	47	47
Fertilizer	847	816	851	2,850	2,665	2,617
Financial	1,299,698	900,824	629,195	521,554	545,593	349,960
Power generation & distribution	9,555	10,034	10,582	11,744	11,938	3,848
Textile composite /weaving/ spinning	438	986	1,674	1,252	849	689
Others	4,444	3,370	8,190	5,385	4,160	2,834
	1,318,375	922,602	656,803	546,340	567,353	361,727

SIX YEARS CONCENTRATION OF INVESTMENTS (AT COST)



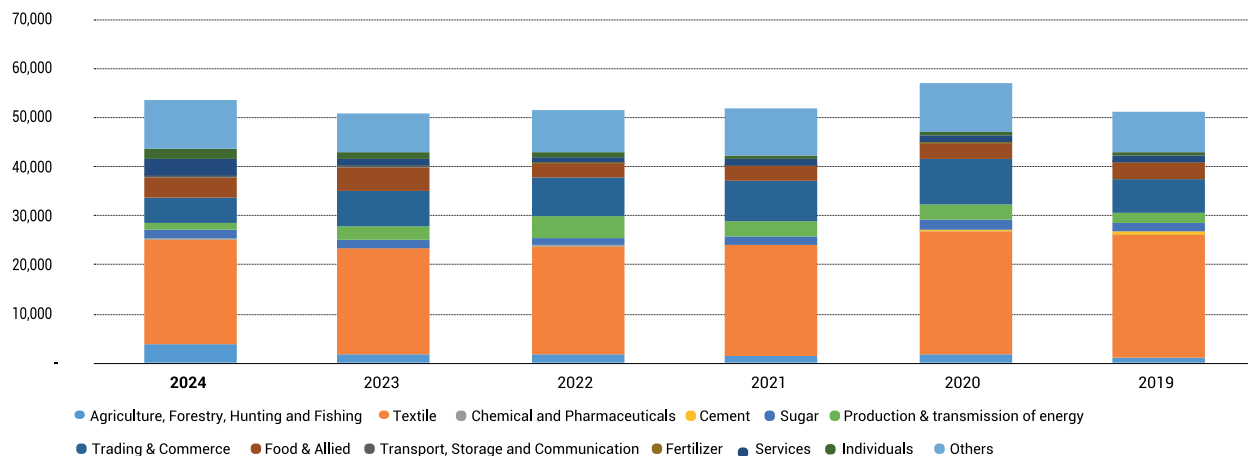
	2024	2023	2022	2021	2020	2019
Rupees in million						
Advances Gross						
Agriculture, forestry, hunting and fishing	84,417	42,011	29,664	23,388	16,241	14,261
Textile	126,845	131,585	121,416	91,037	81,325	72,595
Chemical and pharmaceuticals	20,881	20,579	18,733	12,037	10,724	9,914
Cement	17,457	22,000	23,952	18,835	16,451	18,241
Sugar	25,579	17,066	18,629	13,717	16,277	14,196
Production & transmission of energy	84,888	98,958	100,934	82,343	74,470	72,264
Trading & commerce	58,118	135,502	31,366	30,338	31,896	46,286
Food & allied	29,240	109,860	56,041	54,773	34,253	37,664
Transport, storage and communication	42,933	86,312	79,889	68,958	50,370	39,193
Fertilizer	3,280	3,939	7,316	9,159	11,343	10,688
Services	75,131	22,962	27,784	15,199	13,897	8,799
Individuals	60,918	63,989	59,564	57,527	43,088	42,253
Others	197,757	94,747	59,088	56,851	42,425	42,492
	827,443	849,510	634,376	534,163	442,760	428,846

SIX YEARS CONCENTRATION OF GROSS ADVANCES



	2024	2023	2022	2021	2020	2019
Rupees in million						
Non-performing loans						
Agriculture, forestry, hunting and fishing	3,892	1,627	1,634	1,594	1,720	1,104
Textile	21,104	21,713	22,270	22,595	25,196	25,075
Chemical and pharmaceuticals	545	64	49	42	108	118
Cement	-	-	-	-	93	424
Sugar	1,826	1,596	1,657	1,716	2,021	2,020
Production & transmission of energy	1,272	3,021	4,443	3,119	3,273	1,863
Trading & commerce	5,007	7,155	7,834	8,227	9,214	6,980
Food & allied	4,245	4,703	2,600	2,853	3,082	3,242
Transport, storage and communication	215	234	297	164	176	185
Fertilizer	40	49	49	62	67	72
Services	3,420	1,576	1,254	1,133	1,383	1,265
Individuals	2,252	1,170	1,003	835	899	666
Others	9,726	7,973	8,472	9,692	10,019	8,351
	53,544	50,880	51,561	52,032	57,251	51,363

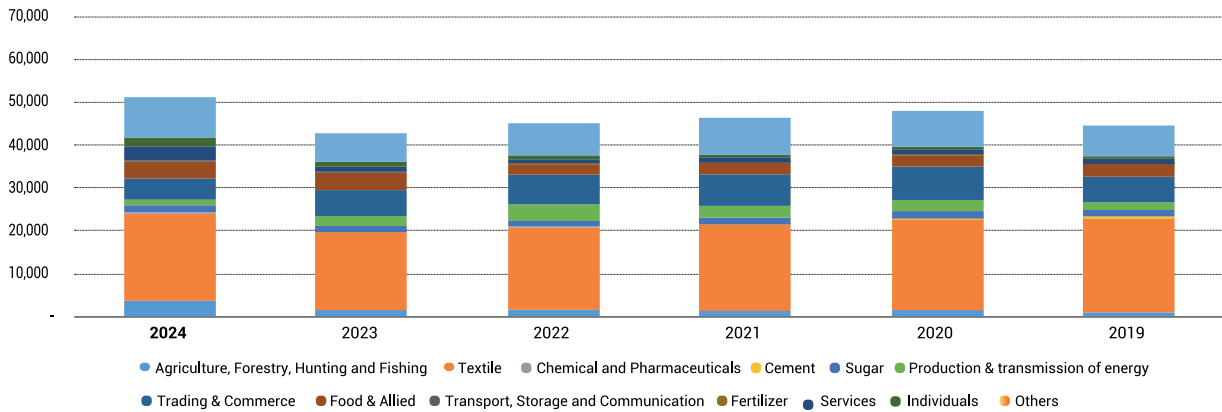
SIX YEARS CONCENTRATION OF NPLS



SIX YEARS CONCENTRATION OF ASSETS & LIABILITIES

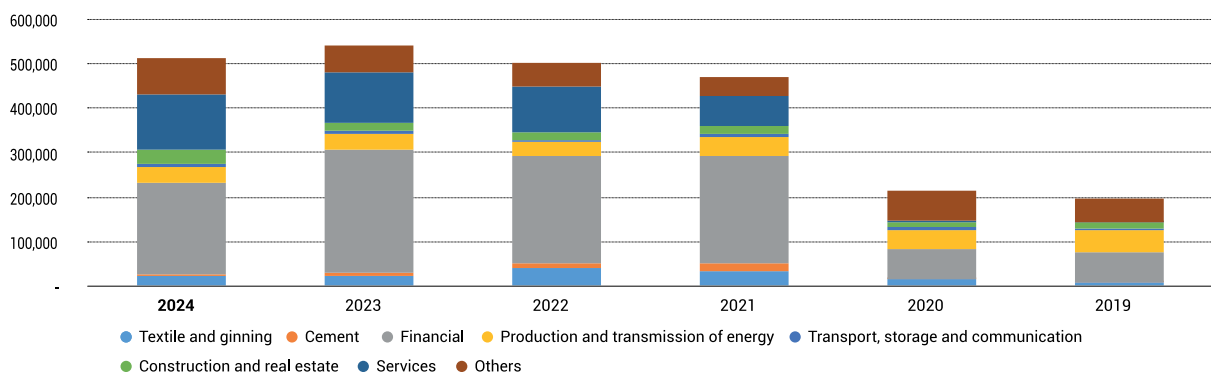
	2024	2023	2022	2021	2020	2019
Rupees in million						
ECL / Provision held against non performing loans						
Agriculture, forestry, hunting and fishing	3,408	1,256	1,330	1,275	1,302	856
Textile	19,620	18,851	20,094	21,176	23,398	22,468
Sugar	1,934	1,501	1,513	1,509	1,759	1,596
Automobile and transportation equipment	496	1,980	1,979	1,982	2,012	1,983
Cable, electrical & engineering	2,874	1,925	2,093	2,124	2,103	1,818
Production & transmission of energy	1,078	2,146	2,027	1,906	2,077	1,562
Construction	1,489	1,247	1,274	1,426	1,422	1,593
Trading & commerce	4,702	6,409	7,121	7,615	6,709	6,470
Food & allied	3,755	3,244	2,462	2,803	2,929	3,005
Others	10,690	3,868	4,287	4,888	4,140	3,770
	50,046	42,427	44,180	46,703	47,851	45,120

SIX YEARS CONCENTRATION OF PROVISIONS AGAINST NPLS



	2024	2023	2022	2021	2020	2019
Rupees in million						
Contingencies and commitments						
Textile and ginning	21,417	22,634	41,445	32,511	14,185	6,987
Cement	3,739	7,789	11,057	17,697	2,203	1,497
Financial	206,352	275,732	239,505	241,832	67,238	68,808
Construction and real estate	31,580	19,964	18,466	17,707	12,100	11,917
Production and transmission of energy	37,676	37,136	33,461	42,817	42,076	48,214
Transport, storage and communication	6,257	4,811	2,431	8,485	6,519	4,544
Services	123,663	111,462	102,739	65,410	781	1,564
Others	81,862	63,237	52,535	42,565	68,647	51,695
	512,546	542,766	501,638	469,024	213,750	195,225

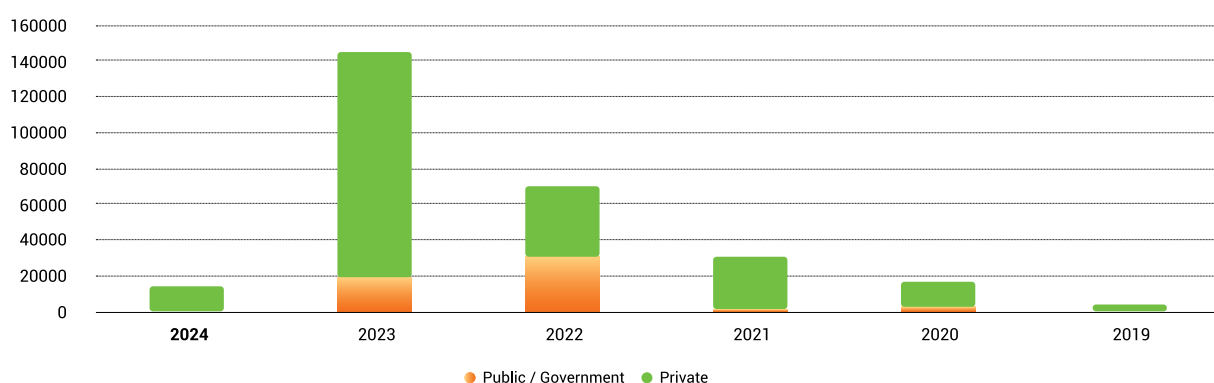
SIX YEARS CONCENTRATION OF OFF-BALANCE SHEET ITEMS



PRIVATE / PUBLIC SECTOR CONCENTRATION OF ASSETS AND LIABILITIES

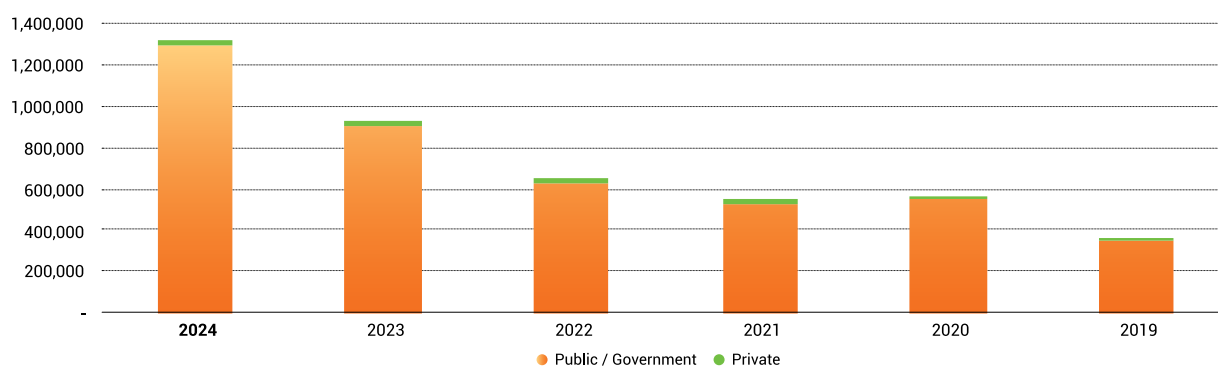
	2024	2023	2022	2021	2020	2019
Rupees in million						
PUBLIC / PRIVATE SECTORS						
Lendings to financial institutions						
Public / Government	-	19,217	31,170	1,200	2,500	-
Private	14,810	125,744	38,649	29,780	13,587	4,060
	14,810	144,961	69,819	30,980	16,087	4,060

LENDING TO FINANCIAL INSTITUTIONS



	2024	2023	2022	2021	2020	2019
Rupees in million						
Investments at cost						
Public/ Government	1,297,731	899,513	628,272	520,660	553,891	349,216
Private	20,644	23,089	28,531	25,680	13,462	12,511
	1,318,375	922,602	656,803	546,340	567,353	361,727

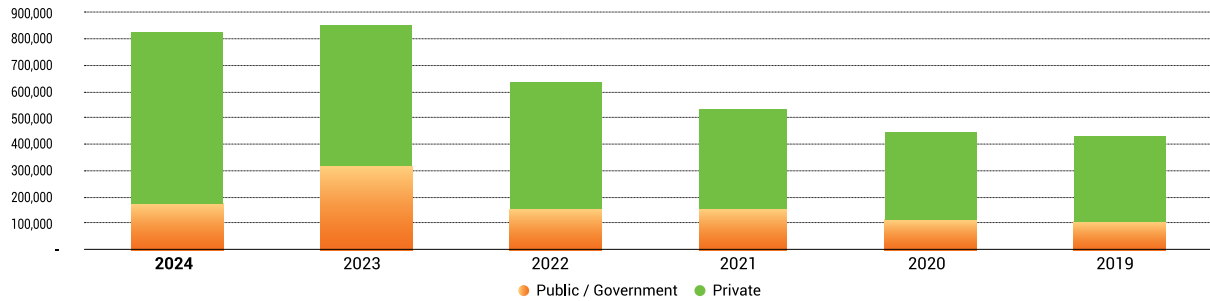
INVESTMENTS AT COST



	2024	2023	2022	2021	2020	2019
Rupees in million						
Gross Advances						
Public/ Government	172,570	313,225	150,706	153,977	115,265	108,488
Private	654,873	536,285	483,670	380,186	327,495	320,358
	827,443	849,510	634,376	534,163	442,760	428,846

PRIVATE / PUBLIC SECTOR CONCENTRATION OF ASSETS AND LIABILITIES

ADVANCES (GROSS)



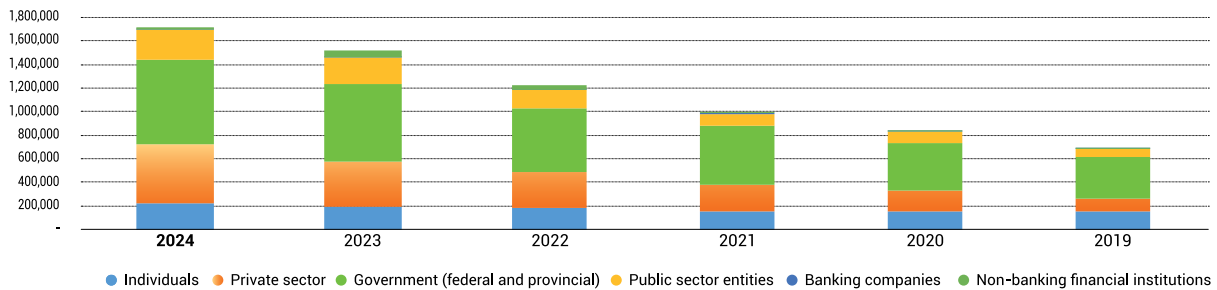
2024 2023 2022 2021 2020 2019

Rupees in million

Deposits

	2024	2023	2022	2021	2020	2019
Individuals	222,777	189,224	178,492	153,435	157,876	152,925
Private sector	497,060	386,696	311,263	227,189	168,476	107,087
Government (federal and provincial)	717,809	656,444	541,183	496,982	409,081	352,521
Public sector entities	255,763	225,426	150,220	103,988	92,393	68,178
Banking companies	3,697	2,603	3,734	2,898	3,122	5,693
Non-banking financial institutions	13,181	60,460	42,448	18,463	4,119	4,614
	1,710,288	1,520,854	1,227,339	1,002,955	835,068	691,017

DEPOSITS



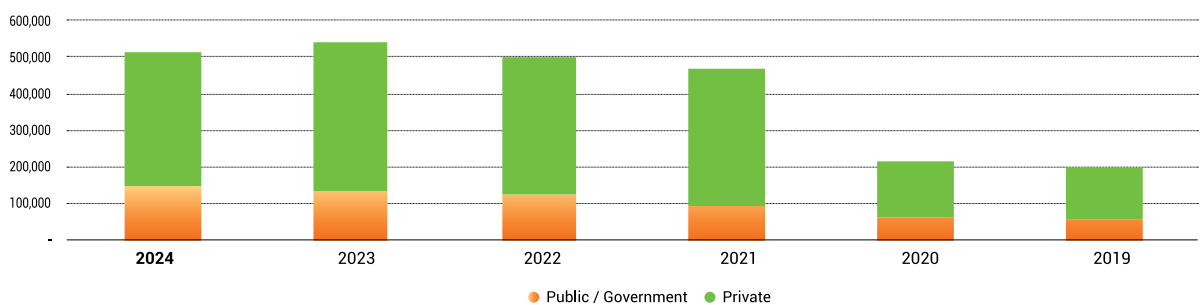
2024 2023 2022 2021 2020 2019

Rupees in million

Contingencies and commitments

	2024	2023	2022	2021	2020	2019
Public / Government	149,650	136,257	124,721	92,791	61,832	56,260
Private	362,896	406,509	376,917	376,233	151,918	138,965
	512,546	542,766	501,638	469,024	213,750	195,225

CONTINGENCIES & COMMITMENTS



ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

Year 2024 Vs 2023

	2024	2023
	Rupees in million	
ASSETS		
Cash and balances with treasury banks	100,773	100,894
Balances with other banks	3,261	8,283
Lendings to financial institutions	14,769	144,961
Investments - net	1,320,916	913,191
Advances - net	777,397	806,387
Fixed assets	28,555	20,789
ROU assets	12,866	12,424
Intangible assets	2,472	2,091
Deferred tax assets - net	9,051	10,243
Other assets - net	109,919	196,916
	2,379,979	2,216,180
LIABILITIES		
Bills payable	7,637	5,508
Borrowings	409,006	453,966
Deposits and other accounts	1,710,288	1,520,854
Lease liabilities	17,101	15,727
Subordinated debts	30,820	30,205
Other liabilities - net	112,596	109,166
	2,287,448	2,135,425
NET ASSETS		
	92,531	80,755
MARK-UP / INTEREST INCOME		
Mark-up / return / interest earned	343,791	327,194
Mark-up / return / interest expensed	299,634	286,248
Net mark-up / interest income	44,157	40,946
NON MARK-UP / INTEREST EXPENSES		
Operating expenses	49,900	37,120
Workers welfare fund	491	324
Other charges	7	55
Total non-markup / interest expenses	50,398	37,498
Profit before provisions	20,448	21,165
Reversal of provisions and write offs - net	(4,117)	(53)
PROFIT BEFORE TAXATION	24,565	21,218
Taxation - net	11,189	9,879
PROFIT AFTER TAXATION	13,375	11,339
Net cash flow from operating activities	346,200	236,525
Net cash used in investing activities	(345,672)	(216,186)
Net cash (used in) / flow from financing activities	(5,628)	10,621

Investments - net

Increase is mainly due to purchase of MTBs and PIBs. 98% investments in government securities

Deposits and other accounts

Deposits are increased resulting an increase in market share.

Net mark-up / interest income

Volumetric growth resulted from increase in deposits and increase in policy rate

Non Mark-Up / Interest Income

Rise in non markup is due to increase in gain on sale of securities

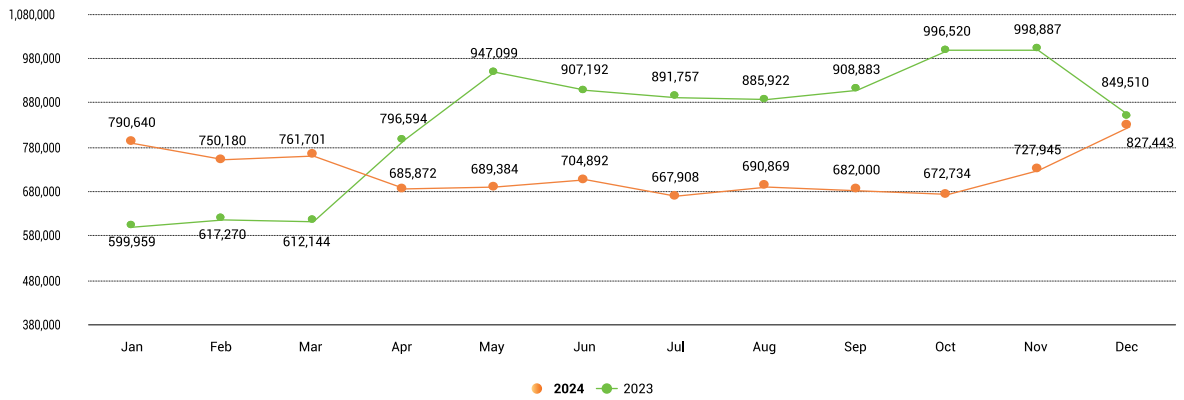
Operating expenses

39% increase in admin expenses pertains to growth in employee compensation i.e fixation of minimum salary of staff and salary adjustments as per market survey. Further, due to hyper inflation, rupee depreciation and branch expansion resulted in growth other administrative expenses.

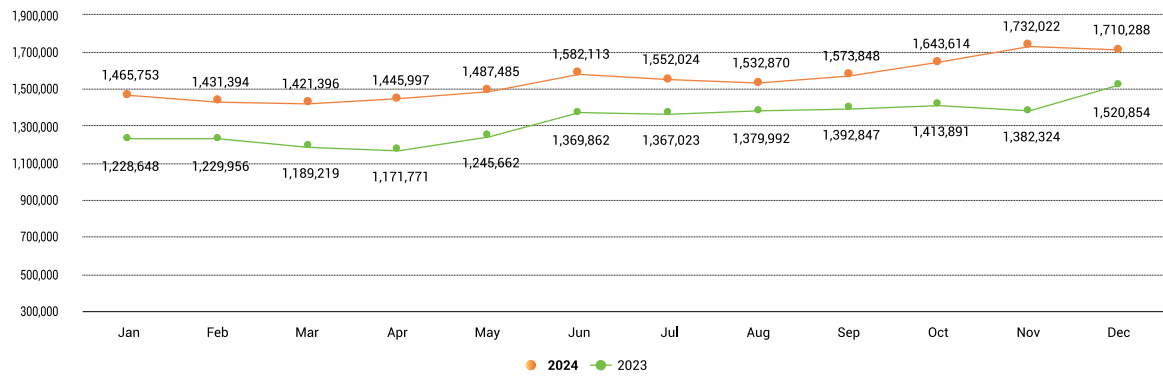
DIRECT CASH FLOW STATEMENT

	2024	2023
	Rupees in million	
Cash flows from operating activities		
Mark-up / return / interest and commission receipts	398,728	286,288
Mark-up / return / interest payments	(295,165)	(316,961)
Payments to employees, suppliers and others	(44,630)	(32,980)
	58,933	(63,653)
Decrease / (increase) in operating assets		
Lendings to financial institutions	130,151	(75,142)
Net investments in 'held for trading' securities	(58,310)	(50,537)
Advances - net	12,411	(215,547)
Other assets	66,231	(85,916)
	150,483	(427,142)
(Decrease) / increase in operating liabilities		
Bills payable	2,129	(816)
Borrowings	(45,381)	373,146
Deposits and other accounts	189,434	293,514
Other liabilities	2,351	69,287
	148,533	735,131
Income tax paid	(11,058)	(7,640)
Payment made to gratuity fund	(691)	(171)
Net cash flows from operating activities	346,201	236,525
Cash flows from investing activities		
Net investments in FVOCI / AFS securities	(391,920)	(217,092)
Net investment in Amortized cost / HTM securities	52,513	-
Investment in subsidiary company	(1,100)	(110)
Dividends received	355	568
Investment in fixed assets	(5,793)	(4,475)
Investments in intangible assets	(792)	(665)
Proceeds from sale of property and equipment	64	19
Proceeds from sale of non banking assets	1,001	5,569
Net cash used in investing activities	(345,672)	(216,186)
Cash flows from financing activities		
Payments of Subordinated debt	(6)	(2,497)
Dividend paid	(3,272)	-
Payment of lease liability against right-of-use-assets	(2,972)	(2,380)
Advance subscription money received - privately placed term finance certificates - III	622	15,498
Net cash (used in) / flow from financing activities	(5,628)	10,621
Decrease in cash and cash equivalents	(5,100)	30,960
Cash and cash equivalents at beginning of the year	108,978	78,018
Impact of credit loss allowance on cash and cash equivalents	(464)	-
Cash and cash equivalents at end of the year	103,414	108,978

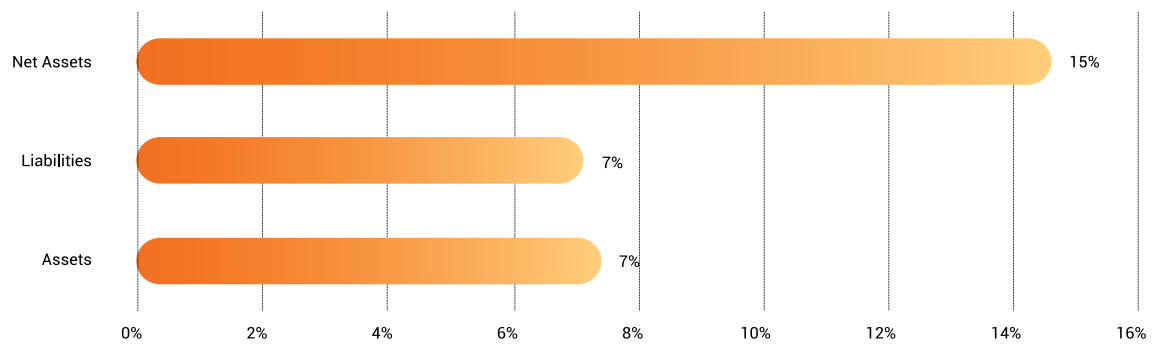
MONTHLY TREND OF BOP ADVANCES (GROSS)



MONTHLY TREND OF BOP DEPOSITS



VARIANCE FROM 2023



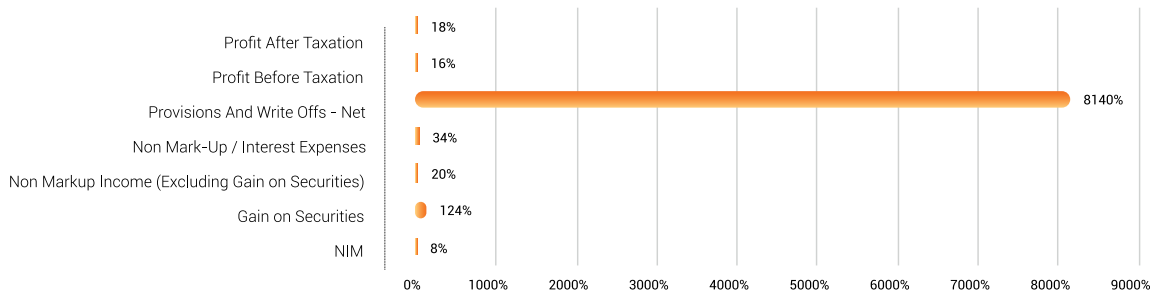
STATEMENT OF FINANCIAL POSITION 2024



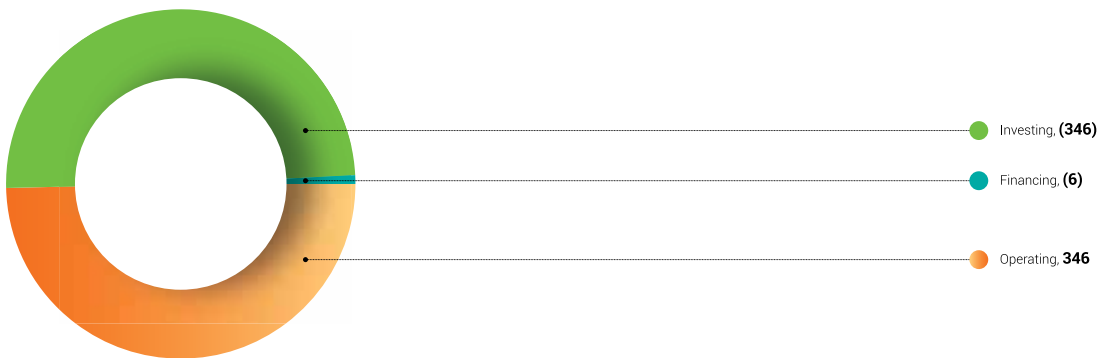
PROFIT & LOSS ACCOUNT 2024



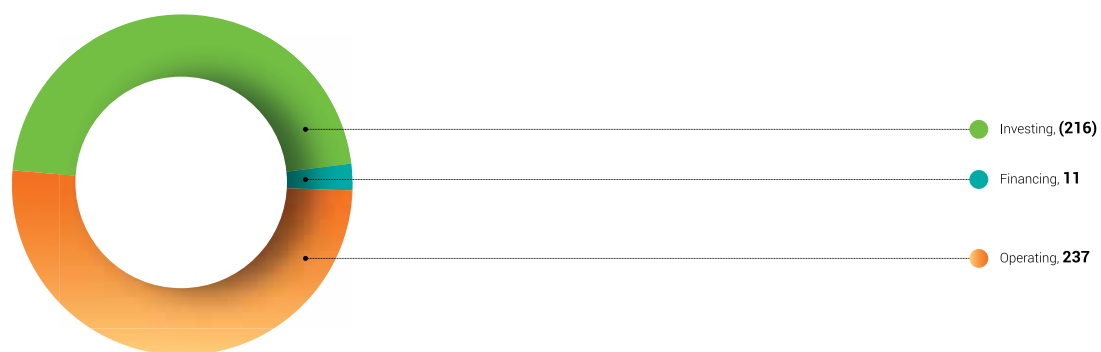
VARIANCE FROM 2023



CASH FLOWS 2024



CASH FLOWS 2023



ANALYSIS OF BANK'S FINANCIAL PERFORMANCE YEAR 2024 VS 2023

MARKUP / INTEREST EARNED

	2024	2023	Variance	%
Rs. In Million				
Mark-up Earned on Advances	117,481	155,223	(37,742)	-24%
Mark-up Earned on Investments	215,725	166,747	48,977	29%
Mark-up Earned on lendings	4,806	4,716	89	2%
Mark-up Earned on Balances with Banks	707	506	201	40%
IFRS-09 adjustment - notional	5,071	-	5,071	100%
	343,791	327,194	16,597	5%

During year 2024, Bank's Markup/Interest Income increased by Rs. 17 billion (5%). Income on Advances decreased by Rs. 38 Billion due to repricing of portfolio in line with decrease in SBP Policy Rate. Major growth was observed in Income from Investments (increased by 29%) while Income on Balance with Other Banks increased by 40%. During year 2024, a notional adjustment of Rs. 5 Billion was also recorded in line with implementation of IFRS-09. During the year, Gross Advances registered as decrease of -3% while Investments & Lending to FIs registered a growth of 21%.

MARKUP/INTEREST EXPENSED

	2024	2023	Variance	%
Rs. In Million				
Mark-up expensed on deposits	230,515	190,752	39,763	21%
Mark-up expensed on borrowings	59,339	87,918	(28,580)	-33%
Mark-up expensed on subordinated debts	6,782	5,638	1,143	20%
Mark-up expensed on lease liability	2,187	1,940	247	13%
IFRS-09 adjustment on borrowings - notional	812	-	812	100%
	299,634	286,248	13,386	5%

During year 2024, Bank's Deposits registered a growth of 12% while SBP Policy Rate witnessed a declining trend resulting in reduction in profit rates on Deposits. Accordingly, a net increase of Rs. 40 Billion (21%) was observed in Markup/Interest Expense on Deposits. Bank's focus remained on improving mix of low cost CASA Deposits to maximize the contribution to bottom line. Markup Expense on Borrowings decreased by Rs. (29) billion (-33%) due to reduced level of Money Market Borrowings. Markup Expense on Subordinated loans increased by Rs. 1.1 billion (20%), while Markup expensed on lease liability increased by 13%. During year 2024, a notional adjustment of Rs. 0.8 Billion on Borrowings was also recorded in line with implementation of IFRS-09.

NON MARKUP INCOME

	2024	2023	Variance	%
Rs. In Million				
Fee and commission income	11,374	7,429	3,945	53%
Dividend income	354	568	(214)	-38%
Foreign exchange income	857	298	560	188%
Net gain on derecognition of financial assets	1,148	-	1,148	100%
Gain on securities - net	11,763	5,255	6,508	124%
Other income - net	1,193	4,168	(2,974)	-71%
	26,689	17,718	8,972	51%

During the year 2024, Bank's Non Markup Income improved to Rs. 26.7 Billion as against Rs. 17.7 Billion during year 2023 registering a significant growth of 51%. During the period, Fee & Commission Income registered a significant growth of Rs 3.9 Billion (53%). Major growth of Rs. 3.1 Billion was observed in Card Related Income. Foreign Exchange Income increased by 188% while Gain on Securities of Rs. 11.8 Billion was realized registering a growth of Rs. 6.5 Billion over last year. Other Income decreased by Rs. (3.0) Billion mainly due to gain on disposal of Non Banking Assets (NBAs) during year 2023. Dividend Income remained at Rs. 0.4 Billion. During year 2024, Net gain on derecognition of financial assets measured at amortized cost amounting to Rs. 1.1 Billion was also recorded.

TOP INVESTMENT IN EQUITY SECURITIES YEAR 2024 VS 2023

Name of Company	Shares in Numbers	WITHOUT IMPAIRMENT	
		Book Value	Market Value
Rupees in million			
TOP TEN SHARES HOLDING IN AMOUNT AS OF 31.12.2024			
Fauji Fertilizer Company Limited	3,271,817	847	1,199
Sui Northern Gas Pipelines Limited	5,944,605	480	665
Pakistan State Oil Company Limited	2,125,000	479	936
Pak Petroleum Limited	3,250,094	448	662
United Bank Limited	1,101,097	389	421
Mari Petroleum Company Limited	810,155	372	583
Pak Elektron Limited	7,772,500	310	341
Hub Power Company Limited	2,188,227	281	286
Nishat Chunian Power Limited	8,091,615	242	218
Habib Bank Limited	1,450,000	218	253

Name of Company	Shares in Numbers	WITHOUT IMPAIRMENT	
		Book Value	Market Value
Rupees in million			
TOP TEN SHARES HOLDING IN AMOUNT AS OF 31.12.2023			
Hub Power Company Limited	4,341,195	432	508
Fauji Fertilizer Company Limited	3,544,318	368	401
Faysal Bank Limited	13,099,818	357	427
Pak Petroleum Limited	3,065,672	357	353
Systems Limited	704,181	335	298
Engro Fertilizer Limited	1,947,792	214	219
Pakistan State Oil Company Limited	1,200,000	208	212
Sui Northern Gas Pipelines Limited	2,498,969	183	184
Engro Corporation Limited	575,000	176	170
Nishat Mills Limited	1,968,078	153	151

Investment in subsidiaries	2024	2023
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Bop Capital Securities (Private) Limited	100.00%	100.00%
Bop Exchange (Pvt) Limited	100.00%	-

NON PERFORMING ASSETS AND RELATED PROVISION

Particulars	Dec 31, 2024		Dec 31, 2023	
	Non performing assets	Provision	Non performing assets	Provision
Investments				
Beginning Balance	3,729	3,729	4,763	4,763
IFRS 09 adoption impact	(3,304)	(3,304)	-	-
Additions / Charged During the period			943	943
Reversal	(41)	(41)	(147)	(147)
Disposal / Write-Offs			(1,831)	(1,831)
Ending Balance	384	384	3,729	3,729
Advances				
Beginning Balance	50,880	42,427	51,561	44,180
IFRS 09 adoption impact	-	2,438	-	-
Additions / Charged During the period	4,547	2,141	4,036	2,109
Reversal	(1,883)	(2,281)	(4,718)	(3,634)
Write-Offs	-	-	-	(1)
Provision transferred from advances to other assets	-	-	-	(225)
Ending Balance	53,544	44,725	50,880	42,427
Other Assets				
Beginning Balance	1,647	1,453	769	635
IFRS 09 adoption impact	541	541	-	-
Additions / Charged During the period	383	255	879	610
Reversal	(528)	(403)	-	(14)
Write-Offs	(513)	(513)	-	(4)
Provision transferred from advances to other assets	-	-	-	225
Ending Balance	1,530	1,332	1,647	1,453
Total				
Beginning Balance	56,256	47,609	57,093	49,578
IFRS 09 adoption impact	(2,763)	(325)	-	-
Additions / Charged During the period	4,930	2,396	5,858	3,662
Reversal	(2,452)	(2,725)	(4,865)	(3,795)
Write-Offs	(513)	(513)	(1,831)	(1,835)
Ending Balance	55,457	46,441	56,256	47,609

QUARTERLY PERFORMANCE

YEAR 2024 & 2023

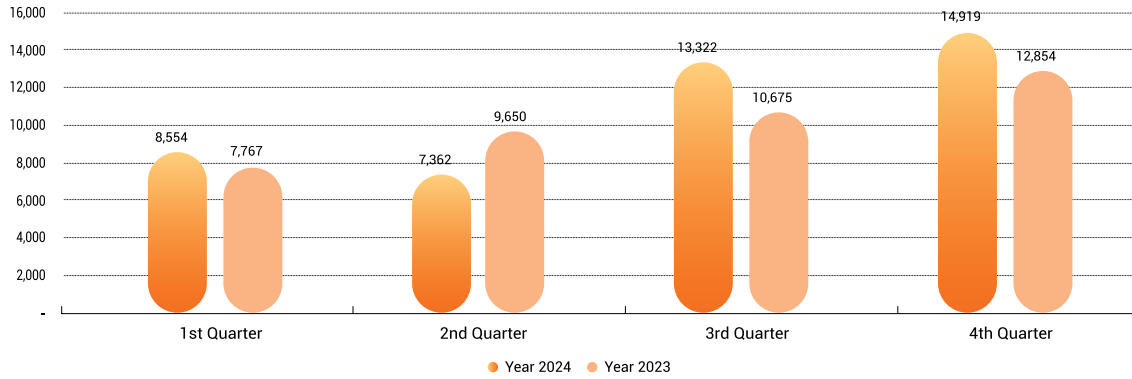
	2024				2023			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
	Rupees in Million							
Profit & Loss Account								
Mark-up / return / interest earned	80,267	91,805	87,475	84,245	103,249	97,125	76,144	50,676
Mark-up / return / interest expensed	65,348	78,483	80,113	75,691	90,395	86,450	66,494	42,908
Net mark-up / interest income	14,919	13,322	7,362	8,554	12,854	10,675	9,650	7,767
Fee and commission income	3,813	3,044	2,440	2,077	962	1,931	2,813	1,723
Dividend income	91	100	48	115	231	91	109	137
Foreign exchange income	196	(101)	556	208	675	(1,154)	(4)	780
Net gains / (loss) on derecognition of financial assets	(113)	(101)	1,362	-				
Gain on securities - net	6,849	2,825	1,388	702	4,918	297	(20)	60
Other income - net	111	49	485	548	2,165	1,870	93	40
Total non-markup / interest income	10,947	5,815	6,278	3,649	8,952	3,035	2,991	2,741
Total income	25,866	19,137	13,640	12,203	21,805	13,709	12,641	10,508
Operating expenses	15,917	11,873	11,677	10,433	9,642	8,820	10,309	8,348
Workers welfare fund	116	289	34	53	204	51	38	31
Other charges	1	4	1	0	46	0	8	1
Total non-markup / interest expenses	16,033	12,165	11,712	10,487	9,892	8,871	10,355	8,380
Profit before provisions	9,832	6,971	1,928	1,716	11,913	4,838	2,285	2,128
Provisions and write offs - net	(636)	(75)	(1,611)	(1,796)	(361)	(187)	475	20
Profit before taxation	10,468	7,046	3,539	3,512	12,275	5,025	1,810	2,109
Taxation - net	5,001	3,488	899	1,802	6,919	2,489	(436)	907
Profit after taxation	5,467	3,558	2,640	1,710	5,355	2,535	2,247	1,202
Statement of Financial Position								
Assets								
Cash and balances with treasury banks	100,773	104,183	123,187	113,400	100,894	89,399	117,220	83,608
Balances with other banks	3,261	2,968	26,943	17,839	8,283	1,838	7,017	5,751
Lendings to financial institutions	14,769	13,866	1,952	7,726	144,961	15,985	2,408	27,147
Investments - net	1,320,916	1,210,288	1,291,449	1,055,788	913,191	1,125,924	920,699	803,222
Advances - net	777,397	627,456	650,601	708,517	806,387	864,715	862,798	567,533
Fixed assets	28,555	23,950	22,903	20,773	33,213	31,433	31,502	30,532
ROU assets	12,866	12,120	11,843	12,138				
Intangible assets	2,472	2,494	2,501	2,540	2,091	1,893	1,855	1,807
Deferred tax assets - net	9,051	11,347	14,051	15,618	10,243	12,520	17,004	17,373
Other assets - net	109,919	127,812	123,690	121,114	196,916	114,830	93,547	67,388
	2,379,979	2,136,483	2,269,120	2,075,452	2,216,180	2,258,537	2,054,051	1,604,362
Liabilities								
Bills payable	7,637	5,750	8,032	5,614	5,508	8,205	7,633	5,630
Borrowings	409,006	308,543	436,134	408,173	453,966	624,571	476,507	238,388
Deposits and other accounts	1,710,288	1,573,848	1,582,113	1,421,396	1,520,854	1,392,847	1,369,862	1,189,219
Lease liabilities	17,101	16,219	15,709	15,762				
Subordinated debts	30,820	30,824	30,824	30,255	30,205	29,494	27,494	18,295
Other liabilities	112,596	117,733	119,102	120,186	124,893	129,700	105,410	90,613
	2,287,448	2,052,917	2,191,914	2,001,385	2,135,425	2,184,817	1,986,905	1,542,145
Net Assets	92,531	83,567	77,207	74,067	80,755	73,720	67,146	62,217
Represented by								
Share capital - net	32,453	32,453	32,453	32,453	32,453	32,453	32,453	29,478
Reserves	17,627	16,533	15,822	15,294	14,952	13,881	13,374	15,898
Surplus on revaluation of assets - net of tax	7,954	7,278	4,555	3,830	1,829	124	(3,756)	(6,396)
Unappropriated profit	34,497	27,303	24,377	22,491	31,522	27,263	25,076	23,236
	92,531	83,567	77,207	74,067	80,755	73,720	67,146	62,217

ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

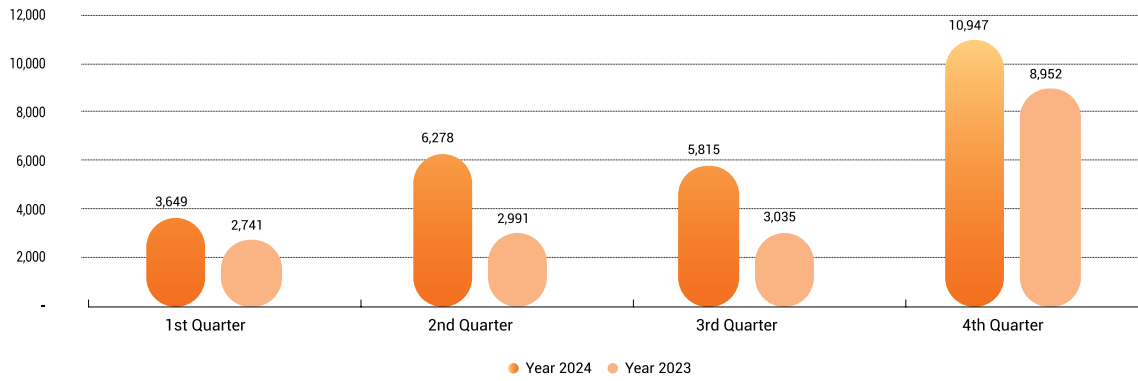
Quarter	Net Interest Margin	Non-Markup Income	Operating Expenses	Profit Before Tax
1st	"During the first quarter of year 2024, Bank's NIM improved to Rs. 8.6 Billion as against Rs. 7.8 Billion during 1st Quarter 2023. During 1st Quarter 2024, SBP Policy Rate remained at 22.00% as against 17.71% during 1st Quarter 2023."	"During first quarter of year 2024, Bank's Non-Markup Income increased by 33% due to increase in Gain on Sale of Securities and Gain on disposal of Non Banking Assets. Fee Income also registered a growth of 21%."	"As result of Bank's expansion strategy, increase in staff strength, annual increments and inflation impacts, Bank's operating expense recorded an increase of 25% during the first quarter of year 2024."	"Bank's Profit Before Tax for 1st quarter of 2024 was recorded at Rs. 3.5 billion as compared to Rs. 2.1 billion during 1st quarter of year 2023 registering a significant growth of 67%. The increase was resultant of reversal of provision of Rs. (1.8) Billion against NPLs during 1st quarter 2024."
2nd	"During the 2nd quarter of year 2024, NIM remained at Rs. 7.4 Billion as compared to Rs. 9.7 Billion during 2nd Quarter 2023. Decrease in NIM was attributed to repricing of exposure to a large state owned entity. SBP Policy Rate remained at 21.67% as against 21.00% during 2nd Quarter 2023."	"Bank's Non-Markup Income for 2nd quarter of 2024 increased by 110% as compared to 2nd quarter of year 2023. Major contributors were Gain on Securities Rs. 1,388 M and net gains/(loss) on derecognition of financial assets Rs. 1,362 M."	"Bank's Operating Expenses for 2nd quarter of 2024 were recorded at Rs. 11.7 billion as compared to Rs. 10.3 billion during 2nd quarter of year 2023 showing a rise of 13%."	"Bank's Profit Before Tax for 2nd quarter of 2024 was recorded at Rs. 3.5 billion as compared to Rs. 1.8 billion during 2nd quarter of year 2023 registering a significant growth of 96%. The increase was resultant of reversal of provision of Rs. (1.6) Billion against NPLs during 2nd quarter 2024."
3rd	"During the 3rd quarter of year 2024, NIM increased by 25% in comparison to 3rd quarter 2023. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank due to downward trend in SBP Policy Rate and time lag in repricing of lending portfolio. SBP Policy Rate remained at 19.42% as against 22.00 % during 3rd Quarter 2023."	"Bank's Non-Markup Income for 3rd quarter of 2024 registered a significant growth of 92% as compared to 3rd quarter of year 2023. Fee Income registered a growth of 58% while major contribution came from Gain on Securities amounting to Rs. 2,825 Million."	"Bank's Operating Expenses for 3rd quarter of 2024 were recorded at Rs. 11.9 billion as compared to Rs. 8.8 billion during 3rd quarter of year 2023 showing a rise of 35%. This increase was mainly on account of Branch Expansion and inflation impacts."	"Bank's Profit Before Tax for 3rd quarter of 2024 was recorded at Rs. 7.0 billion as compared to Rs. 5.0 billion during 3rd quarter of year 2023 registering a growth of 40%. The rise was mainly due to increase in NIM & Non Markup Income."
4th	"During the 4th quarter of year 2024, NIM increased by 16% in comparison to 4th Quarter 2023. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank and time lag in repricing of lending portfolio. SBP Policy Rate remained at 15.63% as against 22.00 % during 3rd Quarter 2023."	Growth in Bank's Non-Markup Income also continued in 4th quarter 2024 with 22% growth over 4th quarter 2023. Gain on Securities increased by Rs. 1,930 M while Other Income decreased by Rs. (2,054) M due to gain on disposal of Non Banking Assets during 4th quarter 2023. Fee Income also registered a significant Growth of Rs. 2,851 M.	"Bank's Operating Expenses for 4th quarter of 2024 were recorded at Rs. 15.9 billion as compared to Rs. 9.6 billion during 4th quarter of year 2023 showing a rise of 65%. This increase was mainly on account of Branch expansion, increase in Business Volume and inflation impacts."	"Bank's Profit Before Tax for 4th quarter of 2024 was recorded at Rs. 10.5 billion as compared to Rs. 12.3 billion during 4th quarter of year 2023. The decrease was mainly due to increase in Operating Expenses."

GRAPHICAL PRESENTATION QUARTERLY PERFORMANCE

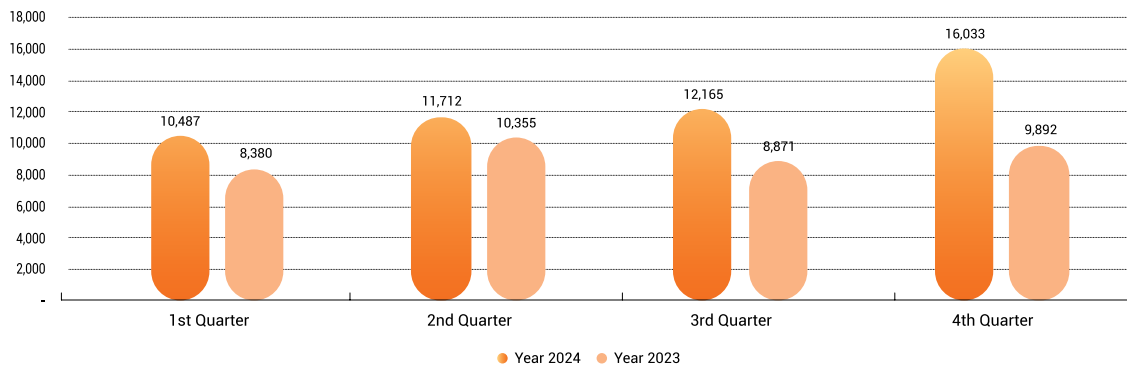
QUARTERLY NET INTEREST MARGIN



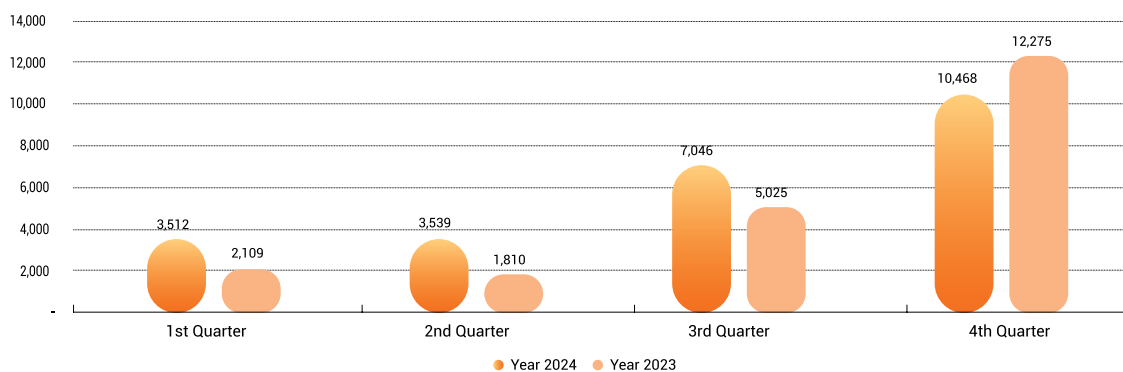
QUARTERLY NON MARKUP INCOME



QUARTERLY NON MARKUP EXPENSE



QUARTERLY PROFIT BEFORE TAX



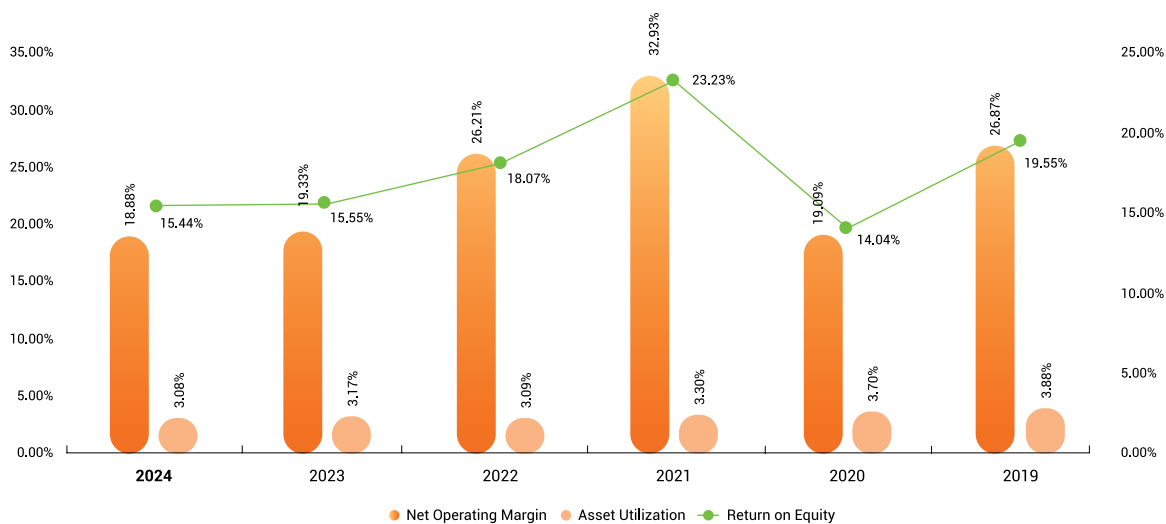
DUPONT ANALYSIS

		2024	2023	2022	2021	2020	2019
Net Operating Margin	A	18.88%	19.33%	26.21%	32.93%	19.09%	26.87%
Asset Utilization	B	3.08%	3.17%	3.09%	3.30%	3.70%	3.88%
Return on Assets	C=A*B	0.58%	0.61%	0.81%	1.09%	0.71%	1.04%
Leverage Ratio / Equity Multiplier	D	26.52	25.36	22.35	21.41	19.85	18.76
Return on Equity	C*D	15.44%	15.55%	18.07%	23.23%	14.04%	19.55%

Following are the main DuPont Analysis Highlights:

1. During year 2024, Net Operating Margin remained at 18.88% as against 19.33% during year 2023. Major reason for decrease was increase in operating expenses in line with branch/business expansion and investment in new technologies.
2. Asset Utilization has remained in the range of 3.08% - 3.88%. During year 2024, it remained at 3.08%.
3. Return on Equity for year 2024 improved to 15.44% as against 15.55% during year 2023.

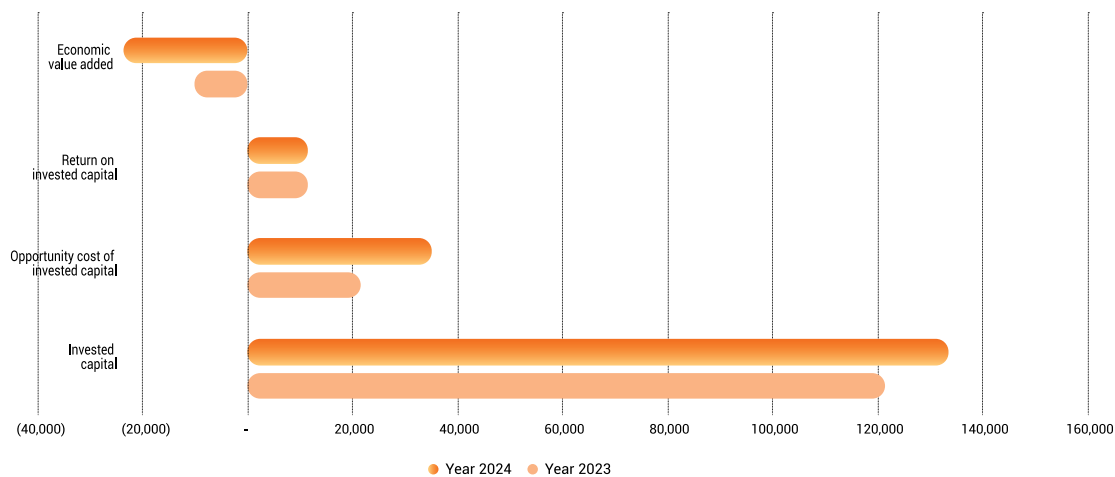
DUPONT ANALYSIS



ECONOMIC VALUE ADDED STATEMENT

	2024	2023
	Rupees in Million	
Invested Capital		
Average shareholder's equity	81,751	73,151
Add: Cumulative provision against assets	51,782	48,304
	133,533	121,455
Return on invested capital		
Profit after taxation	13,375	11,339
Add: Provisions and write offs - net	(1,894)	(27)
Total return on invested capital	11,482	11,312
Economic cost	26.25%	17.63%
Opportunity cost of invested capital	35,050	21,412
Economic value added	(23,569)	(10,100)

During the year 2024, Bank's share was continuously traded below its par value in Pakistan Stock Exchange. Consequently, the average price per share remained little subdued and was recorded as Rs. 734 despite continuous improvement in quarterly Earning Per Shares (EPS) with full year EPS improving to Rs. 4.09 per share. Further, highest ever cash dividend @ 18% for the year 2024 was announced as against 10.00% cash dividend paid for last year which resultantly increased the economic cost. Accordingly, Economic value Added (EVA) for year 2024 remained adversely skewed as compared to year 2023. Apart from above, the Bank has been recognized on multiple forums and got numerous awards during year 2024. The Bank is "First Choice of Customers" for obtaining loans in Government Schemes which is also recognized by Government/other forums at multiple occasions.



CAPITAL EXPENDITURE

Capital expenditure during the year:

The total capital expenditure during 2024 was Rs. 6.586 billion mainly on account of business expansion in different regions of the country and for the purpose of improvement in IT infrastructure and Digital Banking.

Capital expenditures planned for next year:

The Bank has budgeted capital expenditure of Rs. 7.9 billion for the year 2025 with major focus on renovation of existing branches & offices, development of IT infrastructure and rolling out new technology based products & services through Digital Banking Channels.

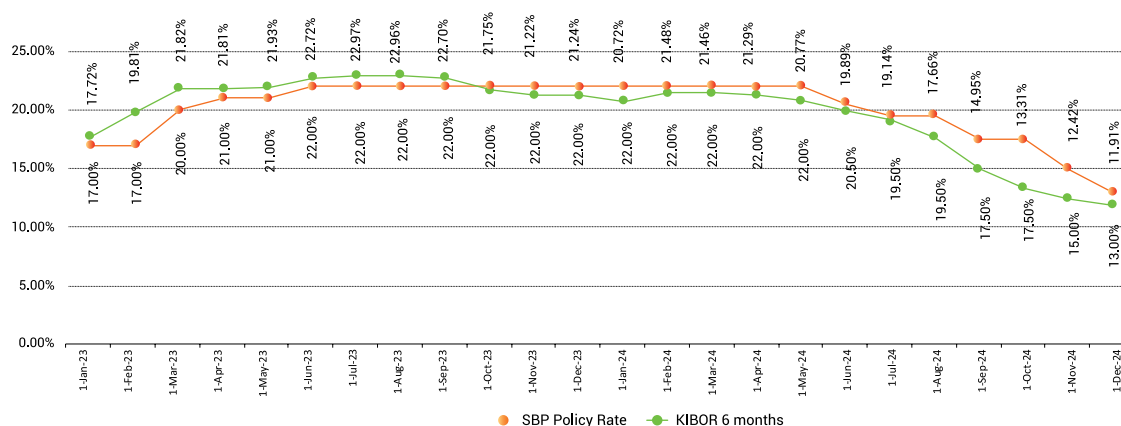
LIQUIDITY GAP ANALYSIS

	Total	Month	Over three Month up to 01 Year	Over 01 Over up to 3 Years	Over 03 Over up to 05 Years	Over 05 Years
Rs in million						
Assets						
Cash and balances with treasury banks	100,773	100,773	-	-	-	-
Balances with other banks	3,261	3,261	-	-	-	-
Lending to financial institutions	14,769	12,792	-	1,977	-	-
Investments	1,320,916	165,485	412,678	299,057	330,111	113,585
Advances	777,397	291,676	178,563	159,712	25,388	122,058
Operating fixed assets	28,555	1,239	2,145	4,881	4,881	15,409
Right of Use Assets	12,866	7	103	370	733	11,653
Intangible assets	2,472	83	247	659	659	824
Deferred tax assets	9,051	-	-	-	9,051	-
Other assets	109,919	78,969	15,287	11,624	4,039	-
	2,379,979	654,285	609,023	478,280	374,862	263,529
Liabilities						
Bills payable	7,637	7,637	-	-	-	-
Borrowings from financial institutions	409,006	347,588	15,524	6,003	15,645	24,246
Deposits and other accounts	1,710,288	630,767	563,790	209,446	102,839	203,446
Sub-ordinated loans	30,820	-	8	2,156	2,154	26,502
Lease liabilities	17,101	7	139	564	1,068	15,323
Other liabilities	112,596	38,463	43,935	12,375	9,713	8,110
Deferred tax liabilities	-	-	-	-	-	-
	2,287,448	1,024,462	623,396	230,544	131,419	277,627
Net assets	92,531	(370,178)	(14,373)	247,736	243,443	(14,097)

* Based on expected maturities

	Average	Interest rate	Interest	Average	Interest	rate Interest
Rs in million						
Interest earning assets						
lendings to financial institutions	27957.24	17.20%	4,810.01	24,246.26	19.45%	4,716.50
Gross advances (excluding NPLs)	644,037.38	19.03%	122,552.98	762,624.48	20.35%	155,223.36
Gross investments (excluding equity investments)	1,144,024.67	18.86%	215,720.48	915,814.62	18.21%	166,747.48
Interest bearing liabilities						
Deposits (excluding current deposits)	1,264,815.49	18.24%	230,650.71	1,069,141.30	17.83%	190,607.71
Borrowings	347,442.92	17.31%	60,150.51	463,856.77	18.95%	87,918.23
Subordinated loan	30,617.11	22.15%	6,781.64	25,304.57	22.28%	5,638.14

KIBOR & SBP POLICY RATE



BUSINESS SEGMENT ANALYSIS

Balance Sheets & Profit/(Loss) Accounts of following Business Segments have been stated in Note 40 to the Annual Audited Financial Statements:

Corporate & Investment Banking (CIBG)

- This includes, loans, project finance, real estate finance, export finance, trade finance, commercial & investment banking, and other banking activities with corporate and public sector customers.

Cards and public sector deposits (CPSD)

- It includes public sector deposits and related banking services including home remittances and card related banking services to customers of the Bank.

Consumer Banking (CBG)

- It includes private sector deposits and loans under retail finance, agriculture customers, small and medium enterprises and financing under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

Treasury

- It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic Banking (IB)

- The segment pertains to full scale Islamic Banking operations of the Bank.

Others

- This includes head office related activities, and all other activities not tagged to the segments above.

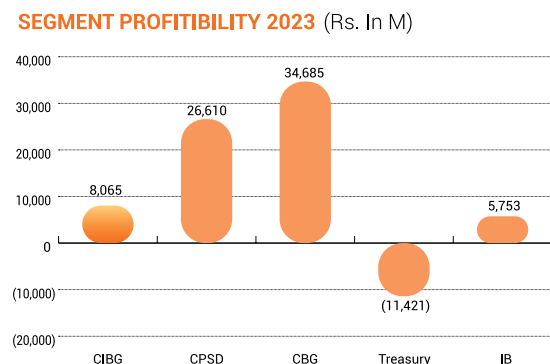
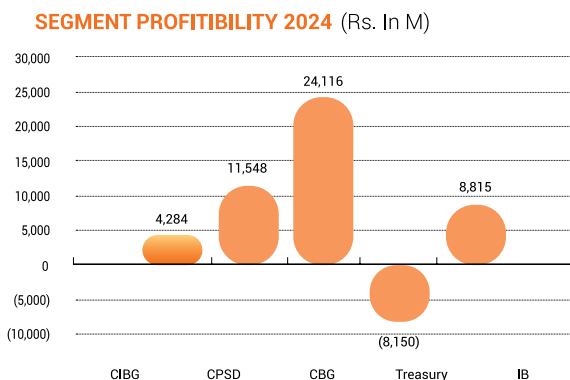
Key variances during year 2024 are hereunder:

Profit & Loss:

- PBT of CIBG decreased due to decrease in Net Interest Margin and rise in Non Markup Expenses. Non Markup Income increased while there was an increase in reversal of provisions.
- PBT of CPSD decreased due to increase in Mark-up Expenses.
- PBT of CBG decreased due to increase in Mark-up Expenses.
- PBT of Treasury increased due to decline in SBP Policy Rate as the Borrowing Cost of Treasury decreased due to lower Transfer Price.
- PBT of IB increased due to higher margins and growth in non-markup income during year 2024.

Balance Sheet:

- Movement in Assets & Liabilities of different Business Segments was due to rise in the Level of Deposits & Borrowings and corresponding growth in Advances & Investments.

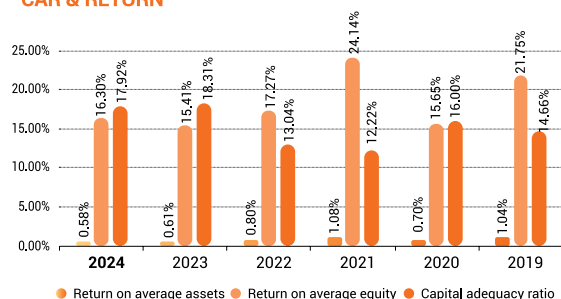


ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

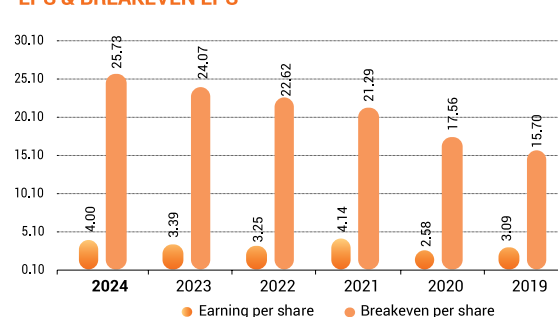
Six Years Maturities of Assets

	2024	2023	2022	2021	2020	2019
	Rs in million					
Total assets	2,379,141	2,216,204	1,481,998	1,197,272	1,095,848	869,682
Net Assets	92,115	80,571	64,964	54,910	52,383	46,867
Surplus on revaluation of assets	7,952	1,819	(2,323)	(1,369)	5,955	5,371
Shareholder's equity excluding surplus						
on revaluation	84,163	78,753	67,287	56,279	46,427	41,496
Profit before tax	24,437	21,129	18,377	18,371	11,926	14,072
Profit after tax	13,280	11,254	10,669	12,396	6,881	8,278
Profit attributable to equity holders	13,088	11,081	10,628	12,316	6,819	8,160
Average assets	2,297,672	1,849,101	1,339,635	1,146,560	982,765	792,199
Return on average assets	0.58%	0.61%	0.80%	1.08%	0.70%	1.04%
Average equity	81,458	73,020	61,783	51,353	43,962	38,056
Return on average equity	16.30%	15.41%	17.27%	24.14%	15.65%	21.75%
Weighted average number of shares	3,271,569,319	3,271,569,319	3,271,569,319	2,974,153,927	2,643,692,380	2,643,692,380
Earnings per share	4.00	3.39	3.25	4.14	2.58	3.09
Number of ordinary shares	3,271,569,319	3,271,569,319	2,974,153,927	2,643,692,380	2,643,692,380	2,643,692,380
Breakup value per share	25.73	24.07	22.62	21.29	17.56	15.70
Capital adequacy ratio	179.2%	18.31%	13.04%	12.22%	16.00%	14.66%

CAR & RETURN



EPS & BREAKEVEN EPS



NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that 34th Annual General Meeting (AGM) of the members of The Bank of Punjab (BOP) will be held on **Tuesday, March 25, 2025 at 5:30 p.m.** at **Avari Hotel, Shahrah-e-Quaid-e-Azam, Lahore** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of 33rd Annual General Meeting held on 28-03-2024.
2. To receive, consider and adopt the Annual Audited Financial Statements of The Bank of Punjab for the year ended December 31, 2024 together with the Director's and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act") and pursuant to SRO 389(I)/2023 dated March 21, 2023, the Annual Report of the Bank has been uploaded on the website of the Bank which can be downloaded from the following weblink or QR enabled code:

Weblink: <https://www.bop.com.pk/Annual%20Accounts>



QR Code:

3. To consider and approve Cash Dividend @18% i.e. Rs.1.80 per share on every share of Rs.10/- each as recommended by the Board of Directors.
4. To appoint Auditors for the year ending December 31, 2025 and to fix their remuneration.
5. To transact any other business with the permission of the Chair.

By order of the Board

Lahore: March 04, 2025

Kamran Hafeez
Company Secretary

NOTES:

1. The Share Transfer Books of the Bank shall remain closed for transfer from **19-03-2025 to 25-03-2025** (both days inclusive). Transfers received at **M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on Tuesday, March 18, 2025** will be treated in time for the purpose of above entitlement to the transferees.
2. All members are entitled to attend the meeting; however, the right of vote is restricted to those who are registered as such for a period of not less than three months prior to the date of the meeting as per Section 17(1) of The Bank of Punjab Act, 1989.

3. Proxies in order to be effective must be deposited at the **Corporate Affairs Department of the Bank, BOP Tower, 10-B, Block-E-II, Main Boulevard, Gulberg-III, Lahore** not less than 48 hours before the meeting. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Bank.
4. A member is entitled to appoint another member as proxy to attend the meeting.
5. The members should quote their Folio number in all correspondence with the Bank and at the time of attending the Meeting.
6. Members are requested to promptly notify any change in their addresses to our Registrar **M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore** before book closure so that the above entitlement be dispatched at the correct addresses.
7. CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular 01 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan:

A. FOR ATTENDING THE MEETING

- i) In case of individual, the account holder or sub-account holder shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors; resolution/ power of attorney with specimen signature of the nominee shall have to be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES

- i) In case of individual, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/

power of attorney with specimen signature shall have to be submitted (unless it has been provided earlier) along with proxy form to the Company.

8. Entry of the member or his/her duly authorized person will be on strict identification as per specimen signature on the Bank's record.
9. Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if Bank receives consent form from the members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least **7 days prior** to the date of meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to the Corporate Affairs Department, Lahore.

I/We _____ of _____ being a member of The Bank of Punjab, holding _____ ordinary shares as per registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of Member(s)

The Bank will intimate members regarding venue of conference facility at least 5 days before the date of General meeting along with complete information necessary to enable them to access such facility.

SPECIAL NOTES TO THE SHAREHOLDERS

Deduction of Withholding Tax on Dividend

Pursuant to the provisions of the Finance Act, 2017 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

Filer 15% Non-Filer 30%

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

Deduction of Withholding Tax on Dividend in case of Joint Account Holders

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar Office M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore latest by **Tuesday, 18-03-2025**, otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company		The Bank of Punjab
Folio No. / CDS A/c. No.		
No. of Shares Held		
Principal Shareholder	Name & CNIC	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder(s)	Name & CNIC	
	Shareholding Proportion (No. of Shares)	

Signature of Shareholder _____

EXEMPTION OF WITHOLDING TAX: -

Withholding Tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore up to **Tuesday, 18-03-2024**.

SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. The shareholders while sending CNIC must quote their respective Folio numbers. It may be noted that in case of non-receipt the copy of CNIC, the Bank would be constrained to withhold dividend payment.

ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in CDS-Sub Account or CDC Investor Account) or to our Share Registrar, M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. The shareholders while sending the Zakat Declarations, as the case may be must quote company name and their respective Folio numbers.

Shareholders should also notify our share Registrar M/s. Corplink (Pvt.) Limited regarding any change in their addresses.

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provision of Section 242 of the Companies Act, 2017 requires the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account

designated by the entitled shareholders. The shareholders who have not provided their bank account details so far are advised to provide their below electronic dividend mandate information to Bank's Share Registrar (**in case of physical Share**) at the address given above and updates their CDC accounts/Sub-accounts as the case may be, enabling the Bank to credit your future dividend promptly, if any.

Folio No./Investor Account Number / CDC Sub Account No.	
Title of Account	
IBAN Number	
Bank Name	
Branch	
Branch Address	
Mobile Number	
CNIC No. (Mandatory)	
Email Address	

Signature of Shareholder _____

REPLACEMENT OF PHYSICAL SHARES INTO CDC ACCOUNT

Members who hold physical shares, are advised to convert their shares into CDC in terms of Section 72 of the Companies Act, 2017.

UNCLAIMED DIVIDEND / SHARES

Shareholders who could not collect their previous dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

VIRTUAL PARTICIPATION IN THE AGM

Members interested to participate in the AGM proceedings via video link are required to provide following details at corporate.affairs@bop.com.pk

Name of Shareholder(s)	CNIC No.	Folio No. / CDC A/c.#	No. of Shares	Cell #	Email Address

Video Link to join the AGM will be shared with only those members whose emails, containing all the required particulars, are received at the above email address by the end of business on **Friday, March 21, 2025**. The Login facility will be opened at **5:00 p.m.** on **25th March 2025** enabling the participants to join the proceedings which will start at **5:30 p.m.** sharp.



07.

UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BANK OF PUNJAB REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of The Bank of Punjab (the Bank), which comprise the unconsolidated statement of financial position as at December 31, 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 27 branches which have been audited by us and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

Key Audit Matter(s)

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

nr

Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Credit loss allowance against advances:</p> <p>(Refer notes 4.8, 5.1, 5.5, 5.19 and 10 to the unconsolidated financial statements)</p> <p>The Bank records credit loss allowance against advances in accordance with the requirements of International Financial Reporting Standard (IFRS) 9 'Financial Instruments'.</p> <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 fair value through profit and loss, together with letters 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 based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the SBP. This assessment is conducted at the borrower / facility level for corporate, commercial, retail and consumer portfolios. If one facility of a counterparty becomes more than 90 days past due or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3.</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>Our audit procedures to verify credit loss allowance against advances included, amongst others, the following:</p> <ul style="list-style-type: none"> 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 and model methodology including any key changes made during the year. We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Bank to identify loss events and for determining the extent of provisioning required against advances. The testing of controls included testing of: <ul style="list-style-type: none"> controls over correct classification of advances; controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria; controls over accurate computation and recording of provisions; and controls over the governance and approval process related to provisions, including continuous reassessment by the management. We selected a sample of loan accounts and performed the following substantive procedures: <ul style="list-style-type: none"> assessed the reasonableness and accuracy of the data used for ECL computation based on accounting records and information system of the Bank as well as the related external sources used for this purpose; checked repayments of loans / mark-up / profit installments and tested classification of advances based on the number of days overdue; tested the staging of loans and advances as per the criteria of SICR and in accordance with IFRS 9; evaluated the management's assessment for classification of a borrower's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and discussions with the management; assessed the ECL model used by the management to calculate Expected Credit Loss against loans and advances balances of the Bank for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model;

nr

S. No.	Key Audit Matter	How the matter was addressed in our audit
	<p>The net credit loss allowance reversed / made during the year is recognised in the unconsolidated statement of profit and loss account and accumulated credit loss allowance is netted-off against advances.</p> <p>The Bank has recognised a net credit loss allowance reversal against advances amounting to Rs. 3,852.526 million in the unconsolidated statement of profit and loss account in the current year. As at December 31, 2024, the Bank holds a credit loss allowance of Rs. 50,045,634 million against advances / financing.</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>	<ul style="list-style-type: none"> assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and assessed the relevant disclosures made in the unconsolidated financial statements to determine whether these are complied with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HR

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Hammad Ali Ahmad**.



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: March 04, 2025
UDIN: AR202410092nTAoJLXWe

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

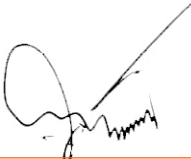
AS AT DECEMBER 31, 2024

	Note	2024 Rupees in '000'	2023
ASSETS			
Cash and balances with treasury banks	6	100,773,480	100,894,255
Balances with other banks	7	3,260,824	8,283,392
Lendings to financial institutions	8	14,769,016	144,960,933
Investments	9	1,320,915,551	913,191,416
Advances	10	777,397,391	806,386,880
Property and equipment	11	28,554,791	20,788,845
Right-of-use assets	12	12,865,764	12,424,136
Intangible assets	13	2,471,867	2,091,021
Deferred tax assets - net	14	9,051,188	10,242,767
Other assets	15	109,919,338	196,916,345
Total assets		2,379,979,210	2,216,179,990
LIABILITIES			
Bills payable	17	7,636,873	5,507,855
Borrowings	18	409,005,930	453,965,991
Deposits and other accounts	19	1,710,287,720	1,520,853,642
Lease liabilities	20	17,101,125	15,727,259
Subordinated debts	21	30,820,106	30,204,640
Deferred tax liabilities		-	-
Other liabilities	22	112,596,311	109,165,991
Total liabilities		2,287,448,065	2,135,425,378
NET ASSETS		92,531,145	80,754,612
REPRESENTED BY			
Share capital - net	23	32,452,535	32,452,535
Reserves		17,626,801	14,951,729
Surplus on revaluation of assets - net of tax	24	7,954,370	1,828,553
Unappropriated profit		34,497,439	31,521,795
		92,531,145	80,754,612

CONTINGENCIES AND COMMITMENTS

25

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.



Chief Financial Officer



President



Chairman



Director

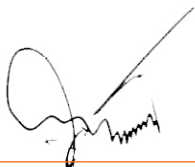


Director

UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023
	Note	Rupees in '000'	
Mark-up / return / interest earned	26	343,790,940	327,193,801
Mark-up / return / interest expensed	27	299,634,383	286,248,218
Net mark-up / interest income		44,156,557	40,945,583
NON MARK-UP / INTEREST INCOME			
Fee and commission income	28	11,374,157	7,429,415
Dividend income		353,754	568,187
Foreign exchange income		857,471	297,507
Income / (loss) from derivatives		-	-
Gain on securities - net	29	11,763,083	5,254,622
Net gain on derecognition of financial assets measured at amortised cost	30	1,147,554	-
Other income - net	31	1,193,372	4,167,800
Total non-markup / interest income		26,689,391	17,717,531
Total income		70,845,948	58,663,114
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	49,900,235	37,119,633
Workers Welfare Fund		491,291	323,580
Other charges	33	6,615	54,909
Total non-markup / interest expenses		50,398,141	37,498,122
Profit before credit loss allowance		20,447,807	21,164,992
Reversal of credit loss allowance and write offs - net	34	(4,116,733)	(52,925)
PROFIT BEFORE TAXATION		24,564,540	21,217,917
Taxation - net	35	11,189,178	9,878,732
PROFIT AFTER TAXATION		13,375,362	11,339,185
Basic earnings per share (Rs.)	36	4.09	3.47
Diluted earnings per share (Rs.)	37	4.09	3.47

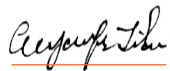
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Chief Financial Officer



President



Chairman



Director



Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees in '000'	2023
Profit after taxation for the year		13,375,362	11,339,185
Other comprehensive income / (loss) :			
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of debt investments through FVOCI / AFS investments - net of tax	24	(1,206)	4,893,259
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement gain / (loss) on defined benefit obligation	40.1.7.2	47,800	(257,339)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax		601,938	-
Movement in surplus on revaluation of property and equipment - net of tax		2,132,820	(285,427)
Movement in surplus on revaluation of non-banking assets - net of tax		310,679	6,121
		3,093,237	(536,645)
Total comprehensive income for the year		16,467,393	15,695,799

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.



Chief Financial Officer



President



Chairman



Director



Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital		Capital reserves		Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of		Total	
	Share capital	Discount on issue of shares	Share premium	Reserve for issuance of bonus shares		Investments	Property and equipment and non banking assets		Unappropriated profit
Balance as at January 01, 2023	29,741,539	(263,158)	2,215,040	-	10,468,852	(7,819,265)	5,495,835	25,213,170	65,052,013
Profit after taxation for the year	-	-	-	-	-	-	-	11,339,185	11,339,185
Other comprehensive income - net of tax	-	-	-	-	-	-	-	(257,339)	(257,339)
Remeasurement loss on defined benefit obligation	-	-	-	-	-	-	-	-	-
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	4,893,259	-	-	4,893,259
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(285,427)	-	(285,427)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	6,121	-	6,121
Transfer to statutory reserve	-	-	-	-	2,267,837	4,893,259	(2,793,306)	(257,339)	4,356,614
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	(121,306)	121,306	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(4,871)	4,871	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(335,793)	342,593	6,800
Transactions with owners, recorded directly in equity:									
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	2,974,154	-	-	2,974,154	-	-	-	(2,974,154)	-
Issuance of bonus shares during the year	2,974,154	-	(2,974,154)	-	-	-	-	(2,974,154)	-
Balance as at December 31, 2023	32,715,693	(263,158)	2,215,040	-	12,736,689	(2,926,006)	4,754,559	31,521,795	80,754,612
Impact of first time adoption of IFRS-09 - net of tax (note 5.11)	-	-	-	-	-	3,326,807	-	(4,821,771)	(1,494,964)
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,693	(263,158)	2,215,040	-	12,736,689	400,801	4,754,559	26,700,024	79,259,648
Profit after taxation for the year	-	-	-	-	-	-	-	13,375,362	13,375,362
Other comprehensive income - net of tax	-	-	-	-	-	-	-	47,800	47,800
Remeasurement gain on defined benefit obligation	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	(1,206)	-	-	(1,206)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	2,132,820	-	2,132,820
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	310,679	-	310,679
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	-	601,938	-	-	601,938
Transfer to statutory reserve	-	-	-	-	2,675,072	600,732	2,443,499	47,800	3,092,031
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	12,414	-	(258,663)	(13,449)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	(108,464)	108,464	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(1,240)	1,240	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(147,931)	237,053	89,122
Transactions with owners, recorded directly in equity:									
Final cash dividend - December 31, 2023 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as at December 31, 2024	32,715,693	(263,158)	2,215,040	-	15,411,761	1,013,947	6,940,423	34,497,439	92,531,145

The annexed notes 1 to 50 and annexures I and II form an integral part of these un-consolidated financial statements.

Chief Financial Officer

President

Chairman

Director

Director

UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

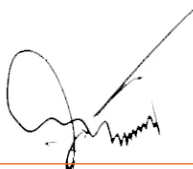
	Note	2024	2023
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		24,564,540	21,217,917
Less: Dividend income		(353,754)	(568,187)
		24,210,786	20,649,730
Adjustments:			
Net mark-up / interest income		(46,343,717)	(42,885,346)
Depreciation on property and equipment	32	2,533,593	1,912,246
Depreciation on non banking assets acquired in satisfaction of claims	32	22,573	22,134
Depreciation on ijarah assets under IFAS - 2	32	353,078	186,585
Depreciation on right-of-use assets	32	1,956,626	1,730,876
Amortization on intangible assets	32	411,206	342,207
Amortization of discount on debt securities - net		(7,817,560)	(7,639,065)
Finance charges on lease liabilities	27	2,187,160	1,939,763
Unrealized gain on revaluation of investments classified as FVTPL / HFT	29	(831,292)	(55,003)
(Realized) / unrealized on revaluation of deliverable future contracts	29	(7,887)	7,887
Credit loss allowance against lending to financial institutions	34	12,825	-
(Reversal of credit loss allowance) / provision for diminution in value of investments	34	(58,487)	796,042
Reversal of credit loss allowance / provision against loans & advances	34	(3,852,526)	(1,445,079)
Reversal of credit loss allowance against balances with treasury banks	34	(235,411)	-
(Reversal of credit loss allowance) / provision against other assets - net	34	(147,812)	596,112
Credit loss allowance against off balance sheet obligations	34	236,495	-
Reversal of credit loss allowance against balance with other banks	34	(71,817)	-
Workers Welfare Fund		491,291	323,580
Gain on termination of lease liability against right-of-use assets	31	(239,480)	(238,561)
Gain on sale of property and equipment - net	31	(40,199)	(8,606)
Gain on sale of non banking assets - net	31	(514,835)	(3,882,298)
Realized gain on sale of securities - net	29.1	(10,923,904)	(5,207,506)
Net gain on derecognition of financial assets measured at amortised cost	30	(1,147,554)	-
Charge for employees compensated absences	32.1	31,077	12,421
Charge for gratuity	32.1	479,773	440,539
		(63,516,784)	(53,051,072)
		(39,305,998)	(32,401,342)
Increase in operating assets:			
Lendings to financial institutions		130,150,933	(75,141,591)
Investments classified as FVTPL / HFT		(38,588,138)	(37,643,704)
Advances		12,410,643	(215,546,947)
Others assets		66,283,976	(85,716,060)
		170,257,414	(414,048,302)
Increase / (decrease) in operating liabilities:			
Bills payable		2,129,018	(815,786)
Borrowings from financial institutions		(45,380,925)	372,945,654
Deposits and other accounts		189,434,078	293,514,152
Other liabilities (excluding current taxation and gratuity fund)		6,443,474	3,529,232
		152,625,645	669,173,252
Payment made to gratuity fund		(690,633)	(171,152)
Mark-up / return / interest received		374,101,526	273,268,391
Mark-up / return / interest paid		(299,729,377)	(251,656,032)
Income tax paid		(11,058,261)	(7,639,610)
		62,623,255	13,801,597
Net cash flow from operating activities		346,200,316	236,525,205

UNCONSOLIDATED CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees in '000'	2023
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in FVOCI / AFS securities		(391,920,063)	(217,092,316)
Net investment in amortised cost / HTM securities		52,513,449	-
Dividends received		355,137	568,187
Investment in property and equipment		(5,793,468)	(4,474,807)
Investment in intangible assets		(792,052)	(665,241)
Proceeds from sale of property and equipment		63,758	19,452
Proceeds from sale of non banking assets acquired in satisfaction of claims	15.12	1,001,102	5,568,719
Investment in subsidiary companies		(1,100,000)	(110,487)
Net cash used in investing activities		(345,672,137)	(216,186,493)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(6,034)	(2,497,120)
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	21.2	50,000	3,900,000
Subscription received - privately placed term finance certificates - III	21.4	-	4,600,000
Subscription received - privately placed term finance certificates - IV	21.5	571,500	6,998,000
Dividend paid		(3,271,569)	-
Payment of lease liability against right of use assets		(2,972,068)	(2,379,620)
Net cash (used in) / flow from financing activities		(5,628,171)	10,621,260
(Decrease) / increase in cash and cash equivalents		(5,099,992)	30,959,972
Impact of credit loss allowance on cash and cash equivalents		(464,215)	-
Cash and cash equivalents at beginning of the year		108,977,522	78,017,550
Cash and cash equivalents at end of the year	38	103,413,315	108,977,522

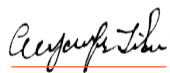
The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.



Chief Financial Officer



President



Chairman



Director



Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 900 branches including 16 sub branches and 210 Islamic banking branches (2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the year end. The Bank also has 258 Islamic banking windows (December 31, 2023 : 73 Islamic banking windows). The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

2. BASIS OF PREPARATION

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

These unconsolidated financial statements are separate financial statements of the Bank in which the investment in subsidiaries are stated at cost less impairment losses (if any) and has not been accounted for on the basis of reported results and net assets of the investee. Consolidated financial statements of the Group are being issued separately.

The financial results of Islamic banking business have been consolidated in these unconsolidated financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic banking business are disclosed in Annexure-II to these unconsolidated financial statements.

The SBP, vide its BPRD Circular 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. The significant change is relating to right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated financial statements in terms of recognition and measurement of assets and liabilities.

2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP);
- Requirements of The Bank of Punjab Act, 1989; and

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

Wherever the requirements of the directives issued by the SBP and SECP, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of the IFRS or IFAS, the requirements of the said directives, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

2.1.2 SBP has deferred the applicability of International Accounting Standards 40, “Investment Property” for banking companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred applicability of IFRS 7 “Financial Instruments: Disclosures” on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

2.1.3 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of “Islamic Financial Accounting Standard - 3” for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

2.1.4 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective “Consolidated Financial Statements” from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

2.1.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2024

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank’s accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank’s operations and therefore are not detailed in these unconsolidated financial statements except for IFRS-09 “Financial Instruments”, the impact of which is disclosed in note 5.1 to these unconsolidated financial statements.

2.1.6 New accounting standards and IFRS interpretations that are not yet effective:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank’s accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank’s operations except for:

Standard or Interpretations	Effective date (accounting periods beginning on or after)
Amendments to IAS 21 - Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027

3. BASIS OF MEASUREMENT

- 3.1 These unconsolidated financial statements have been prepared under the historical cost convention, except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, right-of-use assets, lease liabilities and certain staff retirement benefits at present value and staff & subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) are measured at fair value on initial recognition.
- 3.2 These unconsolidated financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of unconsolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's unconsolidated financial statements or where judgment was exercised in the application of accounting policies are as follows:

4.1 Classification of investments

Investments at amortized cost - Investment is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Investments at Fair Value through Other Comprehensive Income (FVOCI) - Investment is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments at Fair Value Through Profit or Loss Account (FVTPL) - Investment shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

4.2 Depreciation, amortization and revaluation of property and equipment & non-banking assets

Estimates of useful life of property and equipment & non-banking assets shall be based on management's best estimate. In making estimates of the depreciation / amortization method, the management shall use method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied shall be reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method should be changed to reflect the change in pattern. Further, the Bank shall estimate the revalued amount of free hold land, buildings on free hold land & non-banking assets on a regular basis. The estimates shall be based on valuations carried out by an independent valuation expert under the market conditions.

4.3 Income taxes

In making estimates for income taxes currently payable by the Bank, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

4.4 Staff retirement benefits

The amount of provision for gratuity and compensated absences is determined using actuarial valuation. The valuation involves making use of assumptions about discount rates, mortality, expected rate of salary increases, retirement rates, and average leave utilization per year. Due to the degree of subjectivity involved and long-term nature of these plans, such estimates are subject to significant uncertainty.

4.5 Amortization of intangibles

Estimate of useful life of intangibles shall be based on management's best estimate. In making the estimates of amortization method, the management shall use the method which reflects the pattern in which economic benefits are expected to be consumed by the bank. This method applied shall be reviewed at each financial year end.

4.6 Lease liability and right-of-use assets

In making estimates, the Bank uses following practical expedients and significant judgments, as permitted by the standard:

- Use of a single discount rate for leases with similar characteristics; and
- Lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

4.7 Impairment

'The impairment of non-financial assets (e.g., property, equipment and intangible assets) involves estimating the asset's recoverable amount and comparing it to its carrying value. If the carrying value exceeds the recoverable amount, an impairment loss is recognized.

4.8 Expected credit loss

The Expected Credit Loss (ECL) model, as per IFRS 9, requires banks and financial institutions to estimate future credit losses on financial assets such as loans, advances, debt securities and off balance sheet items. The ECL model relies on various estimates to measure potential credit risk.

4.9 Fair value measurement

The estimate of fair value measurement refers to the process of determining the market-based value of a financial asset or liability at a given date. Banks apply IFRS 13 (Fair Value Measurement) to ensure consistency and transparency in financial reporting.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of previous financial year except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024 as mentioned in note 5.1.

5.1 Adoption of IFRS-09 - 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 vide Letter No. BPRD/RPD/822456/25 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

The SBP has directed the Banks through its BPRD Circular Letter No.1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. The Bank is currently in the process of assessing the impact(s) on profit income of the Bank had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations.

The adoption of IFRS-09 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio;
- evaluation of the performance of the business model and reporting to Bank's key management personnel;
- risks that affect the performance and management of the business model; and
- the expected frequency, value and timing of sales.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Eventually, the financial assets fall under either of the following three business models:

- i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows;
- ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets; and
- iii) Other business models: Resulting in classification of financial assets as FVTPL.

Assessments whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and the credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

Classification

Under IFRS-09, 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 amortized cost - A financial instrument is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are SPPI on the principal amount outstanding.
- Financial assets at FVOCI - A financial instrument is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at FVTPL - A debt financial instrument shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Under IFRS-09, the accounting for financial liabilities remains largely the same as before the adoption of IFRS-09 and therefore, these financial liabilities are being carried at amortized cost.

Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

a) Financial assets classified as amortized cost

Financial instruments under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An Expected Credit Loss allowance (ECL) is recognised for financial assets in the statement of profit and loss account. Interest / profit income / expense on these instruments are recognised in the statement of profit and loss account. On derecognition of these financial instruments, capital gain / loss shall be recognised in the statement of profit and loss account.

b) Fair value through other comprehensive income

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend / interest / profit income is recognized in statement of profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in statement of profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to statement of profit and loss account.

c) Fair value through profit or loss

Financial assets are initially measured at their fair value and their associated transaction costs are charged to statement of profit and loss.

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in statement of profit and loss account. Interest / profit income on these instruments is recorded into statement of profit and loss account. Dividend income on equity instruments is recorded in statement of profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the statement of profit and loss account. An ECL is not recognised for these financial assets.

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

The requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank which are explained as follows:

Financial assets previously classified as Available For Sale (AFS)

The application of IFRS 9 has resulted in classification and consequent Remeasurement of investments in Islamic Naya Pakistan Certificates (INPC's), amounting to Rs. 5,546,538 thousand, held under AFS portfolio as of December 31, 2023 to FVTPL based on their business model assessment.

The failure of SPPI test upon assessment of contractual cash flows of debt based financial assets has resulted in classification and consequent remeasurement of investments in certain Non Government debt securities, amounting to Rs. 1,356,664 thousand, to FVTPL.

The business model change has resulted in classification of Government debt securities, amounting to Rs. 86,676,289 thousand and Non Government debt securities of Rs. 3,215,515 thousand to amortized cost.

All other debt based financial assets previously classified as AFS upon passing the SPPI test have been designated as FVOCI 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. There is no change to their measurement basis and recognition of realized and unrealized gain / loss under IFRS 9.

The Bank has elected to irrevocably designate all quoted and unquoted equity securities previously classified as available for sale (AFS) as FVOCI except units of open end mutual funds, amounting to Rs. 3,176,823 thousand, that have been mandatorily classified as measured at FVTPL. The fair value gain or losses recognized in OCI will not be recycled to statement of profit and loss account on derecognition of these.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. Accordingly, the Bank has reclassified impairment of Rs. 572,437 thousand on listed equity investments and Rs. 406,355 thousand for unlisted equity investments held as at December 31, 2023 to surplus / deficit on revaluation of investments.

The following table reconciles the carrying value of investments in debt based financial assets as reported on December 31, 2023 to the carrying amounts on transition to IFRS 9 at January 01, 2024:

Financial Asset	Before adoption of IFRS 9		After adoption of IFRS 9	
	Measurement Category	Audited December 31, 2023	Measurement Category	Balance as of January 01, 2024 - before ECL

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

Federal Government Securities

Market Treasury Bills	Held for Trading	27,203,193	FVTPL	27,203,193
Pakistan Investment Bonds - Fixed	Available for sale	70,668,956	Amortized cost	77,083,907
	Held to Maturity	98,547,842	Amortized cost	98,547,842
	Held for Trading	5,261	FVTPL	5,261
Pakistan Investment Bonds - Floating	Available for sale	643,945,399	FVOCI	643,945,399
	Held for Trading	16,916,467	FVTPL	16,916,467
Islamic Naya Pakistan Certificates - Ijarah Sukuks	Available for sale	5,546,538	FVTPL	5,546,538
	Available for sale	29,678,226	FVOCI	21,405,626
		-	Amortized cost	9,592,382
- Pakistan Energy Sukuks		8,340,899	FVOCI	8,340,899

Non Government Debt Securities

- Corporate Sukuks	Available for sale	3,215,515	Amortized cost	3,215,515
- Equity Securities	Available for sale	7,644,011	FVTPL	3,176,823
			FVOCI	4,467,188
- Term Finance Certificates	Available for sale	1,356,664	FVTPL	1,356,664
Subsidiary			FVOCI	110,487

Foreign Securities

- SWIFT Shares	Available for sale	11,957	FVOCI	11,957
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913,080,928

920,926,148

Expected Credit Loss (ECL)

The adoption of IFRS-09 has fundamentally changed the Bank's loan loss impairment method with a forward-looking ECL approach. The Bank shall record the allowance for ECL for all financial instruments (advances and other debt based financial assets not held at FVTPL, together with letter of credit, financial guarantees and unutilized financing commitments hereinafter referred to as "Financial Instruments").

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The 12mECL (12 months' Expected Credit Loss) is the portion of LTECLs (the Life-Time Expected Credit Loss or LTECL) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on facility level basis.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

For loans and advances, PD estimation is based on the historic transitions of segmented obligors from one credit state/rating to another credit state/rating. Credit states are defined by rating classes and are based on the Bank's internal credit risk ratings (i.e. from ICRR 1 to ICRR 12). In order to convert historic trends to forward-looking; PD's are weighted by considering key macro-economic drivers affecting credit ratings i.e. (Gross Domestic Product, Volume of Import of Goods, Government Lendings).

For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), historical PDs have been estimated on the basis of global default Rates taken from S&P, Fitch, Moody's, PACRA & VIS rating-wise transition matrices. These annual default rates have than been converted into forward-looking point in time PDs using the vasicek model.

- LGD: LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive. It is expressed as a percentage of the EAD. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money. The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs using the Jacob Frye model; that estimates LGD as an increasing function of default rate.

- EAD: EAD represents the amount of potential exposure that is at risk. The estimation of EAD considers any expected changes in the exposure after the reporting date, including expected drawdowns on committed facilities through the application of a credit conversion factor (CCF). The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behavior, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

During calculation of key elements of ECL such as PD, LGD etc., the Bank has considered information / parameters which are reflective of credit risk of the existing portfolio profile.

For assessment of significant deterioration in credit risk and estimation of corresponding risk parameters, financial instruments have been grouped together based on their shared risk characteristics to collectively assess for significant credit risk deterioration.

A default will deem to have occurred either when the obligation has become over 90 Days Past Due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred. When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on 12mECL as outlined below.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.
- Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.
- Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022 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 provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.
- "Guarantee & Letter of Credit contracts:" The Bank performs internal assessment and estimates ECLs based on the BASEL driven credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities; effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

As per BPRD Circular No. 03 of 2022 dated July 05, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

When estimating the ECLs, In addition to the base economic scenario, the Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgment, taking account of the range of possible outcomes, each chosen scenario is representative of.

The Bank's management has only considered cash, liquid securities and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Backward Transition

In line with Bank's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Bank of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a significant increase in credit risk (SICR) no longer exist. However, a minimum period of three months, as approved by the Board of Directors, from the initial downgrade is mandatory before any facility can be moved back to Stage 1.

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 six months before being reclassified to Stage 1.

Impact on Regulatory Capital

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has affected their lending capacity and ability to support their clients. In order to mitigate the impact of ECL provisioning, a transitional arrangement is allowed to the banks to absorb impact on regulatory capital: in accordance with SBP's Guideline for absorption of ECL for CAR Purposes as mentioned in Annexure C of BPRD Circular No 3 of 2022. The Bank has availed benefit of captioned transitional arrangement in regulatory capital.

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Bank derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank enters into transactions whereby it transfer assets recognised in its unconsolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liabilities:

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the unconsolidated statement of profit and loss account.

Modification:

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in derecognition of that financial asset in accordance with IFRS 9, the Bank recalculates the gross carrying amount of the financial asset and shall recognize a modification gain or loss in the statement of profit and loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial assets original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the financial asset.

5.1.1 Adoption impacts of IFRS-09

As permitted by the transitional provisions of IFRS-09, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves without restating the comparative information.

The impacts of adoption of IFRS-09 on Bank's statement of financial position as on January 01, 2024 are as follows:

	Impact due to:										Adjusted balance as of January 01, 2024	IFRS-09 Category
	Balances as of December 31, 2023 (Audited)	Recognition of expected credit losses (ECL)	Adoption of revised classifications	Remeasurements	Business model and assessment criteria	Related movement in surplus SPP	Reversal / adjustment of provisions held	Total impact-gross of tax	Related Taxation impact	Total impact-net of tax		
	Rupees in '000'											
ASSETS												
Cash and balances with treasury banks - net	100,894,255	(685,104)	-	-	-	-	-	(685,104)	-	(685,104)	100,209,151	Amortised cost
Balances with other banks - net	8,283,392	(86,340)	-	-	-	-	-	(86,340)	-	(86,340)	8,197,052	Amortised cost
Lendings to financial institutions - net	144,960,933	(28,160)	-	-	-	-	-	(28,160)	-	(28,160)	144,932,773	Amortised cost
Investments - net:												
- Classified as available for sale	770,408,167	(770,408,167)	(102,064,138)	6,523,150	3,303,891	-	(770,408,167)	-	(770,408,167)	678,171,070	FVOCI	
- Classified as fair value through OCI	98,547,842	(98,547,842)	89,891,804	-	-	-	(98,547,842)	-	(98,547,842)	188,402,409	Amortised cost	
- Classified as amortized cost	44,124,920	(44,124,920)	-	229,050	(2,321,359)	-	(44,124,920)	-	(44,124,920)	54,204,945	FVTPL	
- Classified as held for trading	110,487	-	-	-	-	-	-	-	-	110,487	Outside the scope of IFRS-09	
- Subsidiaries	913,191,416	(37,237)	-	6,752,200	982,532	-	7,697,495	-	7,697,495	920,888,911	Amortised cost	
Advances - net	806,386,880	(10,775,213)	-	(13,052,066)	-	-	(23,827,279)	-	(23,827,279)	782,559,601	Amortised cost	
Property and equipment	20,788,846	-	-	-	-	-	-	-	-	20,788,846	Outside the scope of IFRS-09	
Right-of-use assets	12,424,136	-	-	-	-	-	-	-	-	12,424,136	Outside the scope of IFRS-09	
Intangible assets	2,091,021	-	-	-	-	-	-	-	-	2,091,021	Outside the scope of IFRS-09	
Deferred tax asset - net	10,242,767	(540,711)	-	9,704,455	-	-	9,163,744	-	3,505,810	13,748,577	Outside the scope of IFRS-09	
Other assets - net	196,916,345	(540,711)	-	-	-	-	9,163,744	-	9,163,744	206,080,089	Amortised cost for financial assets / FVTPL	
	2,216,179,990	(12,152,765)	-	6,752,200	982,532	-	(7,765,644)	3,505,810	(4,259,834)	2,211,920,156		
LIABILITIES												
Bills payable	5,507,855	-	-	-	-	-	-	-	-	-	5,507,855	Amortised cost
Borrowings	453,965,991	-	-	-	-	-	(4,289,969)	-	(4,289,969)	449,676,022	Amortised cost	
Deposits and other accounts	1,520,853,642	-	-	-	-	-	-	-	-	1,520,853,642	Amortised cost	
Lease liabilities	15,727,259	-	-	-	-	-	-	-	-	15,727,259	Amortised cost	
Subordinated debts	30,204,640	-	-	-	-	-	-	-	-	30,204,640	Amortised cost	
Other liabilities - net	108,165,991	1,525,099	-	-	-	-	1,525,099	-	1,525,099	110,691,090	Amortised cost for financial liabilities / FVTPL	
	2,135,625,378	1,525,099	-	-	-	-	(4,289,969)	-	(2,764,870)	2,132,860,508		
NET ASSETS	80,754,612	(13,677,864)	-	6,752,200	982,532	-	(5,000,774)	3,505,810	(1,494,964)	79,259,648		
REPRESENTED BY												
Share capital	32,452,535	-	-	-	-	-	-	-	-	-	32,452,535	
Reserves	14,951,729	-	-	-	-	-	-	-	-	14,951,729		
Surplus on revaluation of assets - net of tax	1,828,563	-	-	6,523,150	-	-	6,523,150	(3,196,343)	3,326,807	5,155,360		
Unappropriated profit	31,521,795	(13,677,864)	-	229,050	982,532	-	(11,525,924)	6,702,153	(4,821,771)	26,700,024		
	80,754,612	(13,677,864)	-	6,752,200	982,532	-	(5,000,774)	3,505,810	(1,494,964)	79,259,648		

5.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, prize bonds and balances with treasury banks and balances with other banks less over drawn nostro accounts, call borrowings and other overdrawn bank accounts.

5.3 Lendings to / borrowings from financial institutions

The Bank enters into transactions of sale under repurchase obligations (repo) and purchase under resale obligations (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

5.3.1 Sale under repurchase agreements

Securities sold subject to a repurchase agreement (repo) are retained in the unconsolidated financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and repurchase price is accrued using effective yield method and recorded as interest expense over the term of the related repo agreement.

5.3.2 Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are not recognized in the unconsolidated financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. The differential between the contracted price and resale price is accrued using effective yield method and recorded as interest income.

5.4 Investments

Investments other than those categorized as FVTPL shall initially be recognized at fair value which includes transaction costs associated with the investments. Investments classified as FVTPL shall initially be recognized at fair value and transaction costs shall be expensed in the profit & loss account.

All regular way purchase / sale of investment shall be recognized on the trade date, i.e., the date the Bank commits to purchase / sell the investments. Regular way purchase or sale of investment requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Investment in subsidiary shall be stated at cost less ECL (if any). Other investments shall be classified as follows:

Fair value through profit and loss

These are securities which shall be acquired with the intention to trade by taking advantage of short-term market / interest / profit rate movements. These shall be carried at market value, with the related surplus/(deficit) on revaluation being taken to profit & loss account.

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that should be held with the intention and ability to hold to maturity. These shall be carried at amortized cost.

Fair value through other comprehensive income

These shall be carried at market value with the surplus / (deficit) on revaluation taken to 'Surplus / (deficit) on revaluation of assets' shown in equity, except for investments in unquoted shares, debentures, bonds, federal, provincial and foreign government securities (except for Treasury Bills and Pakistan Investment Bonds) which shall be stated at cost less ECL for diminution in value of investments, if any.

Premium or discount on debt securities classified as available for sale and held to maturity securities shall be amortized using the effective yield method.

On de-recognition or impairment in quoted available-for-sale securities the cumulative gain or loss previously reported as "Surplus / (deficit) on revaluation of assets" in equity shall be included in the profit & loss account for the period except for equity instruments.

Gain and loss on disposal of investments shall be dealt with through the statement of profit and loss account in the year in which they arise.

5.5 Advances including net investment in finance lease

Advances and net investments in finance lease shall be stated net of ECL. As per BPRD Circular No. 03 of 2022 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 provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio.

Leases where risks and rewards incidental to ownership are substantially transferred to lessee are classified as finance lease. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value.

Unearned finance income is recognised over the term of the lease, so as to produce a constant periodic return on the outstanding net investment in lease. The Bank determines credit loss allowance against investment in finance lease on a prudent basis in accordance with the requirements of the Prudential Regulations and instructions issued by the SBP and the management estimates / assumption. The assets are written off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight-line basis over the term of the Ijarah after taking into account the estimated residual value.

Istisna is a mode of resale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date. The funds disbursed under Istisna are recorded as "Advance against Istisna". After the manufacturing of goods, the same are recorded as inventories at the statement of financial position and after the sale of goods by customer to its ultimate buyers, Istisna financing is recognized.

For Running Musharakah, the Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

In Murabaha transactions, the Bank purchases the goods through its agent or client and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

Under Murabaha financing, funds disbursed for purchase of goods are recorded as 'Advance against Murabaha finance'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financing are recorded at the deferred sale price. Goods purchased but remained unsold at the statement of financial position date are recorded as inventories. Deferred income on Murabaha financing is adjusted against Murabaha receivable.

In Diminishing Musharaka based financing, the Bank enters into Musharaka based on partnership for financing and agreed share of fixed assets with its customers and enters into period profit payment agreement for the utilization of the Bank's Musharaka share by the customer.

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

5.6 Property and equipment and depreciation

5.6.1 Property and equipment

Property and equipment, other than freehold land which is not depreciated, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at revalued amount.

Depreciation on property and equipment is charged to statement of profit and loss account using the diminishing balance method so as to write off the historical cost / revalued amount of the asset over its estimated useful life, except motor vehicles, leasehold improvements and computer equipment on which depreciation is charged using the straight line basis. The rates at which the depreciation is charged are given in note 11.2 to these unconsolidated financial statements. Impairment loss or its reversal, if any, is charged to statement of profit and loss account. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed.

Surplus arising on revaluation of freehold land and buildings on freehold land is credited to the "Surplus on revaluation of assets" in equity and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of buildings (net of deferred taxation) is transferred directly to unappropriated profit / accumulated loss.

Gains and losses on sale of property and equipment are charged to statement of profit and loss account currently except that the related surplus/deficit on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Major renewals and improvements are capitalized only when it is probable that future economic benefits associated with the item will flow to the bank and cost of the item can be measured reliably and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the statement of profit and loss account as and when incurred.

5.6.2 Capital work-in-progress

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

5.7 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are subsequently depreciated over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are to be reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. Right-of-use assets are recognized using cost model.

5.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses (if any). The cost of intangible assets is amortised over their useful lives, using the straight line method as per the rates given in note 13.1 to these unconsolidated financial statements. Amortization on additions is charged from the month the assets are available for use while no amortization is charged in the month in which the assets are disposed.

5.9 Borrowings / deposits

Borrowings and deposits are recorded at the proceeds received except for Temporary Economic Refinance Facility (TERF) borrowing from the SBP which has been recorded at fair value on initial recognition. Unwinding of expense on fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

Deposits generated on Modaraba basis are classified as 'Savings Account' and 'Fixed Deposit Accounts'. Profits realized in investment pools are distributed in pre-agreed profit-sharing ratio. Rab-ul-Maal (Customer) share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib (Bank) can distribute its share of profit to Rab-ul-Maal upto a specified percentage of its profit. Profits are distributed from the pool so the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. Asset pools are created at the Bank's discretion and the Bank can add, amend, and transfer an asset to any other pool in the interests of the deposit holders. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

5.10 Subordinated debts

Subordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is recognized separately as part of other liabilities and is charged to the statement of profit and loss account over the period on an accrual basis.

5.11 Employee retirement and other benefits

Defined contribution plan - Provident fund

The Bank operates an approved provident fund scheme, covering all permanent employees. Contributions are made monthly by the Bank and the employees at the rate of 8.33% of basic salary. Contributions by the Bank are charged to statement of profit and loss account.

Defined benefit plan - Gratuity scheme

The Bank operates an approved funded gratuity scheme for all its permanent employees. Contributions are made to cover the obligations under the scheme on the basis of actuarial valuation carried out by independent professionally qualified valuers and are charged to profit to loss account. Actuarial gains and losses are charged or credited to other comprehensive income in the year in which they occur.

Defined benefit plan - Employees' compensated absences

The Bank makes annual provision in the unconsolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation carried out by independent professionally qualified valuers. Actuarial gains and losses are charged to statement of profit and loss account in the year in which they occur.

5.12 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation except land which is carried at revalued amount. The non-banking assets are depreciated over useful life on reducing balance method. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of non banking assets is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Legal fees, transfer costs and direct costs of acquiring title to property is charged to statement of profit and loss account and not capitalized.

5.13 Foreign currencies

Transactions in foreign currency are translated to Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities and commitments for letters of credit and acceptances in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date except assets and liabilities for which there are forward contracts which are translated at the contracted rates. Forward exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities. All exchange differences are charged to statement of profit and loss account.

5.13.1 Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

5.14 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognized:

Mark-up / return / interest income

Mark-up / return / interest on advances and return on investments are recognized in statement of profit and loss account on an accrual basis as per terms of the contract and as permitted by the SBP, except mark-up on non-performing advances which is recognized when received. Murabaha income is recognised on deferred income basis.

Dividend income

Dividend income is recognized when the Bank's right to receive the dividend is established.

Lease finance income

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to statement of profit and loss account over the term of the lease periods so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the SBP. Gain/loss on termination of lease contracts, documentation charges and other lease income are recognized through statement of profit and loss.

Fees and commission income

Fee commission is recognized at amount that reflects consideration to which the Bank expects to be entitled in exchange for providing the services. The Bank recognizes fees earned on transaction based arrangements at point in time, when the Bank has provided the services to customer. Where the contract requires services to be provided over time, income is recognized on systematic basis over the period of arrangement.

5.15 Lease liabilities against right-of-use assets

The lease liability is initially measured at present value of lease payments to be made over lease term, discounted using the Bank's incremental weighted average borrowing rate. The lease liability shall be subsequently measured at amortised cost using the effective interest rate method i.e. increase by interest cost on lease liability and decrease by lease payments made.

5.15.1 Short-term leases and leases of low-value asset

The bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

5.16 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments / changes in laws and changes in estimates made during the current year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in income statement, except in the case of items credited or charged to equity in which case it is included in equity.

The Bank also recognizes deferred tax asset / liability on deficit / surplus on revaluation of property and equipment, NBAs and available for sale securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS)12, 'Income Taxes'.

5.17 Impairment

The carrying amounts of assets (other than deferred tax assets) are reviewed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the statement of profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.18 Provisions

Provisions are recorded when the Bank has a present obligation as a result of a past event when it is probable that it will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

5.19 Credit loss allowance for claims under guarantees and other off balance sheet obligations

Credit loss allowance for claims under guarantees and other off balance sheet obligations shall be made when the Bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit & loss account shall be stated net of expected recoveries.

5.20 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the equity.

5.21 Acceptances

Acceptances comprise undertaking by the Bank to pay bills of exchange drawn on customer. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on balance sheet transactions.

5.22 Financial instruments

5.22.1 Financial assets and liabilities

Financial instruments carried on the statement of financial position include cash and balances with treasury banks, balances with other banks, lending to financial institutions, investments, advances, certain receivables, bills payable, borrowing from financial institutions, deposits and other accounts, subordinated debts and other payables. The particular recognition criteria adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.22.2 Off setting

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

5.23 Segment reporting

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

5.23.1 Business segments

Corporate and investment banking

This includes, loans, project finance, real estate finance, export finance, trade finance, commercial & investment banking, and other banking activities with corporate and public sector customers.

Cards and public sector deposits

It includes public sector deposits and related banking services including home remittances and card related banking services to customers of the Bank.

Consumer banking group

It includes private sector deposits and loans under retail finance, agriculture customers, small and medium enterprises and financing under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance.

Treasury

It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic

The segment pertains to full scale Islamic Banking operations of the Bank.

Others

This includes head office related activities, and all other activities not tagged to the segments above.

5.23.2 Geographical segments

The Bank operates only in Pakistan.

5.24 Dividend distribution and appropriations

Dividend distributions and appropriation to reserves are recognized as a liability in the unconsolidated financial statements in the period in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which they relate.

5.25 Earnings per share

The Bank presents Earnings Per Share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

		2024	2023
	Note	Rupees in '000'	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		27,151,364	22,977,714
Foreign currencies		4,132,719	4,254,423
		31,284,083	27,232,137
With SBP in:			
Local currency current accounts	6.1	56,961,101	53,549,120
Foreign currency current accounts	6.2	3,419,201	2,931,351
Foreign currency deposit accounts	6.3	6,949,509	6,592,100
		67,329,811	63,072,571
With National Bank of Pakistan in:			
Local currency current accounts		2,187,110	10,307,990
Prize bonds		422,169	281,557
Less: Credit loss allowance held against cash and balances with treasury banks		(449,693)	-
Cash and balances with treasury banks - net of credit loss allowance		100,773,480	100,894,255

6.1 This represents current account maintained with the SBP under the requirements of section 22 "Cash Reserve Requirement" of the Banking Companies Ordinance, 1962.

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

6.3 This includes Special Cash Reserve Account maintained with SBP. This account carries mark-up at the rate ranging from 3.53% to 4.35% per annum (2023: 3.39% to 4.34% per annum) as announced by SBP on monthly basis.

		2024	2023
	Note	Rupees in '000'	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		11,193	32,515
Deposit accounts	7.1	14	1,579
		11,207	34,094
Outside Pakistan:			
Current accounts		3,013,796	3,821,143
Deposit accounts	7.2	250,343	4,428,155
		3,264,139	8,249,298
Less: Credit loss allowance held against balances with other banks		(14,522)	-
Balances with other banks - net of credit loss allowance		3,260,824	8,283,392

7.1 This carries mark-up at rate of 13.5% per annum (2023: 8.45% to 20.50% per annum).

7.2 This carries mark-up at rate of 4.58% per annum (2023: 4.38% to 5.03% per annum).

	Note	2024 Rupees in '000'	2023
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	8.2	-	137,025,933
Placements	8.3	14,810,000	7,935,000
		14,810,000	144,960,933
Less: Credit loss allowance held against lendings to financial institutions		(40,984)	-
Lendings to financial institutions - net of credit loss allowance		14,769,016	144,960,933
8.1 Particulars of lending			
In local currency		14,769,016	144,960,933
In foreign currencies		-	-
		14,769,016	144,960,933

8.2 Securities held as collateral against lendings 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	-	-	-	38,042,797	-	38,042,797
Pakistan investment bonds	-	-	-	98,983,136	-	98,983,136
Total	-	-	-	137,025,933	-	137,025,933

Market value of securities held as collateral as at December 31, 2024 amounted to Nil (2023: Rs. 147,815,674 thousand). These carry mark-up at rate nil (2023: 22.05% to 22.98% per annum).

8.3 These carry profit at rate ranging from 12.15% to 18.61% per annum (2023: 18.61% to 22.95% per annum) with maturities upto December 01, 2026. Further the placement amounting to Nil (2023: Rs. 4,000,000 thousand) is secured against GOP ijarah sukuk amounting to Nil (2023: Rs. 4,000,000 thousand).

8.4 Lending to financial institutions- Particulars of credit loss allowance

		September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Lendings	Credit loss allowance held	Lendings	Provision
		R u p e e s i n ' 0 0 0 '			
Performing	Stage 1	14,810,000	40,984	-	-
Under performing	Stage 2	-	-	-	-
Non-performing					
Substandard	Stage 3	-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
		14,810,000	40,984	-	-

2024

	Stage 1	Stage 2	Stage 3	Stage 4
R u p e e s i n '000'				
Balance at the start of the year after adoption of IFRS-09	28,160	-	-	28,160
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-
New financial assets originated or purchased	30,914	-	-	30,914
Financial assets that have been derecognized	-	-	-	-
Write offs	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(18,090)	-	-	(18,090)
Closing balance	40,984	-	-	40,984

9. INVESTMENTS - NET

Note	2024				2023			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Rupees in '000'								
9.1 Investments by type:								
Debt Instruments								
Amortised cost / held to maturity								
Federal government securities 9.11 & 9.61	136,638,722	-	-	136,638,722	98,547,842	-	-	98,547,842
Non government debt securities	2,122,068	(19,700)	-	2,102,368	-	-	-	-
WAPDA bonds	400	(400)	-	-	400	(400)	-	-
	138,761,190	(20,100)	-	138,741,090	98,548,242	(400)	-	98,547,842
FVOCI / available for sale								
Federal government securities 9.11 & 9.21	1,070,021,115	-	1,561,870	1,071,582,985	756,146,695	-	(6,307,576)	749,839,119
Shares	-	-	-	-	4,827,848	(982,532)	547,733	4,393,049
Mutual fund & investment trust units	3,173,426	-	(73,665)	3,099,761	3,228,680	-	22,283	3,250,963
Non government debt securities	8,663,574	(218,400)	(36,508)	8,408,666	15,493,496	(2,580,709)	292	12,913,079
Foreign securities	11,957	-	-	11,957	11,957	-	-	11,957
	1,081,870,072	(218,400)	1,451,697	1,083,103,369	779,708,676	(3,563,241)	(5,737,268)	770,408,167
FVTPL / held for trading								
Federal government securities 9.11	89,640,381	-	(1,730)	89,638,651	44,069,917	-	55,003	44,124,920
Ordinary shares	-	-	-	-	-	-	-	-
Non government debt securities	1,002,106	-	-	1,002,106	-	-	-	-
	90,642,487	-	(1,730)	90,640,757	44,069,917	-	55,003	44,124,920
Classified / measured at FVTPL								
Non government debt securities	-	-	-	-	-	-	-	-
Equity instruments								
Classified / Measured at FVTPL								
Shares								
Listed companies	4,618,968	-	833,022	5,451,990	-	-	-	-
Unlisted companies	-	-	-	-	-	-	-	-
	4,618,968	-	833,022	5,451,990	-	-	-	-
FVOCI (Non-Reclassifiable)								
Shares								
Listed companies	1,000,807	-	742,051	1,742,858	-	-	-	-
Unlisted companies	106,358	-	(81,358)	25,000	-	-	-	-
	1,107,165	-	660,693	1,767,858	-	-	-	-
Subsidiaries								
Punjab Modaraba Services (Private) Limited	164,945	(164,945)	-	-	164,945	(164,945)	-	-
BOP Capital Securities (Private) Limited	210,487	-	-	210,487	110,487	-	-	110,487
BOP Exchange (Private) Limited	1,000,000	-	-	1,000,000	-	-	-	-
	1,375,432	(164,945)	-	1,210,487	275,432	(164,945)	-	110,487
Total investments	131,837,5314	403,445	2,943,682	1,320,915,551	992,602,267	3,728,586	5,682,265	531,683,056

9.1.1 Market treasury bills and Pakistan investment bonds are eligible for re-discounting with SBP.

9.1.2 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

9.1.3 The Bank has four subsidiary companies i.e. Punjab Modaraba Services (Private) Limited (PMSL), First Punjab Modaraba (FPM), BOP Capital Securities (Private) Limited and BOP Exchange (Private) Limited. The wholly owned subsidiary company of the Bank is PMSL which exercises control over FPM, as its management company and also has a direct economic interest in it. The country of incorporation of all subsidiary companies is Pakistan. Key financial results of subsidiary companies are as follows:

	2024		2023	
	Rupees in '000'			
Investment in subsidiaries				
Punjab Modaraba Services (Private) Limited		164,945		164,945
BOP Exchange (Private) Limited		1,000,000		-
BOP Capital Securities (Private) Limited		210,487		110,487
		1,375,432		275,432
Credit loss allowance held against Punjab Modaraba Services (Private) Limited		(164,945)		(164,945)
Closing balance		1,210,487		110,487

	BOP Exchange		PMSL		FPM		BOP CS	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	Rupees in '000'							
Total assets	1,046,556	-	53,571	34,255	1,963,002	2,189,748	345,860	146,009
Total liabilities	90,763	-	105,789	104,877	1,764,789	1,811,629	111,216	48,617
Equity	955,793	-	(52,218)	(70,622)	198,213	378,119	234,644	97,392
Revenue	1,432	-	10,281	-	416,040	331,319	61,775	31,789
(Loss) / profit after tax	(44,207)	-	2,019	(8,614)	(35,160)	(111,562)	31,348	6,616
Total comprehensive (loss) / income	(44,207)	-	18,404	(6,349)	(35,160)	(109,355)	37,252	(8,302)

	2024				2023			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'							
	Note							

9.2 Investments by segments:

Federal government securities:									
Market treasury bills		314,346,962	-	233,626	314,580,588	271,978,636	-	5,330	27,203,193
Pakistan investment bonds	9.21	935,302,371	-	1,038,932	936,341,303	835,207,415	-	(5,123,491)	830,083,924
Ijarah sukuk		44,075,715	-	287,582	44,363,297	30,812,638	-	(1,134,412)	29,678,226
Naya Pakistan certificates		2,575,170	-	-	2,575,170	5,546,538	-	-	5,546,538
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		1,296,300,618	(400)	1,560,140	1,297,860,358	898,764,854	(400)	(6,252,573)	892,511,881
Shares:									
Listed companies		5,619,775	-	1,575,073	7,194,848	4,721,490	(897,434)	547,733	4,371,789
Unlisted companies		106,358	-	(81,358)	25,000	106,358	(85,098)	-	21,260
		5,726,133	-	1,493,715	7,219,848	4,827,848	(982,532)	547,733	4,393,049
Mutual funds and investment trust units									
		3,173,426	-	(73,665)	3,099,761	3,228,680	-	22,283	3,250,963
		3,173,426	-	(73,665)	3,099,761	3,228,680	-	22,283	3,250,963
Non government debt securities:									
Listed		8,450,159	-	(36,508)	8,413,651	8,730,532	(5,488)	292	8,725,336
Unlisted		3,337,589	(238,100)	-	3,099,489	6,762,964	(2,575,221)	-	4,187,743
		11,787,748	(238,100)	(36,508)	11,513,140	15,493,496	(2,580,709)	292	12,913,079
Foreign securities:									
Equity securities	95	11,957	-	-	11,957	11,957	-	-	11,957
Subsidiaries:									
Punjab Modaraba Services (Private) Limited		164,945	(164,945)	-	-	164,945	(164,945)	-	-
BOP Capital Securities (Private) Limited		210,487	-	-	210,487	110,487	-	-	110,487
BOP Exchange (Private) Limited		1,000,000	-	-	1,000,000	-	-	-	-
		1,375,432	(164,945)	-	1,210,487	275,432	(164,945)	-	110,487
Total investments		1,318,375,314	(403,445)	2,943,682	1,320,915,551	922,602,267	(3,728,586)	(5,682,265)	913,191,416

	2024	2023
	Rupees in '000'	
9.2.1 Investments given as collateral - at cost / amortized cost		
Pakistan investment bonds	341,915,659	379,071,721
	341,915,659	379,071,721

9.3 Particulars of credit loss allowance

	2024		
9.3.1 Investments - exposure	Stage 1	Stage 2	Stage 3
	Rupees in '000'		
Opening balance	3,215,515	-	424,695
New investments		-	
Investments derecognized or repaid	(1,093,447)	-	(40,950)
Transfer to stage 1		-	
Transfer to stage 2		-	
Transfer to stage 3		-	
	(1,093,447)	-	(40,950)
Amounts written off / charged off	2,122,068	-	383,745
9.3.2 Investments - credit loss allowance			
Balance at the start of the year after adoption of IFRS-09	37,237		424,695
New investments	-	-	-
Investments derecognized or repaid	(8,271)	-	(40,950)
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	-	-
	(8,271)	-	(40,950)
Changes in risk parameters (PDs/LGDs/EADs)	(9,266)	-	-
Amounts written off / charged off	-	-	-
	19,700	-	383,745

9.3.3 Particulars of credit loss allowance

Category of classification		2024		2023	
		NPI	Credit loss allowance	NPI	Provision
Rupees in '000'					
Domestic					
Performing	Stage 1	2,122,068	19,700	-	-
Underperforming	Stage 2	-	-	-	-
Non-Performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		218,800	218,800	2,581,109	2,581,109
Total		2,340,868	238,500	2,581,109	2,581,109

9.4 Quality of FVOCI / available for sale securities

Details regarding quality of FVOCI / available for Sale securities are as follows:

	2024		2023	
	Cost / Amortized cost			
	Rupees in '000'			
Federal government securities - government guaranteed				
Market treasury bills	257,315,235			-
Pakistan investment bonds	778,191,211			719,787,519
Naya Pakistan certificates	-			5,546,538
Ijarah sukuks	34,514,669			30,812,638
	1,070,021,115			756,146,695
	2024		2023	
	Cost			
	Rupees in '000'			
Shares				
Listed Companies				
Cable & electrical goods	-			150,224
Cement	-			170,187
Chemicals	-			921,623
Commercial banks	-			505,332
Fertilizer	251,759			815,613
Oil & gas exploration companies	-			356,602
Oil & gas marketing companies	382,959			391,409
Pharmaceuticals	-			144,455
Power generation & distribution	124,981			653,948
Refinery	-			47,743
Technology & telecommunication	-			335,211
Textile composite /weaving/ spinning	237,536			225,542
Others	3,572			3,601
	1,000,807			4,721,490
	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000'			
Unlisted Companies				
AI - Baraka Bank Pakistan Limited	25,000	26,570	25,000	21,260
AI - Arabia Sugar Mills Limited	81,358	-	81,358	-
	106,358	26,570	106,358	21,260
	2024		2023	
	Cost			
	Rupees in '000'			
Mutual fund & investment trust units				
TPL REIT Limited	3,108,426			-
NIT Social Impact Fund	65,000			65,000
	3,173,426			65,000

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
Rupees in '000'				
TPL REIT Limited	-	-	3,163,680	3,872,000
2024				
Cost				
Rupees in '000'				
Non government debt securities				
Listed				
- AA+, AA, AA-		179,167	390,000	
- B+, B, B-		-	4,985	
- Unrated		8,266,007	8,335,547	
		8,445,174	8730532	
Unlisted				
- AAA		-	1,550,000	
- AA+, AA, AA-		-	-	
- A+, A, A-		-	1,484,973	
- BB+, BB, BB-		-	780,515	
- B+, B, B-		-	399,800	
- Unrated		218,400	2,547,676	
		218,400	6,762,964	
		8,663,574	15,493,496	
9.5 Foreign equity securities				
SWIFT shares		11,957	11,957	

This represents 13 shares (2023: 13 shares) of SWIFT purchased by the Bank as per mandatory requirement of the SWIFT by-laws requiring its members to purchase shares allocated on the basis of financial contributions payable to SWIFT.

9.6 Particulars relating to Amortised cost / held to maturity securities are as follows:

	2024	2023
	Cost / Amortized cost	
Rupees in '000'		
Federal government securities - government guaranteed		
Pakistan investment bonds	136,638,722	98,547,842
WAPDA bonds	400	400
	136,639,122	98,548,242
Non government debt securities		
Unlisted		
- AAA	630,000	-
- A+, A, A-	1,492,068	-
	2,122,068	-

9.6.1 Market value of investments measured at amortised cost amounted to Rs. 134,938,970 thousand (2023: Rs. 84,546,226 thousand).

10. ADVANCES

	Note	Performing		Non Performing		Total	
		2024	2023	2024	2023	2024	2023
Rupees in '000'							
Loans, cash credits, running finances, etc.	101	680,602,226	675,092,112	50,596,683	47,728,513	731,198,909	722,820,625
Islamic financing and related assets		78,785,554	105,445,766	2,929,643	3,134,134	81,715,197	108,579,900
Bills discounted and purchased		14,511,697	18,092,079	17,222	17,221	14,528,919	18,109,300
Advances - gross		773,899,477	798,629,957	53,543,548	50,879,868	827,443,025	849,509,825
Credit loss allowance against advances:							
- Stage 1 / general provision		(3,557,873)	(695,731)	-	-	(3,557,873)	(695,731)
- Stage 2		(1,472,695)	-	(398,607)	-	(1,871,302)	-
- Stage 3 / specific provision		(290,318)	-	(44,326,141)	(42,427,214)	(44,616,459)	(42,427,214)
		(5,320,886)	(695,731)	(44,724,748)	(42,427,214)	(50,045,634)	(43,122,945)
Advances - net of credit loss allowance		768,578,591	797,934,226	8,818,800	8,452,654	777,397,391	806,386,880

10.1 Includes net investment in 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	2,344,482	31,072,340	12,992,508	46,409,330	3,118,954	28,350,411	7,646,459	39,115,824
Residual value	2,268,589	15,321,667	4,027,076	21,617,332	1,937,329	11,438,163	2,330,980	15,706,472
Minimum lease payments	4,613,071	46,394,007	17,019,584	68,026,662	5,056,283	39,788,574	9,977,439	54,822,296
Financial charges for future periods	577,442	620,978	78,616	1,277,036	1,635,779	5,614,544	373,096	7,623,419
Present value of minimum lease payments	4,035,629	45,773,029	16,940,968	66,749,626	3,420,504	34,174,030	9,604,343	47,198,877

10.2 Particulars of advances (gross)

	2024	2023
Rupees in '000'		
In local currency	814,101,481	841,674,065
In foreign currencies	13,341,544	7,835,760
	827,443,025	849,509,825

10.3 Advances to Women, Women-owned and Managed Enterprises

Women	14,522,801	10,695,626
Women-owned and Managed Enterprises	5,231,595	3,680,862
	19,754,396	14,376,488

10.3.1 Gross loans disbursed to women, women-owned and managed enterprises during the year amounting to Rs. 13,744,925 thousand (2023 : 8,196,966 thousand).

10.4 Particulars of credit loss allowance

2024

10.4.1	Advances - Exposure	Stage 1	Stage 2	Stage 3	Total	
	Note	Rupees in '000'				
	Gross carrying amount - current year	652,160,458	145,576,399	51,772,968	849,509,825	
	Impact of adoption of IFRS-09	(11,872,102)	(1,180,984)	1,020	(13,052,066)	
		640,288,356	144,395,415	51,773,988	836,457,759	
	New advances	473,515,291	11,587,268	4,547,244	489,649,803	
	Advances derecognized or repaid	(368,996,438)	(121,681,942)	(7,986,157)	(498,664,537)	
	Transfer to stage 1	15,667,176	(15,627,776)	(39,400)	-	
	Transfer to stage 2	(10,340,773)	10,364,152	(23,379)	-	
	Transfer to stage 3	(3,024,089)	(2,423,244)	5,447,333	-	
		106,821,167	(117,781,542)	1,945,641	(9,014,734)	
	Amounts written off	10.5	-	-	-	
	Closing balance	747,109,523	26,613,873	53,719,629	827,443,025	
10.4.2	Advances - Credit loss allowance					
	Opening balance including impact of adoption of IFRS-09	5,452,980	3,579,567	44,865,613	53,898,160	
	New advances	1,542,095	302,863	2,140,953	3,985,911	
	Advances derecognized or repaid	(1,043,267)	(1,230,939)	(5,587,360)	(7,861,566)	
	Transfer to stage 1	840,643	(823,878)	(16,765)	-	
	Transfer to stage 2	(156,447)	166,003	(9,556)	-	
	Transfer to stage 3	(62,021)	(360,196)	422,217	-	
	Amounts written off	1,121,003	(1,946,147)	(3,050,511)	(3,875,655)	
	Changes in risk parameters (PDs/LGDs/EADs)	(3,016,110)	237,882	2,801,357	23,129	
	Closing balance	3,557,873	1,871,302	44,616,459	50,045,634	
10.4.3	Advances - Credit loss allowance					
	Performing	Stage 1	747,109,523	-	-	747,109,523
	Performing	Stage 2	-	26,103,213	-	26,103,213
	Underperforming			510,660		510,660
	Non-Performing:	Stage 3				
	Other assets especially mentioned		-	-	393,344	393,344
	Substandard		-	-	3,725,991	3,725,991
	Doubtful		-	-	6,921,675	6,921,675
	Loss		-	-	41,991,879	41,991,879
			-	-	53,032,889	53,032,889
	Underperforming	Stage 3			686,740	686,740
	Total		747,109,523	26,613,873	53,719,629	827,443,025
	Corresponding ECL					
	Stage 1 and stage 2		3,557,873	1,871,302	-	5,429,175
	Stage 3		-	-	44,616,459	44,616,459
			3,557,873	1,871,302	44,616,459	50,045,634

10.4.4 Advances include Rs. 53,543,548 thousand (2023: Rs. 50,879,868 thousand) which have been placed under non-performing status as detailed below:

Category of classification	2024		2023	
	Non performing loans	Credit loss allowance	Non performing loans	Provision
Rupees in '000'				
Domestic				
Other assets especially mentioned	Stage 2	510,660	398,607	-
Other assets especially mentioned	Stage 3	393,344	170,933	334,350
Substandard		3,725,991	1,668,670	1,735,654
Doubtful		6,921,675	3,290,456	4,718,746
Loss		41,991,878	39,196,082	44,091,118
Total		53,543,548	44,724,748	50,879,868

10.4.5 Particulars of ECL/provision against advances

Note	2024			2023		
	Stage 3	Stage 1 & 2	Total	Specific	General	Total
Rupees in '000'						
Opening balance including						
Impact of adoption of IFRS-09	44,865,613	9,032,547	53,898,160	44,179,521	614,979	44,794,500
Charge for the year	6,409,311	2,806,505	9,215,816	2,108,556	80,752	2,189,308
Reversals for the year	(6,658,465)	(6,409,877)	(13,068,342)	(3,634,387)	-	(3,634,387)
Amounts written off	34	(249,154)	(3,603,372)	(1,525,831)	80,752	(1,445,079)
ECL / provision transferred from advances to other assets	105.1	-	-	(1,138)	-	(1,138)
	15.3.1	-	-	(225,338)	-	(225,338)
Closing balance	44,616,459	5,429,175	50,045,634	42,427,214	695,731	43,122,945

10.4.6 Particulars of provision against advances

In local currency	44,616,459	5,410,355	50,026,814	42,427,214	695,731	43,122,945
In foreign currencies	-	18,820	18,820	-	-	-
	44,616,459	5,429,175	50,045,634	42,427,214	695,731	43,122,945

10.4.7 This includes general provision against consumer, SME financing portfolio and credit cards as required by Prudential Regulations issued by the SBP.

10.4.8 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 312,346 thousand (2023: Rs. 3,563,768 thousand). The FSV benefit availed is not available for cash or stock dividend. Further, the Bank has availed benefit of eligible collaterals for the calculation of ECL amounting to Rs. 1,478,971 thousand as at December 31, 2024.

10.5 Particulars of write offs:	Note	2024	2023
		Rupees in '000'	
10.5.1 Against provisions	10.4	-	1,138
Directly charged to profit and loss account		-	-
		-	1,138
10.5.2 Domestic			
Write offs of Rs. 500,000 and above	10.6	-	1,138
Write offs of below Rs. 500,000		-	-
		-	1,138

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

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-I.

	Note	2024 Rupees in '000'	2023
11			
PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	943,459	750,114
Property and equipment	11.2	27,611,332	20,038,731
		28,554,791	20,788,845
11.1			
Capital work-in-progress			
Civil works		802,910	709,037
Advances to suppliers		140,549	41,077
		943,459	750,114

2024

	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
Rupees in '000'								
11.2 Property and equipment								
At January 1, 2024:								
Cost / Revalued amount	2,644,624	10,245,910	1,574,287	4,873,115	3,459,794	5,177,611	895,665	28,871,006
Accumulated depreciation	-	(912,809)	(533,170)	(2,569,529)	(1,803,224)	(2,438,255)	(575,288)	(8,832,275)
Net book value	2,644,624	9,333,101	1,041,117	2,303,586	1,656,570	2,739,356	320,377	20,038,731
Year ended December 31, 2024:								
Opening net book value	2,644,624	9,333,101	1,041,117	2,303,586	1,656,570	2,739,356	320,377	20,038,731
Additions	2,037,002	-	365,304	1,391,760	1,065,653	1,707,409	254,725	6,821,853
Movement in surplus on assets revalued during the year	1,308,863	618,723	-	-	-	-	-	1,927,586
Impairment loss recognized in the								
Disposals - at cost	-	-	(21,420)	(41,060)	(76,924)	(14,757)	(28,500)	(182,661)
Depreciation on disposal	-	-	15,297	39,278	69,453	6,575	28,500	159,103
Disposals - at book value	-	-	(6,123)	(1,782)	(7,471)	(8,182)	-	(23,558)
Depreciation charge	-	(467,504)	(119,200)	(445,921)	(419,021)	(870,860)	(211,087)	(2,533,593)
Depreciation adjustment on revaluation surplus	-	1,380,313	-	-	-	-	-	1,380,313
Transfers / adjustments - at cost / revalued amount	-	11,921	-	(11,921)	-	-	-	-
Depreciation on transfers / adjustments	-	-	-	(11,921)	-	-	-	-
Closing net book value	5,990,489	10,876,554	1,281,098	3,235,722	2,295,731	3,567,723	364,015	27,611,332
At December 31, 2024:								
Cost / Revalued amount	5,990,489	10,876,554	1,918,171	6,211,894	4,448,523	6,870,263	1,121,890	37,437,784
Accumulated depreciation	-	-	(637,073)	(2,976,172)	(2,152,792)	(3,302,540)	(757,875)	(9,826,452)
Net book value	5,990,489	10,876,554	1,281,098	3,235,722	2,295,731	3,567,723	364,015	27,611,332
Rate of depreciation (percentage)	-	5%	10%	13.33%	20%-33.33%	20%	33.33%	

2023

	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
Rupees in '000								
At January 1, 2023								
Cost / Revalued amount	2,644,624	10,177,849	1,226,149	3,439,735	2,768,347	3,324,087	727,120	24,307,911
Accumulated depreciation	-	(422,125)	(450,961)	(2,317,288)	(1,513,764)	(1,916,880)	(430,565)	(7,051,583)
Net book value	2,644,624	9,755,724	775,188	1,122,447	1,254,583	1,407,207	296,555	17,256,328
Year ended December 31, 2023								
Opening net book value	1,538,879	3,958,886	435,302	499,758	893,429	963,908	159,181	8,449,343
For the year ended December 31, 2023 :								
Opening net book value	2,644,624	9,755,724	775,188	1,122,447	1,254,583	1,407,207	296,555	17,256,328
Additions	-	68,061	366,756	1,479,188	716,001	1,875,213	200,276	4,705,495
Disposals - at cost	-	-	(18,618)	(22,441)	(47,921)	(21,689)	(31,731)	(142,400)
Depreciation on disposal	-	-	13,637	22,441	42,531	21,214	31,731	131,554
Disposals - at book value	-	-	(4,981)	-	(5,390)	(475)	-	(10,846)
Depreciation charge	-	(490,684)	(95,846)	(283,284)	(323,389)	(542,589)	(176,454)	(1,912,246)
Transfers / adjustments - at cost / revalued amount	-	-	-	(23,367)	23,367	-	-	-
Depreciation on transfers / adjustments	-	-	-	8,602	(8,602)	-	-	-
	-	-	-	(14,765)	14,765	-	-	-
Closing net book value	2,644,624	9,333,101	1,041,117	2,303,586	1,656,570	2,739,356	320,377	20,038,731
At December 31, 2023:								
Cost / Revalued amount	2,644,624	10,245,910	1,574,287	4,873,115	3,459,794	5,177,611	895,665	28,871,006
Accumulated depreciation	-	(912,809)	(533,170)	(2,569,529)	(1,803,224)	(2,438,255)	(575,288)	(8,832,275)
Net book value	2,644,624	9,333,101	1,041,117	2,303,586	1,656,570	2,739,356	320,377	20,038,731
Rate of depreciation (percentage)	-	5%	10%	13.33%	20%-33.33%	20%	33.33%	

	2024	2023
Note	Rupees in '000'	
11.2.1 Break-up of depreciation charge for the year is as follows:		
Property expense:		
Buildings on freehold land	467,504	490,684
Lease hold improvements	445,921	283,284
	913,425	773,968
Information technology expenses:		
Computer equipments	870,860	542,589
Other operating expenses:		
Furniture and fixtures	119,200	95,846
Electrical and office equipments	419,021	323,389
Vehicles	211,087	176,454
	749,308	595,689

11.2.2 Freehold land and buildings on freehold land were revalued on December 31, 2024 by PBA approved independent valuer, on the basis of fair market value. The revaluation surplus as on December 31, 2024 stood at Rs. 3,002,810 thousand and Rs. 6,292,406 thousand in respect of freehold land and buildings on freehold land respectively. Detailed particulars as on December 31, 2024 are as follows:

	2024	2023
	Revalued /net book amount Rupees in '000'	
Freehold land	5,990,489	2,644,624
Buildings on freehold land	10,876,554	9,333,101

11.3.3 Had the freehold land and buildings on freehold land not been revalued, their carrying amounts would have been as follows:

	2024	2023
	Rupees in '000'	
Freehold land	2,987,679	950,676
Buildings on freehold land	4,584,148	4,813,764

11.3.4 The gross carrying amount (cost) of fully depreciated assets that are still in use is as follows:

	2024	2023
	Rupees in '000'	
Furniture and fixtures	-	20
Lease hold improvements	2,141,917	2,180,698
Electrical and office equipments	8,724	340
Computer equipments	1,666,010	1,385,327
Vehicles	469,210	302,516
	4,285,861	3,868,901

11.25 Detail of property and equipment disposed off to related parties is as follows:

Description	Cost	Book value	Sale Price	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000'						
Mobile Phones	250	21	21	-	Bank's policy	Ms. Alia Zafar (Ex-employee)
Mobile Phones	150	33	33	-	Bank's policy	Asim Hafeez Qureshi (Ex-employee)
Mobile Phones	150	21	21	-	Bank's policy	Muhammad Akbar (Ex-employee)
Mobile Phones	246	14	14	-	Bank's policy	Mr. Khawar Ansari (Ex-employee)
Computers	280	238	238	-	Bank's policy	Ms. Alia Zafar (Ex-employee)
Mobile Phones	150	108	117	9	Bank's policy	Mr. Salman Shah (Ex-employee)
Computers	138	7	9	2	Bank's policy	Khawar Ansari (Ex-employee)
Computers	92	18	18	-	Bank's policy	Muhammad Ahmad Khan (Ex-employee)
Computers	177	53	53	-	Bank's policy	Muhammad Akbar (Ex-employee)

In addition to above, in terms of Bank's policy certain executives of the Bank are entitled to retain mobile phones at the end of useful life or expiry of atleast 2 years at book value. Accordingly, during the year assets having book value of Rs. 650 thousand (2023: Rs. 172 thousand) were retained by the employees.

Moreover, during the year computer equipment having book value of Rs. 4,102 thousand were transferred to BOP Exchange Private Limited.

	Note	2024	2023
Rupees in '000'			
Buildings			
12 RIGHT-OF-USE ASSETS			
At January 01:			
Cost		17,699,453	15,806,579
Accumulated depreciation		(5,275,317)	(3,704,419)
Net carrying amount		12,424,136	12,102,160
Opening net carrying amount		12,424,136	12,102,160
For the year ended December 31:			
Additions		2,545,251	2,355,595
Terminations - at cost		(277,925)	(462,721)
Depreciation on terminations		130,928	159,978
Terminations - at book value		(146,997)	(302,743)
Depreciation charge	12.1	(1,956,626)	(1,730,876)
Closing net carrying amount		12,865,764	12,424,136
At December 31:			
Cost		19,966,779	17,699,453
Accumulated depreciation		(7,101,015)	(5,275,317)
Net carrying amount		12,865,764	12,424,136
12.1	Right-of-use assets are depreciated over their respective lease term.		
13 INTANGIBLE ASSETS			
Intangible in progress		431,669	635,072
Software and long term licenses	13.1	2,040,198	1,455,949
		2,471,867	2,091,021

13.1 Software and long term licenses

	2024				2023			
	Core banking software	Other software	Licenses	Total	Core banking software	Other software	Licenses	Total
At January 01								
Cost	471,900	1,893,444	239,438	2,604,782	471,900	1,732,561	-	(2,204,461)
Accumulated amortization	(249,037)	(782,631)	(117,165)	(1,148,833)	(201,847)	(604,779)	-	(806,626)
Net book value	222,863	1,110,813	122,273	1,455,949	270,053	1,127,782	-	1,397,835
Year ended December 31								
Opening net book value	222,863	1,110,813	122,273	1,455,949	270,053	1,127,782	-	1,397,835
Purchased / capitalized during the year	-	954,275	41,180	995,455	-	160,883	239,438	400,321
Adjustments - at cost	-	-	-	-	-	-	-	-
Amortization on adjustments	-	-	-	-	-	-	-	-
Amortization charge	(65,194)	(257,884)	(88,128)	(411,206)	(47,190)	(177,852)	(117,165)	(342,207)
Closing net book value	157,669	1,807,204	75,325	2,040,198	222,863	1,110,813	122,273	1,455,949
At December 31								
Cost	471,900	2,847,719	280,618	3,600,237	471,900	1,893,444	239,438	2,604,782
Accumulated amortization	(314,231)	(1,040,515)	(205,293)	(1,560,039)	(249,037)	(782,631)	(117,165)	(1,148,833)
Net book value	157,669	1,807,204	75,325	2,040,198	222,863	1,110,813	122,273	1,455,949
Rate of amortization (%)	10.00%	13.33%	License term		10.00%	13.33%	License term	
Useful life	10 years	7.5 years	License term		10 years	7.5 years	License term	

13.1.1 The gross carrying amount (cost) of fully amortized other softwares that are still in use is Rs. 428,845 thousand (2023: Rs. 428,845 thousand).

14. DEFERRED TAX ASSETS - NET

	2024				
	At January 01	Impact of Adoption of IFRS-09	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'				
Deductible temporary differences on:					
Deficit on revaluation of investments classified as available for sale	2,811,262	(2,811,262)	-	-	-
Right of use assets net of lease liabilities	1,618,530	-	583,858	-	2,202,388
Workers Welfare Fund	642,055	-	294,781	-	936,836
Credit loss allowance against off balance sheet obligations	-	747,299	168,730	-	916,029
Credit loss allowance against lendings to financial institutions	-	13,798	7,514	-	21,312
Credit loss allowance against balance with other banks	-	42,307	(34,754)	-	7,553
Credit loss allowance against balance with treasury banks	-	335,701	(101,861)	-	233,840
Credit loss allowance against investments	-	18,246	(8,002)	-	10,244
Credit loss allowance against acceptance	-	264,948	(60,641)	-	204,307
Credit loss allowance / provision against advances	8,416,444	5,279,854	(2,998,296)	-	10,698,002
	13,488,291	3,890,891	(2,148,671)	-	15,230,511
Taxable temporary differences on:					
Surplus on revaluation of property and equipment	(2,214,474)	-	117,503	(1,175,079)	(3,272,050)
Surplus on revaluation of investments classified as available for sale	-	(385,082)	-	(713,361)	(1,098,443)
Unrealized gain of revaluation of securities HFT	-	-	(432,272)	-	(432,272)
Accelerated tax depreciation	(936,188)	-	(417,236)	-	(1,353,424)
Surplus on revaluation of non banking assets	(94,862)	-	1,343	70,385	(23,134)
	(3,245,524)	(385,082)	(730,662)	(1,818,055)	(6,179,323)
	10,242,767	3,505,809	(2,879,333)	(1,818,055)	9,051,188

	2023				
	At January 01	Prior year adjustments	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'				
Deductible temporary differences on:					
- Deficit on revaluation of investments	5,898,745	-	-	(3,087,483)	2,811,262
- Right-of-use assets	967,786	-	650,744	-	1,618,530
- Workers welfare fund	424,296	-	217,759	-	642,055
- Provision against advances	9,894,016	-	(1,477,572)	-	8,416,444
	17,184,843	-	(609,069)	(3,087,483)	13,488,291
Taxable temporary differences on:					
- Surplus on revaluation of property and equipment	(2,045,558)	-	116,511	(285,427)	(2,214,474)
- Accelerated tax depreciation	(500,433)	-	(435,755)	-	(936,188)
- Surplus on revaluation of non banking assets	(84,335)	-	4,718	(15,245)	(94,862)
	(2,630,326)	-	(314,526)	(300,672)	(3,245,524)
	14,554,517	-	(923,595)	(3,388,155)	10,242,767

	Note	2024	2023
		Rupees in '000'	
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		58,536,518	89,515,734
Income / mark-up accrued in foreign currencies		111,762	11,858
Receivable from the Government of Pakistan		-	85,200,400
Advances, deposits, advance rent and other prepayments		2,209,190	1,257,571
Non-banking assets acquired in satisfaction of claims	15.1	4,049,527	1,177,222
Acceptances	22	12,772,495	15,888,469
Branch adjustment account		16,023	27,927
Mark to market gain on forward foreign exchange contracts		241,385	-
Stock of stationery		435,848	375,089
Suspense account		3,907	37,187
Zakat recoverable from National Investment Trust Limited (NITL)	15.2	36,790	36,790
Receivable against fraud and forgeries		418,081	399,468
Auto Teller Machine and point of sale receivable - net		338,296	650,830
Inter bank fund transfer and RAAST receivable - net		6,279,814	1,761,393
Receivable against settlement arrangements		221,905	225,337
Receivable against litigation expenses		312,218	312,218
Deferred fair value loss on derecognition of financial asset - notional		7,674,252	-
Deferred fair value loss on remeasurement of advances on EIR - notional		13,194,712	-
Others		3,458,664	641,137
		110,311,387	197,518,630
Less: Credit loss allowance against other assets	15.3	(1,332,437)	(1,452,895)
Other assets (net of credit loss allowance)		108,978,950	196,065,735
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24.2	940,388	850,610
Other assets - total		109,919,338	196,916,345
15.1 Market value of non-banking assets acquired in satisfaction of claims - net of credit loss allowance		4,959,039	1,996,956

The carrying and revalued amounts have been determined based on prudence, expected legal enforceability, ease of realization and current market conditions etc. These include assets which are in the process of sale and are stated at their respective sale prices. Latest valuations are carried out by PBA approved independent valuer as on December 31, 2024.

		2024	2023
	Note	Rupees in '000'	
15.11 Non-banking assets acquired in satisfaction of claims			
Opening balance		1,996,956	3,677,345
Additions during the year		3,141,507	-
Surplus on revaluation during the year	24.2	329,416	28,166
Disposals during the year - net book value	151.2	(486,267)	(1,686,421)
Transfer to property and equipment - net book value		-	-
Depreciation charged during the year	32	(22,573)	(22,134)
Impairment reversed during the year		-	-
Closing balance		4,959,039	1,996,956
15.12 Gain on disposal of non-banking assets acquired in satisfaction of claims			
Disposal proceeds		1001102	5568719
Less:			
- Cost / revalued amount		586,289	1,694,024
- Depreciation		(100,022)	(7,603)
		486,267	1,686,421
Gain on sale recognized during the year		514,835	3,882,298
15.2	This represents zakat deducted on dividends by NITL. The Bank has filed suit against NITL for recovery of the amount. The case was decided in favour of the Bank in 1993 and intra court appeal was filed by the Zakat and Ushr Department against the decision which is still pending. As a matter of prudence, though without prejudice to the Bank's claim against NITL at the court of law, the claim amount has been fully provided for.		
		2024	2023
	Note	Rupees in '000'	
15.3 Credit loss allowance against other assets			
Income accrued in local currency		-	500,000
Advances, deposits, advance rent & other prepayments		35,723	35,723
Acceptances		53,313	-
Income / markup accrued		310,941	-
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	15.3.2	327,239	311,952
Receivable against settlement arrangements		225,337	225,337
Receivable against litigation expenses		312,218	312,217
		1,332,437	1,452,895

		2024	2023
	Note	Rupees in '000'	
15.3.1 Movement in credit loss allowance against other assets			
Opening balance		1,452,895	635,017
Impact of adoption of IFRS-09		540,711	-
Charge for the year		254,950	610,065
Reversals during the year		(402,762)	(13,953)
	34	(147,812)	596,112
Amount written off		(513,357)	(3,572)
Provisions transferred from advances to other assets	10.4.5	-	225,338
Closing balance		1,332,437	1,452,895

15.3.2 This includes credit loss allowance amounted to Rs. 4,795 thousand (2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.

		2024	2023
	Note	Rupees in '000'	
16. CONTINGENT ASSETS			
Contingent assets		Nil	Nil
17. BILLS PAYABLE			
In Pakistan		7,636,873	5,507,855
Outside Pakistan		-	-
		7,636,873	5,507,855
18. BORROWINGS			
Secured			
Borrowings from SBP under:			
Export Refinance Scheme (ERF)	18.1	23,083,370	29,950,587
Long Term Financing Facility (LTFF)	18.2	8,862,770	11,368,117
Financing Facility for Storage of Agriculture Produce (FFSAP)	18.3	319,557	183,985
Financing Scheme for Renewable Energy	18.4	5,911,823	6,435,548
Refinancing Facility for Combating Covid-19	18.5	494,864	814,386
Refinance Facility for Working Capital of Small and Medium Enterprises		-	39,891
Temporary Economic Refinance Scheme (TERF)	18.6	11,755,342	17,914,207
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	18.7	42,150	900
Finance Facility for SAAF Rozgar Reimbursement Credit	18.8	15,636,440	6,954,080
Finance Facility for Shamsi Tawanai Consumer	18.9	38,526	47,312
Islamic Temporary Economic Refinance Facility (ITERF)	18.10	1,413,043	1,396,701
Refinancing Facility for Modernization of Small and Medium Enterprises (SMEs)	18.11	90,033	137,300
		67,647,918	75,243,014
Repurchase agreement borrowings	18.12	338,739,825	377,025,018
Borrowings from Pakistan Mortgage Refinance Company Limited	18.13	1,997,198	1,497,834
Total secured		408,384,941	453,765,866
Unsecured			
Call borrowings		200,000	-
Overdrawn nostro accounts		420,989	200,125
Total unsecured		620,989	200,125
		409,005,930	453,965,991

- 18.1** These are secured against the Bank's cash and security balances held with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 16.50% per annum (2023: 1.00% to 18.00% per annum) with maturities upto June 25, 2025.
- 18.2** This amount has been obtained for providing long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 16.00% per annum (2023: 2.00% to 16.00% per annum) with maturities upto June 16, 2032.
- 18.3** These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 4.25% per annum (2023: 2.00% to 2.50% per annum) with maturities upto July 01, 2029.
- 18.4** These represent borrowings under scheme of financing facility for renewable energy performance platform. Mark-up on these borrowings is payable quarterly at rate of 2.00% to 3.00% per annum (2023: 2.00% to 3.00% per annum) with maturities upto June 30, 2036.
- 18.5** These represent borrowings under scheme of financing facility for combating COVID-19. Mark-up on these borrowings is payable quarterly at rate of Nil (2023: Nil) with maturities upto June 23, 2027.
- 18.6** These represent borrowings under scheme of temporary economic refinance facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2023: 1.00% per annum) with maturities upto January 06, 2033.
- 18.7** These represent borrowings under scheme of financing for women entrepreneurs. Mark-up on these borrowings is payable quarterly at rate of Nil (2023: Nil) with maturities upto January 01, 2029.
- 18.8** These represent borrowings under scheme of financing for SAAF rozgar reimbursement credit. Mark-up on these borrowings is payable quarterly at rate of 1.00% to 3.00% per annum (2023: 1.00% to 3.00% per annum) with maturities upto December 05, 2029.
- 18.9** These represent borrowings under scheme of financing for shamsi tawanai. Mark-up on these borrowings is payable quarterly at rate ranging from 1.00% to 2.00% per annum (2023: 2.00% per annum) with maturities upto December 05, 2031.
- 18.10** These represent borrowings under scheme of Islamic temporary economic refinance facility (ITERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2023: 1.00% per annum) with maturities upto April 27, 2032.
- 18.11** These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMEs). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2023: 2.00% per annum) with maturities upto November, 11, 2030.
- 18.12** These are secured against Pakistan investment bonds (PIBs), carrying mark-up at rate ranging from 13.06% to 14.00% per annum (2023: 22.06% to 23.00% per annum). The carrying value of PIBs given as collateral against these borrowings is Rs. 339,822,380 thousand (2023: Rs. 378,567,017 thousand).
- 18.13** These are secured against PIBs and hypothecation charge over mortgage loan portfolio, carrying markup at rates ranging from 6.50% to 13.63% per annum (2023: 6.50% to 8.10% per annum) maturing on June 30, 2031. The carrying value of PIBs given as collateral against these borrowings is Rs. 2,093,280 thousand (2023: Rs. 504,704 thousand).

18.14 Particulars of borrowings with respect to currencies

	2024	2023
	Rupees in '000'	
In local currency	408,584,941	453,765,866
In foreign currencies	420,989	200,125
	409,005,930	453,965,991

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	339,980,192	10,182,140	350,162,332	271,157,088	10,577,445	281,734,533
Savings deposits	680,865,027	5,613,810	686,478,837	622,556,998	5,554,561	628,111,559
Term deposits	598,218,684	49,773,450	647,992,134	497,160,082	41,494,976	538,655,058
Margin deposits	8,776,447	-	8,776,447	9,289,608	-	9,289,608
	1,627,840,350	65,569,400	1,693,409,750	1,400,163,776	57,626,982	1,457,790,758
Financial institutions:						
Current deposits	2,387,275	1,590,280	3,977,555	2,212,808	975,218	3,188,026
Savings deposits	7,564,653	20,597	7,585,250	58,373,600	5,150	58,378,750
Term deposits	5,225,157	-	5,225,157	1,463,890	-	1,463,890
Margin deposits	90,008	-	90,008	32,218	-	32,218
	15,267,093	1,610,877	16,877,970	62,082,516	980,368	63,062,884
	1,643,107,443	67,180,277	1,710,287,720	1,462,246,292	58,607,350	1,520,853,642

	2024	2023
	Rupees in '000'	
19.1 Composition of deposits:		
- Individuals	222,777,019	189,224,459
- Private sector	497,060,294	386,696,309
- Government (federal and provincial)	717,809,405	656,444,030
- Public sector entities	255,763,032	225,425,960
- Banking companies	3,696,560	2,602,799
- Non-banking financial institutions	13,181,410	60,460,085
	1,710,287,720	1,520,853,642

19.2 Deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 580,736,877 thousand (2023: Rs. 468,135,929 thousand).

19.2 Current deposits include call deposits amounting to Rs. 30,976,161 thousand (2023: Rs. 23,958,929 thousand).

	Note	2024 Rupees in '000'	2023
20. LEASE LIABILITIES			
Outstanding amount at the start of the year		15,727,259	14,352,825
Additions during the year		2,545,251	2,355,595
Interest expense		2,187,160	1,939,763
Terminations during the year		(386,477)	(541,304)
Lease payments including interest		(2,972,068)	(2,379,620)
Outstanding amount at the end of the year		17,101,125	15,727,259
20.1. Contractual maturity of lease liabilities:			
Short-term lease liabilities - within one year		146,338	84,722
Long-term lease liabilities			
- 1 to 5 years		1,631,629	1,435,423
- 5 to 10 years		9,010,163	7,107,157
- More than 10 years		6,312,995	7,099,957
		16,954,787	15,642,537
Total lease liabilities		17,101,125	15,727,259
21 SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	21.1	8,017,500	8,017,500
Subordinated perpetual term finance certificates			
- ADT I 2nd issue	21.2	3,950,000	-
Privately placed term finance certificates - II	21.3	4,288,820	4,290,540
Privately placed term finance certificates - III	21.4	6,995,800	6,998,600
Privately placed term finance certificates - IV	21.5	7,567,986	-
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue		-	3,900,000
Advance subscription money - privately placed term finance certificates - IV		-	6,998,000
		30,820,106	30,204,640

21.1 Subordinated perpetual term finance certificates - ADT I

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 8,017,500 thousand
Issue date:	June 20, 2022
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.

Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

21.2 Subordinated perpetual term finance certificates - ADT I 2nd Issue

During the period, the Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 3,950,000 thousand
Issue date:	February 29, 2024
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.

Loss absorbency clause: May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability (“PONV”) event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

21.3 Privately placed term finance certificates - II

The Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rupees 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	AA
Tenor:	10 Years
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank’s Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability (“PONV”) event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

21.4 Advance subscription money - Privately placed term finance certificates -III

The Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered

book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 7,000,000 thousand
Issue date:	April 17, 2023
Maturity date:	April 17, 2033
Rating:	“AA” by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability (“PONV”) event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

21.5 Privately placed term finance certificates - IV

During the period, the Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 7,569,500 thousand
Issue date:	June 27, 2024
Maturity date:	June 27, 2034
Rating:	“AA” by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.

Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

	Note	2024 Rupees in '000'	2023
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		58,846,660	60,632,166
Mark-up / return / interest payable in foreign currency		1,245,364	1,341,354
Mark-up payable on subordinated debts		680,067	1,080,725
Provision for taxation (provisions less payments)		1,787,511	4,535,927
Sundry creditors and accrued expenses		2,109,136	2,728,412
Lease key money		21,617,332	15,706,472
Acceptances	15	12,772,495	15,888,469
Payable to gratuity fund	40.1.3	421,347	690,633
Gratuity payable to key management personnel		30,061	19,435
Provision for employees compensated absences	40.2.3	184,746	163,363
Mark to market loss on forward foreign exchange		-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans		113,276	153,786
Provision against off-balance sheet obligations	22.1	1,805,577	43,983
Taxes / zakat / import fee payable		3,721,022	2,115,471
Unclaimed dividends		2,586	2,585
Payable to charity fund		469	850
Insurance payable against consumer assets financing		844,675	584,365
Payable against purchase of shares		200	384,367
Workers welfare fund	22.2	2,086,563	1,595,273
Deferred income		1,013,460	-
Others		3,313,764	1,464,448
		112,596,311	109,165,991

	Note	2024 Rupees in '000'	2023
22.1 Movement in provision held against off-balance sheet obligations			
Opening balance		43,983	43,983
Impact of adoption of IFRS-09	5.1	1,525,099	-
		1,569,082	43,983
Charge for the year		969,931	-
Reversals during the year		(733,436)	-
	34	236,495	-
Amount written off		-	-
Closing balance		1,805,577	43,983

The above provision has been made against letters of guarantee issued by the Bank

22.2 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.

23. SHARE CAPITAL - NET

23.1 Authorized Capital

2024	2023		2024	2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of Directors have approved the increase in authorized share capital of the Bank to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Bank has initiated the process for necessary amendments in the Bank of Punjab Act, 1989 through the Provincial Assembly of Punjab.

23.2 Issued, subscribed and paid up capital-net

2024	2023		2024	2023
Number of shares			Rupees in '000'	
		Opening Balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	11,373,410	8,399,256
3,271,569,319	2,974,153,927		32,715,693	29,741,539
		Movement during the year		
-	297,415,392	Issued as bonus shares	-	2,974,154
		Closing Balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at December 31, 2024 (December 31, 2023: 57.47%).

	Note	2024	2023
		Rupees in '000'	
24. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (Deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments	91	1,525,362	(5,737,268)
Securities measured at FVOCI - equity investments	91	587,028	-
- Property and equipment	24.1	9,295,219	6,213,285
- Non-banking assets acquired in satisfaction of claims	24.2	940,388	850,610
		12,347,997	1,326,627
Deferred tax on Surplus / deficit on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments	14	(793,188)	2,811,262
Securities measured at FVOCI - equity investments	14	(305,255)	-
- Property and equipment	24.1	(3,272,050)	(2,214,474)
- Non-banking assets acquired in satisfaction of claims	24.2	(23,134)	(94,862)
		(4,393,627)	501,926
		7,954,370	1,828,553
24.1 Surplus on revaluation of property and equipment - net of tax			
At January 01		6,213,285	6,451,062
Surplus on land and building transferred from non banking assets during the year		3,307,901	-
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(108,464)	(121,306)
Related deferred tax liability on incremental depreciation charged during the year		(117,503)	(116,550)
Adjustment in surplus on asset transferred from NBA to property and equipment		-	79
Others		-	-
At December 31		9,295,219	6,213,285
Less: related deferred tax liability on:			
- surplus as at January 01		(2,214,474)	(2,045,558)
- surplus recognized during the year		(1,039,499)	-
- account of change in deferred tax due to tax rate change		(135,580)	(285,427)
- incremental depreciation charged during the year		117,503	116,550
- adjustment in surplus on asset transferred from NBA to property and equipment		-	(39)
	14	(3,272,050)	(2,214,474)
		6,023,169	3,998,811

	Note	2024	2023
		Rupees in '000'	
24.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net of tax			
At January 01		850,610	1,174,666
Surplus recognized during the year	15.11	329,416	28,166
Surplus realized on disposal during the year		(237,053)	(342,593)
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(1,240)	(4,871)
Related deferred tax liability on incremental depreciation charged during the year		(1,345)	(4,679)
Adjustment in surplus on asset transferred from NBA to property and equipment		-	(79)
At December 31		940,388	850,610
Less: related deferred tax liability on:			
- surplus as at January 01		(94,862)	(84,335)
- surplus recognized during the year		(12,930)	(10,277)
- account of change in deferred tax due to tax rate change		(5,807)	(11,768)
- surplus realized on disposal during the year		89,122	6,800
- incremental depreciation charged during the year		1,343	4,679
- adjustment in surplus on asset transferred from NBA to property and equipment		-	39
	14	(23,134)	(94,862)
		917,254	755,748
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	159,178,133	135,621,749
Commitments	25.2	353,075,813	406,852,140
Other contingent liabilities	25.3	291,951	291,951
		512,545,897	542,765,840
25.1 Guarantees:			
Financial guarantees		48,123,386	34,797,867
Performance guarantees		28,380,622	23,965,466
Other guarantees			
Back to back guarantee		47,837,861	54,320,270
Mobilization and bid bond guarantee		14,779,233	9,184,433
Other guarantee		20,057,031	13,353,713
		82,674,125	76,858,416
		159,178,133	135,621,749
25.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		162,730,274	172,670,983
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	120,009,708	217,833,716
- forward Government securities transactions	25.2.2	35,060,700	-
- deliverable future contracts	25.2.3	-	128,320
- forward lending	25.2.4	34,883,622	15,817,173
Commitments for acquisition of:			
- property and equipment		342,919	240,693
- intangible assets		48,590	161,255
		353,075,813	406,852,140

	Note	2024 Rupees in '000'	2023
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		76,547,355	121,124,664
Sale		43,462,353	96,709,052
		120,009,708	217,833,716
25.2.2 Commitments in respect of forward Government securities transactions			
Purchase		18,060,700	-
Sale		17,000,000	-
		35,060,700	-
25.2.3 Commitments in respect of deliverable future contracts			
		-	128,320
25.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	25.2.4.1	34,883,622	15,817,173

25.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2024 Rupees in '000'	2023
25.3 Other contingent liabilities	291,951	291,951

For tax years 2014 - 2024, the tax department disputed the Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these unconsolidated financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

25.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 46,889,928 thousand (2023: Rs. 46,313,295 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to the Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	Note	2024 Rupees in '000'	2023
26. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		117,481,466	155,223,358
Investments		215,724,812	166,747,483
Lendings to financial institutions		4,805,675	4,716,497
Balances with banks		707,475	506,463
IFRS-09 adjustment - notional			
Staff		3,490,257	-
Others			1,581,255
-			
		343,790,940	327,193,801
26.1. Interest income recognised on:			
Financial assets measured at amortised cost		144,921,216	-
Financial assets measured at FVOCI		186,897,019	-
Financial assets measured at FVTPL		11,972,705	-
		343,790,940	-
27. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		230,515,077	190,752,083
Borrowings		59,338,594	87,918,230
Subordinated debts		6,781,634	5,638,142
Mark-up on lease liability		2,187,160	1,939,763
IFRS-09 adjustment on borrowings - notional		811,918	-
		299,634,383	286,248,218
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		441,883	361,899
Consumer finance related fees		711,704	551,785
Card related fees (debit and credit cards)		4,332,367	1,258,975
Credit related fees		929,378	853,251
Investment banking fees		505,509	401,547
Branchless banking fees		170,967	112,901
Commission on trade		1,651,385	1,341,346
Commission on guarantees		571,691	254,497
Commission on cash management		216,007	269,291
Commission on remittances including home remittances		590,742	501,669
Commission on bancassurance		250,407	229,378
Commission on wheat financing		27	678,640
SMS banking income		1,002,090	614,236
		11,374,157	7,429,415
29. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	291	10,923,904	5,207,506
Unrealized gain - FVTPL / held for trading	91	831,292	55,003
Unrealized loss - deliverable future contracts	22	7,887	(7,887)
		11,763,083	5,254,622

		2024	2023
		Rupees in '000'	
Note			
29.1	Realized gain on sale of securities - net:		
	Government Securities	8,072,765	3,849,080
	Non government debt instruments	1,719,270	-
	Shares	1,131,869	1,358,426
		10,923,904	5,207,506
29.2	Realized gain on sale of securities - net:		
	Net gain/loss on financial assets/ liabilities measured at FVTPL:		
	Designated upon initial recognition	2,736,474	-
	Mandatorily measured at FVTPL	1,719,274	-
	Net gain/loss on debt instruments measured at FVOCI	6,468,156	-
		10,923,904	-
30.	NET GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Gain on derecognition on financial assets measured at amortised cost - notional	1,563,972	-
	Loss on derecognition on financial assets measured at amortised cost - notional	(403,908)	-
	Loss on derecognition/modification of advances measured at amortised cost - notional	(12,510)	-
		1,147,554	-
30.1	During the year, the Bank has derecognized outstanding exposures of certain borrowers amounting to Rs. 2,436,762 thousand through acquisition of properties, in auction and negotiated purchase. Accordingly, a fair value gain of Rs. 1,563,972 thousand has been recognized in these unconsolidated financial statements.		
30.2	This amount includes deferred fair value loss arising from the restructuring of loan of Pakistan International Airlines Corporation Limited (PIACL). 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 recognized amount of first year's 5% loss in these unconsolidated financial statements.		
		2024	2023
		Rupees in '000'	
Note			
31.	OTHER INCOME - NET		
	Rent on property	3,900	-
	Gain on termination of lease liability against right-of-use assets	239,480	238,561
	Gain on sale of property and equipment - net	40,199	8,606
	Gain on disposal of non banking assets acquired in satisfaction of claims - net	514,835	3,882,298
	Notice pay on resignations	63,312	38,335
	Claim decided in favour of Bank against litigation	331,646	-
		1,193,372	4,167,800

		2024	2023
	Note	Rupees in '000'	
32. OPERATING EXPENSES			
Total compensation expense	32.1	27,871,223	20,032,725
Property expense:			
Rent and taxes		69,157	38,890
Insurance		17,228	14,333
Utilities cost		2,080,582	1,514,632
Security		1,503	7,198
Repair and maintenance (including janitorial charges)		252,209	119,760
Depreciation		913,425	773,968
Depreciation on right-of-use assets	12	1,956,626	1,730,876
		5,290,730	4,199,657
Information technology expenses:			
Software maintenance		1,519,090	1,168,002
Hardware maintenance		92,137	73,114
Depreciation		870,860	542,589
Amortization	13.1	411,206	342,207
Network charges		562,754	522,466
		3,456,047	2,648,378
Other operating expenses:			
Directors' fees and allowances	41.2	64,908	36,294
Fees and allowances to Shariah Board	41.3	9,315	8,735
Legal and professional charges		404,169	258,285
Subscription charges		79,175	38,134
Outsourced staff services costs	39.1	1,031,140	789,534
Travelling and conveyance		402,844	407,013
NIFT clearing charges		107,032	112,920
Depreciation		749,308	595,689
Depreciation on non banking assets	15.1.1	22,573	22,134
Depreciation on ijarah assets		353,078	186,585
Training and development		137,299	159,452
Postage and courier charges		359,037	289,782
Stationery and printing		715,177	600,086
Marketing, advertisement and publicity		573,310	564,068
Auditors remuneration	32.2	20,611	17,241
Insurance		309,514	296,032
Deposit protection fee		749,017	581,028
Repair and maintenance		809,519	529,352
Entertainment expenses		315,521	291,329
Vehicle running expenses		107,088	90,609
Fuel for generator		221,397	298,571
Commission and brokerage		487,206	314,825
Bank charges		61,776	48,025
Card related expenses		2,834,102	1,746,669
ATM charges including ATM maintenance charges			
SMS banking charges		731,205	520,595
Branch license fee		38,766	32,923
CNIC verification / ECIB charges		384,324	308,375
Organizational development		85,305	28,396
Cash remittance charges		731,326	644,441
COVID - 19 related expenses		39	589
Miscellaneous expenses		387,154	421,162
		13,282,235	10,238,873
		49,900,235	37,119,633

Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 2,183,685 thousand (2023: Rs. 1,899,986 thousand). This expense represents payments made to companies incorporated in Pakistan. The Bank has material outsourcing arrangement with "Abacus ELS Private Limited" for third party staff hiring.

	Note	2024 Rupees in '000'	2023
32.1 Total compensation expense			
Managerial remuneration:			
Fixed		17,758,157	14,653,226
Variable cash bonus / awards etc.		2,329,267	1,799,414
Charge for defined benefit plan	401.71	469,147	433,294
Gratuity expense of key management personnel		10,626	7,245
Charge for compensated absences	40.2.4	31,077	12,421
Contribution to defined contribution plans		600,570	501,543
Utilities		-	-
Medical		606,599	530,314
Conveyance		2,514,075	2,030,003
Liveries		36,812	50,857
Scholarship		23,831	12,647
Sub total		24,380,161	20,030,964
Sign-on bonus		805	1,761
IFRS-09 Adjustment for staff loans - notional		3,490,257	-
Grand Total		27,871,223	20,032,725
During the year sign-on bonus was paid to 03 employees (2023: 03 employees).			
32.2 Auditors remuneration			
Audit fee		6,000	4,800
Fee for half year review and other statutory certifications		7,126	6,290
Special certifications		1,740	4,398
Other Services		3,045	-
Out of pocket expenses		1,525	1,753
		20,611	17,241
33. OTHER CHARGES			
Penalties imposed by SBP		6,458	50,719
Operational loss		157	4,190
		6,615	54,909
34. REVERSAL OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Reversal of credit loss allowance against lending to financial institutions		12,825	-
Credit loss allowance / provision for diminution in value of investments		(58,487)	796,042
Reversal of credit loss allowance / provision against loans & advances	10.4.5	(3,852,526)	(1,445,079)
Reversal of credit loss allowance against balances with treasury banks		(235,411)	-
(Reversal of credit loss allowance) / provision against other assets - net	15.31	(147,812)	596,112
Credit loss allowance against off balance sheet obligations	22.1	236,495	-
Credit loss allowance against balance with other banks		(71,817)	-
		(4,116,733)	(52,925)

		2024	2023
	Note	Rupees in '000'	
35. TAXATION-NET			
Current	35.1	8,267,913	8,086,265
Prior years		41,932	868,872
Deferred		2,879,333	923,595
	35.3	11,189,178	9,878,732
35.1	This includes provision for super tax for the year in accordance with Income Tax Ordinance, 2001.		
35.2	The Government vide Finance Act 2023, has enacted super tax at the rate of 10% for indefinite future period of time. Accordingly, the effect of change in deferred tax rate has been recognized in these unconsolidated financial statements.		
		2024	2023
	Note	Rupees in '000'	
35.3 Relationship between tax expense and accounting profit			
Accounting profit before tax for the year		24,564,540	21,217,917
Tax on income @ 44%		10,808,398	8,274,988
Super tax @ 10%		2,456,454	2,121,792
Effective tax rate @ 54%		13,264,852	10,396,780
Tax effect of permanent differences		(845,162)	24,852
Tax effect of prior year		41,932	868,872
Tax effect of super tax			
Cumulative tax effect of change in tax rate		(1,378,058)	(1,473,488)
Others		105,614	61,716
Tax charge for the year		11,189,178	9,878,732
36. BASIC EARNINGS PER SHARE			
Profit after tax for the year (Rs in '000')		13,375,362	11,339,185
Weighted average number of ordinary shares (No.)	23.2	3,271,569,319	3,271,569,319
Basic earnings per share (Rs).		4.09	3.47
37. DILUTED EARNINGS PER SHARE			
There is no dilution effect on basic earnings per share.			
38. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	100,773,480	100,894,255
Balance with other banks	7	3,260,824	8,283,392
Call borrowing	18	(200,000)	-
Overdrawn nostro accounts	18	(420,989)	(200,125)
		103,413,315	108,977,522

38.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2024				2023			
	Liabilities		Equity		Liabilities		Equity	
	Subordinated debts	Other liabilities	Un-appropriated profit	Total	Subordinated debts	Other liabilities	Un-appropriated profit	Total
	Rupees in '000'							
Balance as at January 01,	30,204,640	124,893,250	31,521,795	186,619,685	17,203,760	85,151,020	25,213,170	127,567,950
Changes from financing cash flows								
Repayment of subordinated debts	(6,034)	-	-	(6,034)	(2,497,120)	-	-	(2,497,120)
Subordinated perpetual term finance certificates - ADT - I	-	-	-	-	-	-	-	-
Advance subscription money received - Subordinated perpetual term finance certificates ADT - I 2nd issue	50,000	-	-	50,000	3,900,000	-	-	3,900,000
Subscription received - privately placed term finance certificates - III	-	-	-	-	4,600,000	-	-	4,600,000
Advance subscription money received - privately placed term finance certificates - IV	571,500	(2,972,068)	-	571,500	6,998,000	(2,379,620)	-	6,998,000
Payment of lease liability against right-of-use-assets	-	(2,972,068)	(3,271,569)	(2,972,068)	-	-	-	(2,379,620)
Dividend paid	-	-	(3,271,569)	(3,271,569)	-	-	-	-
Total changes from financing cash flows	615,466	(2,972,068)	(3,271,569)	(5,628,171)	13,000,880	(2,379,620)	-	10,621,260
Liability related								
Changes in Other liabilities								
Cash based	-	5,752,841	-	5,752,841	-	36,010,503	-	36,010,503
Dividend payable	-	-	-	-	-	-	-	-
Non cash based	-	2,023,413	-	2,023,413	-	6,111,347	-	6,111,347
Total liability related other changes	-	7,776,254	-	7,776,254	-	42,121,850	-	42,121,850
Total equity related other changes	-	-	6,247,212	6,247,212	-	-	6,308,625	6,308,625
Balance as at December 31	30,820,106	129,697,436	34,497,438	195,014,980	30,204,640	124,893,250	31,521,795	186,619,685

	2024	2023
	Number	
39. STAFF STRENGTH		
Permanent	12,333	11,420
On Bank contract	2,323	2,239
Bank's own staff strength at the end of the year	14,656	13,659

39.1 In addition to the above, 1,688 (2023: 1,498) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

40. EMPLOYEE BENEFITS

40.1 Defined benefit plan - gratuity

The Bank operates a funded gratuity scheme for all its permanent employees. The benefits under the scheme are payable on retirement / resignation which is equal to one month's last drawn basic salary for each year of eligible service or part thereof, with effect from January 01, 2008 or date of joining whichever is later, subject to minimum of five years of service. The Bank makes annual provision in these unconsolidated financial statements for its liabilities on the basis of actuarial valuation.

40.1.1 Number of employees under the scheme

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

	2024	2023
	Number	
- Eligible employees under gratuity scheme	12,333	11,420

40.1.2 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2024 using the "Projected Unit Credit Method". The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table. The principal assumptions used in the valuation were as follows:

	2024	2023
	Per annum	
Discount rate	12.25%	16.75%
Expected rate of return on plan assets	12.25%	16.75%
Expected rate of salary increase	10.25%	14.75%
Average expected remaining working life (years)	10	10

		2024	2023
	Note	Rupees in '000'	
40.1.3 Reconciliation of payable to defined benefit plan			
Present value of obligations	40.14	3,875,383	3,232,365
Fair value of plan assets	40.15	(3,526,098)	(2,561,319)
Benefits payable		72,062	19,587
Payable to defined benefit plan		421,347	690,633

	Note	2024 Rupees in '000'	2023
40.14 Movement in present value of defined benefit obligations			
Obligations at the beginning of the year		3,232,365	2,478,352
Current service cost		418,982	425,748
Interest cost		516,962	352,706
Benefits paid during the year		(292,053)	(91,794)
Re-measurement loss - other comprehensive income		(873)	67,353
Obligations at the end of the year		3,875,383	3,232,365
40.15 Movement in fair value of plan assets			
Fair value at the beginning of the year		2,561,319	2,354,676
Interest income on plan assets		466,797	345,160
Contribution by the Bank during the year		690,633	171,152
Benefits paid during the year		(239,578)	(119,683)
Remeasurement : return on plan assets excluding interest income		46,927	(189,986)
Fair value at the end of the year		3,526,098	2,561,319
40.16 Movement in payable under defined benefit scheme			
Opening balance		690,633	171,152
Charge for the year	40.1.71	469,147	433,294
Contribution by the Bank during the year		(690,633)	(171,152)
Re-measurement (gain) / loss recognized in other comprehensive income during the year	40.1.72	(47,800)	257,339
Closing balance		421,347	690,633
40.17 Charge for defined benefit plans			
40.1.71 Cost recognized in profit and loss			
Current service cost		418,982	425,748
Net interest on defined benefit plan		50,165	7,546
		469,147	433,294
40.1.72 Re-measurements recognized in other comprehensive income during the year			
Actuarial loss due to changes in financial assumptions		(19,979)	(249,247)
Loss on obligation due to experience adjustments		19,106	316,600
Return on plan assets over interest income		(46,927)	189,986
Total re-measurement (gain) / loss recognized in other comprehensive income		(47,800)	257,339
40.1.8 Components of plan assets			
Cash and cash equivalents - net		726,098	311,319
Government securities		1,825,000	1,275,000
Shares / units		-	-
Non-Government debt securities		975,000	975,000
		3,526,098	2,561,319

These assets are mostly contained in the form of cash and cash equivalents and government securities so there is no significant risk associated with it. However, investments may be adversely affected by movement in equity and interest rate markets.

40.19 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations. The increase / (decrease) in the present value of defined benefit obligations as a result of change in discount rate and salary growth is summarized below:

	2024	2023
	Rupees in '000'	
1% increase in discount rate	(3,543,461)	(2,955,516)
1% decrease in discount rate	4,238,491	3,535,225
1 % increase in expected rate of salary increase	4,238,397	3,535,147
1 % decrease in expected rate of salary increase	(3,543,417)	(2,955,480)
40.110 Expected contributions to be paid to the fund in the next financial year	421,347	690,633
40.111 Expected charge for the next financial year	527,593	608,867
40.112 Maturity profile		
The weighted average duration of the obligation (in years)	9	9

40.113 Funding policy

There are no statutory minimum funding requirements. However, contributions to the scheme are made on the basis of actuarial valuations carried in each year.

The Bank's gratuity scheme is mainly subject to following risks:

Asset volatility	The majority of the gratuity fund assets are invested in cash or cash-equivalent, government securities and non government debt securities. Therefore, there is investment risk to the scheme due to fluctuation in interest rate environment or changes in bond yields of debt securities. Also, there is no liquidity investment risk to the scheme. However, investments may be adversely affected by movement in equity and interest rate markets.
Inflation risk	Higher than expected growth in inflation may result in higher than assumed salary increases which will lead to increase in liability. However, assets of the scheme may not be at significant risk due to changes in inflation rate.
Life expectancy / Withdrawal rate	Actuarial valuation assumes heavy withdrawals for younger ages but moderate withdrawal rates are used for older ages. Significant withdrawals of employees having reasonable years of service would cause large benefit payments. Consequently, deficit position of the scheme would deteriorate further. However, availability of cash for benefit payments will not be an issue due to the liquid nature of assets of the Gratuity Fund.

40.2 Defined benefit plan - compensated absences

The Bank makes annual provision in these unconsolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. The employees of the Bank are entitled to take leave as Leave Preparatory to Retirement (LPR) immediately before retirement. These leaves are subject to retirees' un-utilized privilege leave balance with an upper limit of 180 days. Alternatively, the retiree may receive a lump-sum cash amount equal to 180 days basic salary at the time of retirement in lieu of LPR of 180 days. Privilege leave accrues at the rate of 30 days per year. Moreover, any unutilized privilege leaves over 180 days are ignored.

40.2.1 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2024 using the "Projected Unit Credit Method". The principal assumptions used in the valuation were as follows:

	2024	2023
	Per annum	
Discount rate (%)	12.25%	16.75%
Expected rate of eligible salary increase in future years (%)	10.25%	14.75%
Average number of leaves accumulated per annum by the employees (days)	20	18

	2024	2023
	Rupees in '000'	

40.2.2 Present value of defined benefit obligation

Obligations at the beginning of the year	163,363	153,884
Current service cost	5,041	4,944
Interest cost	26,551	22,100
Benefits paid during the year	(9,694)	(2,942)
Re-measurement gain	(515)	(14,623)
Obligations at the end of the year	184,746	163,363

40.2.3 Movement in payable to defined benefit plan:

Opening balance	163,363	153,884
Charge for the year	31,077	12,421
Benefit paid	(9,694)	(2,942)
Closing balance	184,746	163,363

40.2.4 Charge for defined benefit plan:

Current service cost	5,041	4,944
Interest cost	26,551	22,100
Actuarial loss / (gain) recognized	(515)	(14,623)
	31,077	12,421

40.2.5 Sensitivity analysis:

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit plan. The increase / (decrease) in the present value of defined benefit plan as a result of change in discount rate and salary growth is summarized below:

	2024	2023
	Rupees in '000'	
Increase in discount rate by 1%	(168,919)	(149,368)
Decrease in discount rate by 1%	202,052	178,666
Increase in expected future increment in salary by 1%	202,057	178,670
Decrease in expected future increment in salary by 1%	(168,921)	(149,370)

40.2.6 Reconciliation of net liability recognized for compensated absences for the five years is as follows::

	2024	2023	2022	2021	2020
	Rupees in '000'				
Opening net liability	163,363	153,884	133,629	123,506	111,612
Net charge for the year	21,383	9,479	20,255	10,123	11,894
	184,746	163,363	153,884	133,629	123,506
Actuarial (loss) / gain on obligation	515	14,623	(2,934)	4,024	2,068

40.3 Defined contribution plan

The Bank operates and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made by the Bank and employees at the rate of 8.33% of basic salary.

41. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total compensation expense

	2024					
	Chairman	Non-Executive Directors	Members share board	President / CEO	Key management personnel	Other material risk takers / controllers
	Rupees in '000'					
Fees and allowances etc.	-	64,908	9,315	-	-	-
Managerial remuneration	-	-	-	-	-	-
Fixed	-	2,945	140,640	318,676	584,247	157,497
Variable cash bonus / awards	-	-	460	79,695	84,414	22,644
Charge for defined benefit plan	-	-	-	10,626	11,522	-
Contribution to defined contribution plan	-	-	-	13,329	25,801	-
Relocation allowance	-	-	-	-	-	960
Servant salary	-	-	222	720	16,690	43,205
Furnishing allowance	-	-	-	-	-	-
Club membership	-	-	-	380	4,981	6,339
Fuel	-	-	941	-	30,151	77,434
Others	-	-	265	200	12,563	22,541
Total	64,908	141,148	232,261	492,326	940,668	
Number of persons	1	7	4	1	17	60

		2023					
		Chairman	Non Executive Directors	Members share board	President / CEO	Key management personnel	Other material risk takers / controllers
		Rupees in '000'					
	Note						
Fees and allowances etc.	41.3	-	36,294	8,735	-	-	-
Managerial remuneration							
Fixed	-	-	2,916	116,645	284,894	586,825	
Variable cash bonus / awards	41.1.3	-	-	-	51,520	60,407	122,107
Charge for defined benefit plan		-	-	-	7,245	12,061	23,071
Contribution to defined contribution plan	-	-	-	-	11,050	23,291	
Relocation allowance		-	-	-	-	-	960
Servant salary		-	-	-	720	5,154	19,969
Furnishing allowance		-	-	-	-	-	-
Club membership		-	-	-	285	517	700
Fuel		-	-	829	-	20,219	61,112
Others		-	-	-	300	489	1,866
Total		-	36,294	12,480	177,465	394,791	839,901
Number of persons		1	9	4	1	16	62

411.1 During the prior year, in terms of section 10 (2) of the Bank of Punjab Act, 1989, the GoPb appointed the Chairman of the Board of Directors of the Bank. However during the year the GoPb de-notified the Chairman.

411.2 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

411.3 Variable cash bonus / awards includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2024 stood at Rs. 122,384 thousand (2023: Rs. 90,145 thousand).

41.2 Remuneration paid to directors for participation in board and committee meetings

2024								
Rupees in '000'								
For Board Committees								
Name of Director	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Review of BOP Act 1989 Committee	Total amount paid
Dr. Muhammad Amjad Saqib	3,645	3,118	-	3,276	-	2,170	969	13,178
Mr. Asif Reza Sana	3,645	2,676	-	3,792	1,412	368	969	12,862
Mr. Mohammad Mudassir Amray	3,645	969	1,559	-	969	2,170	969	10,281
Mr. Muhammad Naeem Khan	3,645	2,675	1,338	-	1,106	2,170	1,117	12,051
Mr. Mujahid Sherdil	231	369	-	-	-	-	-	600
Mr. Naweed Akhtar Sharif	-	-	-	-	-	231	-	231
Syed Ghazanfar Abbas Jilani	4,234	1,938	1,338	3,276	1,485	2,465	969	15,705
Total	19,045	11,745	4,235	10,344	4,972	9,574	4,993	64,908

2023								
Rupees in '000'								
For Board Committees								
Name of Director	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Monitoring Committee of the Board on Forensic Investigation of Sugar Industry NPLs	Total amount paid
Dr. Muhammad Amjad Saqib	1,877	951	-	1,657	-	1,182	-	5,667
Mr. Asif Reza Sana	1,877	719	-	1,657	707	-	719	5,679
Mr. Mohammad Jehanzeb Khan	462	232	232	694	232	-	232	2,084
Mr. Mohammad Mudassir Amray	1,402	-	1,182	-	475	1,182	-	4,241
Mr. Muhammad Naeem Khan	1,877	951	1,182	-	-	1,182	-	5,192
Mr. Mujahid Sherdil	694	-	232	232	-	-	-	1,158
Mr. Naweed Akhtar Sharif	462	232	232	232	232	232	-	1,622
Ms. Nadia Rehman	1,414	488	-	462	244	719	-	3,327
Mr. Syed Ghazanfar Abbas Jilani	1,877	475	1,182	1,657	232	1,182	719	7,324
Total	11,942	4,048	4,242	6,591	2,122	5,679	1,670	36,294

In addition to above, Mr. Syed Ghazanfar Abbas Jilani (Director) was paid Nil (2023: Rs. 98 thousand) for hearing Bank's disciplinary and grievance cases of employees as per Bank's policy.

41.3 Remuneration paid to Shariah board members

	2024				2023			
	Chairman	Resident member	Non-resident member	Total amount paid	Chairman	Resident member	Non-resident member	Total amount paid
Rupees in '000'								
Meeting fee and allowances	3,475	-	5,840	9,315	3,265	-	5,470	8,735
Salary & festival bonus paid to resident member through Bank's payroll	-	4,833	-	4,833	-	3,745	-	3,745
Total amount	3,475	4,833	5,840	14,148	3,265	3,745	5,470	12,480
Number of persons	1	1	2		1	1	2	

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy.

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

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

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

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

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

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

42.1.1 Valuation techniques used in determination of fair values within level 2 and level 3

Item	Valuation approach and Input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	Break-up value determined on the basis of net assets value of the company using the latest available audited financial statements.
Property & equipment and non-banking assets acquired in satisfaction of claims	Land, buildings on freehold land and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

42.2 Fair value of financial assets

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

	2024				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	1,161,221,636	-	1,161,221,636	-	1,161,221,636
Shares	7,219,848	7,193,278	26,570	-	7,219,848
Non-Government debt securities	9,410,772	-	9,410,772	-	9,410,772
Mutual funds & investment trust units	3,099,761	2,994,767	104,994	-	3,099,761
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	1,210,487	-	-	1,210,487	1,210,487
Financial assets disclosed but not measured at fair value :					
Government securities	136,638,722	-	134,938,970	-	134,938,970
Non-Government debt securities	2,102,368	-	2,102,368	-	2,102,368
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	76,262,665	-	76,262,665	-	76,262,665
Forward sale of foreign exchange contracts	42,936,278	-	42,936,278	-	42,936,278
Forward purchase of Government Securities transactions	18,060,700	-	18,060,700	-	18,060,700
Forward sale of Government Securities transactions	17,000,000	-	17,000,000	-	17,000,000
2023					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,393,049	4,371,789	21,260	-	4,393,049
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary Company	110,487	-	-	110,487	110,487
Financial assets disclosed but not measured at fair value :					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Unlisted term finance certificates and sukus	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433

42.3 Fair value of non financial assets

	2024				
	Carrying value / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Property and equipment (land & building)	16,867,043	-	16,867,043	-	16,867,043
Non banking assets acquired in satisfaction of claims	4,959,039	-	4,959,039	-	4,959,039
2023					
	Carrying value / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

43. SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2024							
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total	
Rupees in '000'								
Profit & loss								
Net mark-up / return / profit	78,003,775	268,934	23,647,203	211,571,820	26,160,280	4,138,928	343,790,940	
Inter segment revenue - net	(38,973,495)	135,368,052	23,647,203	73,319,913	(2,053,265)	8,683,520	-	
Non mark-up / return / interest income	3,197,830	5,745,888	1,735,754	11,139,209	749,932	4,120,778	26,689,391	
Total income	42,228,110	141,382,874	98,702,870	46,366,304	24,856,947	16,943,226	370,480,331	
Segment total expenses	41,432,949	129,747,134	74,429,668	54,847,778	16,814,966	32,760,029	350,032,524	
Profit before credit loss allowance	795,161	11,635,740	24,273,202	(8,481,474)	8,041,981	(15,816,803)	20,447,807	
Credit loss allowance-net	(3,488,496)	87,456	157,599	(331,542)	(773,424)	231,674	(4,116,733)	
Profit / (loss) before tax	4,283,657	11,548,284	24,115,603	(8,149,932)	8,815,405	(16,048,477)	24,564,540	
Balance sheet								
Cash & bank balances	-	256,597	31,163,892	58,945,560	13,668,255	-	104,034,304	
Investments - net	998,874	-	-	1,264,395,153	55,521,524	-	1,320,915,551	
Net inter segment lending	-	701,461,858	530,646,536	-	10,691,544	23,971,817	1,266,771,755	
Lendings to financial institutions	-	-	-	-	14,769,016	-	14,769,016	
Advances - performing	476,033,755	34,200,072	153,473,104	-	78,200,897	26,670,763	768,578,591	
- non-performing	6,153,998	-	1,462,361	-	1,207,434	(4,993)	8,818,800	
Others	28,115,878	1,998,701	22,805,830	26,908,572	14,735,486	68,298,481	162,862,948	
Total assets	511,302,505	737,917,228	739,551,723	1,350,249,285	188,794,156	118,936,068	3,646,750,965	
Borrowings	49,408,660	-	17,762,197	339,360,814	2,474,259	-	409,005,930	
Subordinated debts	-	-	-	-	-	30,820,106	30,820,106	
Deposits & other accounts	192,343,997	722,637,779	636,562,579	-	158,743,365	-	1,710,287,720	
Net inter segment borrowing	257,588,636	-	-	1,009,183,119	-	-	1,266,771,755	
Others	11,961,212	15,279,449	85,226,947	1,705,352	7,812,648	15,348,701	137,334,309	
Total liabilities	511,302,505	737,917,228	739,551,723	1,350,249,285	169,030,272	46,168,807	3,554,219,820	
Equity							92,531,145	
Total equity & liabilities							3,646,750,965	
Contingencies & commitments	309,194,746	-	24,055,755	150,522,395	28,092,662	680,339	512,545,897	

2023

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	117,926,088	72,447	20,594,438	165,010,201	22,723,664	866,963	327,193,801
Inter segment revenue - net	(76,156,079)	127,619,621	73,357,009	(98,865,583)	(1,907,971)	(24,046,997)	-
Non mark-up / return / interest income	2,286,041	2,152,232	1,101,090	6,688,089	470,982	5,019,097	17,175,531
Total income	44,056,050	129,844,300	95,052,537	72,832,707	21,286,675	(18,160,937)	344,911,332
Segment total expenses	37,452,548	103,234,295	60,533,247	83,436,030	15,325,207	23,765,013	323,746,340
Profit before provisions	6,603,502	26,610,005	34,519,290	(10,603,323)	5,961,468	(41,925,950)	21,164,992
Provisions / (reversals)	(1,461,856)	-	(166,123)	818,168	208,702	548,184	(52,925)
Profit / (loss) before tax	8,065,358	26,610,005	34,685,413	(11,421,491)	5,752,766	(42,474,134)	21,217,917
Balance sheet							
Cash & Bank balances	-	186,246	34,672,274	64,895,673	9,423,454	-	109,177,647
Investments - net	2,756,908	-	-	868,721,723	41,712,785	-	913,191,416
Net inter segment lending	-	645,860,735	416,690,196	-	-	57,079,680	1,119,630,611
Lendings to financial institutions	-	-	-	141,025,933	3,935,000	-	144,960,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	21,871,895	797,934,226
non-performing	5,274,559	-	1,843,961	-	1,326,535	7,599	8,452,654
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,061,977	242,463,114
Total assets	591,861,234	646,881,020	602,937,017	1,199,163,191	173,946,988	121,021,151	3,335,810,601
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits & other accounts	245,281,536	634,070,009	528,169,599	-	113,332,498	-	1,520,853,642
Net inter segment borrowing	258,755,695	-	-	821,938,048	38,936,868	-	1,119,630,611
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,524,824	130,401,105
Total liabilities	591,861,234	646,881,020	602,937,017	1,199,163,191	162,484,063	51,729,464	3,255,055,989
Equity							80,754,612
Total equity & liabilities							3,335,810,601
Contingencies & commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

44. TRUST ACTIVITIES

The Bank act as a custodian for securities held in Investor Portfolio Securities (IPS) accounts. The are not the assets of the Bank and , therefore, not included in these unconsolidated financial statements. Assets held under trust in IPS accounts are shown in the table below:

2024							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuku	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	-	-	-	-	-	-
Corporate	79	102,471,839	55,564,900	-	-	-	158,036,739
Employees Funds	14	20,178,955	3,562,000	-	-	-	23,740,955
Individuals	871	1,180,950	92,500	13,300	1,851,430	289,025	3,427,205
Others	35	20,403,500	77,375,500	-	-	-	97,779,000
	1012	144,235,244	136,594,900	13,300	1,851,430	289,025	282,983,899

2023							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuku	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	2,190,000	-	-	-	-	2,190,000
Corporate	36	7,072,000	425,000	13,300	-	-	7,510,300
Employees Funds	16	16,540,500	3,187,000	75,000	-	-	19,802,500
Individuals	486	753,160	47,800	-	841,670	122,409	1,765,039
Others	33	13,417,100	2,905,000	6,500	-	-	16,328,600
	584	39,972,760	6,564,800	94,800	841,670	122,409	47,596,439

45. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment. Remuneration of Directors, key management personnel, Shariah Board and fixed assets sold to related parties are disclosed in Note 41.1, 41.2, 41.3 & Note 11.2.5 respectively. In addition key management personnel are paid terminal and short-term terminal benefits.

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

	(Audited) December 31, 2024					(Audited) December 31, 2023				
	Director management personnel	Subsidiary companies and managed modaraba	Employee funds	Other related parties	Rupees in '000	Director management personnel	Subsidiary companies and managed modaraba	Employee funds	Other related parties	Rupees in '000
Lendings to financial institutions:										
Opening balance	-	1,985,000	-	-	-	-	-	-	1,825,000	-
Addition during the period / year	-	-	-	-	-	-	-	-	7,085,000	-
Repaid during the period / year	-	-	-	-	-	-	-	-	6,925,000	-
Closing balance	-	1,985,000	-	-	-	-	-	-	1,985,000	-
Credit loss allowance against lendings to financial institutions	-	8,034	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	275,432	-	-	-	-	164,945	-	-	-
Investments made during the year	-	1,100,000	-	-	-	-	110,487	-	-	-
Investments disposed off during the year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	1,375,432	-	-	-	-	275,432	-	-	-
Credit loss allowance for diminution in value of investments	-	164,945	-	-	-	-	164,945	-	-	-
Advances (gross):										
Opening balance	-	466,461	-	-	-	-	-	362,721	-	-
Addition during the period / year	-	254,115	-	-	-	-	-	232,127	-	-
Repaid during the period / year	-	192,962	-	-	-	-	-	128,387	-	-
Closing balance	-	527,614	-	-	-	-	-	466,461	-	-
Credit loss allowance held against advances	-	5,301	-	-	-	-	-	-	-	-
Other assets - advance deposits and prepayments	-	180,764	-	-	-	-	-	-	100,000	-
Other assets - markup receivable	-	21,508	-	-	-	-	-	20,018	103,301	-
Credit loss allowance against other assets	-	336	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	58,184	-	-	-	-	-	62,610
Lease liability against right of use assets	-	-	-	17,394	-	-	-	-	-	15,208
Deposits and other accounts:										
Opening balance	9,536	95,861	1,185,599	114,393	239	30,825	40,067	1,036,847	26,391	465,652
Received during the period / year	112,807	2,522,863	5,709,242	19,326,928	69,369	1,530,820	3,548,294	8,849,409	8,700,657	3,771,650
Withdrawn during the period / year	100,121	2,462,411	24,374,823	18,588,128	60,072	1,465,784	3,570,907	8,700,657	8,700,657	114,393
Closing balance	22,222	156,313	2,587,664	8,531,93	9,536	95,861	17,454	1,185,599	114,393	3,466
Other liabilities	92	670	-	3,454	217	2,721	1,058	690,633	3,466	-
Contingencies (non funded exposure)	-	-	-	56,300	-	-	-	-	-	49,822

	2024					2023				
	Directors	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties	Directors	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties
Rupees in '000										
Income:										
Mark-up / return / interest earned	-	23,291	370,421	-	-	-	21,064	358,078	-	-
Fee and commission income	5	1,050	197	-	1,049	-	1,618	126	-	-
Other Income	-	-	3,900	-	-	-	-	-	-	-
Expense:										
Mark-up / return / interest expensed	5,574	15,758	29,838	276,520	401,360	1,228	564	4,264	352,942	6,551
Depreciation on right of use assets	-	-	-	-	4,426	-	-	-	-	4,426
Mark-up on lease liability against right of use assets	-	-	-	-	2,186	-	-	-	-	1,906
Commission expense	-	-	12,423	-	-	-	-	8,677	-	-

45.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.

45.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government- related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities. The detail of transactions are as follows:

	(Audited) December 31, 2024	(Audited) December 31, 2023
Rupees in '000'		
Advances	9,481,684	99,445,479
Credit loss allowance held against advances	88,080	-
Deposits and other accounts	753,243,728	649,339,057
Bills payable	65,758	157,468
Subordinated debts	12,312,515	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	34,117,577	26,885,973
Credit loss allowance against off balance sheet obligations	24,010	-
Mark-up receivable	62,180	17,065,985
Credit loss allowance against other assets	111	-
Mark-up payable on subordinated debts	298,159	506,774
Mark-up payable	36,367,364	37,615,613
Mark-up earned	4,080,981	52,859,220
Mark-up expensed	130,975,704	107,913,754
Fee and commission income	109	-
Income on contingencies and commitments	221,775	208,159

45.3 The Bank made contribution of Rs. 600,571 thousand and Rs. 690,633 thousand (December 31, 2023: Rs. 501,543 thousand and Rs. 171,152 thousand) to employees provident fund and gratuity fund during the year respectively.

45.4 BOP has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.

- 45.5** Advances to employees as at December 31, 2024, other than key management personnel, amounted to Rs. 30,146,139 thousand (December 31, 2023: Rs. 24,467,885 thousand) with markup receivable of Rs. 1,080,273 thousand (December 31, 2023: Rs.831,158 thousand) and markup income of Rs.1,273,859 thousand (December 31, 2023: Rs. 990,346 thousand) and fee & commission income of Rs. 39,995 thousand (December 31, 2023: Rs. 22,861 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 475,965 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2024 stood at Rs. 122,384 thousand (December 31, 2023: Rs. 90,145 thousand).
- 45.6** In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.
- 45.7** The Bank held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 6,088,000 thousand (December 31, 2023: Rs. 5,275,500 thousand)

	Note	2024	2023
		Rupees in '000'	
46. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS			
Minimum Capital Requirement (MCR):			
Paid-up capital (net of losses)		34,667,575	34,667,575
Capital Adequacy Ratio (CAR):			
Eligible Common Equity Tier 1 (CET 1) Capital		84,424,012	74,275,763
Eligible Additional Tier 1 (ADT 1) Capital		11,967,500	11,917,500
Total Eligible Tier 1 Capital		96,391,512	86,193,263
Eligible Tier 2 Capital		24,830,979	16,484,562
Total Eligible Capital (Tier 1 + Tier 2)		121,222,491	102,677,825
Risk Weighted Assets (RWAs):			
Credit Risk		514,265,279	441,962,289
Market Risk		66,256,293	35,476,704
Operational Risk		95,658,474	81,512,110
Total		676,180,046	558,951,103
Common Equity Tier 1 Capital Adequacy Ratio		12.49%	13.29%
Tier 1 Capital Adequacy Ratio		14.26%	15.42%
Total Capital Adequacy Ratio		17.93%	18.37%

46.1 Capital adequacy framework

The Basel Framework for a capital adequacy is applicable to the Bank both at the consolidated level (including the Subsidiary) and on a standalone basis. The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future business developments. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratio compares the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratios under SBP rules, which ultimately determine the regulatory capital required to be maintained by Banks and DFIs.

In addition, the SBP requires that the paid up capital of locally incorporated banks should be raised to Rs. 10 billion by December 31, 2013 in a phased manner. The paid-up capital requirement (net of losses) as at December 31, 2024 is Rs. 10 billion.

The SBP requires that banks doing business in Pakistan should maintain regulatory capital for credit, market, and operational risks, the amount of which should at least be equal to 10% plus capital conservation buffer of 2.50% of the risk weighted assets of the Bank. However, in order to dampen the effects of COVID - 19, SBP vide

Circular No 12 of 2020 dated March 26, 2020, provided relaxation to maintain capital conversion buffer CCB of 1.5% from March, 2020 till further instructions. Accordingly, capital adequacy ratio requirement stood at 11.50% as at December 31, 2024.

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2024. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 17.93% whereas CET 1 and Tier 1 ratios stood at 12.49% and 14.26% respectively.

The SBP's regulatory capital as managed by the Bank is analyzed into following tiers:

- Tier I capital (CET1), which comprises of highest quality capital element and include fully paid up capital, share premium, reserve for bonus shares, general reserves and accumulated losses.
- Additional Tier I capital (ADT-I), which includes instrument meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares and its premium after all regulatory adjustments applicable on ADT-I.

The deductions from Tier 1 capital include mainly:

- i) Book value of goodwill / intangibles;
- ii) Shortfall in provision
- iii) Deficit on revaluation of available for sale investments - AFS and property and equipment;
- iv) Defined benefit pension fund asset;
- v) Investment in own shares;
- vi) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
- vii) Investment in mutual funds above a prescribed ceiling;
- viii) Threshold deductions applicable from 2014 on deferred tax assets and certain investments; and
- ix) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position during transition phase.

- Tier II capital, which includes subordinated debt / instruments and its premium, general reserve for loan losses (up to a maximum of 1.25% of CRWA), net of tax revaluation reserves, exchange translation reserves after all regulatory adjustments applicable on Tier-II.

The deductions from Tier 2 include mainly

- i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance;
- ii) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Bank calculates capital requirement as per regulatory framework, using the following approaches:

Credit risk	Standardized Approach
Market risk	Standardized Approach
Operational risk	Basic Indicator Approach

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Bank.

	2024	2023
	Rupees in '000'	
46.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	96,391,512	86,193,263
Total Exposures	2,770,894,675	2,553,544,800
Leverage Ratio	3.48%	3.38%

	2024	2023
	Rupees in '000'	
46.3 Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	828,488,113	633,492,844
Total Net Cash Outflow	434,785,659	345,059,142
Leverage Ratio	190.55%	183.59%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,308,850,221	1,136,308,900
Total Required Stable Funding	967,747,619	911,331,400
Net Stable Funding Ratio	135.25%	124.69%

46.4 The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 17.85%, 3.34% and 134.95% respectively.

46.5 The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time are available at <http://bop.com.pk>.

47. RISK MANAGEMENT

The Bank has implemented a 360-degree end-to-end risk management framework based on prudent and best banking practices. The framework covers all verticals of Risk Management including Credit, Market, Liquidity, Operational, AML/CFT, Environmental, Social & Governance (ESG) and Information Security. In addition, the Bank has in-place consolidated risk appetite statement which helps the Bank steer its strategic direction. The entire risk management process is governed by the Board and its risk committees which are responsible for approving the risk framework including policies and setting effective risk controls thereby safeguarding the Bank from any unforeseen event. The implementation of all such controls and highlighting any red flag in timely manner is ensured by strong governance vis-a-vis Banks' management committees like Asset and Liability Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk.

Risk management strategy and processes play a critical role in safeguarding the financial stability of the Bank. Effective risk management involves identifying, assessing and mitigating risk through a combination of robust internal controls, risk based policies, procedures and through effective monitoring ensured within the risk management group. By ensuring compliance to the approved policy and procedures, the Bank fosters trust and regulatory compliance, thereby ensuring informed decision making by the senior management and the Board.

The Bank's Chief Risk Officer (CRO) has a dotted line reporting to the Board's Risk Management, Compliance & NPL Review Committee (which is a specialized risk oversight Committee established by the BoD). The Board's Risk Management, Compliance & NPL Review Committee assists the BoD in establishing its regular oversight of the Bank wide risk management policies, systems, procedures whilst ensuring that the Banks; risk taking activities are confined to the approved risk appetite and tolerance thresholds established by the BoD. RMG is comprised of following divisions:

1. Corporate & FI Risk
2. Commercial & SME Risk
3. Consumer, Agri. & Fintech
4. Enterprise Risk Management
5. ESG, Policy & Risk Analytics
6. Information Security
7. Credit Administration
8. Special Assets Management

The risk management function ensures regular reporting to the senior management and Board of Directors through respective committees. In order to generate various reports, risk management function currently relies on Flexcube (Core Banking System), Loan Origination System (LOS) and Risk Rating System. The Bank is constantly investing on upgradation of its IT based infrastructure in order to ensure effective monitoring of its various portfolios through efficient reporting mechanism. The Bank's risk management involves the identification, measurement, monitoring, mitigation and controlling of risks to ensure that following primary objectives at minimum are adhered to :

- a. Individuals who take or manage risks clearly understand it in the entire credit value chain;
- b. The Bank's risk exposure is within the risk appetite limits duly defined by the regulator or established by Board of Directors;

- c. Risk taking decisions are in line with business strategy and objectives set by the management;
- d. Business decisions optimize the risk-reward trade-off;
- e. Risk taking decisions are explicit and clear; and
- f. Sufficient capital as a buffer is available to take risk.

47.1 Credit risk

Credit Risk exposes the Bank to a potential financial loss due to its obligor and/or counterparty(ies) failure to meet the contractual obligations. Credit risk can arise from direct lending to Consumer/Retail, Agriculture, SME, Corporate/Commercial clientele, trade finance products and credit derivatives. The Bank assesses the credit risk of its clientele on the basis of a well documented and robust credit policy/product manuals and procedures duly approved by the Board along with strict compliance to SBP Prudential Regulations, regulatory and industry specific guidelines issued from time to time. The Bank has deployed an economic and statistically balanced Obligor Risk Rating (ORR) model which captures both qualitative (corporate structuring, account behaviour, relationship with Bank, market check, internal quality and buyer / supplier concentration. etc.) and quantitative (financials, economics & industry specific) factors of the clients to define credit rating which further complement the in-place credit assessment and management process(es).

To further beef up the credit evaluation process Facility Risk Ratings (FRR) are also assessed to ensure that the Bank's credit exposure is maintained within the pre-defined Board approved appetite at all times. The Bank has a very strong pre & post credit monitoring and collateral management mechanism thereby ensuring the Banks' interest is safeguarded. The Bank monitors its credit portfolio on an ongoing basis by applying various analytical and statistical techniques / methodologies with findings presented in CRMC and the Board's Risk Management, Compliance and NPL Review Committee (RMC&NPLRC). The Bank also continuously monitors the credit ratings via rating migration matrix analysis; in terms of both number of accounts & exposure to identify any credit deterioration that can expose the Bank to current and /or potential credit risk.

The risk management function of the Bank is regularly conducting assessments of the Bank's credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. Stress tests (sensitivity analysis &/or scenario analysis) helps in identifying and analyzing the risks which might be quiescent, but if triggered, can have far-fetching implications for the financial institution. The Bank has implemented a very effective stress testing program and stress testing has been made a regular feature of periodic risk assessment and reporting framework.

The main objective of the Bank's Credit Policy & Manual is to extend quality credits in accordance with the norms of prudent lending, to ensure health of its portfolio and development of quality assets, it also places utmost emphasis in containing the non-performing portfolio (NPLs) of the Bank. The policy serves as a guiding tool on effective management of the Bank's credit risk. Furthermore, one of the key objective of credit policy & manual is to ensure compliance to all relevant and latest SBP Prudential Regulations (PRs)/directives/guidelines that must be adhered at all times.

The Bank has developed internal risk rating models for its Corporate / Commercial and SE / ME customers whereas for retail portfolio application scorecard is applied for generation of credit score. The external ratings are used for evaluation of FIs and investments in Sukkuk / TFCs. The external rating is then mapped with Bank internal risk rating grid for determination of credit score. The risk rating model(s) are applied on both performing and non-performing relationships of the Bank.

In line with banking sector best credit risk management practices, the Bank conducts a detailed 360-degree due diligence of credit presentations including but not limited to Dynamic Covenant application & periodic rapid portfolio thereby ensuring credit risk at all levels/segments remains within the Board approved appetite and safeguard bank from any un-foreseen losses due to deterioration in credit quality of its lending portfolio. While Corporate, Commercial, SE & ME portfolios are reviewed at an obligor level and the retail portfolio is assessed on portfolio level basis.

The methods deployed by the Bank to determine specific and general allowances are as per the approved IFRS 9 related Policies of the Bank and SBP IFRS 9 guidelines. Bank's Risk Rating models generally covers various qualitative factors in order to gauge the quantum of credit risk at an obligor level. The credit rating assign through risk rating models reflect the credit and financial strength of the customer against SBP prescribed risk rating scale of 1 to 12. Relevant to mention that while allocating the qualitative score, analytical judgement plays an important role. The Bank manages past-due loans and impaired assets as per requirements of SBP PRs and IFRS 9 implementation guidelines.

The Bank has in place relevant risk rating models for all business segments to evaluate and manage credit risk across its credit portfolio. These models incorporate a mix of quantitative and qualitative factors that assist in calculation of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) at both individual and portfolio levels. These estimates form the basis for assessing expected credit losses (ECL) in compliance with the requirements of SBP IFRS 9 implementation guidelines.

The Bank's collateral management mechanism in place ensures that effective credit risk mitigation techniques are deployed to keep the credit risk of Bank within Board's approved Credit Risk Appetite. The Bank accepts a variety of valid and legally enforceable collaterals including but not limited to real estate, fixed assets, securities, receivables, and cash deposits, to secure its credit exposures while ensuring Bank's right of recourse against the collateral held as security. The Bank maintains appropriate margins to account for potential fluctuations in the value of collateral and applies prudent valuation practices in accordance with regulatory requirements.

47.1.1 Loans and advances

The Bank employs robust methodologies and models for the measurement of key credit risk parameters vis-a-vis Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) to estimate expected credit losses (ECL) in compliance with the SBP IFRS 9 Implementation Instructions. The brief synopsis of IFRS-9 related models is given here as:

1. PD Model estimates the likelihood that a borrower will default on their obligation within a specific time horizon, typically one year. The Bank applies Vasicek Approach along with Markov Chain Method for calculation of Corporate/Commercial and SME segment PDs, whereas flow rate based approach is used for the calculation of PDs related to Consumer and Agri. segments.
2. LGD is an estimate of the magnitude of loss expected to be sustained on an exposure upon default by a borrower/customers and is expressed as a percentage of the exposure outstanding as of the expected date of default. The Bank calculates historical LGD based on workout approach, where as Jacob Frye Model is being deployed for conversion of Historical LGD into FLI based LGD.
3. The Bank has developed an EAD model for the calculation of expected tenor beyond contractual maturities of revolving credit lines.
4. The Banks has developed Credit Conversion Factor (CCF) model for estimating extent of conversion of non-fund based facilities and unutilized portion of irrevocable funded facilities.

EAD as a component of Expected Credit Loss computation represents the amount of potential exposure that is at risk. The EAD methodology adopted by the Bank is a measure of expected exposure (or utilization of a facility) when a counterparty defaults.

According to IFRS 9, exposures are required to be categorized into three stages. Stage 1 are performing exposures, stage 2 are performing exposures where credit risk has increased significantly since initial recognition and stage 3 are primarily Credit-Impaired Exposures. Bank staging classification criteria is as follows:

Stage 1

Bank shall classify a financial asset as Stage 1 where there is no "significant increase in credit risk /decrease in credit quality" since issuance. Risk rating and DPDs parameters are applicable for categorization of Financial Assets as stage 1 as per SBP IFRS 9 implementation instructions.

Stage 2

Bank shall classify a financial asset as Stage 2 where exposures have potentially deteriorated in terms of credit quality i.e. significant increase in credit risk. However, classification to Stage 2 should not be considered an indication of default, unless there are other indications of unlikeliness or inability to pay. Exposures with the following characteristics shall be classified in stage 2:

Obligor Risk Rating	Significant change in credit quality grade
1-2	Three notches downgrade
3-5	Two notches downgrade
6 Onwards	One notch downgrade

Stage 3

Bank shall classify stage 3, where 'default' has occurred with regards to an obligor. Default will trigger with any of the following events:

a) The obligor is classified based on objective or subjective criteria as per SBP PRs;

b) Bank concludes (based on internal/external indicators) that the obligor is unwilling or unable to pay its credit obligations, without recourse to punitive actions such as realizing security. Credit Allowance for stage 3 parked financial assets will be taken as a higher of provision calculated under SBP PR8 and ECL computed under IFRS 9 requirements.

Reclassification to Stage 1:

Where there is evidence of significant improvement in credit quality, Bank shall reclassify financial asset from Stage 2 to 1. However, the Bank would continue to monitor such financial instruments / credit exposures for a probationary / cooling-off period of (03) three months to ascertain if the risk of default has decreased sufficiently before upgrading such financial asset from Stage 2 to Stage 1.

Reclassification to Stage 2:

An exposure cannot be upgraded from Stage 3 to 1 directly and should be upgraded to Stage 2 initially. Bank follows the cooling off period of (06) six months for those customers followed to move back from Stage 3 to Stage 2.

471.2 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance / provision held			
	2024	2023	2024	2023	Stage-1	Stage-2	Stage-3	
					2024			2023
	Rupees in '000							
Public / Government	-	19,217,031	-	-	-	-	-	-
Private	14,810,000	125,743,902	-	-	40,984	-	-	-
	14,810,000	144,960,933	-	-	40,984	-	-	-

471.3 Investment in debt securities

	Gross investments		Non-performing investments		Credit loss allowance / provision held			
	2024	2023	2024	2023	Stage-1	Stage-2	Stage-3	
					2024			2023
	Rupees in '000							
Refinery	-	-	-	-	-	-	-	-
Textile	160,000	760,464	160,000	760,464	-	-	160,000	760,464
Cement	-	20,000	-	20,000	-	-	-	20,000
Sugar	-	308,606	-	308,606	-	-	-	308,606
Electronics and electrical appliances	16,862	19,362	16,862	19,362	-	-	16,862	19,362
Construction	14,631	47,387	14,631	47,387	-	-	14,631	47,387
Power (electricity), gas, water, sanitary	8,896,407	9,380,459	400	400	658	-	400	400
Transport, storage and communication	179,167	220,488	-	5,488	-	-	-	5,488
Financial	1,297,329,228	900,471,119	26,907	54,453	-	-	26,907	54,453
Services	607,068	780,515	-	-	15,460	-	-	-
Chemical and pharmaceuticals	885,003	2,249,950	-	1,364,949	3,582	-	-	1,364,949
	1,308,088,366	914,258,350	218,800	2,581,109	19,700	-	218,800	2,581,109
	Rupees in '000							
	Credit risk by public / private sector							
Public / Government	1,296,300,618	898,764,854	400	400	-	-	400	400
Private	11,787,748	15,493,496	218,400	2,580,709	-	-	218,400	2,580,709
	1,308,088,366	914,258,350	218,800	2,581,109	19,700	-	218,800	2,581,109

47.1.4 Advances
Credit loss allowance / provision held

	Gross advances		Non-performing advances		Stage-1	Stage-2	Stage-3	
	2024	2023	2024	2023			2024	2023
Rupees in '000								
Agriculture, forestry, hunting and fishing	84,417,026	42,010,760	3,891,749	1,626,594	361,339	191,285	2,855,076	1,256,145
Oil & gas	26,158,058	23,677,026	1,359,088	-	141,979	303	1,359,088	-
Textile	126,844,988	131,585,270	21,104,299	21,712,884	352,059	154,023	19,113,592	18,851,394
Chemical and pharmaceuticals	20,880,773	20,578,673	545,303	64,172	79,575	15,328	308,269	33,935
Cement	17,457,402	21,999,835	-	-	61,146	460,673	-	-
Sugar	25,578,540	17,066,102	1,826,148	1,596,353	107,780	-	1,826,148	1,500,623
Footwear and leather garments	1,989,573	3,801,057	436,266	432,871	5,882	2,017	386,802	342,666
Automobile and transportation equipment	2,707,811	3,995,755	479,284	1,980,218	5,965	10,493	479,284	1,980,218
Electronics and electrical appliances	1,870,797	1,089,762	22,640	22,640	5,050	-	22,640	22,640
Cable, electrical & engineering	15,352,061	16,970,204	4,293,522	2,290,620	24,848	43,791	2,805,828	1,925,448
Production & transmission of energy	84,887,688	98,958,233	1,272,320	3,021,217	443,899	-	633,875	2,146,346
Construction	11,915,737	10,482,914	1,501,534	1,522,399	75,465	15,586	1,397,899	1,247,225
Trading & commerce	58,117,966	135,502,219	5,006,854	7,154,791	354,782	81,747	4,265,347	6,408,508
Food & allied	29,240,302	109,860,033	4,244,588	4,702,582	105,487	61,226	3,588,441	3,243,617
Transport, storage and communication	42,932,722	86,311,871	215,066	233,969	337,388	3,935	163,468	180,707
Financial	66,712,026	13,358,344	727,129	725,054	160,045	-	727,129	725,054
Fertilizer	3,280,084	3,938,623	39,902	49,008	2,866	-	39,902	49,008
Services	75,131,392	22,962,427	3,420,156	1,575,745	151,627	46,156	2,368,888	921,955
Individuals	60,917,514	63,989,273	2,251,589	1,169,596	706,853	727,441	1,252,292	731,458
Others	71,050,565	21,371,444	906,111	999,155	73,838	57,298	1,022,491	860,267
	827,443,025	849,509,825	53,543,548	50,879,868	3,557,873	1,871,302	44,616,459	42,427,214
Credit risk by public / private sector								
Public / Government	172,570,139	313,224,653	-	-	385,779	-	-	-
Private	654,872,886	536,285,172	53,543,548	50,879,868	3,172,094	1,871,302	44,616,459	42,427,214
	827,443,025	849,509,825	53,543,548	50,879,868	3,557,873	1,871,302	44,616,459	42,427,214

2024
2023
Rupees in '000'
47.1.5 Contingencies and commitments

Textile and ginning	21,417,329	22,633,891
Cement	3,739,226	7,789,329
Sugar	3,001,313	1,359,002
Financial	206,351,719	275,732,306
Construction and real estate	31,580,350	19,964,138
Oil and gas	31,959,392	16,836,922
Auto and allied	1,738,277	2,291,968
Food and allied	2,710,030	1,409,156
Chemical and pharmaceuticals	4,339,396	3,568,301
Fertilizers	8,388,478	8,298,034
Cable, electrical and engineering	3,929,787	5,183,162
Production and transmission of energy	37,676,343	37,135,573
Transport, storage and communication	6,256,817	4,811,246
Trading and commerce	11,975,570	7,703,598
Services	123,662,505	111,462,384
Others	13,819,365	16,586,830
	512,545,897	542,765,840
Credit risk by public / private sector		
Public/ Government	149,649,666	136,257,043
Private	362,896,231	406,508,797
	512,545,897	542,765,840

47.1.6 Concentration of advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 342,663,666 thousand (2023: Rs. 410,050,854 thousand).

	2024	2023
	Rupees in '000'	
Funded	223,931,298	296,794,801
Non funded	118,732,368	113,256,053
Total exposure	342,663,666	410,050,854

The sanctioned limits against these top 10 exposures aggregated to Rs. 416,777,453 thousand (2023: Rs. 641,436,230 thousand).

Total funded classified therein

	2024		2023	
	Amount	Credit loss allowance	Amount	Provision held
	Rupees in '000'			
Other assets specially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	-	-

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

47.1.7 Advances - province / region-wise disbursement and utilization

Province / Region	2024						
	Disbursements		Utilization				
	Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan	
	Rupees in '000'						
Punjab	647930,842	586,334,089	479,341,28	3,992,650	81,783	9,088,138	500,054
Sindh	555,901,508	9,795,958	544,737,387	357,061	577,393	433,709	-
KPK including FATA	395,455	-	-	395,455	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	37,500,661	1,362,155	-	3,281,347	-	32,857,159	-
AJK including Gilgit-Baltistan	53,575	-	-	-	-	-	53,575
Total	1,241,782,041	597,492,202	592,671,515	8,026,513	659,176	42,379,006	553,629

Province / Region	2023						
	Disbursements		Utilization				
	Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan	
	Rupees in '000'						
Punjab	739,176,587	695,382,707	374,049,07	2,529,014	41,534	3,527,996	290,429
Sindh	330,088,442	22,022,996	305,450,905	1,322,252	400,138	892,151	-
KPK including FATA	239,683	-	-	239,683	-	-	-
Baluchistan	93,308	-	-	-	93,308	-	-
Islamabad	43,536,088	59,927	-	3,177,873	-	40,298,288	-
AJK including Gilgit-Baltistan	35,223	-	-	-	-	-	35,223
Total	1,113,169,331	717,465,630	342,855,812	7,268,822	534,980	44,718,435	325,652

47.1.8 Credit risk - general disclosures

The Bank follows the standardized approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit rating or type of exposure, whichever is applicable.

Under standardized approach, the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. Bank utilizes, wherever available, the credit ratings assigned by the SBP recognized ECAIs, viz. PACRA (Pakistan Credit Rating Agency), VIS (Vital Information Systems), Fitch Moody's and Standard & Poors. Credit rating data for advances is obtained from recognized ECAIs and then mapped to SBP's rating grades.

Type of exposures & ECAIs used

Exposures	Fitch	Moody's	S&P	PACAR	VIS
Corporate				√	√
Banks	√	√	√	√	√
Sovereigns			√		
PSEs				√	√
SMEs				√	√

Mapping to SBP rating grades

For all credit exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to SBP rating grades are given below:

Long term ratings grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+	Caa1	CCC+	CCC+	CCC+	7
	and below	and below	and below	and below	and below	

Short term rating grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

Credit exposures subject to standardized approach

Exposures	Rating	2024			2023		
		Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
Rupees in '000							
Corporate	1	95,133,865	(2,206,616)	92,927,249	95,870,166	(12,144,243)	83,725,923
	2	150,832,356	(2,206,883)	148,625,473	158,099,997	2,260,192	160,360,189
	3,4	19,056,308	103,430	19,159,738	21,175,945	(1,813,372)	19,362,573
	5,6	2,413,602	96,593	2,510,195	-	-	-
	Unrated-100%	33,410,683	(871,021)	32,539,662	47,596,681	494,330	48,091,011
	Unrated-125%	46,916,268	(1,609,706)	45,306,561	40,203,008	(2,268,710)	37,934,298
Bank	1	18,149,777	91,614	18,241,391	152,117,320	(126,436,378)	25,680,942
	2,3	50,986,598	(48,007,159)	2,979,439	2,482,143	58,897	2,541,040
	4,5	-	-	-	-	-	-
	6	90,972	4,124	95,096	-	-	-
	Unrated	-	-	-	-	-	-
	Public sector enterprises in Pakistan	1	39,927,167	(6,252,581)	33,674,586	44,275,571	(18,973,231)
	2,3	57,353,065	(48,744,862)	8,608,203	14,548,679	(2,366,388)	12,182,291
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	19,979,135	(17,184,536)	2,794,599	175,925,467	(167,508,702)	8,416,765
Sovereigns and on Government of Pakistan or Provisional Government or SBP or Cash	0	286,171,341	(18,259,839)	267,911,503	1,109,504,060	(155,204,749)	954,299,311
	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4,5	28,126	-	28,126	5,408,881	-	5,408,881
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
Listed equity investments	100%	2,994,767	-	2,994,767	1,152,919	-	1,152,919
Un-listed equity investments	150%	25,000	-	25,000	21,260	-	21,260
Non performing loans	150%	(130,566)	-	(130,566)	3,791,712	-	3,791,712
	100%	7,404,402	-	7,404,402	3,670,690	-	3,670,690
	50%	1,941,387	-	1,941,387	990,253	-	990,253
Mortgage	35%	13,017,579	833,823	13,851,402	20,091,547	470,071	20,561,618
Low Cost Housing	25%	5,122,121	753,761	5,875,882	6,027,767	406,212	6,433,979
Retail	75%	187,137,613	(35,257,394)	151,880,219	112,349,568	(20,817,516)	91,532,052
Property and equipment	100%	41,420,557	-	41,420,557	33,212,984	-	33,212,984
Deferred tax assets	250%	7,187,870	-	7,187,870	7,793,990	-	7,793,990
Significant investments	250%	-	-	-	-	-	-
Others	100%	109,919,338	(65,518,575)	44,400,764	107,752,511	(95,151,602)	12,600,909
Total		1,196,489,331	(244,235,827)	952,253,505	2,164,063,119	(598,995,189)	1,565,067,930

471.9 Credit risk: Disclosures with respect to credit risk mitigation for standardized approach

The Bank has adopted comprehensive approach of credit risk mitigation for banking book. Under this approach cash, lien on deposits, government securities, and eligible securities etc. are consolidated as eligible collateral. Where the Bank's exposure to an obligor is secured by eligible collaterals, the Bank reduces its exposure for the calculation of the capital requirement by the realizable amount of the collateral, adjusted for any applicable haircuts.

471.9.1 Credit risk: Disclosures for portfolio subject to the standardized approach

No credit risk mitigation benefit is taken in the trading book. For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net amount for the calculation of risk weighted assets.

47.1.9.2 Equity position risk in the banking book

The Bank takes proprietary equity positions for both short term and long term trading purposes. As of December 31, 2024 the composition of equity investments, is as follows:

	Held for trading	Available for sale	Total
	Rs. In '000'		
Ordinary shares (listed) - net of impairment held	5,146,890	4,749,852	6,901,705
Ordinary shares (un-listed) - net of impairment held	-	25,000	25,000
Preference shares - net of impairment held	305,100	-	305,100
Total	5,451,990	1,779,815	7,231,805

The Bank classify its equity investment portfolio in accordance with the directives of the SBP as follows:

- Investments - Held for trading
- Investments - Available for Sale
- Investments in subsidiaries

47.2 Market risk

Market Risk exposes the Bank to a potential financial loss due to adverse movement in systematic risk factors like interest rates, foreign exchange, equity and debt market, credit spreads, commodity prices and overall market's volatility which can hamper the value of Banks investment position(s).

Interest rate risk is the potential negative impact on Banks profitability and/or assets market value due to uncertain movement in interest rates. Interest rate risk can be broadly categorized into the following categories:

- a. Yield curve risk (parallel, steepness and/or curvature)
- b. Repricing risk
- c. Basis risk
- d. Options risk

Equity price risk arises from an uncertain decline in value of a security and/or portfolio in the future. Adverse movement in equity market or index can have a negative impact on Banks' earnings and/or capital due to Banks investment position in the market.

Foreign exchange risk arises from adverse movement in a Bank direct/indirect exposure on a currency. From Banks perspective Forex movement also expose bank to potential credit risk.

Foreign exchange risk can arise from two factors: i. currency mismatches in an institution's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate, and/or ii. currency cash flow mismatches. Such risk continues until the foreign exchange position is fully hedged.

The Bank's market risk management structure consists of Risk Management, Compliance and NPL Review Committee(RMC&NPLRC), Assets and Liabilities Committee(ALCO) and independent Enterprise Risk Management (ERM) division. Market risk is an independent risk management function that works in close partnership with the business segments to identify and monitor market risks throughout the Bank and to define market risk policies and procedures. ERM division seeks to facilitate efficient risk / return decisions, reduce volatility in operating performance and provide transparency in reporting the Bank's market risk profile to the senior management, the Board of Directors and the SBP.

The Bank is using following techniques for mitigation of market risk:

- Hedging the open positions i.e. taking offsetting positions;
- Portfolio diversification; and
- Limits setting, monitoring and reporting.

The Bank is using following techniques for measurement of market risk and all the reports along with suggestive strategies which are escalated to senior management for their review and corrective actions:

- Daily mark to market revaluation of equity, foreign exchange and bonds portfolio;
- Estimated value at risk on equity and foreign exchange exposures;
- Interest rate gap analysis;
- Duration analysis;
- Stress testing of market risk exposures; and
- Scenarios based analysis.

47.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in '000'						
Cash and balances with treasury banks	100,773,480	-	100,773,480	100,894,255	-	100,894,255
Balances with other banks	3,260,824	-	3,260,824	8,283,392	-	8,283,392
Lendings to financial institutions	14,769,016	-	14,769,016	144,960,933	-	144,960,933
Investments - net	142,971,345	1,177,944,206	1,320,915,551	150,454,695	762,736,721	913,191,416
Advances - net	777,397,391	-	777,397,391	806,386,880	-	806,386,880
Property and equipment	28,554,791	-	28,554,791	20,347,217	-	20,347,217
Right of use assets	12,865,764	-	12,865,764	12,865,764	-	12,865,764
Intangible assets	2,471,867	-	2,471,867	2,091,021	-	2,091,021
Deferred tax assets - net	9,051,188	-	9,051,188	10,242,767	-	10,242,767
Other assets	109,919,338	-	109,919,338	196,916,345	-	196,916,345
	1,202,035,004	1,177,944,206	2,379,979,210	1,453,443,269	762,736,721	2,216,179,990

47.2.2 Foreign exchange risk

The Bank's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign currency placements with foreign commercial banks and foreign currency deposits. The Bank manages its foreign exchange exposure by matching foreign currency assets and liabilities. Foreign exchange exposure and nostro balances are managed within the statutory limits, as fixed by SBP. Counter parties limits are also fixed to limit risk concentration. Market risk charge calculates on Foreign Exchange Exposure Limit (FEEL) and forward contracts (interest rate) and credit risk charge manage by Bank on all forward contracts.

	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	26,317,176	56,277,023	27,656,964	(2,302,883)	25,235,781	48,209,557	18,773,772	(4,200,004)
Great Britain Pound Sterling	1,940,082	7,704,171	5,233,783	(530,306)	1,651,203	7,323,124	5,313,319	(358,602)
Euro	2,501,141	3,541,193	410,720	(629,332)	2,432,273	3,239,790	395,200	(412,317)
Japanese Yen	15,128	-	-	15,128	56,000	1,869	-	54,131
Other currencies	345,542	78,879	24,920	291,583	499,632	33,135	(92,697)	373,800
	31,119,069	67,601,266	33,326,387	(3,155,810)	29,874,889	58,807,475	24,389,594	(4,542,992)

	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		-	(31,558)	(7,263)
- Other comprehensive income		-	-	-

47.2.3 Equity position risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. The Bank's strategy is to invest in equity securities for increase in dividend income and capital gains through market volatility.

	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	-	(272,600)	-	(199,274)
- Other comprehensive income	(149,738)	(88,991)	(184,684)	-

47.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II specific

Interest rate risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the bank would be negatively affected with the change in the market interest rates. The vulnerability of the Bank towards the adverse movements of the interest rate can be gauged by using duration GAP analysis.

Interest rate risk in the banking book is the risk to interest income arising from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. The banking book activities that give rise to interest rate risk include lending activities, balance sheet funding and capital management. Interest rate risk in banking book can be measured by both, changes in net interest income and changes in market value of interest bearing AFS investments. This also refers to the non-trading market risk. To adjust the effective rate sensitivity, the Bank is using following strategies after proper analysis of the Bank's gaps and prevailing interest rate:

- Reduced asset sensitivity
- Increased asset sensitivity
- Reduced liability sensitivity
- Increased liability sensitivity

The Bank's interest rate risk management policy includes following techniques to mitigate potential risks:

- Monitoring and management of interest rate volatility in terms of percentage change in net income through interest sensitive gaps.
- Key consideration in investing in interest rate driven financial instruments.
- Managing volatility in the trading on category / instrument wise basis.

	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	-	(906,408)	(1,466,857)	(7,588,266)
- Other comprehensive income	-	(10,800,966)	-	-

47.2.5 Mismatch of interest rate sensitive assets and liabilities

		2024									
		Exposed to Yield / Interest risk									
Effective yield / Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
		Rupees in '000									
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	100773,480	6,949,509	-	-	-	-	-	-	-	-	93,823,971
Balances with other banks	3,260,824	250,357	-	-	-	-	-	-	-	-	3,010,467
Lending to financial institutions	14,769,016	12,792,050	-	-	1,976,966	-	-	-	-	-	-
Investments - net	1,320,915,551	246,094,013	393,880,773	314,699,244	214,923,958	26,922,798	3,786,073	71,783,123	37,693,607	-	1,131,962
Advances - net	777,397,391	120,941,640	648,039,467	-	-	-	-	-	-	-	8,416,284
Other assets	94,621,079	-	-	-	-	-	-	-	-	-	94,621,079
	2,311,737,341	387,027,569	1,041,920,240	314,699,244	214,923,958	28,899,764	3,786,073	71,783,123	37,693,607	-	211,003,763
Liabilities											
Bills payable	7636,873	-	-	-	-	-	-	-	-	-	7,636,873
Borrowings	409,005,930	341,469,085	7199,076	13,841,531	182,176	1,107,572	5,382,310	15,632,652	23,685,540	85,000	420,988
Deposits and other accounts	1,710,287,720	217,907,584	797,584,989	171,580,175	159,358,089	34,943	812,249	3,349	-	-	363,006,342
Subordinated debts	30,820,106	-	3,950,000	26,870,106	-	-	-	-	-	-	-
Lease liabilities	1710,1125	1142	5724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878	-
Other liabilities	110,790,734	-	-	-	-	-	-	-	-	-	110,790,734
	2,285,642,488	559,377,811	808,739,789	212,326,231	159,645,318	1,341,523	6,559,421	16,703,760	32,687,820	6,405,878	481,854,937
On-balance sheet gap	26,094,853	(172,350,242)	233,180,451	102,373,013	55,278,640	27,558,241	(2,773,348)	55,079,363	5,005,787	(6,405,878)	(270,851,174)
Off-balance sheet financial instruments											
Documentary credits and guarantees	321,908,407	-	-	-	-	-	-	-	-	-	321,908,407
Commitments in respect of: - forward foreign exchange contracts - net - forward lending	33,085,002 34,883,622	- -	- -	- -	- -	- -	- -	- -	- -	- -	33,085,002 34,883,622
Off-balance sheet gap	389,877,031	-	-	-	-	-	-	-	-	-	389,877,031
Total yield / interest risk sensitivity gap		(172,350,242)	233,180,451	102,373,013	55,278,640	27,558,241	(2,773,348)	55,079,363	5,005,787	(6,405,878)	119,025,857
Cumulative yield / interest risk sensitivity gap		(172,350,242)	60,830,209	163,203,222	218,481,862	246,040,103	243,266,755	298,346,118	303,351,905	296,946,027	415,971,884

2023

Effective yield / Interest rate	Exposed to Yield / Interest risk									Above 10 Years	Non-interest bearing financial instruments		
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years				
On-balance sheet financial instruments													
Assets													
Cash and balances with treasury banks	100,894,255	6,592,100	-	-	-	-	-	-	-	-	-	-	94,302,155
Balances with other banks	8,283,392	4,429,734	-	-	-	-	-	-	-	-	-	-	3,853,658
Lending to financial institutions	144,960,933	142,975,933	-	1,985,000	-	-	-	-	-	-	-	-	-
Investments - net	913,191,416	5,404,739	52,273,507	34,788,089	236,712,072	108,403,037	161,878,572	203,392,184	103,046,331	-	-	-	72,922,885
Advances - net	806,386,880	200,958,752	604,842,658	-	-	-	-	-	-	-	-	-	585,470
Other assets	193,221,615	-	-	-	-	-	-	-	-	-	-	-	193,221,615
	2,166,938,491	360,361,258	657,116,165	36,773,089	236,712,072	108,403,037	161,878,572	203,392,184	103,046,331	-	-	-	299,255,783
Liabilities													
Bills payable	5,507,855	-	-	-	-	-	-	-	-	-	-	-	5,507,855
Borrowings	453,965,991	379,800,830	30,325,890	6,994,536	2,663,736	614,150	2,252,101	5,263,021	28,092,412	-	-	-	2,001,242
Deposits and other accounts	152,085,642	59,813,609	822,470,280	143,412,527	193,474,736	2,580,957	4,034,500	822,648	-	-	-	-	294,244,385
Subordinated debts	30,204,640	-	-	30,204,640	-	-	-	-	-	-	-	-	-
Other liabilities	124,849,267	1,919	10,611	3,046	691,466	298,429	258,718	878,276	714,578	-	-	-	109,122,008
	2,135,381,395	439,616,358	852,806,781	180,614,749	193,570,519	3,493,536	6,545,319	6,963,945	35,238,192	-	-	-	409,074,372
On-balance sheet gap	31,557,096	(79,255,100)	(195,690,616)	(143,841,660)	431,415,553	104,909,501	155,333,253	196,428,239	67,808,139	(7,457,624)	(109,818,589)	(308,292,732)	308,292,732
Off-balance sheet financial instruments													
Documentary credits and guarantees	308,292,732	-	-	-	-	-	-	-	-	-	-	-	-
Commitments in respect of:													
- forward foreign exchange contracts	24,415,612	-	-	-	-	-	-	-	-	-	-	-	24,415,612
- forward lending	15,817,173	-	-	-	-	-	-	-	-	-	-	-	15,817,173
Off-balance sheet gap	348,525,517	-	-	-	-	-	-	-	-	-	-	-	348,525,517
Total yield / interest risk sensitivity gap	(79,255,100)	(79,255,100)	(195,690,616)	(143,841,660)	431,415,553	104,909,501	155,333,253	196,428,239	67,808,139	(7,457,624)	(109,818,589)	(308,292,732)	308,292,732
Cumulative yield / interest risk sensitivity gap	(79,255,100)	(79,255,100)	(274,945,716)	(418,787,376)	(375,645,823)	(270,736,322)	(115,403,069)	81,025,170	148,833,309	141,375,685	38,008,2613	38,008,2613	38,008,2613

Reconciliation of financial assets and liabilities with total assets and liabilities:

	2024	2023
	Rupees in '000'	
Financial assets	2,311,737,341	2,166,938,491
Non financial assets:		
Property and equipment	28,554,791	20,788,845
Right of use assets	12,865,764	12,424,136
Intangibles	2,471,867	2,091,021
Deferred tax assets - net	9,051,188	10,242,767
Other assets	15,298,259	3,694,730
	68,241,869	49,241,499
Total assets as per statement of financial position	2,379,979,210	2,216,179,990
Financial liabilities	2,285,642,488	2,135,381,395
Non financial liabilities:		
Other liabilities	1,805,577	43,983
Total liabilities as per statement of financial position	2,287,448,065	2,135,425,378

47.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes & controls, people and system or from external events. Potential losses arising out of Operational Risk may not be brought down to zero, however, the Bank strive to minimize the operational risk impact through efficient controls & framework, monitoring and responding to any potential risk in a timely manner. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff training and appraisal procedures, including the use of internal audit function. The Bank has established a comprehensive Business Continuity Plan (BCP) to deal with the risk of any financial loss and damage to reputation arising from operational risk factors.

The Bank uses Risk Control Self Assessment and monitoring of Key Risk Indicators to mitigate operational losses. The Bank's operational risk management framework, as laid down in the operational risk policy, duly approved by Board of Directors, is flexible enough to implement in stages and permits the overall risk management approach to evolve in the light of organizational learning and the future needs of the Bank. Operational loss events are reviewed and appropriate corrective actions taken on an ongoing basis, including measures to improve control procedures with respect to design and operative effectiveness.

In accordance with the operational risk policy and framework, a database covering losses, control breaches and near misses is being maintained. Major risk events are analyzed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. quarterly updates on operational risk events are presented to senior management and the Risk Management, Compliance and NPL Review Committee (RMC&NPLRC).

47.3.1 Operational risk disclosures Basel-II specific

Currently, the Bank is reporting operational risk capital charge under Basic Indicator Approach (BIA). However, the Bank took a number of initiatives with respect to operational risk management. The Bank will initiate further steps for improvement in operational risk management to adopt next approach of capital charge i.e. Alternative Standardized Approach (ASA) as and when required by regulator.

47.4 Liquidity risk

Liquidity risk is the potential loss to a Bank arising from either its inability to meet obligation(s) or to fund increase in assets as they fall due without incurring unacceptable cost or losses. The Bank's ALCO is primarily responsible to ensure adequate maintenance and monitoring of liquidity and minimization of liquidity risk by filling in the Asset-Liability gap. The Bank manages its liquidity risk by continuous monitoring of the maturity profiles of its assets and liabilities, strengthening of its credit recovery procedures by focusing on retail and medium-sized customers and managing open positions through effective treasury operations. Allocation of funds towards various business prepositions and pricing of assets and liabilities of the Bank are given significant importance. Bank liquidity risk framework enables management in identification of key drivers of liquidity risk (on/off balance) and developing mitigants there against.

The Bank is using following strategies for mitigation of liquidity risk:

- Invest key liquid deposit providers in liquid investment;
- Contingency funding plan;
- Monitoring of advances to deposits ratio;
- Diversification of portfolio;
- Maintaining desirable level of currency wise liquidity; and
- Identify situations or events that may trigger a crisis situation in terms of liquidity.

47.41 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

2024

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 Years
Rupees in '000														
Assets														
Cash and balances with treasury banks	100,773,480	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	3,260,824	-	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	14,769,016	-	5,292,050	6,150,000	-	-	-	-	-	1,976,966	-	-	-	-
Investments	1,320,915,551	2,680,165	-	8,549,798	44,891,358	122,155,506	32,098,879	105,747,041	118,499,554	188,431,869	2,39,741,000	59,315,591	33,011,396	113,584,752
Advances	777,397,391	68,320,969	4,906,306	2,823,008	44,891,358	86,047,669	84,687,157	84,537,872	47,184,260	46,840,708	86,607,477	73,104,148	25,387,982	122,058,477
Property and equipment	28,554,791	21,776	130,656	152,432	370,232	281,989	281,988	76,734,4	688,724	688,723	2,440,404	2,440,404	4,880,808	15,409,311
Right of Use Assets	12,865,764	-	-	-	947	212	5,542	35,685	23,582	43,978	143,086	226,705	733,134	11,652,893
Intangible assets	2,471,867	886	5,316	6,202	15,061	27,465	27,465	82,395	82,395	82,395	329,580	329,580	659,160	823,967
Deferred tax assets	9,051,188	-	-	-	-	-	-	-	-	-	-	-	-	9,051,188
Other assets	10,991,938	10,065,793	320,421	482,015	60,095,043	6,152,079	1,854,209	6,732,536	1,813,666	6,740,668	5,609,964	6,013,864	4,039,080	-
	2,379,979,210	185,123,893	10,654,749	481,365,7	120,072,439	214,664,920	118,955,240	197,902,873	168,292,181	242,828,341	336,848,477	141,430,292	374,862,748	263,529,400
Liabilities														
Bills payable	763,6873	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	409,005,930	421,440	140,764,210	491,696	198,712,728	5,994,356	1,204,720	13,841,531	57,421	1,624,755	616,156	5,386,439	15,644,590	24,245,888
Deposits and other accounts	1,710,287,720	1,208,444,864	8,097,286	13,421,901	45,013,961	29,211,633	38,636,578	175,436,966	117,463,175	67,444,706	4,687,544	1,312,838	1,116,268	-
Subordinated debts	30,820,106	-	-	-	-	-	-	3,774	-	3,774	7,548	2,148,948	2,153,916	26,502,146
Lease liabilities	17,011,25	-	-	1,142	-	387	5,337	34,419	42,113	62,940	199,008	364,862	1,067,759	15,323,158
Other liabilities	112,596,311	12,444,259	1,669,289	2,839,376	7,844,011	8,544,804	5,121,712	21,938,886	11,797,249	10,198,958	7,070,476	5,304,602	9,712,766	8,109,923
	2,287,448,065	1,228,947,436	150,530,785	16,752,973	251,571,842	43,751,180	44,968,347	211,255,576	129,359,958	79,335,133	12,580,732	14,517,689	29,695,299	74,181,115
Net assets	92,531,145	(1,043,823,543)	(139,876,036)	(11,999,316)	(31,499,403)	170,913,740	73,986,893	(3,352,703)	38,932,223	163,493,208	324,267,745	126,912,603	34,516,749	189,348,285
Share capital - net	32,452,535	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	17,626,801	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	7,954,370	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	34,497,439	-	-	-	-	-	-	-	-	-	-	-	-	-
	92,531,145	-	-	-	-	-	-	-	-	-	-	-	-	-

2023

	Total	Upto 1Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 Years
Rupees in '000														
Assets														
Cash and balances with treasury banks	100,894,255	100,894,255	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	8,283,392	8,283,392	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	144,960,933	-	142,975,933	-	-	-	-	-	-	-	-	1,985,000	-	-
Investments - net	913,191,416	4,055,267	-	73,856	143,090	5,013,730	40,279,769	308,335	212,846,497	24,357,500	112,845,318	182,052,225	218,954,439	112,261,390
Advances - net	806,386,880	56,651,057	3,364,025	8,134,163	132,809,507	25,754,734	133,114,683	53,318,592	24,333,832	2,580,734	22,109,611	33,356,597	103,393,947	207,465,398
Property and equipment	33,212,981	17,067	102,399	119,469	292,047	217,229	225,805	588,947	536,795	552,514	2,057,508	2,047,975	4,272,027	22,183,199
Intangible assets	2,091,021	749	4,494	5,243	12,748	23,234	23,234	69,702	69,702	69,702	278,808	278,808	557,616	696,981
Deferred tax assets - net	10,242,767	-	-	-	-	-	-	-	-	-	-	-	10,242,767	-
Other assets - net	196,916,345	137,582,501	511,647	2,605,322	411,566,54	1,836,482	1,928,477	8,736,965	266,662	2,291,635	-	-	-	-
	2,216,179,990	307,484,288	146,958,498	10,938,053	174,414,046	32,845,409	175,571,968	63,022,541	238,053,488	29,852,085	137,291,245	219,720,605	337,420,796	342,606,968
Liabilities														
Bills payable	5,507,855	5,507,855	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	453,965,991	200,987	177,489,416	656,996	201,654,418	7693,967	21,635,004	7,492,345	6,341	21,346	616,692	2,255,341	5,272,381	28,970,757
Deposits and other accounts	152,085,364	981,765,730	10,229,831	14,496,119	34,056,623	56,490,558	68,712,504	149,239,420	116,815,615	80,614,281	2,812,886	4,450,739	11,69,336	-
Subordinated debts	30,204,640	-	-	-	-	-	-	2,260	-	-	4,520	4,520	4,290,980	25,900,100
Other liabilities	124,893,250	66,598,105	708,095	2,569,395	4,687,171	1,710,897	4,031,153	8,870,427	399,765	5,705,519	2,738,841	4,302,848	61,26,228	16,444,806
	2,135,425,378	1,054,072,677	188,427,342	17,722,510	240,398,212	65,895,422	94,378,661	165,604,452	117,221,721	86,343,406	617,2,939	11,013,448	16,858,925	71,315,663
Net assets	80,754,612	(746,588,389)	(41,468,844)	(6,784,457)	(65,984,166)	(33,050,013)	81,193,307	(102,581,911)	120,831,767	(56,491,321)	131,118,306	208,707,157	320,561,871	271,291,305
Share capital - net	32,452,535													
Reserves	14,951,729													
Surplus on revaluation of assets - net of tax	1,828,553													
Unappropriated profit	31,521,795													
	80,754,612													

47.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank 2024

	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
Assets										
Cash and balances with treasury banks	100,773,480	100,773,480	-	-	-	-	-	-	-	-
Balances with other banks	3,260,824	3,260,824	-	-	-	-	-	-	-	-
Lendings to financial institutions	14,769,016	12,792,050	-	-	-	1,976,966	-	-	-	-
Investments	1,320,915,551	11,229,963	154,254,385	105,747,041	306,931,423	239,741,000	59,315,591	330,111,396	113,584,752	-
Advances	777,397,391	120,941,640	170,734,827	84,537,872	94,024,968	86,607,477	73,104,148	25,387,982	110,760,783	11,297,694
Property and equipment	28,554,791	6,750,096	563,977	767,344	1,377,447	2,440,404	2,440,404	4,880,808	12,202,020	3,207,291
Right of Use Assets	12,865,764	947	5,754	35,685	67,560	143,086	226,705	733,134	721,645	4,439,248
Intangible assets	2,471,867	27,465	54,930	82,395	164,790	329,580	329,580	659,160	823,967	-
Deferred tax assets	9,051,188	-	-	-	-	-	-	9,051,188	-	-
Other assets	109,919,338	70,963,272	8,006,288	6,732,536	8,554,334	5,609,964	6,013,864	4,039,080	-	-
	2,379,979,210	320,664,737	333,620,161	197,902,873	411,120,522	336,848,477	141,430,292	374,862,748	244,585,167	18,944,233
Liabilities										
Bills payable	763,6873	763,6873	-	-	-	-	-	-	-	-
Borrowings	409,005,930	340,390,074	71,990,76	13,841,531	1,682,176	616,156	5,386,439	15,644,590	24,160,888	85,000
Deposits and other accounts	1,710,287,720	410,334,365	220,432,384	277,159,748	286,630,663	106,410,326	103,035,620	102,839,050	101,722,782	101,722,782
Subordinated debts	30,820,106	-	-	3,774	3,774	7,548	2,148,948	2,153,916	26,502,146	-
Lease liabilities	171,011,25	1,142	5,724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878
Other liabilities	112,596,311	24,796,935	136,665,16	21,938,886	21,996,207	7,070,476	5,304,602	9,712,766	810,8841	1,082
	2,287,448,065	783,159,389	241,303,700	312,978,358	310,417,873	114,303,514	116,240,471	131,418,081	169,496,937	108,129,742
Net assets	92,531,145	(462,494,652)	92,316,461	(115,075,485)	100,702,649	222,544,963	25,189,821	243,444,667	75,088,230	(89,185,509)
Share capital - net	32,452,535									
Reserves	17,626,801									
Surplus on revaluation of assets - net of tax	7,954,370									
Unappropriated profit	34,497,439									
	92,531,145									

Deposit account without contractual maturities have been classified by taking into account historical trend of their withdrawal pattern, which shows that 15% of such deposits mature in each of the first two categories mentioned above and 10% mature in each of the remaining seven categories.

2023

	Total	Upto 1 Month	Over 1 to 3 Month	Over 3 to 6 Months	Over 6 Months Months	Over 1 to 2 to 1 Year	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
Assets										
Cash and balances with treasury banks	100,894,255	100,894,255	-	-	-	-	-	-	-	-
Balances with other banks	8,283,392	8,283,392	-	-	-	-	-	-	-	-
Lendings to financial institutions	144,960,933	142,975,933	-	-	-	-	1,985,000	-	-	-
Investments - net	913,191,416	4,272,213	45,293,499	308,335	237,203,997	112,845,318	182,052,225	218,954,439	112,261,390	-
Advances - net	806,386,880	200,958,752	158,869,417	53,318,592	26,914,566	22,109,611	33,356,597	103,393,947	183,088,571	24,426,827
Fixed assets	33,212,981	530,982	443,034	588,947	1,089,309	2,057,508	2,047,975	4,272,027	15,257,055	6,926,144
Intangible assets	2,091,021	23,234	46,468	69,702	139,404	278,808	278,808	557,616	696,981	-
Deferred tax assets - net	10,242,767	-	-	-	-	-	-	10,242,767	-	-
Other assets - net	196,916,345	181,856,124	3,764,959	8,736,965	2,558,297	-	-	-	-	-
	2,216,179,990	639,794,885	208,417,377	63,022,541	267,905,573	137,291,245	219,720,605	337,420,796	311,253,997	31,352,971
Liabilities										
Bills payable	5,507,855	5,507,855	-	-	-	-	-	-	-	-
Borrowings	453,965,991	380,001,817	29,328,971	7,492,345	27,687	616,692	2,255,341	5,272,381	28,574,467	396,290
Deposits and other accounts	1,520,853,642	235,212,462	267,321,152	243,984,814	292,175,291	97,558,280	99,196,133	95,914,730	94,745,394	94,745,386
Subordinated debts	30,204,640	-	-	2,260	2,260	4,520	4,520	4,290,980	25,900,100	-
Other liabilities	124,893,250	74,562,766	5,742,050	8,870,427	6,105,284	2,738,841	4,302,848	6,126,228	9,373,221	7,071,585
	2,135,425,378	695,284,900	302,392,173	260,349,846	298,310,522	100,918,333	105,758,842	111,604,319	158,593,182	102,213,261
Net assets	80,754,612	(55,490,015)	(93,974,796)	(197,327,305)	(30,404,949)	36,372,912	113,961,763	225,816,477	152,660,815	(70,860,290)
Share capital - net	32,452,535									
Reserves	14,951,729									
Surplus on revaluation of assets - net of tax	1,828,553									
Unappropriated profit	31,521,795									
	<u>80,754,612</u>									

48. NON - ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Bank in its meeting held on 17th February 2025 has proposed a cash dividend of 18 percent (2023: cash dividend @ 10%). These appropriations will be approved in the forthcoming Annual General Meeting. These unconsolidated financial statements for the year ended December 31, 2024 do not include the effect of these appropriations which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2025.

49. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on 17th February 2025 by the Board of Directors of the Bank.

50. GENERAL

50.1 Figures have been rounded off to the nearest thousand rupees.

50.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the year except for as mentioned in note 5.1 to these unconsolidated financial statements.

Area	Reclassified from	Reclassified to	Rs in thousand
Assets	Property and equipment	Right-of-use assets	12,424,136
Liabilities	Other liabilities	Lease liabilities	17,101,125



Chief Financial Officer



President



Chairman



Director



Director

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED DURING THE YEAR ENDED DECEMBER 31, 2024

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
1	"Muhammad Rashid Ali Khan (Chak-40/2-L, Tehsil - District Okara)"	"Muhammad Rashid Ali Khan (35302-9944538-5)"	Muhammad Ashraf Khan	1,309	3,259	-	4,568	-	-	2,840	-	2,840
2	"Muhammad Ashfaq (Mohalla: Darbar Shah Meer, Hujra Shah Muqeem, Tehsil Depalpur)"	"Muhammad Ashfaq (353011868365-5)"	Muhammad Yar	-	941	-	941	-	-	941	-	941
3	"Abdul Rasheed Lakha (Kotla Kabeer Post Office Kotlan Eason District Rajanpur)"	"Abdul Rasheed Lakha (32403-2387239-1)"	Haji Khan Muhammad	780	914	-	1,694	-	-	896	-	896
4	"Muhammad Arshad (Kohla Dakhana Khaas Tehsil District Okara)"	"Muhammad Arshad (35302-9863850-3)"	Zain Ul Abideen	800	803	-	1,603	-	-	948	-	948
5	"Liaqat Ali (Kotli Miani Ghandawal Post Office, Tehsil Muridke)"	"Liaqat Ali (35405-0385313-1)"	Shukar Din	-	1,885	-	1,885	-	-	1,510	-	1,510
6	"Muhammad Ahmed Chaudhary (House# E 1/2 Mohalla Fase Defence Housing Authority Lahore Cantt Lahore)"	"Muhammad Ahmed Chaudhary (352015315550-9)"	Mehdi Hussain Chaudhry	-	-	-	-	-	-	1,574	220	1,794
7	"Mazhar Hayat & Muhammad Nazir (Gunjatal Shumali Quidabad District Khushab)"	"Mazhar Hayat (38201-5194235-3) Muhammad Nazir (38201-8715680-9)"	"Haji Muhammad Amir Muhammad Sher"	-	3,958	-	3,958	-	-	3,957	-	3,957
8	"M/S Rai Muzaffar Protein Farm (Noor Shah Road Near Hazrat Lal A Wala Darbar Okara)"	"Amjad Ali (35302-7330598-9)"	Muzaffar Ali	118	606	-	724	-	-	764	-	764
9	"M/S Ghousia Cold Storage (Mouza Kandowal, Kasur Road Near Fakhar Town Depalpur)"	"Muhammad Javed (35301347237-3) Muhammad Rafiq (35301-4732967-5)"	"Chaudhary Ahmad Yar Muhammad Sharif"	-	-	-	-	-	-	4,293	-	4,293
10	"Chaudhry Dilpazeer Ahmad (Chak 25/2-R Okara)"	"Chaudhry Dilpazeer Ahmad (35302-2038737-9)"	Muhammad Mansha	359	824	-	1,183	-	-	824	-	824
11	"Chaudhry Dilpazeer Ahmad (Chak 25/2-R Okara)"	"Chaudhry Dilpazeer Ahmad (35302-2038737-9)"	Muhammad Mansha	424	726	-	1,150	-	-	726	-	726

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
12	"Mian Shoab Murtaza (Chak Bahripur, Tehsil Depalpur)"	"Mian Shoab Murtaza (3530128392827)"	Mian Ghulam Murtaza	-	3,379	-	3,379	-	-	3,379	-	3,379
13	"Mian Shoab Murtaza (Chak Bahripur, Tehsil Depalpur)"	"Mian Shoab Murtaza (3530128392827)"	Mian Ghulam Murtaza	-	1,518	-	1,518	-	-	1,518	-	1,518
14	"Mian Mehboob Ali Khan Wattoo (Dhool Faqeer Bukhish Tehsil Depalpur, District Okara)"	"Mian Mehboob Ali Khan Wattoo (353015852152.9)"	Mian Rajab Ali Khan Wattoo	-	4,931	-	4,931	-	-	4,931	-	4,931
15	"Rana Riaz Hussain (Mouza M'Saeed Post Office Rind Jaddah, District Lodhran)"	"Rana Riaz Hussain (362027072445-9)"	Rana Ameer Ali	-	710	-	710	-	-	709	-	709
16	"Sardar Muhammad Ajmal Khan (5/Sp Ladhoka Tehsil Depalpur, District Okara)"	"Sardar Muhammad Ajmal Khan (353012006994-5)"	Sardar Qasim Ali Khan	-	1,233	-	1,233	-	-	925	-	925
17	"Sardar Muhammad Ajmal Khan (5/Sp Ladhoka Tehsil Depalpur, District Okara)"	"Sardar Muhammad Ajmal Khan (353012006994-5)"	Sardar Qasim Ali Khan	-	689	-	689	-	-	517	-	517
18	"Lumen Poultry Control Shed (Jail Wala Road Bahawalnagar)"	"Muhammad Saleem (31015037567-9)"	Aftab Ahmad	8,000	4,405	-	12,405	-	-	5,579	-	5,579
19	"M/S Mascot Protein Farm (Mascot Protein Kalas Gaman Kanganpur Tehsil Chumian District Kasur)"	"Malik Azhar Waheed (351012476262-3)"	Malik Abdul Rashid	5,099	2,622	-	7,721	-	-	2,948	-	2,948
20	"Sharyar Abbasi (Dikusha Manzil Club Road Near Dig Chowk Bahawalpur)"	"Sharyar Abbasi (312022182219-9)"	"Shibzada Mansoor Ahmad Khan Abbasi	678	1,353	-	2,031	-	-	1,041	-	1,041
21	"Sohail Ahmed Khan (Mouza Shatabh Garh Post Office Khas Tehsil Mailsi District Vehar)"	"Sohail Ahmed Khan (366027078278-3)"	"Umar Iqbal Khan	1,509	1,595	-	3,104	-	-	1,403	-	1,403
22	"M/S Al-Madina Poultry Farm (Chak# 48 Nb Faisalabad Road Sargodha)"	"Tahir Akhtar (3840350519217)"	"Chaudhry Muhammad Shabbir Akhtar	12,047	1,871	-	13,918	-	-	2,669	-	2,669
23	"M/S Al-Madina Poultry Farm (Chak# 48 Nb Faisalabad Road Sargodha)"	"Tahir Akhtar (3840350519217)"	"Chaudhry Muhammad Shabbir Akhtar	3,043	765	-	3,808	-	-	1,142	-	1,142
24	"M/S Al-Madina Poultry Farm (Chak# 48 Nb Faisalabad Road Sargodha)"	"Tahir Akhtar (3840350519217)"	"Chaudhry Muhammad Shabbir Akhtar	6,220	1,463	-	7,683	-	-	2,114	-	2,114
25	"Amdad Hussain & Riaz Hussain (Thatha Gabolan Post Office Thata Gabolan Dera Ghazi Khan)"	"Amdad Hussain (321022068193-3) Riaz Hussain (32102-8053303-5)"	"Khadim Hussain Khadim Hussain	615	1,347	-	1,962	-	-	1,035	-	1,035

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year					Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	8					
1	2	3	4	5	6	7	8	9	10	11	12	13	
Rupees in '000													
26	"Liaqat Ali (Post Khas Chak #99 Sb Tehsil And District Sargodha) "	"Liaqat Ali (38403-42140081)"	"Muhamamd Ali "	950	437	-	1,387	-	-	579	-	579	
27	"Muhammad Zeeshan Arshad (Chak-48/3R Okara)"	"Muhammad Zeeshan Arshad (35302-2540108-7)"	"Mian Arshad Iqbal "	714	1,708	-	2,422	-	-	1,627	-	1,627	
28	"Malik Ali Akbar (Warseen Post Office Kalyana Tehsil And District Pakpattan)"	"Malik Ali Akbar (36402-49679611)"	"Haji Muhammad Hassan "	2,000	772	-	2,772	-	-	1,150	-	1,150	
29	"Malik Ali Akbar (Warseen Post Office Kalyana Tehsil And District Pakpattan)"	"Malik Ali Akbar (36402-49679611)"	"Haji Muhammad Hassan "	2,387	565	-	2,952	-	-	838	-	838	
30	"Habib Ullah (Beherwal Kalan Post Office Same Tehsil Pattoki District Kasur Pattoki)"	"Habib Ullah (35103-5564919-7) "	"Sardar Ali "	488	722	-	1,210	-	-	577	-	577	
31	"M/S Al Shaikh Poultry Farm (Scheme - 01, H-6-B, Street - 01, Satellite Town Sadqabad)	"Kaleem Ali (31304-95769421)"	"Muhammad Amin "	10,000	4,653	-	14,653	-	-	5,354	-	5,354	
32	"Fayyaz Tahir (House# 154-M Mohallah Gulberg Colony Lahore)"	"Fayyaz Tahir (35200-9048025-7)"	"Tara Masih "	4,000	2,464	-	6,464	-	-	3,082	-	3,082	
33	"Lal Deen (Chak# 33/Dnb, Post Office 38/Dnb Yazman)"	"Lal Deen (31205-47734011)"	"Hakim Ali "	1,252	1,175	-	2,427	-	-	1,095	-	1,095	
34	"Rab Nawaz (Chak#151 Nb Sillanawali Sargodha)"	"Rab Nawaz (38405-5400725-5)"	"Malik Muhammad Bahader "	497	562	-	1,059	-	-	521	-	521	
35	"Muhammad Moneeb Ahsan (House# A117 Street# 2 Mohalla Quaid-E-Azam Dharmiyal Road Rawalpindi)"	"Muhammad Moneeb Ahsan (37405-54015841)"	"Raja Barkat Ali "	1,866	274	-	2,140	-	-	342	333	675	
36	"Muhammad Mazhar Abbas (Basti Chan Wala Post Office Qasba Gujrat Tehsil - Kot Addu District-Muzaffargarh)"	"Muhammad Mazhar Abbas (32203-4606296-9)"	"Mureed Hussain "	2,369	255	-	2,624	-	-	370	239	609	
37	"Nayyar Abbas (Chak No 54 Sb Post Office Khas Tehsil And District Sargodha)"	"Nayyar Abbas (38403-1135488-3)"	"Ghulam Murtaza "	2,445	231	-	2,676	-	-	551	270	821	
38	"Ahtisham Munir (Street#1, Mohallah Liaqat Abad, Chowk Pondawala, Gujranwala)"	"Ahtisham Munir (341011530605-7)"	"Munir Hussain "	1,465	119	-	1,584	-	-	303	222	525	

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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			Other than Interest / Mark-up	Total	Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Principal							
1	2	3	4	5	6	7	8	9	10	11	12	13	
Rupees in '000													
39	Razwan Ul Zaman Asif (House# 105, Street# 4, Canal Point Scheme Harbanspura, Lahore)	Razwan Ul Zaman Asif (32202-6194404-9)	Muhammad Zaman	687	103	-	790	-	-	103	-	867	970
40	Ghulam Mustafa (Head Nau Bahar Bahawalpur Road Near Sino Multan Motors Multan)	Ghulam Mustafa (41504-0396450-7)	Jamal	840	166	-	1006	-	-	254	-	478	732
41	Mobeen Iqbal (Defence Road Harbanspura Pull Near Mian Marble Lahore.)	*Mobeen Iqbal (35202-0184946-3)*	Muhammad Iqbal	1132	235	-	1367	-	-	479	-	387	866
42	Muhammad Javed (Street Madina Masjid Islami Colony Block 2 Bahawalpur)	Muhammad Javed (31102-4204036-7)	Muhammad Din	2,019	495	-	2,514	-	-	491	-	427	918
43	Saeed Ahmad (Chah Lori Wala Wahli Dewan Wali Post Office Juggu Wala Tehsil District Lodhran)	Saeed Ahmad (36203-9704952-5)	Noor Muhammad	762	116	-	878	-	-	116	-	659	775
44	Muhammad Shahzad (Chah Salih Muhammad Wala Po Khas Bhotelji Tehsil And Distt Lodhran)	Muhammad Shahzad (36203-0230687-5)	Muhamad Musheer	1,021	266	-	1,287	-	-	262	-	262	524
45	Syed Arfan Babar (Madina Syedan Post Office Khas Near Imamiya Masjid House # 397A)	Syed Arfan Babar (34201-0589332-9)	Syed Ibrar Hussain	1,335	449	-	1,784	-	-	453	-	637	1,090
46	Badar Liaquat (House # 5, Street # 2, Abdullah Town Bharakhu Islamabad)	Badar Liaquat (61101-7484908-1)	Liaquat Mehmood	2,563	769	-	3,332	-	-	775	-	685	1,460
47	*Muhammad Waqas (Chak No 266 Rb Mohallah Ghousia Clolony Khurrian Wala Tehsil Jaranwala District Faisalabad)	Muhammad Waqas (33104-0141580-1)	Muhammad Ashfaq	1,611	228	-	1,839	-	-	217	-	384	601
48	Malik Siraj Iron Store (Kachi Muhammad Khan Post Office Trina Kachi Muhammad Khan Tranda)	Malik Siraj Iron Store (31302-9974132-9)	Malik Siraj Ahmad	2,208	294	-	2,502	-	-	202	-	1,450	1,652
49	Muhamamd Imran Hussain Rizwi (House No B-211 Street No 20 Model Town Bahawalpur)	Muhamamd Imran Hussain Rizwi (31202-3827305-5)	Muhammad Sajjad Hussain Shah	602	228	-	830	-	-	229	-	910	1,139
50	Muzhir Iqbal (House No 72 Street No 3 Sofiabab Ferozpur Road Lahore)	Muzhir Iqbal (35503-6413686-9)	Sabir Hussain Shakir	658	148	-	806	-	-	148	-	845	993
51	Rana Muhammad Ahsan Sarwar (House # 105, Street # 1, Peeran Gaib Road Mohalla Begh Hussain Multan)	Rana Muhammad Ahsan Sarwar (36302-6423033-3)	Muhammad Sarwar Khan	1,964	649	-	2,613	-	-	789	-	897	1,686

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				Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)	
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
52	Hassan Sarfraz Cheema (Askari li House No 272 Cantt Gujranwala)	Hassan Sarfraz Cheema (3460196807881)	Muhammad Sarfraz Cheema	1327	180	-	1507	-	-	226	422	648
53	Muhammad Waqas Butt (19-Abbot Road, Near Janki Devi Hospital Lahore)	Muhammad Waqas Butt (352011526516-1)	Munir Butt	2787	782	-	3569	-	-	968	1,063	2,031
54	Muhammad Akbar (Galli Muhalla Basti Charan Wali Post Office Lieqat Abad Wahi Motan Mill Tehsil And Distt Lodhran)	Muhammad Akbar (36203814934-3)	Allah Yar	1,795	439	-	2,234	-	-	620	455	1,075
55	Samar Ali (Ward No 05 Sader Bazar House No 6/7 Sialkot Tehsil And Distt Sialkot)	Samar Ali (3460393120621)	Syed Matin Ali Ajmery	1198	234	-	1,432	-	-	358	246	604
56	Ali Shair (390 N Block ISI Floor Johar Town Lahore)	Ali Shair (364023618934-5)	Muhammad Yousef	1,435	343	-	1,778	-	-	437	550	987
57	Zeshan Ali (Ilpa Sadhari Post Office Khas Tehsil Pattoki District Kasur)	Zeshan Ali (351039341096-9)	Khalid Hussain	2188	403	-	2,591	-	-	565	588	1,153
58	Tayyab Bilal (Punjab Traders Service Road Purana Kahna Near Rehman Garden Feroze Pur Road Lahore)	Tayyab Bilal (421019791216-5)	Aas Muhammad	1,716	468	-	2,184	-	-	621	508	1,129
59	Ali Raza (Purani Mandi Muhalla Main Bazar Pattoki Kasur)	Ali Raza (351037509063-3)	Iqrar Khan	2,569	747	-	3,316	-	-	968	1,377	2,345
60	Muhammad Zafar (House No 32 Maharan Block Allama Iqbal Town Lahore)	Muhammad Zafar (312043531759-5)	Faiz Bakhsh	1,333	251	-	1,584	-	-	384	289	673
61	Zahid Riaz Sardar (House No 7 Street No 1 Army Officers Colony Morgah Rawalpindi)	Zahid Riaz Sardar (374055513175-7)	Riaz Ahmed	3,073	1,053	-	4,126	-	-	1,233	2,540	3,773
62	Imran Khan (19-Fist Floor Kohi-E-Noor Scheme Abid Market Qainchi Stop Ferozepyur Road Lahore)	Imran Khan (352012195606-9)	Muhammad Shafi Azad	1,369	317	-	1,686	-	-	462	363	825
63	Abdul Raheem (House No A 378 Street Scheme 33 Muhalla Seven Star Colony Gaddap Town Karachi)	Abdul Raheem (543032042242-9)	Muhammad Ibraheem	4,373	1,089	-	5,462	-	-	1,420	1,623	3,043
64	Abdul Majeed (Alpa Sadari Post Office Padana Check 45 Tehsil Pattoki District Kasur)	Abdul Majeed (351033419034-9)	Muhammad	2,509	425	-	2,734	-	-	624	613	1,237

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	Principal written-off				
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
65	Muhammad Kamran (House # 118 Street # 10 Nofia Shams Colony Near Goria Moor Islamabad)	Muhammad Kamran (384037300971H)	Muhammad Yar Khan	2,450	559	-	3,009	-	-	772	886	1,658
66	Saddam Hussain (Mohallah Sangina Batkhela, District Malakand Teh Batkhela)	Saddam Hussain (15402-1404838-9)	Muhammad Diyar Khan	2,480	157	-	2,637	-	-	172	637	809
67	Syed Umair Fakhr (House No 58, Block No C Riaz Colony Bahawalpur)	Syed Umair Fakhr (31202-0384387-3)	Syed Musarat Fakhr	2,749	382	-	3,131	-	-	582	585	1,167
68	Muzamil Iqbal (House No P-712 Street # 9 Mohalla Islam Nagar Faisalabad)	Muzamil Iqbal (33100-9003157-9)	Muhammad Iqbal	2,532	546	-	3,078	-	-	796	791	1,587
69	Muhammad Shoab (House # 38/B Mohallah Goshah Ahbab Peco Road Multan Chungi Lahore)	Muhammad Shoab (35202-4486299-7)	Akbar Ali	2,452	320	-	2,772	-	-	502	542	1,044
70	Muhammad Kamran (Hashim Garden Near Noor Mahal Road Bahawalpur)	Muhammad Kamran (31202-5079691-9)*	Abdul Rehman	254	12	-	266	-	-	12	550	562
71	Muhammad Kamran (Hashim Garden Near Noor Mahal Road Bahawalpur)	Muhammad Kamran (31202-5079691-9)*	Abdul Rehman	257	32	-	289	-	-	32	827	859
72	Asif Ali (House No V-7-R-44 Muhalla Basti Chargh Shah Sahari Road Kasur)	Asif Ali (35102-1424535-7)	Mushtaq Ahmad	534	115	-	649	-	-	115	805	920
73	Saeed Ur Rehman (House No P-28 Street # 2 Mohallah Islam Nagar Faisalabad)	Saeed Ur Rehman (33100-0399507-5)	Abdul Ghafoor	2,012	120	-	2,132	-	-	437	273	710
74	Muhammad Arshad (House No E-147 Street No 4 Mohalla Peer Colony No 2 Walton Road Lahore Cantt)	Muhammad Arshad (35200-1478232-9)	Muhammad Ismail	2,837	120	-	2,957	-	-	367	338	705
75	Misbah Bashir (Alhman Bakery Layyah Road Chowk Azam Karor Lal Eson District Layyah)	Misbah Bashir (32203-4469660-2)	Muhammad Murtaza Anwar	1,570	380	-	1,950	-	-	527	906	1,433
76	Muhammad Humayoun Jawad (House No 172 A Street No 1 Sabazwari Town Multan)	Muhammad Humayoun Jawad (32304-6912641-3)	Muhammad Yousaf Jawad	1,828	278	-	2,106	-	-	611	385	996
77	Zohaib Ali (Muhala Purani Mandi Pattoki District Kasur)	Zohaib Ali (35103-7219039-7)*	Asghar Ali	3,342	287	-	3,629	-	-	694	875	1,569
78	Muhammad Umar Khan (Mona Shoes Sale Point Farid Gate Bahawalpur)	Muhammad Umar Khan (31202-8849062-5)	Muhammad Shahid Khan	1,518	506	-	2,024	-	-	706	1,124	1,830

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
79	Syed Shahbaz Ali (House No D-23 Street No 1 Dream Garden Old Shuja Abad Road Multan)	Syed Shahbaz Ali (36302-1135219-5)	Safdar Hussain Zaidi	1976	163	-	2139	-	-	559	344	903
80	Maqbool Ahmed (Post Office Mandi Sadiq Gunj Mirza Ka Tehsil Minchinabad District Bahawalnagar)	Maqbool Ahmed (31105-8305404-9)	Sakhi Muhammad	2973	128	-	3101	-	-	715	506	1221
81	Muhammad Sejid (Moza Baqir Pur Misti Miani Near Yaqoob Mithal Way Bahawalpur)	*Muhammad Sejid (31202-7613037-3)	*Muhammad Shafi	1,577	87	-	1,664	-	-	248	296	544
82	Muhammad Junaid Akbar (Dakhana Khas Chak # 68 JB Lehlan Tehsil And District Faisalabad)	Muhammad Junaid Akbar (33103-1062842-3)	Akbar Ali	1030	110	-	1140	-	-	289	263	552
83	Waqas Ali (Kala Khataye Road New Qaisewr Town Shadra Lahore)	*Waqas Ali (34102-2758939-1*)	Abbas Ali	1,350	75	-	1,425	-	-	353	282	635
84	Usama Ismail (Lala Zar Colony Mudasir Shaheed Road Cant By Pass Sialkot House # B-20)	Usama Ismail (34603-4538617-3)	Haseeb Arshad	2,020	115	-	2,135	-	-	574	543	1117
85	Nageen (House # 55-B/4, Shaheen Park Bhagat Pura Shad Bagh Lahore)	Nageen (35202-8502832-4)	Muhammad Siddique	2,162	43	-	2,205	-	-	403	413	816
86	Irfan Ali (Chachoo Wali Stop Main Bedlan Road Near Grammer School Lahore)	Irfan Ali (35201-6784594-5)	Abdul Ghaffar	1,465	221	-	1,686	-	-	538	444	982
87	Abdul Rehman (Ward No 13 Muhallah Muslim Colony Minchinabad District Bahawalnagar)	Abdul Rehman (31105-4882722-3)	Muhammad Nazir	2,055	45	-	2,100	-	-	455	267	722
88	Muhammad Babar Khan (Muslim Town House No 636/506 B-VI Street No 4 Bahawalpur)	Muhammad Babar Khan (31202-1159643-7)	Muhammad Zafar Javed	2,055	86	-	2,141	-	-	538	333	871
89	Muhammad Riaz (Chak No 11 M P R Post Office Gellay Wala Tehsil O District Lodharan Bahawalpur)	Muhammad Riaz (36203-2885849-5)	Ashiq Hussain	2,254	136	-	2,390	-	-	511	643	1154
90	Fawad Hameed (Moh Karma Wala Kingra Road Near Muqadas Shopping Mart Tehsil And District Sialkot)	Fawad Hameed (81302-0341055-7)	Abdul Hameed	2,134	155	-	2,289	-	-	573	437	1010

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
91	Muhammad Abrar (Bismillah General Store Shop No 9 Dhoke Mori Hazara Chowk Mohsin Market Bahara Kahu Islamabad)	Muhammad Abrar (36303-9825337-9)	Allah Bakhsh	2055	54	-	2109	-	-	518	291	809
92	Muhammad Ismail (Post Office Fathe Pur Waris Wahin Malisi District Vehar)	Muhammad Ismail (36602-8796632-7)	Muhammad Akbar	1861	121	-	1982	-	-	366	505	871
93	Muhammad Ali (Post Office Jalalpur Pir Waia Bait Kaisar Tehsil Jalalpur Pir Waia District Multan)	Muhammad Ali (36301-0902577-9)	Muhammad Akmal	2301	234	-	2535	-	-	579	833	1412
94	Nadeem Khaliq Kayani (House 126, Muhallah Army Housing Colony Morgah Rawalpindi)	Nadeem Khaliq Kayani (37405-053154-9)	Abdul Khaliq Kayani	1606	139	-	1745	-	-	462	562	1024
95	*Goodi & Joyous (Pvt) Ltd (103 - Play Land Floor, Siddique Trade Centre, 72-Main Boulevard, Gulberg, Lahore)	Shafiq-Ur-Rehman (35201-1570244-5) Rauf-Ur-Rehman (35201-6869776-3) Sami-Ur-Rehman (35201-6879273-3)	Muhammad Sadiq Shafiq-Ur-Rehman Shafiq-Ur-Rehman	8,348	3,902	-	12,250	-	-	2,281	-	2,281
96	*Imran / Brothers (Shop # 28/B, Grain Market, Gaggio Mandi)	*Muhammad Isiam Ghazanfar (36601-0313490-5)	Ghazanfar Ali	-	1,141	-	1,141	-	-	523	-	523
97	Basharat Electric Company (Alcon Fan, Near China Fan, G T Road Gujrat)	Khalid Aziz (34201-3404172-1) Tariq Mehmood (34201-0319737-1) Baber Aziz (34201-03223157) Qamer Aziz (34201-0279082-9)	*Mian Khan Mian Khan Mian Khan Mian Khan	-	4673	-	4673	-	-	1596	-	1596
98	Jugnoo Cotton Gimmers (Bhong Road, Sadqabad)	Sheikh Shahabuddin (31304-1123334-4)	Sheikh Nazamuddin	3,888	11,221	-	15,109	-	-	6,938	-	6,938
99	Mian Traders A/C (Farooqabad Br, Approach Road, Farooqabad.)	Muhammad Imran (35404-4378795-1)	Ahmed Ullah	1025	3,306	-	4,331	-	-	1,150	-	1,150
100	Rehman Cloth House (Branch: Tibba Sultanpura), Sikander Market, Tibba Sultanpur, Tehsil Malisi, Distt. Vehar)	*Muhammad Ashraf Rehman (36602-0781079-3)	Abdul Rehman	98	2,126	-	2,224	-	-	1,019	-	1,019
101	Amin Traders (Approach Road Farooqabad)	Muhammad Yasin (35404-7542755-9)	Ahmed Ullah	1,134	4,335	-	5,469	-	-	1,509	-	1,509
102	Al-Haseeb Traders (Dajal Road, Ailal Abad, Tehsil Jampur Distrigt Rajan Pur)	Muhammad Aslan (Deceased) (32402-1407881-3)	Hamid Khan	2,000	1,477	-	3,477	-	-	1,127	-	1,127

Rupees in '000

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	Principal written-off				
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
103	Al-Hamid Traders / Oil Mills (Mouza Bait Ultra Gath Multan Road Near Bismillah Star Public School Tehsil Kot Addu Distt Muzaifar Garh)	Sher Muhammad (32102-4233329-9) Gul Muhammad (32102-1116949-3) Khan Muhammad (32102-5333235-9) Muhammad Sajjad (32102-4659190-5) Mujahid Hussain (32102-1188167-9) Muhammad Ejaz (32102-6980171-9)	*Hamid Khan Hamid Khan Hamid Khan Hamid Khan Hamid Khan Hamid Khan	14990	10,773	-	25,763	-	-	5,447	-	5,447
104	Syed Zarai Services (Muslim Town Market Bahawalpur Road Lodhran)	Muhammad Arshad (36203-5134597-9)	Zahoor Shah	1998	889	-	2,887	-	-	740	-	740
105	Talha International (Office # 11 & 12, Raja Cloth Market Rail Bazar, Faisalabad)	Haji Muhammad Arshad Bashir (33100-9761704-1)	Haji Fazal Din	4,341	10,017	-	14,358	-	-	2,840	-	2,840
106	Faisal Khan (B.K. Apna Shadi Hall, Qari Road, Raigarh Lahore)	Faisal Khan (35202-5213370-5)	Bahadur Khan	4000	8,213	-	12,213	-	-	6,522	-	6,522
107	Muhammad Afzal & Co (Grain Market, Fortabbas)	*Muhammad Afzal (31103-2763408-7)	Muhammad Ilyas	871	1,757	-	2,628	-	-	922	-	922
108	Iftikhar Brothers (Gally Wal Lodhran)	Muhammad Ibrahim (36203-6962154-9)	Umeed Khan	7977	4,396	-	12,373	-	-	2,076	-	2,076
109	*Aslam Bricks Co. (Aslam Bricks Co. Near Ali Pur Chatha Railway Phatak Gujranwala Road, Aipur Chatha)	*Mirza Muhammad Aslam (34101-2284822-9)	Muhammad Nazir	3998	-	-	3,998	-	-	1,335	-	1,335
110	Madina Trading Company (Opposite Bhal Wala Railway Crossing Near Nbp, Chak No.202 Rb Ghatti, Faisalabad)	*Muhammad Shahid Rauf (33100-7828487-7)	Abdul Rauf Naeem	1,076	2,295	-	3,371	-	-	1,074	-	1,074
111	Al-Shams Cotton Ginning Pressing & Oil Mills (Sikandar Abad Mor Shujabad Road, Multan)	*Malik Muhammad Asif Bhutta (36302-1772272-9) Malik Yasir Bhutta (36302-5115737-5)	Muhammad Shams Ul Haq Muhammad Shams Ul Haq	502	6,999	-	7,501	-	-	2,857	-	2,857
112	Shahzad & Sangum Sanitary Fitting & Bathroom Accessories	Tahir Hussain (34101-8909844-5)	Muhammad Ashraf	4,999	1,561	-	6,560	-	-	1,445	-	1,445
113	Chouhdary Rice Mills (P.sie. G.T. Road (Muza Virk) Mian Channu)	Muhammad Arshad (36104-0500336-3) Shahid Iqbal (36104-0397579-5)	Khair Din Khair Din	2,270	25,599	-	27,869	-	-	13,365	-	13,365

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year					Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total	8					
1	2	3	4	5	6	7	8	9	10	11	12	13	
Rupees in '000													
114	Tehseen Industries (Plot# 2B, Block-L, Gulberg III, Lahore)	Rana Tehseen Ahmed Khan (35202-2716442-9)	Chajju Khan	6190	12,846	-	19,036	-	-	2,551	-	2,551	
115	Mohammad Islam Hukka Nari Frosh, M/S Muhammad Islam Hukka (Nari Farosh, P-191, Jhang Bazar Near Jamia Moti Masjid Jhang Bazar, Faisalabad)	Muhammad Islam (33100-0614004-5)	Ghulam Hussain	784	7,690	-	8,474	-	-	4,250	-	4,250	
116	Al Nasir Trading Company (Opposite Nadra Office, Main Highway Haroonabad Road, Bahawalnagar)	Muhammad Nasir (3110184030357)	Haji Ali Muhammad	11,998	11,784	-	23,782	-	-	8,474	-	8,474	
117	Sheikht's Mobile (Shop # 4 Grace Plaza Commercial Zone Karim Block Allama Iqbal Town, Lahore)	Amjad Ali (3520216572075)	Sheikh Muhammad Ali	653	3,040	-	3,693	-	-	662	-	662	
118	Subhanallah Ice Factory (St. # 1, Iqbal Town, Ghulam Muhammadabad, Faisalabad)	Muhammad Anis Arif (33100-04590207)	Muhammad Hanif	4120	8,683	-	12,803	-	-	3,629	-	3,629	
119	Rana Denim Mills Limited, (Rafhan Mill Road, Adjacent To Rafhan Maize Products Limited, Faisalabad)	Rana Zahid Tousif (33100-0672286-7) Rana Asif Tousif (33100-0672190-5) Rana Arif Tousif (33100-0706556-3) (Deceased) Rana Atif Tousif (33100-0695537-3) (Deceased) Rana Usman Zahid (33100-0672287-1) Danial Abid (33100-5976024-1) Sharif Ahmed (33100-3791126-9)	Rana Tousif Ali Khan Rana Tousif Ali Khan Rana Tousif Ali Khan Rana Tousif Ali Khan Rana Zahid Tousif Atif Touseef Arif Tousif	-	147,041	-	147,041	-	-	147,041	-	147,041	
120	Hessan Zaman (Private) Limited, (21-B, M-Block, Gulberg III, Lahore.)	Muhammad Saeed Malik (35202-2631584-3) Muhammad Saleem Rana (35202-2052703-5) Kashif Saeed (35202-1516587-3) Usman Saleem (35202-8916013-3) Moeen Saleem Rana (35202-2260102-1)	Muhammad Zaman Rana Hassan Muhammad Muhammad Saeed Malik Muhammad Saleem Rana Muhammad Saleem Rana	11,105	26,651	-	37,756	-	-	14,375	-	14,375	

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
121	*Al-Bario Textile Mills (Pvt) Ltd (P-213 Tikka Gali Montgomery Bazar Faisalabad)	Yasir Munir (33100-0881966-5) Sheikh Yawar Munir (33100-1460425-9) Umar Munir (33100-4047322-5)	Sh. Munir Ahmad Sh. Munir Ahmad Sh. Munir Ahmad	25178	34,785	-	59,963	-	-	15,441	-	15,441
122	Farmeco Enterprises (44-B, Industrial Estate, Multan)	Akhlaq Ahmed (36302-0449763-3) Muhammad Asif Akhlaq (36302-0449763-7) Muhammad Atif Akhlaq (36302-3329629-3)	Ashfaq Ali Khan Akhlaq Ahmed Akhlaq Ahmed	30,474	86,892	-	117,366	-	-	31,801	-	31,801
				328,014	516,429	-	844,443	-	-	375,972	37,295	413,267

Rupees in '000

ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the December 31, 2024, the Bank is operating 210 Islamic banking branches (2023: 160 Islamic banking branches) and 258 Islamic banking windows (2023: 73 Islamic banking windows).

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Note	2024	2023
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		12,893,765	8,872,231
Balances with other banks		774,490	551,223
Due from financial institutions	1	14,769,016	3,935,000
Investments	2	55,521,524	41,712,785
Islamic financing and related assets - net	3	79,408,331	106,772,301
Property and equipment		2,184,672	1,247,643
Right-of-use assets		3,148,547	2,522,746
Intangible assets		13,053	9,416
Due from Head Office		10,691,544	-
Other assets		9,389,214	8,323,643
Total assets		188,794,156	173,946,988
LIABILITIES			
Bills payable		865,968	710,834
Due to financial institutions	4	2,474,259	2,223,337
Deposits and other accounts	5	158,743,365	113,332,498
Due to head office		-	38,936,868
Lease liabilities		3,923,690	3,158,734
Subordinated debt		-	-
Other liabilities		3,022,990	4,121,792
		169,030,272	162,484,063
NET ASSETS		19,763,884	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		30,832	98,651
Surplus / (deficit) on revaluation of assets		385,024	(1,029,266)
Unappropriated profit	6	17,348,028	10,393,540
		19,763,884	11,462,925
CONTINGENCIES AND COMMITMENTS	7		

ISLAMIC BANKING BUSINESS

STATEMENT OF PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2024

	Note	2024	2023
		Rupees in '000'	
Profit / return earned	8	26,160,280	22,723,664
Profit / return expensed	9	13,709,472	13,680,296
Net profit / return		12,450,808	9,043,368
Fee and commission income		502,176	451,079
Dividend income		-	-
Foreign exchange loss		(226,054)	(9,775)
Income / (loss) from derivatives		-	-
Gain on securities		359,067	5,914
Other income		114,743	23,764
		749,932	470,982
Total income		13,200,740	9,514,350
Other expenses			
Operating expenses		5,158,636	3,552,815
Workers Welfare Fund		-	-
Other charges		123	67
		5,158,759	3,552,882
Profit before credit loss allowance		8,041,981	5,961,468
(Reversal of credit loss allowance) / provisions and write offs - net		(773,424)	208,702
Profit before taxation		8,815,405	5,752,766
Taxation	10	-	-
Profit after taxation		8,815,405	5,752,766

ISLAMIC BANKING BUSINESS

CASH FLOWS STATEMENT

For the year ended December 31, 2024

	2024	2023
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,815,405	5,752,766
Less: dividend income	-	-
	8,815,405	5,752,766
Adjustments for:		
Depreciation on property and equipment	242,456	154,048
Amortization on intangible assets	1,704	1,386
Depreciation on ijarah assets under IFAS - 2	353,078	186,585
Depreciation right-of-use assets	423,035	305,643
Markup on lease liability against right-of-use assets	460,686	369,291
Amortization of premium on debt securities - net	98,672	95,371
Gain on termination of lease liability against right-of-use assets	(104,659)	(17,318)
Gain on sale of property and equipment - net	(872)	(207)
Realized gain on sale of securities - net	(359,067)	-
Reversal of credit loss allowance against lending to financial institutions	12,825	-
Credit loss allowance for diminution in value of investments	(17,537)	-
(Reversal of credit loss allowance) / provision against loans & advances	(965,244)	208,702
Credit loss allowance against balances with treasury banks	14,714	-
Credit loss allowance against other assets - net	16,879	-
Credit loss allowance against off balance sheet obligations	167,572	-
Credit loss allowance against balance with other banks	(2,633)	-
	341,609	1,303,501
	9,157,014	7,056,267
Increase in operating assets:		
Lendings to financial institutions	(10,875,000)	13,640,000
Advances	26,531,397	(51,020,357)
Others assets	(11,821,583)	(727,205)
	3,834,814	(38,107,562)
Increase / (decrease) in operating liabilities:		
Bills payable	155,134	62,973
Due to financial institutions	31,191	696,626
Deposits and other accounts	45,410,867	1,685,735
Other liabilities	(40,330,899)	39,966,086
	5,266,293	42,411,420
Net cash flow from operating activities	18,258,121	11,360,125
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments	(12,171,898)	(9,817,568)
Investments in property and equipment & intangible assets	(1,165,810)	(525,245)
Net cash used in investing activities	(13,337,708)	(10,342,813)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(639,907)	(451,504)
Net cash used in financing activities	(639,907)	(451,504)
Net increase in cash and cash equivalents	4,280,506	565,808
Impact of ECL on cash and cash equivalents	(35,705)	-
Cash and cash equivalents at beginning of the year	9,423,454	8,857,646
Cash and cash equivalents at end of the year	13,668,255	9,423,454

1. DUE FROM FINANCIAL INSTITUTIONS

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Unsecured	14,810,000	-	14,810,000	3,935,000	-	3,935,000
Less: Credit loss allowance	(40,984)	-	(40,984)	-	-	-
	14,769,016	-	14,769,016	3,935,000	-	3,935,000

2. INVESTMENTS BY SEGMENTS

		2024			2023				
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Rupees in '000'									
Federal Government securities		9,561,046	-	-	9,561,046	-	-	-	-
Non Government debt securities	21	2,122,068	(19,700)	-	2,102,368	-	-	-	-
		11,683,114	(19,700)	-	11,663,414	-	-	-	-
FVOCI / available for sale									
Federal Government securities		34,514,669	-	287,582	34,802,251	31,290,783	-	(1,134,412)	30,156,371
Non Government debt securities		8,266,007	-	(15,008)	8,250,999	11,545,574	-	10,840	11,556,414
		42,780,676	-	272,574	43,053,250	42,836,357	-	(1,123,572)	41,712,785
FVTPL / held for trading									
Federal Government securities		804,860	-	-	804,860	-	-	-	-
		804,860	-	-	804,860	-	-	-	-
Total investments		55,268,650	(19,700)	272,574	55,521,524	42,836,357	-	(1,123,572)	41,712,785

21 This includes credit loss allowance against stage-1 non government debt securities.

	Note	2024	2023
		Rupees in '000'	
3. ISLAMIC FINANCING AND RELATED ASSETS - NET			
Ijarah	3.1	3,472,893	2,451,160
Murabaha	3.2	272,036	977,303
Musharaka		8,198,268	47,100,860
Diminishing musharaka		42,190,942	40,720,767
Payment against documents		55,304	5,155,929
Waqala		7,064,896	7,001,913
Istisna		10,565,509	305,304
Musawamah financing		7,731,982	4,530,852
Tijarah financing		2,163,367	335,812
Gross islamic financing and related assets		81,715,197	108,579,900
Less: Credit loss allowance / provision against islamic financings			
Stage 1		468,232	-
Stage 2		281,189	-
Stage 3		1,557,445	1,807,599
		2,306,866	1,807,599
Islamic financing and related assets - net of credit loss allowance / provision		79,408,331	106,772,301

Annexure II

3.1 Ijarah

	2024								
	Cost				Depreciation			Book value	
	As at Jan 01, 2024	Additions	Deletion / adjustment	As at Dec 31, 2024	As at Jan 01, 2024	Deletion / adjustment	Charge for the year	As at Dec 31, 2024	as at Dec 31, 2024
	Rupees in '000'								
Plant and machinery	29,766	53,430	(26,945)	56,251	18,451	(17,668)	8,684	9,467	46,784
Vehicles	1,434,450	1,851,435	(679,348)	2,606,537	212,910	(64,673)	344,394	492,631	2,113,906
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,218,305	500,000	(406,102)	1,312,203	-	-	-	-	1,312,203
Total	2,859,118	2,404,865	(1,112,395)	4,151,588	407,958	(82,341)	353,078	678,695	3,472,893

	2023								
	Cost				Depreciation			Book value	
	As at Jan 01, 2023	Additions	Deletion / adjustment	As at Dec 31, 2023	As at Jan 01, 2023	Deletion / adjustment	Charge for the year	As at Dec 31, 2023	as at Dec 31, 2023
	Rupees in '000'								
Plant and machinery	29,766	-	-	29,766	10,296	-	8,155	18,451	11,315
Vehicles	1,055,336	698,528	(319,414)	1,434,450	237,656	(203,176)	178,430	212,910	1,221,540
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,624,407	-	(406,102)	1,218,305	-	-	-	-	1,218,305
Total	2,886,106	698,528	(725,516)	2,859,118	424,549	(203,176)	186,585	407,958	2,451,160

3.1.1 Future ijarah payments receivable

	2024				2023			
	Not later than 1 year	Later than 1 & less than 5 years	Over five years	Total	Not later than 1 year	Later than one & less than 5 years	Over five years	Total
	Rupees in '000'				Rupees in '000'			
Ijarah rental receivables	597,106	2,342,603	533,184	3,472,893	601,756	1,843,057	6,347	2,451,160

	Note	2024	2023
		Rupees in '000'	
3.2 Murabaha			
Murabaha financing	3.21	235,148	918,310
Advances for murabaha		36,888	58,993
		272,036	977,303
3.2.1			
Murabaha receivable - gross	3.2.2	295,417	1,000,684
Deferred murabaha income	3.2.4	3,008	(45,018)
Profit receivable shown in other assets		(63,277)	(37,356)
Murabaha financings		235,148	918,310
3.2.2			
The movement in murabaha financing during the year is as follows:			
Opening balance		1,000,684	4,893,318
Sales during the year		921,776	4,563,331
Adjusted during the year		(1,627,043)	(8,455,965)
Closing balance		295,417	1,000,684

	Note	2024	2023
		Rupees in '000'	
3.2.3	Murabaha sale price	303,435	1,113,329
	Murabaha purchase price	(235,148)	(918,310)
		68,287	195,019
3.2.4	Deferred murabaha income		
	Opening balance	45,018	144,463
	Arising during the year	42,978	366,571
	Recognized during the year	(84,988)	(466,016)
	Closing balance	3,008	45,018

3.3 Islamic financing and related assets include Rs. 2,929,643 thousand (2023: Rs. 3,134,134 thousand) which have been placed under non-performing status.

4 DUE TO FINANCIAL INSTITUTIONS

	Islamic Export Re-Finance scheme (IERF)	4.1	779,900	720,000
	Islamic Long Term Financing Facility (ILTFF)	4.2	96,316	106,636
	Financing Facility for Storage of Agriculture Produce (FFSAP)	4.3	185,000	-
	Finance Facility for Islamic Temporary Economic Refinance Facility (ITERF)	4.4	1,413,043	1,396,701
			2,474,259	2,223,337

4.1. These represent borrowings made under the scheme for providing financing to exporters for adoption of new technologies and modernization of plant and machinery. These borrowings carry profit payable quarterly at rates ranging from 10.00% to 14.50% per annum (2023: 18.00% per annum) with maturities upto June 24, 2025.

4.2. This amount has been obtained for providing islamic long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 4.00% to 16.00% per annum (2023: 4.00% to 16.00% per annum) with maturities upto October 13, 2031.

4.3. These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at 4.25% per annum (2023: Nil) with maturities upto May 21, 2025.

4.4. These represent borrowings under scheme of Temporary Relief Refinance Facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2023: 1.00% per annum) with maturities upto April 27, 2032.

5. 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	37,466,351	1,243,324	38,709,675	25,426,222	567,074	25,993,296
Savings deposits	102,120,880	497,296	102,618,176	66,146,832	562,048	66,708,880
Term deposits	11,353,436	4,455,062	15,808,498	14,863,624	913,660	15,777,284
Margin deposits	35,364	-	35,364	226,907	-	226,907
	150,976,031	6,195,682	157,171,713	106,663,585	2,042,782	108,706,367
Financial institutions						
Current deposits	49,334	103,629	152,963	31,400	19,425	50,825
Savings deposits	1,418,456	186	1,418,642	4,574,897	239	4,575,136
Term deposits	-	-	-	-	-	-
Margin deposits	47	-	47	170	-	170
	1,467,837	103,815	1,571,652	4,606,467	19,664	4,626,131
	152,443,868	6,299,497	158,743,365	111,270,052	2,062,446	113,332,498

Annexure II

		2024	2023
		Rupees in '000'	
5.1	Composition of deposits		
	- Individuals	22,026,152	17,037,291
	- Private sector	82,794,052	49,316,768
	- Government	50,487,277	40,787,855
	- Public sector entities	1,864,232	1,564,453
	- Banking companies	130,234	108,459
	- Non-banking financial institutions	1,441,418	4,517,672
		158,743,365	113,332,498
5.2	This includes deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 80,107,446 thousand (2023: Rs 58,910,608 thousand).		
5.3	Current deposits include call deposits amounting to Rs. 2,472,287 thousand (2023: Rs. 5,597,471 thousand).		
		2024	2023
		Rupees in '000'	
		Note	
6.	ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
	Opening balance	10,393,540	4,640,774
	Impact of adoption of IFRS-09	(1,860,917)	-
	Islamic banking profit for the year	8,815,405	5,752,766
	Closing balance	17,348,028	10,393,540
7.	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	10,387,396	2,109,817
	- Commitments	17,705,266	16,668,513
		28,092,662	18,778,330
7.1	Guarantees:		
	Financial guarantees	18,200	18,200
	Performance guarantees	1,419,293	877,740
	Other guarantees	8,949,903	1,213,877
		10,387,396	2,109,817
7.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	4,075,301	5,782,258
	Commitments in respect of - forward lending	9,078,833	10,886,255
	Commitments in respect of purchase forward foreign exchange contracts	4,548,013	-
	Commitments for acquisition of:		
	- property and equipment	3,119	-
		17,705,266	16,668,513
7.2.1	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	9,078,833	10,886,255

7.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

7.2.2 Claims against the Bank not acknowledged as debts

An amount of Nil (2023: Nil) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2024	2023
	Rupees in '000'	
8. PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	16,658,578	16,060,426
Investments	7,982,396	5,777,055
Placements	1,068,460	886,173
Deposits with financial institutions	80	10
IFRS-09 adjustment for staff finance - notional	450,766	-
	26,160,280	22,723,664
9. PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	11,003,221	11,349,364
Markup on lease liability against right-of-use assets	460,686	369,291
Markup on borrowings from SBP	192,299	53,668
Profit on deposits from conventional Head Office	2,053,266	1,907,973
	13,709,472	13,680,296

10. The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 4,015,417 thousand (2023: Rs. 2,678,488 thousand).

	2024	2023
	Rupees in '000'	
	Note	
11. CHARITY FUND		
Opening balance	39,321	4,207
Additions during the year :		
Received from customers on account of delayed payment	60,935	45,531
Profit on charity saving account	3,924	1,455
	64,859	46,986
Payments / utilization during the year :		
Education	(11,920)	-
Welfare works	(7,000)	(6,872)
Health	(8,530)	(5,000)
	(27,450)	(11,872)
Closing balance	76,730	39,321

12. POOL MANAGEMENT

12.1 BOP TAQWA islamic banking division is maintaining following pools for profit declaration and distribution.

i) General pool	xxiii) Special pool-XXIX
ii) Special pool-I (Equity)	xxiv) Special pool-XXX
iii) Special pool-II	xxv) Special pool-XXXI
iv) Special pool-IV	xxvi) Special pool-XXXII
v) Special pool-VII (PER)	xxvii) Special pool-XXXIII
vi) Special pool-IX	xxviii) Special pool-XXXIV
vii) Special pool-XIII	xxix) Special pool-XXXV
viii) Special pool-XIV	xxx) Special pool-XXXVI
ix) Special pool-XV	xxxi) Special pool-XXXVII
x) Special pool-XVI	xxxii) Special pool-XXXVIII
xi) Special pool-XVII	xxxiii) Special pool-XXXIX
xii) Special pool-XVIII	xxxiv) Special pool-XXXX
xiii) Special pool-XIX	xxxv) Special Saving Pool-I
xiv) Special pool-XX	xxxvi) Taqwa Foreign Currency USD Pool
xv) Special pool-XXI	xxxvii) Taqwa Foreign Currency GBP Pool
xvi) Special pool-XXII	xxxviii) Taqwa Foreign Currency EURO Pool
xvii) Special pool-XXIII	xxxix) USD special pool-I
xviii) Special pool-XXIV	xxxx) USD special pool-II
xix) Special pool-XXV	xxxxi) USD special pool-III
xx) Special pool-XXVI	xxxxii) USD special pool-IV
xxi) Special pool-XXVII (IERS Pool)	xxxxiii) USD RFC Special Pool-I
xxii) Special pool-XXVIII	xxxxiv) EURO special pool-I

12.2 General pool

The general pool comprises of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as fund manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pool is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of period concerned.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-Islamic Banking Division (IBD) as Mudarib.

a) Weightages for distribution of profit in general pool

Profit is calculated on the basis of daily product balance in Mudaraba based depositors' accounts and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment.
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.

- Maturities of funds obtained from principal office, Islamic Banking Institutions and Shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.3 Special pools

The special pools comprise of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as Fund Manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pools is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of concerned period.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-TAQWA as Mudarib.

a) Weightages for distribution of profit in special pools

Profit is calculated on daily product basis and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, islamic banking institutions and shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.4 Avenues / sectors of economy / business where mudaraba based deposits have been deployed:

	2024	2023
	Rupees in '000'	
Federal and provincial governments	2,269,926	26,620,408
Placement with Financial Institutions	14,810,000	3,935,000
Ijara sukuk	44,075,715	29,678,226
Transport, storage, logistics and communication	155,214	129,533
Manufacturing and trading of food items	6,024,272	3,010,253
Manufacture of pesticides and other agro-chemical product	60,639	762,060
Power generation	17,599,980	22,444,837
Manufacture of paper, paperboard and products thereof	37,000	33,000
Consumer car Ijarah	1,629,192	826,285
Consumer Housing / LCH	1,811,652	1,808,064
Textile composite / other	5,975,674	7,635,217
Cement & allied	2,862,154	4,190,510
Iron & steel industry	3,572,712	1,980,277
Rubber / plastic products etc.	247,850	104,550
Others	53,101,804	51,620,688
	154,233,784	154,778,908

12.5 Charging expenses

The direct expenses are being charged to the pool, while indirect expenses including the establishment cost is being borne by BOP IBD as Mudarib. The direct expenses to be charged to the pool may include cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee or documentation charges, brokerage fee for purchase of securities/commodities etc.

	2024	2023
	Rupees in '000'	
Credit loss allowance / Provisions		
Murabaha	65,338	1,732
Istisna	28,900	-
Ijarah	246,217	199,023
Diminishing Musharika	1,835,027	1,606,844
Musharaka	44,675	-
Musawamah financing	39,470	-
Payment against documents	24,909	-
Tijarah financing	8,037	-
Waqala	14,293	-
	2,306,866	1,807,599

12.6 Mudarib share (in amount and percentage of distributable income):

	2024		2023	
	Rupees in '000'	Percentage %	Rupees in '000'	Percentage %
Rabbul mal	13,129,999	65.62%	12,953,960	68.30%
Mudarib	6,880,087	34.38%	6,011,837	31.70%
Distributable income	20,010,086	100.00%	18,965,797	100.00%

12.7 Amount & percentage of mudarib share transferred to depositors through Hiba:

	2024	2023
	Rupees in '000'	
Mudarib share	6,880,087	6,011,837
Hiba	229,371	69,886
Hiba percentage of mudarib share	3.33%	1.16%

This is not a special hiba as such. This hiba has been distributed across the Board to all the account holders.

12.8 Profit rate earned vs. profit rate distributed to the depositors during the year:

Profit rate earned	19.45%	18.21%
Profit rates distributed to depositors	10.04%	11.37%

08.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BANK OF PUNJAB

Opinion

We have audited the annexed consolidated financial statements of The Bank of Punjab (the Bank) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter(s)

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

Following is the Key Audit Matter:

nr

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Credit loss allowance against advances:</p> <p>(Refer notes 4.8, 5.1, 5.5, 5.19 and 10 to the consolidated financial statements)</p> <p>The Group records credit loss allowance against advances in accordance with the requirements of International Financial Reporting Standard (IFRS) 9 'Financial Instruments'.</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 fair value through profit and loss, together with letters of credit, guarantees and unutilised financing commitments. A lifetime ECL is recorded on advances in which there have been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on advances which are credit impaired as on the reporting date. A 12 months ECL is recorded for advances which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Group compares the risk of a default occurring on the advances as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12 months ECL are calculated at facility level. The allowance is increased by provisions charged to the consolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries.</p> <p>The Group records charge for Stage 3 based on the higher of provision under Prudential Regulations or ECL under IFRS 9, as per the instructions of the SBP. This assessment is conducted at the borrower / facility level for corporate, commercial, retail and consumer portfolios. If one facility of a counterparty becomes more than 90 days past due or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3.</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>Our audit procedures to verify credit loss allowance against advances included, amongst others, the following:</p> <ul style="list-style-type: none"> • 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 and model methodology including any key changes made during the year. • We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Group to identify loss events and for determining the extent of provisioning required against advances. • The testing of controls included testing of: <ul style="list-style-type: none"> • controls over correct classification of advances; • controls over monitoring of advances with higher risk of default and correct classification of non-performing advances on subjective criteria; • controls over accurate computation and recording of provisions; and • controls over the governance and approval process related to provisions, including continuous reassessment by the management. • We selected a sample of loan accounts and performed the following substantive procedures: <ul style="list-style-type: none"> • assessed the reasonableness and accuracy of the data used for ECL computation based on accounting records and information system of the Group as well as the related external sources used for this purpose; • checked repayments of loans / mark-up / profit installments and tested classification of advances based on the number of days overdue; • tested the staging of loans and advances as per the criteria of SICR and in accordance with IFRS 9; • evaluated the management's assessment for classification of a borrower's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and discussions with the management;

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S. No.	Key Audit Matter	How the matter was addressed in our audit
	<p>The net credit loss allowance reversed / made during the year is recognised in the consolidated statement of profit and loss account and accumulated credit loss allowance is netted-off against advances.</p> <p>The Group has recognised a net credit loss allowance reversal against advances amounting to Rs. 3,798,415 million in the consolidated statement of profit and loss account in the current year. As at December 31, 2024, the Group holds a credit loss allowance of Rs. 50,558.113 million against advances / financing.</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>	<ul style="list-style-type: none"> assessed the ECL model used by the management to calculate Expected Credit Loss against loans and advances balances of the Group for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model; assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and assessed the relevant disclosures made in the consolidated financial statements to determine whether these are complied with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs



as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is **Hammad Ali Ahmad**.



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: March 04, 2025
UDIN: AR202410092Z5IjMbXvt

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Note	2024 Rupees in '000'	2023
ASSETS			
Cash and balances with treasury banks	6	100,773,627	100,894,627
Balances with other banks	7	3,491,711	8,560,478
Lendings to financial institutions	8	12,891,206	143,325,933
Investments	9	1,319,892,057	913,088,050
Advances	10	778,757,845	807,544,892
Property and equipment	11	28,639,949	20,794,866
Right-of-use assets	12	12,865,764	12,424,136
Intangible assets	13	2,488,381	2,099,217
Deferred tax assets - net	14	9,204,913	10,314,627
Other assets	15	110,135,048	197,156,815
Total assets		2,379,140,501	2,216,203,641
LIABILITIES			
Bills payable	17	7,636,873	5,507,855
Borrowings	18	409,005,930	453,965,991
Deposits and other accounts	19	1,709,564,159	1,520,836,189
Lease liabilities	20	17,101,125	15,727,259
Subordinated debts	21	30,820,106	30,204,640
Deferred tax liabilities		-	-
Other liabilities	22	112,896,916	109,390,541
Total liabilities		2,287,025,109	2,135,632,475
NET ASSETS		92,115,392	80,571,166
REPRESENTED BY			
Share capital - net	23	32,452,535	32,452,535
Reserves		17,710,207	15,035,135
Surplus on revaluation of assets - net of tax	24	7,952,066	1,818,506
Non controlling interest		954,312	762,170
Unappropriated profit		33,046,272	30,502,820
		92,115,392	80,571,166
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.




Chief Financial Officer



President



Chairman



Director



Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees in '000'	2023
Mark-up / return / interest earned	26	343,864,915	327,235,740
Mark-up / return / interest expensed	27	299,604,752	286,243,908
Net mark-up / interest income		44,260,163	40,991,832
NON MARK-UP / INTEREST INCOME			
Fee and commission income	28	11,464,083	7,460,079
Dividend income		355,106	568,777
Foreign exchange income		858,903	297,507
Income / (loss) from derivatives		-	-
Gain on securities - net	29	11,780,488	5,254,622
Net gain on derecognition of financial assets measured at amortised cost	30	1,147,554	-
Other income - net	31	1,207,674	4,172,011
Total non-markup / interest income		26,813,808	17,752,996
Total income		71,073,971	58,744,828
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	50,212,192	37,304,167
Workers Welfare Fund		491,291	323,580
Other charges	33	6,615	54,909
Total non-markup / interest expenses		50,710,098	37,682,656
Profit before credit loss allowance		20,363,873	21,062,172
Reversal of credit loss allowance and write offs - net	34	(4,073,289)	(67,230)
PROFIT BEFORE TAXATION		24,437,162	21,129,402
Taxation - net	35	11,157,105	9,875,573
PROFIT AFTER TAXATION		13,280,057	11,253,829
PROFIT ATTRIBUTABLE TO:			
Equity holders of the Bank		13,087,915	11,080,731
Non controlling interest		192,142	173,098
		13,280,057	11,253,829
Basic earnings per share (Rs.)	36	4.00	3.39
Diluted earnings per share (Rs.)	37	4.00	3.39

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.


Chief Financial Officer


President


Chairman


Director

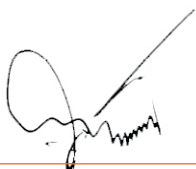

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees in '000'	2023
Profit after taxation for the year		13,280,057	11,253,829
Other comprehensive income / (loss) :			
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of debt investments through FVOCI / AFS investments - net of tax	24	(3,510)	4,883,212
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement gain / (loss) on defined benefit obligation	401.72	47,800	(257,339)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax		611,985	-
Movement in surplus on revaluation of property and equipment - net of tax		2,132,820	(285,427)
Movement in surplus on revaluation of non-banking assets - net of tax		310,679	6,121
		3,103,284	(536,645)
Total comprehensive income for the year		16,379,831	15,600,396
Total comprehensive income attributable to:			
Equity holders of the Bank		16,187,689	15,427,298
Non controlling interest		192,142	173,098
		16,379,831	15,600,396

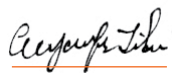
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Chief Financial Officer



President



Chairman



Director



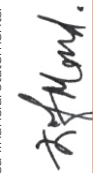
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital		Capital reserves		Statutory reserve	Surplus / (Deficit) - net of		Non-Controlling Interest	Unappropriated profit	Total
	Share capital	Discount on issue of shares	Share premium	Reserve for issuance of bonus shares		Investments	Property and non banking assets			
Balance at on January 01, 2023	29,741,539	(2,631,588)	2,215,040	-	10,554,384	5,495,835	(7,819,265)	62,781	24,411,784	64,963,970
Profit after taxation for the year	-	-	-	-	-	-	-	173,098	11,080,731	11,253,829
Other comprehensive income- net of tax										
Reassessment gain on defined benefit obligation	-	-	-	-	-	-	-	-	(257,339)	(257,339)
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	4,883,212	(285,427)	-	4,883,212	4,883,212
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	6,121	-	6,121	6,121
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	4,883,212	(2,793,306)	-	(257,339)	4,346,567
Transfer to statutory reserve	-	-	-	-	2,265,711	-	-	(38,739)	(2,265,711)	(2,265,711)
Acquisition of Punjab Capital Securities (Private) Limited	-	-	-	-	-	-	-	-	38,739	38,739
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(121,306)	-	-	121,306	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(4,871)	-	-	4,871	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(335,793)	-	-	342,593	6,800
Transactions with owners, recorded directly in equity:										
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	2,974,154	-	-	2,974,154	-	-	-	-	(2,974,154)	-
Issuance of bonus shares during the year	2,974,154	-	-	(2,974,154)	-	-	-	-	(2,974,154)	-
Balance as at December 31, 2023	32,715,693	(2,631,588)	2,215,040	-	12,820,095	4,754,559	(2,996,053)	762,170	30,502,820	80,571,166
Impact of first time adoption of IFRS-09 - net of tax (note 5.11)	-	-	-	-	-	-	3,326,807	-	(4,966,516)	(1,639,709)
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,693	(2,631,588)	2,215,040	-	12,820,095	4,754,559	390,754	762,170	25,536,304	78,931,457
Profit after taxation for the year	-	-	-	-	-	-	-	192,142	13,087,915	13,280,057
Other comprehensive income- net of tax										
Reassessment gain on defined benefit obligation	-	-	-	-	-	-	-	-	47,800	47,800
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	(3,510)	-	-	(3,510)	(3,510)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	2,132,820	-	-	2,132,820	2,132,820
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	310,679	-	-	310,679	310,679
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	-	611,985	-	-	611,985	611,985
Transfer to statutory reserve	-	-	-	-	2,675,072	2,443,499	-	-	47,800	3,099,774
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	-	-	(2,675,072)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	12,414	-	-	(25,863)	(13,449)
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(108,464)	-	-	108,464	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(1,240)	-	-	1,240	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(147,931)	-	-	237,053	89,122
Transactions with owners recorded directly in equity :										
Final cash dividend - December 31, 2023 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as at December 31, 2024	32,715,693	(2,631,588)	2,215,040	-	15,495,167	6,940,423	1,011,643	954,312	33,046,272	92,115,392

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.


Chief Financial Officer


President


Chairman


Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		24,437,162	21,129,402
Less: Dividend income		(355,106)	(568,777)
		24,082,056	20,560,625
Adjustments:			
Net mark-up / interest income		(46,447,323)	(42,931,595)
Depreciation on property and equipment	32	2,538,179	1,913,826
Depreciation on non banking assets acquired in satisfaction of claims	32	22,573	22,134
Depreciation on ijarah assets under IFAS - 2	32	401,096	270,000
Depreciation on right-of-use assets	32	1,956,626	1,730,876
Amortization on intangible assets	32	412,344	342,874
Amortization of discount on debt securities - net		(7,817,560)	(7,639,065)
Finance charges on lease liabilities	27	2,187,160	1,939,763
Unrealized gain on revaluation of investments classified as FVTPL / HFT	29	(848,697)	(55,003)
(Realized) / unrealized on revaluation of deliverable future contracts	29	(7,887)	7,887
Credit loss allowance against lending to financial institutions	34	12,825	-
(Reversal of credit loss allowance) / provision for diminution in value of investments	34	(58,487)	796,042
Reversal of credit loss allowance / provision against loans & advances	34	(3,798,415)	(1,459,384)
Reversal of credit loss allowance against balances with treasury banks	34	(235,411)	-
(Reversal of credit loss allowance) / provision against other assets - net	34	(158,479)	596,112
Credit loss allowance against off balance sheet obligations	34	236,495	-
Reversal of credit loss allowance against balance with other banks	34	(71,817)	-
Workers Welfare Fund		491,291	323,580
Gain on termination of lease liability against right-of-use assets	31	(239,480)	(238,561)
Gain on sale of property and equipment - net	31	(45,452)	(9,610)
Gain on sale of non banking assets - net	31	(514,835)	(3,882,298)
Realized gain on sale of securities - net	29.1	(10,923,904)	(5,207,506)
Net gain on derecognition of financial assets measured at amortised cost	30	(1,147,554)	-
Charge for employees compensated absences	32.1	31,077	12,421
Charge for gratuity	32.1	479,773	440,539
		(63,545,862)	(53,026,968)
		(39,463,806)	(32,466,343)
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		130,393,743	(75,131,591)
Investments classified as FVTPL / HFT		(38,743,535)	(37,643,704)
Advances		11,788,411	(215,420,999)
Others assets		66,352,661	(85,873,708)
		169,791,280	(414,070,002)
Increase / (Decrease) in operating liabilities:			
Bills payable		2,129,018	(815,786)
Borrowings from financial institutions		(45,380,925)	372,945,654
Deposits and other accounts		188,727,970	293,536,765
Other liabilities (excluding current taxation and gratuity fund)		6,379,453	3,617,139
		151,855,516	669,283,772
Payment made to gratuity fund		(690,633)	(171,152)
Mark-up / return / interest received		374,277,956	273,516,592
Mark-up / return / interest paid		(299,578,908)	(251,751,071)
Income tax paid		(11,051,612)	(7,678,769)
		62,956,803	13,915,600
Net cash flow from operating activities		345,139,793	236,663,027

CONSOLIDATED CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in FVOCI / AFS securities		(391,919,390)	(217,091,217)
Net investment in amortised cost / HTM securities		52,513,449	-
Dividends received		356,489	568,777
Investment in property and equipment		(5,877,191)	(4,477,612)
Investment in intangible assets		(801,508)	(665,151)
Proceeds from sale of property and equipment		69,011	20,456
Proceeds from sale of non banking assets acquired in satisfaction of claims	15.2	1,001,102	5,568,719
Net cash used in investing activities		(344,658,038)	(216,076,028)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(6,034)	(2,497,120)
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	21.2	50,000	3,900,000
Subscription received - privately placed term finance certificates - III	21.4	-	4,600,000
Subscription received - privately placed term finance certificates - IV	21.5	571,500	6,998,000
Dividend paid		(3,271,569)	-
Payment of lease liability against right of use assets		(2,972,068)	(2,379,620)
Net cash (used in) / flow from financing activities		(5,628,171)	10,621,260
(Decrease) / increase in cash and cash equivalents		(5,146,416)	31,208,259
Impact of credit loss allowance on cash and cash equivalents		(464,215)	-
Cash and cash equivalents at beginning of the year		109,254,980	78,046,721
Cash and cash equivalents at end of the year	38	103,644,349	109,254,980

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.


Chief Financial Officer


President


Chairman


Director


Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Bank of Punjab Group (the Group) comprises of The Bank of Punjab (the Bank) / (the Parent), Punjab Modaraba Services (Private) Limited (the Management Company), First Punjab Modaraba (the Modaraba), BOP Exchange (Private) Limited and BOP Capital Securities (Private) Limited formerly, Punjab Capital Securities (Private) Limited. For the purpose of these consolidated financial statements, The Bank of Punjab and consolidated subsidiaries are referred to as the Group.

The Group consists of:

Parent

The Bank of Punjab

	% age of holding 2024	% age of holding 2023
Rupees in '000'		
Subsidiaries		
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
BOP Capital Securities (Private) Limited	100.00%	100.00%
BOP Exchange (Private) Limited	100.00%	-

The subsidiary company of the Group, Punjab Modaraba Services (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, currency exchange etc. Brief profile of the Bank and subsidiaries is as follows :

The Bank was constituted pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 900 branches including 16 sub branches and 210 Islamic banking branches (2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the year end. The Bank also has 258 Islamic banking windows (December 31, 2023 : 73 Islamic banking windows). The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

Punjab Modaraba Service (Private) Limited

Punjab Modaraba Services (Private) Limited (PMSL) was incorporated in Pakistan on October 19, 1991 under the Companies Ordinance, 1984 as a private limited company. It is wholly owned by the Bank and is primarily engaged in the business of floating and managing Modarabas.

PMSL has accumulated losses as at December 31, 2024. Further, the Company's current liabilities exceeded its current assets. These losses are mainly due to drying up of revenue streams. The management fee and dividend from First Punjab Modaraba (the Managed Modaraba) are the main sources of revenue of the Company. The financial statements of PMSL, however, have been prepared under the going concern assumption due to the reason that with continued support of the Bank, the Modaraba management company is expected to show better performance going forward yielding returns for the Bank.

First Punjab Modaraba

First Punjab Modaraba (FPM) / (the Modaraba), was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by PMSL (wholly owned subsidiary of the Bank). The registered office of the Modaraba is situated at Office No 100, 3rd floor, National Tower 28-Edgerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on the Pakistan Stock Exchange.

During the year ended December 31, 2024, the Modaraba has incurred operating loss which has contributed to the continued erosion of equity reserves of the Modaraba. The accumulated losses - net of capital reserves, as at December 31, 2024 exceeds fifty percent of the total amount subscribed by the holders of the Modaraba Certificates, which is a non-compliance of Section 23 of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (the Modaraba Ordinance).

In order to address going concern issue in terms of section 23 of the Modaraba Ordinance, the Bank being the parent company of the Modaraba management company is providing enduring support and shall continue to provide financial support to the Modaraba in order to mitigate liquidity risks. In assessing the status of the Modaraba, management has carefully assessed a number of factors covering the performance of the business, future business prospects and appetite of majority shareholder to continue financial support.

BOP Capital Securities (Private) Limited

BOP Capital Securities (Private) Limited ("BOP CSL") is registered under the Companies Ordinance, 1984 as company limited by shares from November 29, 2016. PCSL is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the company is situated at Room No 319, 3rd Floor, LSE Building, Lahore. The Company is wholly-owned subsidiary of the Bank.

BOP Exchange (Private) Limited

BOP Exchange (Private) Limited was incorporated in Pakistan on April 18, 2024 under the Companies Act, 2017 as a private limited company. It is wholly owned by the Bank and is primarily engaged in the business of currency exchange. BOP Exchange (Private) Limited has obtained licence from SBP dated September 18, 2024.

1.2 Basis of Consolidation

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent controls another entity. The Bank also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Bank's voting rights relative to the size and dispersion of holdings of other shareholders give the Bank the power to govern the financial and operating policies etc.

The Group financial statements include the financial statements of the Bank and its subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases to exist. The financial statements of subsidiaries have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition by acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The financial statements of the Bank and its subsidiaries are prepared upto the same reporting date using consistent accounting policies.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of profit and loss account.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in consolidated statement of profit and loss account or as a change to consolidated statement of comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of profit and loss account. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in consolidated statement of profit and loss account. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of comprehensive income are reclassified to consolidated statement of profit and loss account.

2. BASIS OF PREPARATION

These financial statements are the consolidated financial statements of the Group in which investments in subsidiaries is accounted for on the basis of acquisitions method. Standalone financial statements of the Bank and its subsidiaries are prepared separately.

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Groups from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

The financial results of Islamic Banking business have been consolidated in these consolidated financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in Annexure-II to these consolidated financial statements.

The SBP, vide its BPRD Circular 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. The significant change is relating to right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated financial statements in terms of recognition and measurement of assets and liabilities.

2.1 Statement of Compliance

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

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

- Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP);
- Requirements of The Bank of Punjab Act, 1989; and
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

Wherever the requirements of the directives issued by the SBP and SECP, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of the IFRS or IFAS, the requirements of the said directives, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

2.1.2 SBP has deferred the applicability of International Accounting Standards 40, "Investment Property" for banking companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.1.3 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.1.4 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective "Consolidated Financial Statements" from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

2.1.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2024

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these consolidated financial statements except for IFRS-09 "Financial Instruments", the impact of which is disclosed in note 5.1 to these consolidated financial statements.

2.1.6 New accounting standards and IFRS interpretations that are not yet effective:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Group's operations except for:

Standard or Interpretations	Effective date (accounting periods beginning on or after)
- Amendments to IAS 21 - Lack of Exchangeability	January 01, 2025
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	January 01, 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

3. BASIS OF MEASUREMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention, except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, right-of-use assets, lease liabilities and certain staff retirement benefits at present value and staff & subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) are measured at fair value on initial recognition.

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

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in the application of accounting policies are as follows:

4.1 Classification of investments

Investments at amortized cost - Investment is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Investments at Fair Value through Other Comprehensive Income (FVOCI) - Investment is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments at Fair Value Through Profit or Loss Account (FVTPL) - Investment shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

4.2 Depreciation, amortization and revaluation of property and equipment & non-banking assets

Estimates of useful life of property and equipment & non-banking assets shall be based on management's best estimate. In making estimates of the depreciation / amortization method, the management shall use method which reflects the pattern in which economic benefits are expected to be consumed by the Group. The method applied shall be reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method should be changed to reflect the change in pattern. Further, the Group shall estimate the revalued amount of free hold land, buildings on free hold land & non-banking assets on a regular basis. The estimates shall be based on valuations carried out by an independent valuation expert under the market conditions.

4.3 Income taxes

In making estimates for income taxes currently payable by the Group, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Group's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

4.4 Staff retirement benefits

The amount of provision for gratuity and compensated absences is determined using actuarial valuation. The valuation involves making use of assumptions about discount rates, mortality, expected rate of salary increases, retirement rates, and average leave utilization per year. Due to the degree of subjectivity involved and long-term nature of these plans, such estimates are subject to significant uncertainty.

4.5 Amortization of intangibles

Estimate of useful life of intangibles shall be based on management's best estimate. In making the estimates of amortization method, the management shall use the method which reflects the pattern in which economic benefits are expected to be consumed by the Group. This method applied shall be reviewed at each financial year end.

4.6 Lease liability and right-of-use assets

In making estimates, the Group uses following practical expedients and significant judgments, as permitted by the standard:

- Use of a single discount rate for leases with similar characteristics; and
- Lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

4.7 Impairment

The impairment of non-financial assets (e.g., property, equipment and intangible assets) involves estimating the asset's recoverable amount and comparing it to its carrying value. If the carrying value exceeds the recoverable amount, an impairment loss is recognized.

4.8 Expected credit loss

The Expected Credit Loss (ECL) model, as per IFRS 9, requires Groups and financial institutions to estimate future credit losses on financial assets such as loans, advances, debt securities and off balance sheet items. The ECL model relies on various estimates to measure potential credit risk.

4.9 Fair value measurement

The estimate of fair value measurement refers to the process of determining the market-based value of a financial asset or liability at a given date. Groups apply IFRS 13 (Fair Value Measurement) to ensure consistency and transparency in financial reporting.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of previous financial year except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024 as mentioned in note 51.

5.1 Adoption of IFRS-09 - 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 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 vide Letter No. BPRD/RPD/822456/25 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. The Bank is currently in the process of assessing the impact(s) on profit income of the Bank had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations.

The adoption of IFRS-09 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio;
- evaluation of the performance of the business model and reporting to Group's key management personnel;
- risks that affect the performance and management of the business model; and
- the expected frequency, value and timing of sales.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Eventually, the financial assets fall under either of the following three business models:

- Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows;
- Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets; and
- Other business models: Resulting in classification of financial assets as FVTPL.

Assessments whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and the credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

Classification

Under IFRS-09, 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 amortized cost - A financial instrument is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are SPPI on the principal amount outstanding.
- Financial assets at FVOCI - A financial instrument is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at FVTPL - A debt financial instrument shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Under IFRS-09, the accounting for financial liabilities remains largely the same as before the adoption of IFRS-09 and therefore, these financial liabilities are being carried at amortized cost.

Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

a) Financial assets classified as amortized cost

Financial instruments under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An Expected Credit Loss allowance (ECL) is recognised for financial assets in the statement of profit and loss account. Interest / profit income / expense on these instruments are recognised in the statement of profit and loss account. On derecognition of these financial instruments, capital gain / loss shall be recognised in the statement of profit and loss account.

b. Fair value through other comprehensive income

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend / interest / profit income is recognized in statement of profit and loss account when the right to receive the payment is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in statement of profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to statement of profit and loss account.

c) Fair value through profit or loss

Financial assets are initially measured at their fair value and their associated transaction costs are charged to statement of profit and loss account.

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in statement of profit and loss account. Interest / profit income on these instruments is recorded into statement of profit and loss account. Dividend income on equity instruments is recorded in statement of profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the statement of profit and loss account. An ECL is not recognised for these financial assets.

In addition, on initial recognition, the Group may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The requirements of IFRS 9 led to changes in classification of certain financial assets held by the Group which are explained as follows:

Financial assets previously classified as Available For Sale (AFS)

The application of IFRS 9 has resulted in classification and consequent Remeasurement of investments in Islamic Naya Pakistan Certificates (INPC), amounting to Rs. 5,546,538 thousand, held under AFS portfolio as of December 31, 2023 to FVTPL based on their business model assessment.

The failure of SPPI test upon assessment of contractual cash flows of debt based financial assets has resulted in classification and consequent remeasurement of investments in certain Non Government debt securities, amounting to Rs. 1,356,664 thousand, to FVTPL.

The business model change has resulted in classification of Government debt securities, amounting to Rs. 86,676,289 thousand and Non Government debt securities of Rs. 3,215,515 thousand to amortized cost.

All other debt based financial assets previously classified as AFS upon passing the SPPI test have been designated as FVOCI under IFRS 9 as the Group's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. There is no change to their measurement basis and recognition of realized and unrealized gain / loss under IFRS 9.

The Group has elected to irrevocably designate all quoted and unquoted equity securities previously classified as

available for sale (AFS) as FVOCI except units of open end mutual funds, amounting to Rs. 3,176,823 thousand, that have been mandatorily classified as measured at FVTPL. The fair value gain or losses recognized in OCI will not be recycled to statement of profit and loss account on derecognition of these securities.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. Accordingly, the Group has reclassified impairment of Rs. 572,437 thousand on listed equity investments and Rs. 406,355 thousand for unlisted equity investments held as at December 31, 2023 to surplus / deficit on revaluation of investments.

The following table reconciles the carrying value of investments in debt based financial assets as reported on December 31, 2023 to the carrying amounts on transition to IFRS 9 at January 01, 2024:

Financial Asset	Before adoption of IFRS 9		After adoption of IFRS 9	
	Measurement Category	Audited December 31, 2023	Measurement Category	Balance as of January 01, 2024 - before ECL

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

Federal Government Securities

Market Treasury Bills	Held for Trading	27,203,193	FVTPL	27,203,193
Pakistan Investment Bonds - Fixed	Available for sale	70,668,956	Amortized cost	77,083,907
	Held to Maturity	98,547,842	Amortized cost	98,547,842
	Held for Trading	5,261	FVTPL	5,261
Pakistan Investment Bonds - Floating	Available for sale	643,945,399	FVOCI	643,945,399
	Held for Trading	16,916,467	FVTPL	16,916,467
Islamic Naya Pakistan Certificates - Ijarah Sukuks	Available for sale	5,546,538	FVTPL	5,546,538
	Available for sale	29,678,226	FVOCI	21,405,626
		-	Amortized cost	9,592,382

- Pakistan Energy Sukuks		8,340,899	FVOCI	8,340,899
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Non Government Debt Securities

- Corporate Sukuks	Available for sale	3,215,515	Amortized cost	3,215,515
- Equity Securities	Available for sale	7,651,133	FVTPL	3,176,823
			FVOCI	4,474,310

- Term Finance Certificates	Available for sale	1,356,664	FVTPL	1,356,664
			FVOCI	110,487

Subsidiary

Foreign Securities

- SWIFT Shares	Available for sale	11,957	FVOCI	11,957
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913,088,050

920,933,270

Expected Credit Loss (ECL)

The adoption of IFRS-09 has fundamentally changed the Group's loan loss impairment method with a forward-looking ECL approach. The Group shall record the allowance for ECL for all financial instruments (advances and other debt based financial assets not held at FVTPL, together with letter of credit, financial guarantees and unutilized financing commitments hereinafter referred to as "Financial Instruments").

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The 12mECL (12 months' Expected Credit Loss) is the portion of LTECLs (the Life-Time Expected Credit Loss or LTECL) that represent the ECLs that result from default events on a financial instrument that are possible within

the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on facility level basis.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Group has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

For loans and advances, PD estimation is based on the historic transitions of segmented obligors from one credit state/rating to another credit state/rating. Credit states are defined by rating classes and are based on the Group's internal credit risk ratings (i.e. from ICRR 1 to ICRR 12). In order to convert historic trends to forward-looking, PD's are weighted by considering key macro-economic drivers affecting credit ratings i.e. (Gross Domestic Product, Volume of Import of Goods & Services, Government Net Borrowings / Lendings).

For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), historical PDs have been estimated on the basis of global default Rates taken from S&P, Fitch, Moody's, PACRA and Vis rating-wise transition matrices. These annual default rates have than been converted into forward-looking point in time PDs using the vasicek model.

- LGD: LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Group expects to receive. It is expressed as a percentage of the EAD. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money. The Group has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs using the Jacob Frye model; that estimates LGD as an increasing function of default rate.

- EAD: EAD represents the amount of potential exposure that is at risk. The estimation of EAD considers any expected changes in the exposure after the reporting date, including expected drawdowns on committed facilities through the application of a credit conversion factor (CCF). The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has a legal right to call it earlier. However, in case of revolving facilities, the Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

During calculation of key elements of ECL such as PD, LGD etc., the Group has considered information / parameters which are reflective of credit risk of the existing portfolio profile.

For assessment of significant deterioration in credit risk and estimation of corresponding risk parameters, financial instruments have been grouped together based on their shared risk characteristics to collectively assess for significant credit risk deterioration.

A default will deem to have occurred either when the obligation has become over 90 Days Past Due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on 12mECL as outlined below.

Based on the above process, the Group groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1:** includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.
- Stage 2:** includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.
- Stage 3:** includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022 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 provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio. In computing Stage 3 exposures, the Group considers PD of 100% and LGDs used are based on regulatory prescribed percentages.
- "Guarantee & Letter of Credit contracts:" The Group performs internal assessment and estimates ECLs based on the BASEL driven credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities; effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

As per BPRD Circular No. 03 of 2022 dated July 05, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

When estimating the ECLs, In addition to the base economic scenario, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgment, taking account of the range of possible outcomes, each chosen scenario is representative of.

The Group's management has only considered cash, liquid securities and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Backward Transition

In line with Group's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Group of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a significant increase in credit risk (SICR) no longer exist. However, a minimum period of three months, as approved by the Board of

Directors, from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2. For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

Impact on Regulatory Capital

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the banks, which has affected their lending capacity and ability to support their clients. In order to mitigate the impact of ECL provisioning, a transitional arrangement is allowed to the banks to absorb impact on regulatory capital; in accordance with SBP's Guideline for absorption of ECL for CAR Purposes as mentioned in Annexure C of BPRD Circular No 3 of 2022. The Bank has availed benefit of captioned transitional arrangement in regulatory capital.

Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Group derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfer assets recognised in its unconsolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liabilities:

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the unconsolidated statement of profit and loss account.

Modification:

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in derecognition of that financial asset in accordance with IFRS 9, the Group recalculates the gross carrying amount of the financial asset and shall recognize a modification gain or loss in the statement of profit and loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial assets original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the financial asset.

5.1.1 Adoption impacts of IFRS-09

As permitted by the transitional provisions of IFRS-09, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves without restating the comparative information.

The impacts of adoption of IFRS-09 on Bank's statement of financial position as on January 01, 2024 are as follows:

Impact due to:												
	Balances as of December 31, 2023 (Audited)	Recognition of expected credit losses (ECL)	Adoption of revised classifications	Remeasurements	Business model and assessment criteria	Related movement in surplus	Reversal / adjustment of provisions held	Total impact- gross of tax	Related Taxation impact	Total impact- net of tax	Adjusted balance as of January 01, 2024	IFRS-09 Category
	Rupees in '000'											
ASSETS												
Cash and balances with treasury banks - net	100,894,627	(685,104)	-	-	-	-	-	(685,104)	-	(685,104)	100,209,523	Amortised cost
Balances with other banks - net	8,560,478	(86,340)	-	-	-	-	-	(86,340)	-	(86,340)	8,474,138	Amortised cost
Lendings to financial institutions - net	143,325,933	(28,160)	-	-	-	-	-	(28,160)	-	(28,160)	143,297,773	Amortised cost
Investments - net:												
- Classified as available for sale	770,415,288	-	(770,415,288)	-	(102,064,138)	6,523,150	3,303,891	(770,415,288)	-	(770,415,288)	678,178,191	FVOCI
- Classified as fair value through OCI	-	-	770,415,288	-	-	-	-	770,415,288	-	770,415,288	770,415,288	Amortised cost
- Classified as held to maturity	98,547,842	(37,237)	(98,547,842)	-	89,891,804	-	-	(98,547,842)	-	(98,547,842)	188,402,409	Amortised cost
- Classified as amortized cost	-	-	98,547,842	-	-	-	-	98,547,842	-	98,547,842	98,547,842	Amortised cost
- Classified as held for trading	44,124,920	-	(44,124,920)	-	-	-	-	(44,124,920)	-	(44,124,920)	44,124,920	FVTPL
- Classified as fair value through P&L	-	-	44,124,920	-	12,172,334	229,050	(2,321,359)	54,204,945	-	54,204,945	54,204,945	FVTPL
Advances - net	913,088,050	(37,237)	-	-	6,752,200	-	982,532	7,697,495	-	7,697,495	920,785,545	Amortised cost
Property and equipment	807,544,892	(10,919,958)	-	(13,052,066)	-	-	-	(23,972,024)	-	(23,972,024)	783,572,868	Amortised cost
Right-of-use assets	20,794,866	-	-	-	-	-	-	-	-	-	20,794,866	Outside the scope of IFRS-09
Intangible assets	12,424,136	-	-	-	-	-	-	-	-	-	12,424,136	Outside the scope of IFRS-09
Defered tax asset - net	2,099,217	-	-	-	-	-	-	-	-	-	2,099,217	Outside the scope of IFRS-09
Other assets - net	10,314,627	-	-	-	-	-	-	-	3,505,810	3,505,810	13,820,437	Amortised cost for financial assets / FVTPL
	197,156,815	(640,711)	-	9,704,455	-	-	-	9,163,744	-	9,163,744	206,320,559	Amortised cost for financial assets / FVTPL
	2,216,203,641	(12,297,510)	-	(3,347,611)	-	6,752,200	982,532	(7,910,389)	3,505,810	(4,404,579)	2,211,799,062	Amortised cost
LIABILITIES												
Bills payable	5,507,855	-	-	-	-	-	-	-	-	-	5,507,855	Amortised cost
Borrowings	453,965,991	-	-	(4,289,969)	-	-	-	(4,289,969)	-	(4,289,969)	449,676,022	Amortised cost
Deposits and other accounts	1,520,836,189	-	-	-	-	-	-	-	-	-	1,520,836,189	Amortised cost
Lease liabilities	15,727,259	-	-	-	-	-	-	-	-	-	15,727,259	Amortised cost
Subordinated debts	30,204,640	-	-	-	-	-	-	-	-	-	30,204,640	Amortised cost
Other liabilities - net	109,390,541	1,525,099	-	-	-	-	-	1,525,099	-	1,525,099	110,915,640	Amortised cost for financial liabilities FVTPL
	2,135,632,475	1,525,099	-	(4,289,969)	-	-	-	(2,764,870)	-	(2,764,870)	2,132,867,605	Amortised cost for financial liabilities FVTPL
NET ASSETS	80,571,166	(13,822,609)	-	942,358	-	6,752,200	982,532	(5,145,519)	3,505,810	(1,639,709)	78,931,457	
REPRESENTED BY												
Share capital	32,452,535	-	-	-	-	-	-	-	-	-	32,452,535	
Reserves	15,035,135	-	-	-	-	-	-	-	-	-	15,035,135	
Surplus on revaluation of assets - net of tax	1,818,506	-	-	-	6,523,150	(3,196,343)	-	6,523,150	3,326,807	3,326,807	5,145,313	
Non controlling interest	762,170	-	-	-	-	-	-	-	-	-	762,170	
Unappropriated profit	30,502,820	(13,822,609)	-	942,358	-	229,050	982,532	(1,166,689)	6,702,153	(4,966,516)	25,536,304	
	80,571,166	(13,822,609)	-	942,358	-	6,752,200	982,532	(5,145,519)	3,505,810	(1,639,709)	78,931,457	

5.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, prize bonds and balances with treasury banks and balances with other banks less over drawn nostro accounts, call borrowings and other overdrawn bank accounts.

5.3 Lendings to / borrowings from financial institutions

The Group enters into transactions of sale under repurchase obligations (repo) and purchase under resale obligations (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

5.3.1 Sale under repurchase agreements

Securities sold subject to a repurchase agreement (repo) are retained in the consolidated financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and repurchase price is accrued using effective yield method and recorded as interest expense over the term of the related repo agreement.

5.3.2 Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are not recognized in the consolidated financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. The differential between the contracted price and resale price is accrued using effective yield method and recorded as interest income.

5.4 Investments

Investments other than those categorized as FVTPL shall initially be recognized at fair value which includes transaction costs associated with the investments. Investments classified as FVTPL shall initially be recognized at fair value and transaction costs shall be expensed in the profit & loss account.

All regular way purchase / sale of investment shall be recognized on the trade date, i.e., the date the Group commits to purchase / sell the investments. Regular way purchase or sale of investment requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Investment in subsidiary shall be stated at cost less ECL (if any). Other investments shall be classified as follows:

Fair value through profit and loss

These are securities which shall be acquired with the intention to trade by taking advantage of short-term market / interest / profit rate movements. These shall be carried at market value, with the related surplus/(deficit) on revaluation being taken to profit & loss account.

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that should be held with the intention and ability to hold to maturity. These shall be carried at amortized cost.

Fair value through other comprehensive income

These shall be carried at market value with the surplus / (deficit) on revaluation taken to 'Surplus / (deficit) on revaluation of assets' shown in equity, except for investments in unquoted shares, debentures, bonds, federal, provincial and foreign government securities (except for Treasury Bills and Pakistan Investment Bonds) which shall be stated at cost less ECL for diminution in value of investments, if any.

Premium or discount on debt securities classified as available for sale and held to maturity securities shall be amortized using the effective yield method.

On de-recognition or impairment in quoted available-for-sale securities the cumulative gain or loss previously reported as "Surplus / (deficit) on revaluation of assets" in equity shall be included in the profit & loss account for the period except for equity instruments.

Gain and loss on disposal of investments shall be dealt with through the statement of profit and loss account in the year in which they arise.

5.5 Advances including net investment in finance lease

Advances and net investments in finance lease shall be stated net of ECL. As per BPRD Circular No. 03 of 2022 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 provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio.

Leases where risks and rewards incidental to ownership are substantially transferred to lessee are classified as finance lease. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value.

Unearned finance income is recognised over the term of the lease, so as to produce a constant periodic return on the outstanding net investment in lease. The Group determines credit loss allowance against investment in finance lease on a prudent basis in accordance with the requirements of the Prudential Regulations and instructions issued by the SBP and the management estimates / assumption. The assets are written off when there are no realistic prospects of recovery or to clean up the balance sheet as allowed by the SBP.

Under Ijarah financing, the Group transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight-line basis over the term of the Ijarah after taking into account the estimated residual value.

Istisna is a mode of resale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date. The funds disbursed under Istisna are recorded as "Advance against Istisna". After the manufacturing of goods, the same are recorded as inventories at the statement of financial position and after the sale of goods by customer to its ultimate buyers, Istisna financing is recognized.

For Running Musharakah, the Group and the customer enter a Musharakah (transaction or business partnership arrangement) where the Group agrees to finance the operating activities of the customer's business and share the profit or loss at a pre agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

In Murabaha transactions, the Group purchases the goods through its agent or client and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

Under Murabaha financing, funds disbursed for purchase of goods are recorded as 'Advance against Murabaha finance'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financing are recorded at the deferred sale price. Goods purchased but remained unsold at the statement of financial position date are recorded as inventories. Deferred income on Murabaha financing is adjusted against Murabaha receivable.

In Diminishing Musharaka based financing, the Group enters into Musharaka based on partnership for financing and agreed share of fixed assets with its customers and enters into period profit payment agreement for the utilization of the Group's Musharaka share by the customer.

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

5.6 Property and equipment and depreciation

5.6.1 Property and equipment

Property and equipment, other than freehold land which is not depreciated, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at revalued amount.

Depreciation on property and equipment is charged to statement of profit and loss account using the diminishing balance method so as to write off the historical cost / revalued amount of the asset over its estimated useful life, except motor vehicles, leasehold improvements and computer equipment on which depreciation is charged using

the straight line basis. The rates at which the depreciation is charged are given in note 11.2 to these consolidated financial statements. Impairment loss or its reversal, if any, is charged to statement of profit and loss account. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed.

Surplus arising on revaluation of freehold land and buildings on freehold land is credited to the "Surplus on revaluation of assets" in equity and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of buildings (net of deferred taxation) is transferred directly to un-appropriated profit / accumulated loss.

Gains and losses on sale of property and equipment are charged to statement of profit and loss account currently except that the related surplus / deficit on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Major renewals and improvements are capitalized only when it is probable that future economic benefits associated with the item will flow to the bank and cost of the item can be measured reliably and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the statement of profit and loss account as and when incurred.

5.6.2 Capital work-in-progress

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

5.7 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are subsequently depreciated over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are to be reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. Right-of-use assets are recognized using cost model.

5.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses (if any). The cost of intangible assets is amortised over their useful lives, using the straight line method as per the rates given in note 13.1 to these consolidated financial statements. Amortization on additions is charged from the month the assets are available for use while no amortization is charged in the month in which the assets are disposed.

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

5.9 Borrowings / deposits

Borrowings and deposits are recorded at the proceeds received except for Temporary Economic Refinance Facility (TERF) borrowing from the SBP which has been recorded at fair value on initial recognition. Unwinding of expense on fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

Deposits generated on Mudaraba basis are classified as 'Savings Account' and 'Fixed Deposit Accounts'. Profits realized in investment pools are distributed in pre-agreed profit-sharing ratio. Rab-ul-Maal (Customer) share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib (Bank) can distribute its share of profit to Rab-ul-Maal upto a specified percentage of its profit. Profits are distributed from the pool so the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. Asset pools are created at the Bank's discretion and the Bank can add, amend, and transfer an

asset to any other pool in the interests of the deposit holders. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

5.10 Subordinated debts

Subordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is recognized separately as part of other liabilities and is charged to the statement of profit and loss account over the period on an accrual basis.

5.11 Employee retirement and other benefits

Defined contribution plan – Provident fund

The Bank operates an approved provident fund scheme, covering all permanent employees. Contributions are made monthly by the Bank and the employees at the rate of 8.33% of basic salary. Contributions by the Bank are charged to statement of profit and loss account.

Defined benefit plan - Gratuity scheme

The Bank operates an approved funded gratuity scheme for all its permanent employees. Contributions are made to cover the obligations under the scheme on the basis of actuarial valuation carried out by independent professionally qualified valuers and are charged to profit to loss account. Actuarial gains and losses are charged or credited to other comprehensive income in the year in which they occur.

Defined benefit plan - Employees' compensated absences

The Bank makes annual provision in the consolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation carried out by independent professionally qualified valuers. Actuarial gains and losses are charged to statement of profit and loss account in the year in which they occur.

5.12 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation except land which is carried at revalued amount. The non-banking assets are depreciated over useful life on reducing balance method. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of non banking assets is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to statement of profit and loss account directly except to the extent it off-sets any existing surplus on the same asset recognised in the assets revaluation surplus. Legal fees, transfer costs and direct costs of acquiring title to property is charged to statement of profit and loss account and not capitalized.

5.13 Foreign currencies

Transactions in foreign currency are translated to Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities and commitments for letters of credit and acceptances in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date except assets and liabilities for which there are forward contracts which are translated at the contracted rates. Forward exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

All exchange differences are charged to statement of profit and loss account.

5.13.1 Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

5.14 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognized:

Mark-up / return / interest income

Mark-up / return / interest on advances and return on investments are recognized in statement of profit and loss account on an accrual basis as per terms of the contract and as permitted by the SBP, except mark-up on non-performing advances which is recognized when received. Murabaha income is recognised on deferred income basis.

Dividend income

Dividend income is recognized when the Group's right to receive the dividend is established.

Lease finance income

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to statement of profit and loss account over the term of the lease periods so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the SBP. Gain / loss on termination of lease contracts, documentation charges and other lease income are recognized through statement of profit and loss account when these are realized.

Fees and commission income

Fee commission is recognized at amount that reflects consideration to which the Group expects to be entitled in exchange for providing the services. The Group recognizes fees earned on transaction based arrangements at point in time, when the Group has provided the services to customer. Where the contract requires services to be provided over time, income is recognized on systematic basis over the period of arrangement.

5.15 Lease liabilities against right-of-use assets

The lease liability is initially measured at present value of lease payments to be made over lease term, discounted using the Bank's incremental weighted average borrowing rate. The lease liability shall be subsequently measured at amortised cost using the effective interest rate method i.e. increase by interest cost on lease liability and decrease by lease payments made.

5.15.1 Short-term leases and leases of low-value asset

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

5.16 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments / changes in laws and changes in estimates made during the current year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in income statement, except in the case of items credited or charged to equity in which case it is included in equity.

The Group also recognizes deferred tax asset / liability on deficit / surplus on revaluation of property and equipment, NBAs and available for sale securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS)12, 'Income Taxes'.

5.17 Impairment of non-financial assets

The carrying amounts of assets (other than deferred tax assets) are reviewed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the statement of profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.18 Provisions

Provisions are recorded when the Group has a present obligation as a result of a past event when it is probable that it will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

5.19 Credit loss allowance for claims under guarantees and other off balance sheet obligations

Credit loss allowance for claims under guarantees and other off balance sheet obligations shall be made when the Group has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit & loss account shall be stated net of expected recoveries.

5.20 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the equity.

5.21 Acceptances

Acceptances comprise undertaking by the Group to pay bills of exchange drawn on customer. The Group expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on balance sheet transactions.

5.22 Financial instruments

5.22.1 Financial assets and liabilities

Financial instruments carried on the statement of financial position include cash and balances with treasury banks, balances with other banks, lending to financial institutions, investments, advances, certain receivables, bills payable, borrowing from financial institutions, deposits and other accounts, subordinated debts and other payables. The particular recognition criteria adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.22.2 Off setting

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

5.23 Segment reporting

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

5.23.1 Business segments

Corporate and investment banking

This includes, loans, project finance, real estate finance, export finance, trade finance, commercial & investment banking, and other banking activities with corporate and public sector customers.

Cards and public sector deposits

It includes public sector deposits and related banking services including home remittances and card related banking services to customers of the Bank.

Consumer banking group

It includes private sector deposits and loans under retail finance, agriculture customers, small and medium enterprises and financing under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

Treasury

It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic

The segment pertains to full scale Islamic Grouping operations of the Group.

Others

This includes head office related activities, and all other activities not tagged to the segments above.

5.23.2 Geographical segments

The Group operates only in Pakistan.

5.24 Dividend distribution and appropriations

Dividend distributions and appropriation to reserves are recognized as a liability in the consolidated financial statements in the period in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which they relate.

5.25 Earnings per share

The Group presents Earnings Per Share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

		2024	2023
	Note	Rupees in '000'	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		27,151,411	22,977,986
Foreign currency		4,132,719	4,254,423
		31,284,130	27,232,409
With State Bank of Pakistan in:			
Local currency current accounts	6.1	56,961,201	53,549,220
Foreign currency current accounts	6.2	3,419,201	2,931,351
Foreign currency deposit accounts	6.3	6,949,509	6,592,100
		67,329,911	63,072,671
With National Bank of Pakistan in:			
Local currency current accounts		2,187,110	10,307,990
Prize bonds		422,169	281,557
Less: Credit loss allowance held against cash and balances with treasury banks		(449,693)	-
Cash and balances with treasury banks - net of credit loss allowance		100,773,627	100,894,627

- 6.1** This represents current account maintained with the SBP under the requirements of section 22 "Cash Reserve Requirement" of the Banking Companies Ordinance, 1962.
- 6.2** This represents mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3** This includes Special Cash Reserve Account maintained with SBP. This account carries mark-up at the rate ranging from 3.53% to 4.35% per annum (2023: 3.39% to 4.34% per annum) as announced by SBP on monthly basis.

		2024	2023
	Note	Rupees in '000'	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		228,093	105,437
Deposit accounts	7.1	14,001	205,743
		242,094	311,180
Outside Pakistan:			
Current accounts		3,013,796	3,821,143
Deposit accounts	7.2	250,343	4,428,155
		3,264,139	8,249,298
Less: Credit loss allowance held against balances with other banks		(14,522)	-
Balances with other banks - net of credit loss allowance		3,491,711	8,560,478

- 7.1** This carries mark-up at rate ranging from 7.75% to 13.5% per annum (2023: 8.45% to 20.50% per annum).
- 7.2** This carries mark-up at rate of 4.58% per annum (2023: 4.38% to 5.03% per annum).

	Note	2024	2023
		Rupees in '000'	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	8.2	-	137,025,933
Placements	8.3	12,932,190	6,300,000
		12,932,190	143,325,933
Less: Credit loss allowance held against lendings to financial institutions		(40,984)	-
Lendings to financial institutions - net of credit loss allowance		12,891,206	143,325,933
8.1 Particulars of lending			
In local currency		12,891,206	143,325,933
In foreign currencies		-	-
		12,891,206	143,325,933

8.2 Securities held as collateral against lendings 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	-	-	-	38,042,797	-	38,042,797
Pakistan investment bonds	-	-	-	98,983,136	-	98,983,136
Total	-	-	-	137,025,933	-	137,025,933

Market value of securities held as collateral as at December 31, 2024 amounted to Nil (2023: Rs. 147,815,674 thousand). These carry mark-up at rate Nil (2023: 22.05% to 22.98% per annum).

8.3 These carry profit at rate ranging from 12.15% to 18.61% per annum (2023: 20.80% to 24.15% per annum) with maturities upto December 01, 2026. Further the placement amounting to Nil (2023: Rs. 4,000,000 thousand) is secured against GOP ijarah sukuk amounting to Nil (2023: Rs. 4,000,000 thousand).

8.4 Lending to financial institutions- Particulars of credit loss allowance

		September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Lendings	Credit loss allowance held	Lendings	Provision
Rupees in '000'					
Performing	Stage 1	12,932,190	40,984	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		12,932,190	40,984	-	-

	Note	2024 Rupees in '000'	2023
9.2.1 Investments given as collateral - at cost / amortized cost			
Pakistan investment bonds		341,915,659	379,071,721

9.3 Particulars of credit loss allowance

9.3.1 Investments - exposure	Stage 1	2024 Stage 2 Rupees in '000'	Stage 3
Opening balance	3,215,515	-	424,695
New investments	-	-	-
Investments derecognized or repaid	(1,093,447)	-	(40,950)
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	-	-
Amounts written off / charged off	(1,093,447)	-	(40,950)
Closing balance	2,122,068	-	383,745
9.3.2 Investments - credit loss allowance			
Balance at the start of the year after adoption of IFRS-09	37,237	-	259,750
New investments	-	-	-
Investments derecognized or repaid	(8,271)	-	(40,950)
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(8,271)	-	(40,950)
Amounts written off / charged Off	(9,266)	-	-
	19,700	-	218,800

9.3.3 Particulars of credit loss allowance

Category of classification	2024		2023	
	NPI	Credit loss allowance	NPI	Provision
	Rupees in '000'			
Domestic				
Performing	Stage 1	2,122,068	19,700	-
Underperforming	Stage 2	-	-	-
Non-Performing	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		218,800	218,800	2,581,109
Total		2,340,868	238,500	2,581,109

9.4 Quality of FVOCI / available for sale securities

Details regarding quality of FVOCI / available for Sale securities are as follows:

	2024	2023
	Cost / Amortized cost	
	Rupees in '000'	
Federal government securities - government guaranteed		
Market treasury bills	257,315,235	-
Pakistan investment bonds	778,191,211	719,787,519
Naya Pakistan certificates	-	5,546,538
Ijarah sukuks	34,514,669	30,812,638
	1,070,021,115	756,146,695

	2024	2023
	Cost / Amortized cost	
	Rupees in '000'	
Shares		
Listed Companies		
Cable & electrical goods	-	150,224
Cement	-	170,187
Chemicals	-	921,623
Commercial banks	-	505,332
Fertilizer	251,759	815,613
Investment banks / investment companies / securities companies	16,495	12,711
Oil & gas exploration companies	-	356,602
Oil & gas marketing companies	382,959	391,409
Pharmaceuticals	-	144,455
Power generation & distribution	124,981	653,948
Refinery	-	47,743
Technology & telecommunication	-	339,668
Textile composite /weaving/ spinning	237,536	225,542
Others	3,572	3,601
	1,017,302	4,738,658

Unlisted Companies	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000'			
AI - Baraka Bank Pakistan Limited	25,000	26,570	25,000	21,260
AI - Arabia Sugar Mills Limited	81,358	-	81,358	-
	106,358	26,570	106,358	21,260

	2024	2023
	Cost	
	Rupees in '000'	
Mutual fund & investment trust units		
TPL REIT Limited	3,108,426	-
NIT Social Impact Fund	65,000	65,000
	3,173,426	65,000

	2024		2023	
	Cost	Breakup value	Cost	Breakup value
	Rupees in '000'			
TPL REIT Limited	-	-	3,163,680	3,872,000

	2024	2023
	Cost	
	Rupees in '000'	
Non government debt securities		
Listed		
- AA+, AA, AA-	179,167	390,000
- B+, B, B-	-	4,985
- Unrated	8,266,007	8,335,547
	8,445,174	8,730,532
Unlisted		
- AAA	-	1,550,000
- AA+, AA, AA-	-	-
- A+, A, A-	-	1,484,973
- BB+, BB, BB-	-	780,515
- B+, B, B-	-	399,800
- Unrated	218,400	2,547,676
	218,400	6,762,964
	8,663,574	15,493,496

	2024	2023
	Cost	
	Rupees in '000'	
9.5 Foreign equity securities		
SWIFT shares	11,957	11,957

This represents 13 shares (2023: 13 shares) of SWIFT purchased by the Bank as per mandatory requirement of the SWIFT by-laws requiring its members to purchase shares allocated on the basis of financial contributions payable to SWIFT.

	2024	2023
	Cost / Amortized cost	
	Rupees in '000'	
Federal government securities - government guaranteed		
Pakistan investment bonds	136,638,722	98,547,842
WAPDA bonds	400	400
	136,639,122	98,548,242
Non government debt securities		
Unlisted		
- AAA	630,000	-
- A+, A, A-	1,492,068	-
	2,122,068	-

9.6.1 Market value of investments measured at amortised cost amounted to Rs. 134,938,970 thousand (2023: Rs. 84,546,226 thousand).

10. ADVANCES

	Note	Performing		Non Performing		Total	
		2024	2023	2024	2023	2024	2023
		Rupees in '000'					
Loans, cash credits, running finances, etc.	101	681,774,060	675,933,777	51,297,782	48,286,050	733,071,842	724,219,827
Islamic financing and related assets		78,785,554	105,445,766	2,929,643	3,134,134	81,715,197	108,579,900
Bills discounted and purchased		14,511,697	18,092,079	17,222	17,221	14,528,919	18,109,300
Advances - gross		775,071,311	799,471,622	54,244,647	51,437,405	829,315,958	850,909,027
Credit loss allowance against advances:							
- Stage 1 / general provision		(3,583,850)	(695,731)	-	-	(3,583,850)	(695,731)
- Stage 2		(1,496,892)	-	(398,607)	-	(1,895,499)	-
- Stage 3 / specific provision		(290,318)	-	(44,788,446)	(42,668,404)	(45,078,764)	(42,668,404)
		(5,371,060)	(695,731)	(45,187,053)	(42,668,404)	(50,558,113)	(43,364,135)
Advances - net of credit loss allowance		769,700,251	798,775,891	9,057,594	8,769,001	778,757,845	807,544,892

10.1 Includes net investment in 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	2,344,482	31,072,340	12,992,508	46,409,330	3,118,954	28,350,411	7,646,459	39,115,824
Residual value	2,268,589	15,321,667	4,027,076	21,617,332	1,937,329	11,438,163	2,330,980	15,706,472
Minimum lease payments	4,613,071	46,394,007	17,019,584	68,026,662	5,056,283	39,788,574	9,977,439	54,822,296
Financial charges for future periods	577,442	620,978	78,616	1,277,036	1,635,779	5,614,544	373,096	7,623,419
Present value of minimum lease payments	4,035,629	45,773,029	16,940,968	66,749,626	3,420,504	34,174,030	9,604,343	47,198,877

10.2 Particulars of advances (gross)
2024
Rupees in '000'
2023

In local currency	815,974,414	843,073,267
In foreign currencies	13,341,544	7,835,760
	829,315,958	850,909,027

10.3 Advances to Women, Women-owned and Managed Enterprises

Women	14,522,801	10,695,626
Women Owned and Managed Enterprises	5,231,595	3,680,862
	19,754,396	14,376,488

10.3.1 Gross loans disbursed to women, women-owned and managed enterprises during the year amounting to Rs. 13,744,925 thousand (2023 : 8,196,966 thousand).

10.4 Particulars of credit loss allowance
2024
10.4.1 Advances - Exposure

	Stage 1	Stage 2	Stage 3	Total
Note	Rupees in '000'			
Gross carrying amount - current year	652,872,810	145,643,330	52,392,887	850,909,027
Impact of adoption of IFRS-09	(11,872,102)	(1,180,984)	1,020	(13,052,066)
	641,000,708	144,462,346	52,393,907	837,856,961
New advances	474,170,342	11,638,587	4,594,112	490,403,041
Advances derecognized or repaid	(369,220,297)	(121,719,788)	(8,003,959)	(498,944,044)
Transfer to stage 1	15,692,404	(15,649,269)	(43,135)	-
Transfer to stage 2	(10,389,443)	10,417,068	(27,625)	-
Transfer to stage 3	(3,066,076)	(2,441,353)	5,507,429	-
Amounts written off	107,186,931	(117,754,755)	2,026,821	(8,541,003)
	105	-	-	-
Closing balance	748,187,638	26,707,591	54,420,729	829,315,958

10.4.2 Advances - Credit loss allowance

Opening balance including impact of adoption of IFRS-09	5,456,266	3,587,807	45,240,020	54,284,093
New advances	1,561,856	324,174	2,255,888	4,141,918
Advances derecognized or repaid	(1,044,140)	(1,233,785)	(5,613,102)	(7,891,027)
Transfer to stage 1	844,949	(826,503)	(18,446)	-
Transfer to stage 2	(156,703)	168,170	(11,467)	-
Transfer to stage 3	(62,268)	(362,246)	424,514	-
	1,143,694	(1,930,190)	(2,962,613)	(3,749,109)
Amounts written off	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(3,016,110)	237,882	2,801,357	23,129
Closing balance	3,583,850	1,895,499	45,078,764	50,558,113

10.4.3 Advances - Credit loss allowance

Performing	Stage 1	748,187,638	-	-	748,187,638
Performing	Stage 2	-	26,196,931	-	26,196,931
Underperforming	Stage 3	-	510,660	-	510,660
Non-Performing:					
Other assets especially mentioned		-	-	467,952	467,952
Substandard		-	-	3,735,799	3,735,799
Doubtful		-	-	6,937,906	6,937,906
Loss		-	-	42,592,332	42,592,332
Underperforming	Stage 3	-	-	53,733,989	53,733,989
		-	-	686,740	686,740
Total		748,187,638	26,707,591	54,420,729	829,315,958
Corresponding ECL					
Stage 1 and stage 2		3,583,850	1,895,499	-	5,479,349
Stage 3		-	-	45,078,764	45,078,764
		3,583,850	1,895,499	45,078,764	50,558,113

10.4.4 Advances include Rs. 54,244,647 thousand (2023: Rs. 51,437,405 thousand) which have been placed under non-performing status as detailed below:

Category of classification		2024		2023	
		Non performing loans	Credit loss allowance	Non performing loans	Provision
Rupees in '000'					
Domestic					
Other assets especially mentioned	Stage 2	510,660	398,607	-	-
Other assets especially mentioned	Stage 3	467,952	198,195	388,638	9,041
Substandard		3,735,799	1,674,056	1,776,865	330,681
Doubtful		6,937,906	3,295,183	4,721,891	1,974,548
Loss		42,592,330	39,621,012	44,550,011	40,354,134
Total		54,244,647	45,187,053	51,437,405	42,668,404

10.4.5 Particulars of ECL / provision against advances

Note	2024			2023		
	Stage 3	Stage 1 & 2	Total	Specific	General	Total
Rupees in '000'						
Opening balance including Impact of adoption of IFRS-09	45,236,679	9,047,414	54,284,093	44,435,016	614,979	45,049,995
Charge for the year	6,447,293	2,822,634	9,269,927	2,108,556	80,752	2,189,308
Reversals for the year	(6,658,465)	(6,409,877)	(13,068,342)	(3,648,692)	-	(3,648,692)
Amounts written off	34 (211,172)	(3,587,243)	(3,798,415)	(1,540,136)	80,752	(1,459,384)
ECL / provision transferred from advances to other assets	10.5.1 -	-	-	(1,138)	-	(1,138)
Others	15.31 -	-	-	(225,338)	-	(225,338)
Closing balance	53,257	19,178	72,435	-	-	-
	45,078,764	5,479,349	50,558,113	42,668,404	695,731	43,364,135
10.4.6 Particulars of provision against advances						
In local currency	45,078,764	5,460,529	50,539,293	42,668,404	695,731	43,364,135
In foreign currencies	-	18,820	18,820	-	-	-
	45,078,764	5,479,349	50,558,113	42,668,404	695,731	43,364,135

10.4.7 This includes general provision against consumer, SME financing portfolio and credit cards as required by Prudential Regulations issued by the SBP.

10.4.8 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 312,346 thousand (2023: Rs. 3,563,768 thousand). The FSV benefit availed is not available for cash or stock dividend. Further, the Bank has availed benefit of eligible collaterals for the calculation of ECL amounting to Rs. 1,478,971 thousand as at December 31, 2024.

Note	2024		2023	
	Rupees in '000'			
10.5 Particulars of write offs:				
10.5.1	Against provisions	10.4	-	1,138
	Directly charged to profit and loss account		-	-
			-	1,138
10.5.2	Domestic			
	Write offs of Rs. 500,000 and above	10.6	-	1,138
	Write offs of below Rs. 500,000		-	-
			-	1,138

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

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given in Annexure-I.

	Note	2024 Rupees in '000'	2023
11. Property and Equipment			
Capital work-in-progress	11.1	943,459	750,114
Property and equipment	11.3	27,696,490	20,044,752
		28,639,949	20,794,866
11.1 Capital work-in-progress			
Civil works	11.1	802,910	709,037
Advances to suppliers	11.3	140,549	41,077
		943,459	750,114

2024

	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
11.2 Property and equipment								
Rupees in '000'								
At January 01, 2024:								
Cost / Revalued amount	2,644,624	10,245,910	1,577,710	4,873,115	3,465,992	5,179,167	899,997	28,886,515
Accumulated depreciation	-	(912,809)	(535,772)	(2,569,529)	(1,807,354)	(2,439,457)	(576,842)	(8,841,763)
Net book value	2,644,624	9,333,101	1,041,938	2,303,586	1,658,638	2,739,710	323,155	20,044,752
Year ended December 31, 2024								
Opening net book value	2,644,624	9,333,101	1,042,449	2,303,586	1,658,788	2,739,709	322,844	20,044,752
Additions	2,037,002	-	407,634	1,391,760	1,083,915	1,721,194	264,028	6,905,533
Movement in surplus on assets revalued during the year	1,308,863	618,723	-	-	-	-	-	1,927,586
Impairment loss recognized in the profit and loss account - net	-	-	-	-	-	-	-	-
Disposals - at cost	-	-	(21,434)	(41,060)	(77,074)	(14,757)	(29,872)	(184,197)
Depreciation on disposal	-	-	15,311	39,278	69,646	6,575	29,872	160,682
Disposals - at book value	-	-	(6,123)	(1,782)	(7,428)	(8,182)	-	(23,515)
Depreciation charge	-	(467,504)	(120,522)	(445,921)	(420,764)	(871,640)	(211,828)	(2,538,179)
Depreciation adjustment on revaluation surplus	-	1,380,313	-	-	-	-	-	1,380,313
Transfers / adjustments - at cost / revalued amount	-	11,921	-	(11,921)	-	-	-	-
Depreciation on transfers / adjustments	-	11,921	-	(11,921)	-	-	-	-
Closing net book value	5,990,489	10,876,554	1,323,438	3,235,722	2,314,511	3,581,081	375,044	27,696,490
At December 31, 2024:								
Cost / Revalued amount	5,990,489	10,876,554	1,963,910	6,211,894	4,472,833	6,885,604	113,4153	37,535,437
Accumulated depreciation	-	-	(640,983)	(2,976,172)	(2,158,472)	(3,304,522)	(758,798)	(9,838,947)
Net book value	5,990,489	10,876,554	1,322,927	3,235,722	2,314,361	3,581,082	375,355	27,696,490
Rate of depreciation (percentage)	-	5%	10%	13.33%	20%-33.33%	20%	33.33%	

	2023							
	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
	Rupees in '000'							
At January 1, 2023:								
Cost / Revalued amount	2,644,624	10,177,849	1,229,551	3,439,735	2,774,545	3,325,471	729,572	24,321,347
Accumulated depreciation	-	(422,125)	(453,212)	(2,317,288)	(1,517,126)	(1,917,959)	(432,513)	(7,060,223)
Net book value	2,644,624	9,755,724	776,339	1,122,447	1,257,419	1,407,512	297,059	17,261,124
For the year ended December 31, 2023 :								
Opening net book value	2,644,624	9,755,724	776,339	1,122,447	1,257,419	1,407,512	297,059	17,261,124
Additions	-	68,061	366,777	1,479,188	716,001	1,875,385	202,888	4,708,300
Disposals - at cost	-	-	(18,618)	(22,441)	(47,921)	(21,689)	(32,463)	(143,132)
Depreciation on disposal	-	-	13,637	22,441	42,531	21,214	32,463	132,286
Disposals - at book value	-	-	(4,981)	-	(5,390)	(475)	-	(10,846)
Depreciation charge	-	(490,684)	(96,197)	(283,284)	(324,157)	(542,712)	(176,792)	(1,913,826)
Transfers / adjustments - at cost / revalued amount	-	-	-	(23,367)	23,367	-	-	-
Depreciation on transfers / adjustments	-	-	-	8,602	(8,602)	-	-	-
	-	-	-	(14,765)	14,765	-	-	-
Closing net book value	2,644,624	9,333,101	1,041,938	2,303,586	1,658,638	2,739,710	323,155	20,044,752
At December 31, 2023 :								
Cost / Revalued amount	2,644,624	10,245,910	1,577,710	4,873,115	3,465,992	5,179,167	899,997	28,886,515
Accumulated depreciation	-	(912,809)	(535,772)	(2,569,529)	(1,807,354)	(2,439,457)	(576,842)	(8,841,763)
Net book value	2,644,624	9,333,101	1,041,938	2,303,586	1,658,638	2,739,710	323,155	20,044,752
Rate of depreciation (percentage)	-	5%	10%-15%	13.33%	15%-33.33%	20%-30%	33.33%	

11.21 Break-up of depreciation charge for the year is as follows:

	2024	2023
	Rupees in '000'	
Property expense:		
Buildings on freehold land	467,504	490,684
Lease hold improvements	445,921	283,284
	913,425	773,968
Information technology expenses:		
Computer equipments	871,640	542,712
Other operating expenses:		
Furniture and fixtures	120,522	96,197
Electrical and office equipments	420,764	324,157
Vehicles	211,828	176,792
	753,114	597,146

11.2.2 Freehold land and buildings on freehold land were revalued on December 31, 2024 by Pakistan Bank's Association (PBA) approved independent valuer, on the basis of fair market value. The revaluation surplus as on December 31, 2024 stood at Rs. 3,002,810 thousand and Rs. 6,292,406 thousand in respect of freehold land and buildings on freehold land respectively. Detailed particulars as on December 31, 2024 are as follows:

	Note	Revalued / net book amount	
		2024	2023
Rupees in '000'			
Freehold land		5,990,489	2,644,624
Buildings on freehold land		10,876,554	9,333,101

11.2.3 Had the freehold land and buildings on freehold land not been revalued, their carrying amounts would have been as follows:

	Note	2024	2023
		Rupees in '000'	
Freehold land		2,987,676	950,676
Buildings on freehold land		4,584,148	4,813,764

11.2.4 The gross carrying amount (cost) of fully depreciated assets that are still in use is as follows:

Furniture and fixtures	-	20
Lease hold improvements	2,141,917	2,180,698
Electrical and office equipments	8,724	340
Computer equipments	1,666,010	1,385,327
Vehicles	469,210	302,516
	4,285,861	3,868,901

11.2.5 Detail of property and equipment disposed off to related parties is as follows:

Description	Cost	Book value	Sale Price	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000'						
Mobile Phones	250	21	21	-	Bank's policy	Ms. Alia Zafar (Ex-employee)
Mobile Phones	150	33	33	-	Bank's policy	Asim Hafeez Qureshi (Ex-employee)
Mobile Phones	150	21	21	-	Bank's policy	Muhammad Akbar (Ex-employee)
Mobile Phones	246	14	14	-	Bank's policy	Mr. Khawar Ansari (Ex-employee)
Computers	280	238	238	-	Bank's policy	Ms. Alia Zafar (Ex-employee)
Mobile Phones	150	108	117	9	Bank's policy	Mr. Salman Shah (Ex-employee)
Computers	138	7	9	2	Bank's policy	Khawar Ansari (Ex-employee)
Computers	92	18	18	-	Bank's policy	Muhammad Ahmad Khan (Ex-employee)
Computers	177	53	53	-	Bank's policy	Muhammad Akbar (Ex-employee)

In addition to above, in terms of Bank's policy certain executives of the Bank are entitled to retain mobile phones at the end of useful life or expiry of atleast 2 years at book value. Accordingly, during the year assets having book value of Rs. 650 thousand (2023: Rs. 172 thousand) were retained by the employees.

Moreover, during the year computer equipment having book value of Rs. 4,102 thousand were transferred to BOP Exchange Private Limited.

12 Right-of-use assets	2024	2023
Rupees in '000'		
At January 01:		
Cost	17,699,453	15,806,579
Accumulated depreciation	(5,275,317)	(3,704,419)
Net carrying amount	12,424,136	12,102,160
Opening net carrying amount	12,424,136	12,102,160
For the year ended December 31:		
Additions	2,545,251	2,355,595
Terminations - at cost	(277,925)	(462,721)
Depreciation on terminations	130,928	159,978
Terminations - at book value	(146,997)	(302,743)
Depreciation charge	121 (1,956,626)	(1,730,876)
Closing net carrying amount	12,865,764	12,424,136
At December 31:		
Cost	19,966,779	17,699,453
Accumulated depreciation	(7,101,015)	(5,275,317)
Net carrying amount	12,865,764	12,424,136

12.1 Right-of-use assets are depreciated over their respective lease term.

13 INTANGIBLE ASSETS	2024	2023
Rupees in '000'		
Intangible in progress	431,669	635,072
Software and long term licenses	131 2,056,712	1,464,145
	2,488,381	2,099,217

13.1 Software and long term licenses

	2024				2023			
	Core banking software	Other software	Licenses	Total	Core banking software	Other software	Licenses	Total
At January 01								
Cost	471,900	1,905,079	239,438	2,616,417	471,900	1,770,698	-	2,242,598
Accumulated amortization	(249,037)	(786,070)	(117,165)	(1,152,272)	(201,847)	(633,963)	-	(835,810)
Net book value	222,863	1,119,009	122,273	1,464,145	270,053	1,136,735	-	1,406,788
Year ended December 31								
Opening net book value	222,863	1,119,009	122,273	1,464,145	270,053	1,136,735	-	1,406,788
Purchased / capitalized during the year	-	954,275	50,636	1,004,911	-	160,883	239,438	400,321
Adjustments - at cost	-	-	-	-	-	(90)	-	(90)
Amortization on adjustments	-	-	-	-	-	-	-	-
Amortization charge	(65,194)	(258,551)	(88,599)	(412,344)	(47,190)	(178,519)	(117,165)	(342,874)
Closing net book value	157,669	1,814,733	84,310	2,056,712	222,863	1,119,009	122,273	1,464,145
At December 31								
Cost	471,900	2,859,354	290,074	3,621,328	471,900	1,931,491	239,438	2,642,829
Accumulated amortization	(314,231)	(1,044,621)	(205,764)	(1,564,616)	(249,037)	(812,482)	(117,165)	(1,178,684)
Net book value	157,669	1,814,733	84,310	2,056,712	222,863	1,119,009	122,273	1,464,145
Rate of amortization (%)	10.00%	13.33%	License term		10.00%	13.33%	License term	
Useful life	10 years	75 years	License term		10 years	75 years	License term	

13.1.1 The gross carrying amount (cost) of fully amortized other softwares that are still in use is Rs. 428,845 thousand (2023: Rs. 428,845 thousand).

14. DEFERRED TAX ASSETS - NET

	2024				
	At January 01	Impact of Adoption of IFRS-09	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'				
Deductible temporary differences on:					
Deductible temporary differences on:					
Deficit on revaluation of investments classified as available for sale	2,811,262	(2,811,262)	-	-	-
Right of use assets net of lease liabilities	1,618,530	-	583,858	-	2,202,388
Workers Welfare Fund	642,055	-	294,781	-	936,836
Credit loss allowance against off balance sheet obligations	-	747,299	168,730	-	916,029
Credit loss allowance against lendings to financial institutions	-	13,798	7,514	-	21,312
Credit loss allowance against balance with other banks	-	42,307	(34,754)	-	7,553
Credit loss allowance against balance with treasury banks	-	335,701	(101,861)	-	233,840
Credit loss allowance against investments	-	18,246	(8,002)	-	10,244
Credit loss allowance against acceptance	-	264,948	(60,641)	-	204,307
Credit loss allowance / provision against advances	8,416,444	5,279,854	(2,998,296)	-	10,698,002
Business losses in subsidiary	72,505	-	44,662	37,203	154,370
	13,560,796	3,890,891	(2,104,009)	37,203	15,384,881
Taxable temporary differences on:					
Surplus on revaluation of property and equipment	(2,214,474)	-	117,503	(1,175,079)	(3,272,050)
Surplus on revaluation of investments classified as available for sale	-	(385,082)	-	(713,361)	(1,098,443)
Unrealized gain of revaluation of securities HFT	-	-	(432,272)	-	(432,272)
Accelerated tax depreciation	(936,833)	-	(417,236)	-	(1,354,069)
Surplus on revaluation of non banking assets	(94,862)	-	1,343	70,385	(23,134)
	(3,246,169)	(385,082)	(730,662)	(1,818,055)	(6,179,968)
	10,314,627	3,505,809	(2,834,671)	(1,780,852)	9,204,913
	2023				
	At January 01	Prior year adjustments	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'				
Deductible temporary differences on:					
- Deficit on revaluation of investments	5,898,745	-	-	(3,087,483)	2,811,262
- Right-of-use assets	967,786	-	650,744	-	1,618,530
- Workers Welfare Fund	424,296	-	217,759	-	642,055
- Provision against advances	9,894,016	-	(1,477,572)	-	8,416,444
- Business losses in subsidiary	29,555	-	42,950	-	72,505
	17,214,398	-	(566,119)	(3,087,483)	13,560,796
Taxable temporary differences on:					
- Surplus on revaluation of property and equipment	(2,045,558)	-	116,511	(285,427)	(2,214,474)
- Accelerated tax depreciation	(500,446)	-	(436,387)	-	(936,833)
- Surplus on revaluation of non banking assets	(84,335)	-	4,718	(15,245)	(94,862)
	(2,630,339)	-	(315,158)	(300,672)	(3,246,169)
	14,584,059	-	(881,277)	(3,388,155)	10,314,627

	Note	2024 Rupees in '000'	2023
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		58,536,518	89,618,189
Income / mark-up accrued in foreign currencies		111,762	11,858
Receivable from the Government of Pakistan		-	85,200,400
Advances, deposits, advance rent and other prepayments		2,455,578	1,427,101
Non-banking assets acquired in satisfaction of claims	15.1	4,049,526	1,177,222
Acceptances	22	12,772,495	15,888,469
Branch adjustment account		16,023	27,927
Mark to market gain on forward foreign exchange contracts		241,385	-
Stock of stationery		435,848	375,089
Suspense account		3,907	37,187
Zakat recoverable from National Investment Trust Limited (NITL)	15.2	36,790	36,790
Receivable against fraud and forgeries		418,081	399,468
Auto Teller Machine and point of sale receivable - net		338,296	650,830
Inter bank fund transfer and RAAST receivable - net		6,279,814	1,761,393
Receivable against settlement arrangements		221,905	225,337
Receivable against litigation expenses		312,218	312,218
Deferred fair value loss on derecognition of financial asset - notional		7,674,252	-
Deferred fair value loss on remeasurement of advances on EIR - notional		13,194,712	-
Others		3,487,869	707,725
		110,586,979	197,857,203
Less: Credit loss allowance against other assets	15.3	(1,392,319)	(1,550,998)
Other assets (net of credit loss allowance)		109,194,660	196,306,205
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24.2	940,388	850,610
Other assets - total		110,135,048	197,156,815
15.1 Market value of non-banking assets acquired in satisfaction of claims - net of credit loss allowance		4,959,038	1,996,956

The carrying and revalued amounts have been determined based on prudence, expected legal enforceability, ease of realization and current market conditions etc. These include assets which are in the process of sale and are stated at their respective sale prices. Latest valuations are carried out by PBA approved independent valuer as on December 31, 2024.

	Note	2024 Rupees in '000'	2023
15.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		1,996,956	3,677,345
Additions during the year		3,141,507	-
Surplus on revaluation during the year	24.2	329,416	28,166
Disposals during the year - net book value	15.1.2	(486,267)	(1,686,421)
Transfer to property and equipment - net book value		-	-
Depreciation charged during the year	32	(22,573)	(22,134)
Impairment reversed during the year		-	-
Closing balance		4,959,039	1,996,956

	Note	2024	2023
		Rupees in '000'	
15.12 Gain on disposal of non-banking assets acquired in satisfaction of claims			
Disposal proceeds		1,001,102	5,568,719
Less:			
- Cost / revalued amount		586,289	1,694,024
- Depreciation		(100,022)	(7,603)
		486,267	1,686,421
Gain on sale recognized during the year		514,835	3,882,298

15.2 This represents zakat deducted on dividends by NITL. The Bank has filed suit against NITL for recovery of the amount. The case was decided in favour of the Bank in 1993 and intra court appeal was filed by the Zakat and Ushr Department against the decision which is still pending. As a matter of prudence, though without prejudice to the Bank's claim against NITL at the court of law, the claim amount has been fully provided for.

	Note	2024	2023
		Rupees in '000'	
15.3 Credit loss allowance against other assets			
Income accrued in local currency		-	500,000
Advances, deposits, advance rent & other prepayments		35,723	35,723
Acceptances		53,313	-
Income / markup accrued		310,941	-
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	15.3.2	327,239	311,952
Receivable against settlement arrangements		225,337	225,337
Receivable against litigation expenses		312,218	312,217
Others		59,882	98,103
		1,392,319	1,550,998

15.3.1 Movement in credit loss allowance against other assets			
Opening balance		1,550,998	787,166
Impact of adoption of IFRS-09		540,711	-
Charge for the year		254,950	610,065
Reversals during the year		(413,429)	(13,953)
	34	(158,479)	596,112
Amount written off		(513,357)	(3,572)
Provisions transferred from advances to other assets	10.4.5	-	225,338
Other adjustments		(27,554)	(54,046)
Closing balance		1,392,319	1,550,998

15.3.2 This includes credit loss allowance amounted to Rs. 4,795 thousand (2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.

		2024	2023
		Rupees in '000'	
16. CONTINGENT ASSETS			
Contingent assets		Nil	Nil
17. BILLS PAYABLE			
In Pakistan		7,636,873	5,507,855
Outside Pakistan		-	-
		7,636,873	5,507,855

	Note	2024 Rupees in '000'	2023
18. BORROWINGS			
Secured			
Borrowings from SBP under:			
Export Refinance Scheme (ERF)	18.1	23,083,370	29,950,587
Long Term Financing Facility (LTFF)	18.2	8,862,770	11,368,117
Financing Facility for Storage of Agriculture Produce (FFSAP)	18.3	319,557	183,985
Financing Scheme for Renewable Energy Performance Platform (REPP)	18.4	5,911,823	6,435,548
Refinancing Facility for Combating COVID-19 (RFCC)	18.5	494,864	814,386
Refinance Facility for Working Capital of SMEs		-	39,891
Temporary Economic Refinance Scheme (TERF)	18.6	11,755,342	17,914,207
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	18.7	42,150	900
Finance Facility for SAAF Rozgar Reimbursement Credit	18.8	15,636,440	6,954,080
Finance Facility for Shamsi Tawanai Consumer	18.9	38,526	47,312
Islamic Temporary Economic Refinance Facility (ITERF)	18.10	1,413,043	1,396,701
Refinancing Facility for Modernization of SMEs	18.11	90,033	137,300
		67,647,918	75,243,014
Repurchase agreement borrowings	18.12	338,739,825	377,025,018
Borrowings from Pakistan Mortgage Refinance Company Limited	18.13	1,997,198	1,497,834
Total secured		408,384,941	453,765,866
Unsecured			
Call borrowings		200,000	-
Overdrawn nostro accounts		420,989	200,125
Total unsecured		620,989	200,125
		409,005,930	453,965,991

18.1 These are secured against the Bank's cash and security balances held with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 16.50% per annum (2023: 1.00% to 18.00% per annum) with maturities upto June 25, 2025.

18.2 This amount has been obtained for providing long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 16.00% per annum (2023: 2.00% to 16.00% per annum) with maturities upto June 16, 2032.

18.3 These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 4.25% per annum (2023: 2.00% to 2.50% per annum) with maturities upto July 01, 2029.

18.4 These represent borrowings under scheme of financing facility for renewable energy performance platform. Mark-up on these borrowings is payable quarterly at rate of 2.00% to 3.00% per annum (2023: 2.00% to 3.00% per annum) with maturities upto June 30, 2036.

18.5 These represent borrowings under scheme of financing facility for combating COVID-19. Mark-up on these borrowings is payable quarterly at rate of Nil (2023: Nil) with maturities upto June 23, 2027.

18.6 These represent borrowings under scheme of temporary economic refinance facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2023: 1.00% per annum) with maturities upto January 06, 2033.

18.7 These represent borrowings under scheme of financing for women entrepreneurs. Mark-up on these borrowings is payable quarterly at rate of Nil (2023: Nil) with maturities upto January 01, 2029.

18.8 These represent borrowings under scheme of financing for SAAF rozgar reimbursement credit. Mark-up on these borrowings is payable quarterly at rate of 1.00% to 3.00% per annum (2023: 1.00% to 3.00% per annum) with maturities upto December 05, 2029.

- 18.9** These represent borrowings under scheme of financing for shamsi tawanai. Mark-up on these borrowings is payable quarterly at rate ranging from 1.00% to 2.00% per annum (2023: 2.00% per annum) with maturities upto December 05, 2031.
- 18.10** These represent borrowings under scheme of Islamic temporary economic refinance facility (ITERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2023: 1.00% per annum) with maturities upto April 27, 2032.
- 18.11** These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMEs). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2023: 2.00% per annum) with maturities upto November, 11, 2030.
- 18.12** These are secured against Pakistan investment bonds (PIBs), carrying mark-up at rate ranging from 13.06% to 14.00% per annum (2023: 22.06% to 23.00% per annum). The carrying value of PIBs given as collateral against these borrowings is Rs. 339,822,380 thousand (2023: Rs. 378,567,017 thousand).
- 18.13** These are secured against PIBs and hypothecation charge over mortgage loan portfolio, carrying markup at rates ranging from 6.50% to 13.63% per annum (2023: 6.50% to 8.10% per annum) maturing on June 30, 2031. The carrying value of PIBs given as collateral against these borrowings is Rs. 2,093,280 thousand (2023: Rs. 504,704 thousand).

	2024	2023
	Rupees in '000'	
18.14 Particulars of borrowings with respect to currencies		
In local currency	408,584,941	453,765,866
In foreign currencies	420,989	200,125
	409,005,930	453,965,991

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	339,980,192	10,182,140	350,162,332	271,157,088	10,577,445	281,734,533
Savings deposits	680,865,027	5,613,810	686,478,837	622,556,998	5,554,561	628,111,559
Term deposits	598,218,684	49,773,450	647,992,134	497,160,082	41,494,976	538,655,058
Margin deposits	8,776,447	-	8,776,447	9,289,608	-	9,289,608
	1,627,840,350	65,569,400	1,693,409,750	1,400,163,776	57,626,982	1,457,790,758
Financial institutions:						
Current deposits	1,694,808	1,590,280	3,285,088	2,200,216	975,218	3,175,434
Savings deposits	7,533,559	20,597	7,554,156	58,368,739	5,150	58,373,889
Term deposits	5,225,157	-	5,225,157	1,463,890	-	1,463,890
Margin deposits	90,008	-	90,008	32,218	-	32,218
	14,543,532	1,610,877	16,154,409	62,065,063	980,368	63,045,431
	1,642,383,882	67,180,277	1,709,564,159	1,462,228,839	58,607,350	1,520,836,189

	2024	2023
	Rupees in '000'	
19.1 Composition of deposits:		
- Individuals	222,777,019	189,224,459
- Private sector	497,060,294	386,696,309
- Government (federal and provincial)	717,809,405	656,444,030
- Public sector entities	255,763,032	225,425,960
- Banking companies	3,696,560	2,602,799
- Non-banking financial institutions	12,457,849	60,442,632
	1,709,564,159	1,520,836,189

19.2 Deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 580,736,877 thousand (2023: Rs. 468,135,929 thousand).

19.3 Current deposits include call deposits amounting to Rs. 30,976,161 thousand (2023: Rs. 23,958,929 thousand).

	Note	2024 Rupees in '000'	2023
20. LEASE LIABILITIES			
Outstanding amount at the start of the year		15,727,259	14,352,825
Additions during the year		2,545,251	2,355,595
Interest expense		2,187,160	1,939,763
Terminations during the year		(386,477)	(541,304)
Lease payments including interest		(2,972,068)	(2,379,620)
Outstanding amount at the end of the year		17,101,125	15,727,259
20.1. Contractual maturity of lease liabilities:			
Short-term lease liabilities - within one year		146,338	84,722
Long-term lease liabilities			
- 1 to 5 years		1,631,629	1,435,423
- 5 to 10 years		9,010,163	7,107,157
- More than 10 years		6,312,995	7,099,957
		16,954,787	15,642,537
Total lease liabilities		17,101,125	15,727,259
21. SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	211	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	212	3,950,000	-
Privately placed term finance certificates - II	213	4,288,820	4,290,540
Privately placed term finance certificates - III	214	6,995,800	6,998,600
Privately placed term finance certificates - IV	215	7,567,986	-
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue		-	3,900,000
Advance subscription money - privately placed term finance certificates - IV		-	6,998,000
		30,820,106	30,204,640

21.1 Subordinated perpetual term finance certificates-ADT I

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 8,017,500 thousand
Issue date:	June 20, 2022
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).

Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

21.2 Subordinated perpetual term finance certificates - ADT I 2nd Issue

During the period, the Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 3,950,000 thousand
Issue date:	February 29, 2024
Maturity date:	Perpetual
Rating:	AA
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

21.3 Privately placed term finance certificates - II

The Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered

book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rupees 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	AA
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

21.4 Privately placed term finance certificates - III

The Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 7,000,000 thousand
Issue date:	April 17, 2023
Maturity date:	April 17, 2033
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit:	Profit payable on half yearly basis in arrears on the outstanding principal amount.

Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

21.5 Privately placed term finance certificates - IV

During the period, the Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 7,569,500 thousand
Issue date:	June 27, 2024
Maturity date:	June 27, 2034
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.

Lock in clause: Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.

Loss absorbency clause: May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

	Note	2024 Rupees in '000'	2023
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		58,967,498	60,632,166
Mark-up / return / interest payable in foreign currency		1,245,364	1,341,354
Mark-up payable on subordinated debts		680,067	1,080,725
Provision for taxation (provisions less payments)		1,806,749	4,535,927
Sundry creditors and accrued expenses		2,269,665	2,912,244
Lease key money		21,617,332	15,706,472
Acceptances	15	12,772,495	15,888,469
Payable to gratuity fund	40.1.3	421,347	690,633
Gratuity payable to key management personnel		30,061	19,435
Provision for employees compensated absences	40.2.3	184,746	163,363
Mark to market loss on forward foreign exchange		-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans		113,276	153,786
Provision against off-balance sheet obligations	22.1	1,805,577	43,983
Taxes / zakat / import fee payable		3,721,022	2,115,471
Unclaimed dividends		2,586	2,585
Payable to charity fund		469	850
Insurance payable against consumer assets financing		844,675	584,365
Payable against purchase of shares		200	384,367
Workers Welfare Fund	22.2	2,086,563	1,595,273
Deferred income		1,013,460	-
Others		3,313,764	1,505,166
		112,896,916	109,390,541
22.1 Movement in provision held against off-balance sheet obligations			
Opening balance		43,983	43,983
Impact of adoption of IFRS-09	5.11	1,525,099	-
		1,569,082	43,983
Charge for the year		969,931	-
Reversals during the year		(733,436)	-
	34	236,495	-
Amount written off		-	-
Closing balance		1,805,577	43,983

The above provision has been made against letters of guarantee issued by the Bank.

22.2 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Group maintained its provision in respect of WWF.

23. SHARE CAPITAL - NET

23.1 Authorized Capital

2024	2023		2024	2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Group is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of Directors have approved the increase in authorized share capital of the Group to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Group has initiated the process for necessary amendments in the Group of Punjab Act, 1989 through the Provincial Assembly of Punjab.

23.2 Issued, subscribed and paid up capital

2024	2023		2024	2023
Number of shares			Rupees in '000'	
		Opening Balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	11,373,410	8,399,256
3,271,569,319	2,974,153,927		32,715,693	29,741,539
		Movement during the year		
-	297,415,392	Issued as bonus shares	-	2,974,154
		Closing Balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at December 31, 2024 (December 31, 2023: 57.47%).

	Note	2024	2023
		Rupees in '000'	
24. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (Deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments		1,523,058	(5,747,315)
Securities measured at FVOCI - equity investments		587,028	-
- Property and equipment	24.1	9,295,219	6,213,285
- Non-banking assets acquired in satisfaction of claims	24.2	940,388	850,610
		12,345,693	1,316,580
Deferred tax on surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments		(793,188)	2,811,262
Securities measured at FVOCI - equity investments		(305,255)	-
- Property and equipment	24.1	(3,272,050)	(2,214,474)
- Non-banking assets acquired in satisfaction of claims	24.2	(23,134)	(94,862)
		(4,393,627)	501,926
		7,952,066	1,818,506

	Note	2024 Rupees in '000'	2023
24.1 Surplus on revaluation of property and equipment - net of tax			
At January 01		6,213,285	6,451,062
Surplus on land and building transferred from non banking assets during the year		3,307,899	-
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(108,464)	(121,306)
Related deferred tax liability on incremental depreciation charged during the year		(117,501)	(116,550)
Adjustment in surplus on asset transferred from NBA to property and equipment		-	79
At December 31		9,295,219	6,213,285
Less: related deferred tax liability on:			
- surplus as at January 01		(2,214,474)	(2,045,558)
- surplus recognized during the year		(1,039,499)	-
- account of change in deferred tax due to tax rate change		(135,580)	(285,427)
- incremental depreciation charged during the year		117,503	116,550
- adjustment in surplus on asset transferred from NBA to property and equipment		-	(39)
	14	(3,272,050)	(2,214,474)
		6,023,169	3,998,811
24.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net of tax			
At January 01		850,610	1,174,666
Surplus recognized during the year	15.1	329,416	28,166
Surplus realized on disposal during the year		(237,053)	(342,593)
Surplus reversed on account of restoration of loan			
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(1,240)	(4,871)
Related deferred tax liability on incremental depreciation charged during the year		(1,345)	(4,679)
Adjustment in surplus on asset transferred from NBA to property and equipment		-	(79)
At December 31		940,388	850,610
Less: related deferred tax liability on:			
- surplus as at January 01		(94,862)	(84,335)
- surplus recognized during the year		(12,930)	(10,277)
- account of change in deferred tax due to tax rate change		(5,807)	(11,768)
- surplus realized on disposal during the year		89,122	6,800
- incremental depreciation charged during the year		1,343	4,679
- adjustment in surplus on asset transferred from NBA to property and equipment		-	39
	14	(23,134)	(94,862)
		917,254	755,748
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	159,178,133	135,621,749
Commitments	25.2	353,075,813	406,852,140
Other contingent liabilities	25.3	291,951	291,951
		512,545,897	542,765,840

	Note	2024 Rupees in '000'	2023
25.1 Guarantees:			
Financial guarantees		48,123,386	34,797,867
Performance guarantees		28,380,622	23,965,466
Other guarantees:			
Back to back guarantee		47,837,861	54,320,270
Mobilization and bid bond guarantee		14,779,233	9,184,433
Other guarantee		20,057,031	13,353,713
		82,674,125	76,858,416
		159,178,133	135,621,749
25.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		162,730,274	172,670,983
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	120,009,708	217,833,716
- derivatives (specify separately in sub note for each class of			
- forward Government securities transactions	25.2.2	35,060,700	-
- deliverable future contracts	25.2.3	-	128,320
- forward lending	25.2.4	34,883,622	15,817,173
Commitments for acquisition of:			
- property and equipment		342,919	240,693
- intangible assets		48,590	161,255
		353,075,813	406,852,140
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		76,547,355	121,124,664
Sale		43,462,353	96,709,052
		120,009,708	217,833,716
25.2.2 Commitments in respect of forward Government securities transactions			
Purchase		18,060,700	-
Sale		17,000,000	-
		35,060,700	-
25.2.3 Commitments in respect of deliverable future contracts		-	128,320
25.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	25.2.4.1	34,883,622	15,817,173

25.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2024	2023
	Rupees in '000'	
25.3 Other contingent liabilities	291,951	291,951

For tax years 2014 - 2024, the tax department disputed the Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these consolidated financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

25.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 46,889,928 thousand (2023: Rs. 46,313,295 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to the Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2024	2023
	Rupees in '000'	
26. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	117,843,517	155,554,596
Investments	215,724,812	166,747,483
Lendings to financial institutions	4,435,254	4,358,419
Balances with banks	789,820	575,242
IFRS-09 adjustment - notional		
Staff	3,490,257	-
Others	1,581,255	-
	343,864,915	327,235,740
26.1. Interest income recognised on:		
Financial assets measured at amortised cost	144,995,191	-
Financial assets measured at FVOCI	186,897,019	-
Financial assets measured at FVTPL	11,972,705	-
	343,864,915	-
27. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits and other accounts	230,485,239	190,747,773
Borrowings	59,338,801	87,918,230
Subordinated debts	6,781,634	5,638,142
Mark-up on lease liability	2,187,160	1,939,763
IFRS-09 adjustment on borrowings - notional	811,918	-
	299,604,752	286,243,908

	Note	2024 Rupees in '000'	2023
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		441,883	385,750
Consumer finance related fees		727,578	558,598
Card related fees (debit and credit cards)		4,333,898	1,258,975
Credit related fees		931,022	853,251
Investment banking fees		514,611	401,547
Branchless banking fees		170,967	112,901
Commission on trade		1,713,160	1,341,346
Commission on guarantees		571,691	254,497
Commission on cash management		216,007	269,291
Commission on remittances including home remittances		590,742	501,669
Commission on bancassurance		250,407	229,378
Commission on wheat financing		27	678,640
SMS banking income		1,002,090	614,236
		11,464,083	7,460,079
29. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	291	10,923,904	5,207,506
Unrealized gain - FVTPL / held for trading	91	848,697	55,003
Unrealized loss - deliverable future contracts	22	7,887	(7,887)
		11,780,488	5,254,622
29.1 Realized gain on sale of securities - net:			
Government Securities		8,086,597	3,849,080
Non Government Debt Instruments		1,705,438	-
Shares		1,131,869	1,358,426
		10,923,904	5,207,506
29.2 Realized gain on sale of securities - net:			
Designated upon initial recognition		2,750,306	-
Mandatorily measured at FVTPL		1,719,274	-
Net gain/loss on debt instruments measured at FVOCI		6,454,324	-
		10,923,904	-
30. NET GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Gain on derecognition on financial assets measured at amortised cost - notional	30.1	1,563,972	-
Loss on derecognition on financial assets measured at amortised cost - notional	30.2	(403,908)	-
Loss on derecognition/modification of advances measured at amortised cost - notional		(12,510)	-
		1,147,554	-
30.1	During the year, the Group has derecognized outstanding exposures of certain borrowers amounting to Rs. 2,436,762 thousand through acquisition of properties, in auction and negotiated purchase. Accordingly, a fair value gain of Rs. 1,563,972 thousand has been recognized in these consolidated financial statements.		
30.2	This amount includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). 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 recognized proportionate amount of 1st year's 5% of loss in these consolidated financial statements.		

		2024	2023
31. OTHER INCOME - NET	Note	Rupees in '000'	
Rent on property		12,949	-
Gain on termination of lease liability against right-of-use assets		239,480	238,561
Gain on sale of property and equipment - net		45,452	9,610
Gain on disposal of non banking assets acquired in satisfaction of claims - net	15.1.2	514,835	3,882,298
Notice pay on resignations		63,312	38,335
Claim decided in favour of Bank against litigation		331,646	-
Others		-	3,207
		1,207,674	4,172,011
32. OPERATING EXPENSES			
Total compensation expense	32.1	28,012,913	20,103,728
Property expense:			
Rent and taxes		80,900	39,876
Insurance		17,228	14,333
Utilities cost		2,086,062	1,519,179
Security		2,018	7,198
Repair and maintenance (including janitorial charges)		252,209	119,760
Depreciation		913,425	773,968
Depreciation on right-of-use assets	12	1,956,626	1,730,876
		5,308,468	4,205,190
Information technology expenses:			
Software maintenance		1,519,090	1,168,002
Hardware maintenance		92,137	73,114
Depreciation		870,860	542,712
Amortization	13.1	412,344	342,874
Network charges		562,754	522,466
		3,457,185	2,649,168
Other operating expenses:			
Directors' fees and allowances	41.2	64,908	36,294
Fees and allowances to Shariah Board	41.3	14,865	8,735
Legal and professional charges		408,256	264,505
Subscription charges		89,065	44,208
Outsourced staff services costs	39.1	1,031,140	789,534
Travelling and conveyance		404,392	408,648
NIFT clearing charges		107,032	112,920
Depreciation		753,894	597,146
Depreciation on non banking assets	15.1.1	22,573	22,134
Depreciation on ijarah assets		401,096	270,000
Training and development		137,299	159,452
Postage and courier charges		360,488	289,782
Stationery and printing		717,314	602,372
Marketing, advertisement and publicity		579,889	565,243
Auditors remuneration	32.2	21,649	17,241
Insurance		313,269	300,664
Deposit protection fee		749,017	581,028
Repair and maintenance		818,439	532,964
Entertainment expenses		317,370	293,060
Vehicle running expenses		108,443	90,609
Fuel for generator		221,397	298,571
Commission and brokerage		487,206	306,148
Bank charges		61,776	48,025
Card related expenses		2,834,102	1,746,669
SMS banking charges		731,205	520,595
Branch license fee		38,766	32,923
CNIC verification / ECIB charges		384,324	308,375
Organizational development		85,305	28,396
Cash remittance charges		731,326	644,441
COVID - 19 related expenses		39	589
Miscellaneous expenses		438,957	424,810
		13,433,626	10,346,081
		50,212,192	37,304,167

Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 2,183,685 thousand (2023: Rs. 1,899,986 thousand). This expense represents payments made to companies incorporated in Pakistan. The Bank has material outsourcing arrangement with "Abacus ELS Private Limited" for third party staff hiring.

	Note	2024 Rupees in '000'	2023
32.1 Total compensation expense			
Managerial remuneration:			
Fixed		17,899,847	14,724,229
Variable cash bonus / awards etc.		2,329,267	1,799,414
Charge for defined benefit plan	40.1.71	469,147	433,294
Gratuity expense of key management personnel		10,626	7,245
Charge for compensated absences	40.2.4	31,077	12,421
Contribution to defined contribution plans		600,570	501,543
Utilities		-	-
Medical		606,599	530,314
Conveyance		2,514,075	2,030,003
Liveries		36,812	50,857
Scholarship		23,831	12,647
Sub total		24,521,851	20,101,967
Sign-on bonus		805	1,761
IFRS-09 Adjustment for staff loans - notional		3,490,257	-
Grand Total		28,012,913	20,103,728
During the year sign-on bonus was paid to 03 employees (2023: 03 employees).			
32.2 Auditors remuneration			
Audit fee		6,719	4,800
Fee for half year review and other statutory certifications		7,126	6,290
Special certifications		3,077	4,398
Other services		3,045	-
Out of pocket expenses		1,682	1,753
		21,649	17,241
33. OTHER CHARGES			
Penalties imposed by SBP		6,458	50,719
Operational loss		157	4,190
		6,615	54,909
34. REVERSAL OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against lending to financial institutions (Reversal of credit loss allowance) / provision for diminution in value of investments		12,825	-
Reversal of credit loss allowance / provision against loans & advances	10.4.5	(58,487)	796,042
Reversal of credit loss allowance against balances with treasury banks		(3,798,415)	(1,459,384)
(Reversal of credit loss allowance) / provision against other assets - net	15.3.1	(235,411)	-
Credit loss allowance against off balance sheet obligations	22.1	(158,479)	596,112
Reversal of credit loss allowance against balance with other banks		236,495	-
		(71,817)	-
		(4,073,289)	(67,230)

	Note	2024 Rupees in '000'	2023
35. TAXATION-NET			
Current	35.1	8,280,502	8,125,424
Prior years		41,932	868,872
Deferred		2,834,671	881,277
	35.3	11,157,105	9,875,573

35.1 This includes provision for super tax for the year in accordance with Income Tax Ordinance, 2001.

35.2 The Government vide Finance Act 2023, has enacted super tax at the rate of 10% for indefinite future period of time. Accordingly, the effect of change in deferred tax rate has been recognized in these consolidated financial statements.

		2024 Rupees in '000'	2023
35.3 Relationship between tax expense and accounting profit			
Accounting profit before tax for the year		24,437,162	21,129,402
Tax on income @ 44%		10,752,351	8,240,467
Super tax @ 10%		2,443,716	2,112,940
Effective tax rate @ 54%		13,196,067	10,353,407
Tax effect of permanent differences		(845,162)	24,852
Tax effect of prior year		41,932	868,872
Cumulative tax effect of change in tax rate		(1,378,058)	(1,473,488)
Others		142,326	101,930
Tax charge for the year		11,157,105	9,875,573

36. BASIC EARNINGS PER SHARE			
Profit after tax for the year (Rs in '000')		13,087,915	11,080,731
Weighted average number of ordinary shares (No.)	23.2	3,271,569,319	3,271,569,319
Basic earnings per share (Rs).		4.00	3.39

37. DILUTED EARNINGS PER SHARE
There is no dilution effect on basic earnings per share.

38. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	100,773,627	100,894,627
Balance with other banks	7	3,491,711	8,560,478
Call borrowing	18	(200,000)	-
Overdrawn nostro accounts	18	(420,989)	(200,125)
		103,644,349	109,254,980

38.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2024				2023			
	Liabilities		Equity		Liabilities		Equity	
	Subordinated debts	Other liabilities	Un-appropriated profit	Total	Subordinated debts	Other liabilities	Un-appropriated profit	Total
Balance as at January 01,	30,204,640	125,117,800	3,050,282	185,825,260	17,203,760	85,387,012	24,411,784	127,002,556
Changes from financing cash flows								
Repayment of subordinated debts	(6,034)	-	-	(6,034)	(2,497,120)	-	-	(2,497,120)
Subordinated perpetual term finance certificates - ADT1	-	-	-	-	-	-	-	-
Advance subscription money received - Subordinated perpetual term finance certificates ADT - 1 2nd issue	50,000	-	-	50,000	3,900,000	-	-	3,900,000
Subscription received - privately placed term finance certificates - III	-	-	-	-	4,600,000	-	-	4,600,000
Advance subscription money received - privately placed term finance certificates - IV	571,500	(2,972,068)	-	571,500	6,998,000	-	-	6,998,000
Payment of lease liability against right-of-use-assets	-	(2,972,068)	(3,271,569)	(2,972,068)	-	(2,379,620)	-	(2,379,620)
Dividend paid	-	-	(3,271,569)	(3,271,569)	-	-	-	-
Total changes from financing cash flows	615,466	(2,972,068)	(3,271,569)	(5,628,171)	13,000,880	(2,379,620)	-	10,621,260
Liability related								
Changes in Other liabilities								
Cash based	-	5,688,820	-	5,688,820	-	35,999,061	-	35,999,061
Dividend payable	-	-	-	-	-	-	-	-
Non cash based	-	2,163,489	-	2,163,489	-	6,111,347	-	6,111,347
Total liability related other changes	-	7,852,309	-	7,852,309	-	42,110,408	-	42,110,408
Total equity related other changes	-	-	5,815,021	5,815,021	-	-	6,091,036	6,091,036
Balance as at December 31	30,820,106	129,998,041	33,046,272	193,864,419	30,204,640	125,117,800	30,502,820	185,825,260

Rupees in '000'

	2024	2023
	Number	
39. STAFF STRENGTH		
Permanent	12,403	11,481
On Bank contract	2,323	2,239
Group's own staff strength at the end of the year	14,726	13,720

39.1 In addition to the above, 1,688 (2023: 1,498) employees of outsourcing services companies were assigned to the Group as at the end of the year to perform services other than guarding and janitorial services.

40. EMPLOYEE BENEFITS

40.1 Defined benefit plan - gratuity

The Bank operates a funded gratuity scheme for all its permanent employees. The benefits under the scheme are payable on retirement / resignation which is equal to one month's last drawn basic salary for each year of eligible service or part thereof, with effect from January 01, 2008 or date of joining whichever is later, subject to minimum of five years of service. The Bank makes annual provision in these consolidated financial statements for its liabilities on the basis of actuarial valuation.

40.1.1 Number of employees under the scheme

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

	2024	2023
	Number	
- Eligible employees under gratuity scheme	12,333	11,420

40.1.2 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2024 using the "Projected Unit Credit Method". The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table. The principal assumptions used in the valuation were as follows:

	2024	2023
	Per annum	
Discount rate	12.25%	16.75%
Expected rate of return on plan assets	12.25%	16.75%
Expected rate of salary increase	10.25%	14.75%
Average expected remaining working life (years)	10	10

	2024	2023
	Rupees in '000'	
40.1.3 Reconciliation of payable to defined benefit plan		
Present value of obligations	3,875,383	3,232,365
Fair value of plan assets	(3,526,098)	(2,561,319)
Benefits payable	72,062	19,587
Payable to defined benefit plan	421,347	690,633

	Note	2024 Rupees in '000'	2023
40.1.4 Movement in present value of defined benefit obligations			
Obligations at the beginning of the year		3,232,365	2,478,352
Current service cost		418,982	425,748
Interest cost		516,962	352,706
Benefits paid during the year		(292,053)	(91,794)
Re-measurement loss - other comprehensive income		(873)	67,353
Obligations at the end of the year		3,875,383	3,232,365
40.1.5 Movement in fair value of plan assets			
Fair value at the beginning of the year		2,561,319	2,354,676
Interest income on plan assets		466,797	345,160
Contribution by the Bank during the year		690,633	171,152
Benefits paid during the year		(239,578)	(119,683)
Remeasurement : return on plan assets excluding interest income		46,927	(189,986)
Fair value at the end of the year		3,526,098	2,561,319
40.1.6 Movement in payable under defined benefit scheme			
Opening balance		690,633	171,152
Charge for the year	40.1.7.1	469,147	433,294
Contribution by the Bank during the year		(690,633)	(171,152)
Re-measurement (gain) / loss recognized in other comprehensive income during the year	40.1.7.2	(47,800)	257,339
Closing balance		421,347	690,633
40.1.7 Charge for defined benefit plans			
40.1.7.1 Cost recognized in profit and loss			
Current service cost		418,982	425,748
Net interest on defined benefit plan		50,165	7,546
		469,147	433,294
40.1.7.2 Re-measurements recognized in other comprehensive income during the year			
Actuarial loss due to changes in financial assumptions		(19,979)	(249,247)
Loss on obligation due to experience adjustments		19,106	316,600
Return on plan assets over interest income		(46,927)	189,986
Total re-measurement (gain) / loss recognized in other comprehensive income		(47,800)	257,339
40.1.8 Components of plan assets			
Cash and cash equivalents - net		726,098	311,319
Government securities		1,825,000	1,275,000
Shares / units		-	-
Non-Government debt securities		975,000	975,000
		3,526,098	2,561,319

These assets are mostly contained in the form of cash and cash equivalents and government securities so there is no significant risk associated with it. However, investments may be adversely affected by movement in equity and interest rate markets.

40.1.9 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations. The increase / (decrease) in the present value of defined benefit obligations as a result of change in discount rate and salary growth is summarized below:

	2024	2023
	Rupees in '000'	
1% increase in discount rate	(3,543,461)	(2,955,516)
1% decrease in discount rate	4,238,491	3,535,225
1 % increase in expected rate of salary increase	4,238,397	3,535,147
1 % decrease in expected rate of salary increase	(3,543,417)	(2,955,480)
40.1.10 Expected contributions to be paid to the fund in the next financial year	421,347	690,633
40.1.11 Expected charge for the next financial year	527,593	608,867
40.1.12 Maturity profile		
The weighted average duration of the obligation (in years)	9	9

40.1.13 Funding policy

There are no statutory minimum funding requirements. However, contributions to the scheme are made on the basis of actuarial valuations carried in each year.

The Bank's gratuity scheme is mainly subject to following risks:

Asset volatility	The majority of the gratuity fund assets are invested in cash or cash-equivalent, government securities and non government debt securities. Therefore, there is investment risk to the scheme due to fluctuation in interest rate environment or changes in bond yields of debt securities. Also, there is no liquidity investment risk to the scheme. However, investments may be adversely affected by movement in equity and interest rate markets.
Inflation risk	Higher than expected growth in inflation may result in higher than assumed salary increases which will lead to increase in liability. However, assets of the scheme may not be at significant risk due to changes in inflation rate.
Life expectancy / Withdrawal rate	Actuarial valuation assumes heavy withdrawals for younger ages but moderate withdrawal rates are used for older ages. Significant withdrawals of employees having reasonable years of service would cause large benefit payments. Consequently, deficit position of the scheme would deteriorate further. However, availability of cash for benefit payments will not be an issue due to the liquid nature of assets of the Gratuity Fund.

40.2 Defined benefit plan - compensated absences

The Bank makes annual provision in these consolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. The employees of the Bank are entitled to take leave as Leave Preparatory to Retirement (LPR) immediately before retirement. These leaves are subject to retirees' un-utilized privilege leave balance with an upper limit of 180 days. Alternatively, the retiree may receive a lump-sum cash amount equal to 180 days basic salary at the time of retirement in lieu of LPR of 180 days. Privilege leave accrues at the rate of 30 days per year. Moreover, any unutilized privilege leaves over 180 days are ignored.

40.2.1 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2024 using the "Projected Unit Credit Method". The principal assumptions used in the valuation were as follows:

	2024	2023
	Per annum	
Discount rate (%)	12.25%	16.75%
Expected rate of eligible salary increase in future years (%)	10.25%	14.75%
Average number of leaves accumulated per annum by the employees (days)	20	18
	2024	2023
	Rupees in '000'	

40.2.2 Movement in present value of defined benefit obligations

Obligations at the beginning of the year	163,363	153,884
Current service cost	5,041	4,944
Interest cost	26,551	22,100
Benefits paid during the year	(9,694)	(2,942)
Re-measurement gain	(515)	(14,623)
Obligations at the end of the year	184,746	163,363

40.2.3 Movement in payable to defined benefit plan:

Opening balance	163,363	153,884
Charge for the year	31,077	12,421
Benefit paid	(9,694)	(2,942)
Closing balance	184,746	163,363

40.2.4 Charge for defined benefit plan:

Current service cost	5,041	4,944
Interest cost	26,551	22,100
Actuarial gain recognized	(515)	(14,623)
	31,077	12,421

40.2.5 Sensitivity analysis:

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit plan. The increase / (decrease) in the present value of defined benefit plan as a result of change in discount rate and salary growth is summarized below:

	2024	2023
	Rupees in '000'	
Increase in discount rate by 1%	(168,919)	(149,368)
Decrease in discount rate by 1%	202,052	178,666
Increase in expected future increment in salary by 1%	202,057	178,670
Decrease in expected future increment in salary by 1%	(168,921)	(149,370)

40.2.6 Reconciliation of net liability recognized for compensated absences for the five years is as follows:

	2024	2023	2022	2021	2020
	Rupees in '000'				
Opening net liability	163,363	153,884	133,629	123,506	111,612
Net charge for the year	21,383	9,479	20,255	10,123	11,894
	184,746	163,363	153,884	133,629	123,506
Actuarial (loss) / gain on obligation	515	14,623	(2,934)	4,024	2,068

40.3 Defined contribution plan

The Bank operates and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made by the Bank and employees at the rate of 8.33% of basic salary.

41. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total compensation expense

2024					
Chairman	Non-Executive Directors	Members shariah board	President / CEO	Key management personnel	Other material risk takers / controllers

Note

Rupees in '000'

Fees and allowances etc.	64,908	9,315	-	-	-	413
Managerial remuneration	-	-	-	-	-	-
Fixed	2,945	140,640	367,585	584,247	157,497	-
Variable cash bonus / awards	-	460	79,695	94,098	157,497	411.3
Charge for defined benefit plan	-	-	10,626	11,522	22,644	-
Contribution to defined contribution plan	-	-	13,329	25,801	-	-
Relocation allowance	-	-	-	-	960	-
Servant salary	-	222	720	16,690	43,205	-
Furnishing allowance	-	-	-	-	-	-
Club membership	-	-	380	4,981	6,339	-
Fuel	-	941	-	30,151	77,434	-
Others	265	200	12,563	22,541	-	-
Total	64,908	232,261	550,919	940,668	940,668	-
Number of persons	1	7	4	1	29	60

2023						
	Chairman	Non Executive Directors	Members share board	President / CEO	Key management personnel	Other material risk takers / controllers
Note	Rupees in '000'					
Fees and allowances etc.	-	36,294	8,735	-	-	-
Managerial remuneration						
Fixed	-	2,916	116,645	306,023	586,825	122,107
Variable cash bonus / awards	-	-	-	51,520	60,407	23,071
Charge for defined benefit plan	-	-	-	7,245	12,061	-
Contribution to defined contribution plan	-	-	-	11,050	23,291	-
Relocation allowance	-	-	-	-	-	960
Servant salary	-	-	-	720	5,154	19,969
Furnishing allowance	-	-	-	750	-	-
Club membership	-	-	-	285	517	700
Fuel	-	-	829	-	20,219	61,112
Others	-	-	-	300	489	1,866
Total	-	36,294	12,480	177,465	415,920	839,901
Number of persons	1	9	4	1	19	62

411.1 During the prior year, in terms of section 10 (2) of the Bank of Punjab Act, 1989, the GoPb appointed the Chairman of the Board of Directors of the Bank. However during the year end the GoPb de-notified the Chairman.

411.2 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

411.3 Variable cash bonus / awards includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2024 stood at Rs. 122,384 thousand (2023: Rs. 90,145 thousand).

41.2 Remuneration paid to directors for participation in board and committee meetings

2024								
Rupees in '000'								
For Board Committees								
Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation, Performance Evaluation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Environmental, Social and Governance Committee	Total amount paid	
Name of Director								
Dr. Muhammad Amjad Saqib	3,645	3,118	-	3,276	-	2,170	969	13,178
Mr. Asif Reza Sana	3,645	2,676	-	3,792	1,412	368	969	12,862
Mr. Mohammad Mudassir Amray	3,645	969	1,559	-	969	2,170	969	10,281
Mr. Muhammad Naeem Khan	3,645	2,675	1,338	-	1,106	2,170	1,117	12,051
Mr. Mujahid Sherdil	231	369	-	-	-	-	-	600
Mr. Naweed Akhtar Sharif	-	-	-	-	-	231	-	231
Syed Ghazanfar Abbas Jilani	4,234	1,938	1,338	3,276	1,485	2,465	969	15,705
Total	19,045	11,745	4,235	10,344	4,972	9,574	4,993	64,908

2023								
Rupees in '000'								
For Board Committees								
Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Environmental, Social and Governance Committee	Total amount paid	
Name of Director								
Dr. Muhammad Amjad Saqib	1,877	951	-	1,657	-	1,182	-	5,667
Mr. Asif Reza Sana	1,877	719	-	1,657	707	-	719	5,679
Mr. Mohammad Jehanzeb Khan	462	232	232	694	232	-	232	2,084
Mr. Mohammad Mudassir Amray	1,402	-	1,182	-	475	1,182	-	4,241
Mr. Muhammad Naeem Khan	1,877	951	1,182	-	-	1,182	-	5,192
Mr. Mujahid Sherdil	694	-	232	232	-	-	-	1,158
Mr. Naweed Akhtar Sharif	462	232	232	232	232	232	-	1,622
Ms. Nadia Rehman	1,414	488	-	462	244	719	-	3,327
Mr. Syed Ghazanfar Abbas Jilani	1,877	475	1,182	1,657	232	1,182	719	7,324
Total	11,942	4,048	4,242	6,591	2,122	5,679	1,670	36,294

In addition to above, Mr. Syed Ghazanfar Abbas Jilani (Director) was paid Nil (2023: Rs. 98 thousand) for hearing Bank's disciplinary and grievance cases of employees as per Bank's policy.

41.3 Remuneration paid to Shariah board members

	2024				2023			
	Chairman	Resident member	Non-resident member	Total amount paid	Chairman	Resident member	Non-resident member	Total amount paid
Rupees in '000'								
Meeting fee and allowances	3,475	-	5,840	9,315	3,265	-	5,470	8,735
Salary & festival bonus paid to resident member through Bank's payroll	-	4,833	-	4,833	-	3,745	-	3,745
Total amount	3,475	4,833	5,840	14,148	3,265	3,745	5,470	12,480
Number of persons	1	1	2		1	1	2	

42. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group categorizes fair value measurements within the following fair value hierarchy.

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

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

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

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

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

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

42.1.1 Valuation techniques used in determination of fair values within level 2 and level 3

Item	Valuation approach and Input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	Break-up value determined on the basis of net assets value of the company using the latest available audited financial statements.
Property & equipment and non banking assets acquired in satisfaction of claims	Land, buildings on freehold land and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

42.2 Fair value of financial assests

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

	2024				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	1,161,394,438	-	1,161,394,438	-	1,161,394,438
Shares	7,234,039	7,207,469	26,570	-	7,234,039
Non-Government debt securities	9,410,772	-	9,410,772	-	9,410,772
Mutual funds & investment trust units	3,099,761	2,994,767	104,994	-	3,099,761
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	-	-	-	-	-
Financial assets disclosed but not measured at fair value :					
Government securities	136,638,722	-	134,938,970	-	134,938,970
Non-Government debt securities	2,102,368	-	2,102,368	-	2,102,368
Off balance sheet financial instruments :					
Forward purchase of foreign exchange contracts	76,262,665	-	76,262,665	-	76,262,665
Forward sale of foreign exchange contracts	42,936,278	-	42,936,278	-	42,936,278
Forward purchase of Government Securities transactions	18,060,700	-	18,060,700	-	18,060,700
Forward sale of Government Securities transactions	17,000,000	-	17,000,000	-	17,000,000
	2023				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,400,170	4,378,910	21,260	-	4,400,170
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value :					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Unlisted term finance certificates and sukus	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433

42.3 Fair value of non financial assets

	2024				
	Carrying value / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
	Rupees in '000'				
Non Financial assets measured at fair value :					
Property and equipment (land & building)	16,867,043	-	16,867,043	-	16,867,043
Non banking assets acquired in satisfaction of claims	4,959,038	-	4,959,038	-	4,959,038
	2023				
	Carrying value / Notional value	Fair value			Total
		Level 1	Level 2	Level 3	
	Rupees in '000'				
Non Financial assets measured at fair value :					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

43. SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2024						Total
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	78,077,750	268,934	23,647,203	211,571,820	26,160,280	4,138,928	343,864,915
Inter segment revenue - net	(39,973,495)	135,368,052	73,319,913	(176,344,725)	(2,053,265)	8,683,520	-
Non mark-up / return / interest income	3,322,247	5,745,888	1,735,754	11,139,209	749,932	4,120,778	26,813,808
Total income	42,426,502	141,382,874	98,702,870	46,366,304	24,856,947	16,943,226	370,678,723
Segment total expenses	41,715,275	129,747,134	74,429,668	54,847,778	16,814,966	32,760,029	350,314,850
Profit before credit loss allowance	711,227	11,635,740	24,273,202	(8,481,474)	8,041,981	(15,816,803)	20,363,873
Credit loss allowance - net	(3,445,052)	87,456	157,599	(331,542)	(773,424)	231,674	(4,073,289)
Profit / (loss) before tax	4,156,279	11,548,284	24,115,603	(8,149,932)	8,815,405	(16,048,477)	24,437,162
Balance sheet							
Cash & bank balances	-	256,597	31,394,926	58,945,560	13,668,255	-	104,265,338
Investments - net	998,874	-	-	1,263,371,659	55,521,524	-	1,319,892,057
Net inter segment lending	-	701,461,858	530,415,502	-	10,691,544	25,433,874	1,268,002,778
Lendings to financial institutions	-	-	-	-	12,891,206	-	12,891,206
Advances - performing	47,782,557	34,200,072	153,473,104	-	76,946,920	26,670,763	769,113,416
non-performing - net	5,725,650	-	1,462,361	-	2,461,411	(4,993)	9,644,429
Others	28,586,985	1,998,701	22,805,830	26,908,572	14,735,486	68,298,481	163,334,055
Total assets	513,134,066	737,917,228	739,551,723	1,349,225,791	186,916,346	120,398,125	3,647,143,279
Borrowings	49,408,660	-	17,762,197	339,360,814	2,474,259	-	409,005,930
Subordinated debts	-	-	-	-	-	30,820,106	30,820,106
Deposits & other accounts	191,620,436	722,637,779	636,562,579	-	158,743,365	-	1,709,564,159
Net inter segment borrowing	259,843,153	-	-	1,008,159,625	-	-	1,268,002,778
Others	12,261,817	15,279,449	85,226,947	1,705,352	7,812,648	15,348,701	137,634,914
Total liabilities	513,134,066	737,917,228	739,551,723	1,349,225,791	169,030,272	46,168,807	3,555,027,887
Equity							92,115,392
Total equity & liabilities							3,647,143,279
Contingencies & commitments	309,194,746	-	24,055,755	150,522,395	28,092,662	680,339	512,545,897

2023

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	117,926,088	72,447	20,594,438	165,010,201	22,723,664	908,902	327,235,740
Inter segment revenue - net	(76,156,079)	127,619,621	73,357,009	(98,865,583)	(1,907,971)	(24,046,997)	-
Non mark-up / return / interest income	2,286,041	2,152,232	1,101,090	6,688,089	470,982	5,054,562	17,752,996
Total income	44,056,050	129,844,300	95,052,537	72,832,707	21,286,675	(18,083,533)	344,988,736
Segment total expenses	37,452,548	103,234,295	60,533,247	83,436,030	15,325,207	23,945,237	323,926,564
Profit before provisions	6,603,502	26,610,005	34,519,290	(10,603,323)	5,961,468	(42,028,770)	21,062,172
Provisions / (reversals)	(1,461,856)	-	(166,123)	818,168	208,702	533,879	(67,230)
Profit / (loss) before tax	8,065,358	26,610,005	34,685,413	(11,421,491)	5,752,766	(42,562,649)	21,129,402
Balance sheet							
Cash & Bank balances	-	186,246	34,672,274	64,895,673	9,423,454	277,458	109,455,105
Investments - net	2,756,908	-	-	868,618,357	41,712,785	-	913,088,050
Net inter segment lending	-	645,860,735	416,690,196	-	-	55,358,767	1,117,909,698
Lendings to financial institutions	-	-	-	139,390,933	3,935,000	-	143,325,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	22,713,560	798,775,891
non-performing	5,274,559	-	1,843,961	-	1,326,535	323,946	8,769,001
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,388,524	242,789,661
Total assets	591,861,234	646,881,020	602,937,017	1,197,424,825	173,946,988	121,062,255	3,334,113,339
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits & other accounts	245,264,083	634,070,009	528,169,599	-	113,332,498	-	1,520,836,189
Net inter segment borrowing	258,773,148	-	-	820,199,682	38,936,868	-	1,117,909,698
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,749,374	130,625,655
Total liabilities	591,861,234	646,881,020	602,937,017	1,197,424,825	162,484,063	51,954,014	3,253,542,173
Equity							80,571,166
Total equity & liabilities							3,334,113,339
Contingencies & commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

44. TRUST ACTIVITIES

The Group acts as a custodian for securities held in Investor Portfolio Securities (IPS) accounts. The are not the assets of the Group and , therefore, not included in these consolidated financial statements. Assets held under trust in IPS accounts are shown in the table below:

2024							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuku	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	-	-	-	-	-	-
Corporate	79	102,471,839	55,564,900	-	-	-	158,036,739
Employees Funds	14	20,178,955	3,562,000	-	-	-	23,740,955
Individuals	871	1,180,950	92,500	13,300	1,851,430	289,025	3,427,205
Others	35	20,403,500	77,375,500	-	-	-	97,779,004
	1012	144,235,244	136,594,900	13,300	1,851,430	289,025	282,983,903

2023							
Securities Held (Face Value)							
Category	Count of IPS accounts	Market treasury bills	Pakistan investment bonds	Government ijarah sukuku	Naya Pakistan certificates	Islamic naya Pakistan certificates	Total
Rupees in '000'							
Asset Management Companies	13	2,190,000	-	-	-	-	2,190,000
Corporate	36	7,072,000	425,000	13,300	-	-	7,510,300
Employees Funds	16	16,540,500	3,187,000	75,000	-	-	19,802,500
Individuals	486	753,160	47,800	-	841,670	122,409	1,765,039
Others	33	13,417,100	2,905,000	6,500	-	-	16,328,600
	584	39,972,760	6,564,800	94,800	841,670	122,409	47,596,439

45. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment. Remuneration of Directors, key management personnel, Shariah Board and fixed assets sold to related parties are disclosed in Note 41.1, 41.2, 41.3 & Note 11.2.5 respectively. In addition key management personnel are paid terminal and short-term terminal benefits.

	2024				2023			
	Directors	Key management personnel	Employee funds	Other related parties	Directors	Key management personnel	Employee funds	Other related parties
Rupees in '000'								
Advances:								
Opening balance	-	474,755	-	-	-	368,701	-	-
Addition during the period / year	-	262,131	-	-	-	237,145	-	-
Repaid during the period / year	-	168,959	-	-	-	131,091	-	-
Closing balance	-	567,927	-	-	-	474,755	-	-
Credit loss allowance held against advances	-	5,306	-	-	-	-	-	-
Other assets - advance deposits and prepayments	-	-	-	-	-	-	-	-
Other assets - markup receivable	-	23,500	-	-	-	20,062	-	-
Credit loss allowance against other assets	-	336	-	-	-	-	-	-
Right of use assets	-	-	-	58,184	-	-	-	62,610
Lease liability against right of use assets	-	-	-	17,394	-	-	-	15,208
Deposits and other accounts:								
Opening balance	9,536	95,861	1,185,599	114,393	239	32,751	1,036,847	26,391
Received during the period / year	112,807	2,551,827	25,776,888	19,326,928	69,369	1,560,580	8,849,409	465,652
Withdrawn during the period / year	100,121	2,479,399	24,374,823	18,588,128	60,072	1,486,133	8,700,657	377,650
Closing balance	22,222	168,289	2,587,664	853,193	9,536	107,198	1,185,599	114,393
Other liabilities	92	681	-	3,454	217	2,852	690,633	3,466
Contingencies (non funded exposure)	-	-	-	56,300	-	-	-	49,822

	2024				2023			
	Directors	Key management personnel	Employee funds	Other related parties	Directors	Key management personnel	Employee funds	Other related parties
	Rupees in '000							
Income:								
Mark-up / return / interest earned	-	25,711	-	-	-	23,100	-	-
Fee and commission income	5	1,050	-	1,049	-	1,618	-	-
Other income	-	-	-	-	-	-	-	-
Expense:								
Mark-up / return / interest expensed	5,574	15,911	276,520	401,360	1,228	580	352,942	6,551
Depreciation on right of use assets	-	-	-	4,426	-	-	-	4,426
Mark-up on lease liability against right of use assets	-	-	-	2,186	-	-	-	1,906
Commission expense	-	-	-	-	-	-	-	-

45.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.

45.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government- related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities. The detail of transactions are as follows:

	(Audited)	
	2024	2023
	Rupees in '000'	
Advances	9,481,684	99,445,479
Credit loss allowance held against advances	88,080	-
Deposits and other accounts	753,243,728	649,339,057
Bills payable	65,758	157,468
Subordinated debts	12,312,515	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	34,117,577	26,885,973
Credit loss allowance against off balance sheet obligations	24,010	-
Mark-up receivable	62,180	17,065,985
Credit loss allowance against other assets	111	-
Mark-up payable on subordinated debts	298,159	506,774
Mark-up payable	36,367,364	37,615,613
Mark-up earned	4,080,981	52,859,220
Mark-up expensed	130,975,704	107,913,754
Fee and commission income	109	-
Income on contingencies and commitments	221,775	208,159

45.3 The Bank made contribution of Rs. 600,571 thousand and Rs. 690,633 thousand (December 31, 2023: Rs. 501,543 thousand and Rs. 171,152 thousand) to employees provident fund and gratuity fund during the year respectively.

45.4 BOP has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.

45.5 Advances to employees as at December 31, 2024, other than key management personnel, amounted to Rs. 30,154,808 thousand (December 31, 2023: Rs. 24,476,686 thousand) with markup receivable of Rs. 1,080,273 thousand (December 31, 2023: Rs.831,158 thousand) and markup income of Rs.1,277,048 thousand (December 31, 2023: Rs. 993,416 thousand) and fee & commission income of Rs. 39,995 thousand (December 31, 2023: Rs. 22,861 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 476,172 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on December 31, 2024 stood at Rs. 122,384 thousand (December 31, 2023: Rs. 90,145 thousand).

45.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

45.7 The Group held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 6,088,000 thousand (December 31, 2023: Rs. 5,275,500 thousand)

	Note	2024 Rupees in '000'	2023
46. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS			
Minimum Capital Requirement (MCR):			
Paid-up capital (net of losses)		34,667,575	34,667,575
Capital Adequacy Ratio (CAR):			
Eligible Common Equity Tier 1 (CET 1) Capital		84,015,724	74,004,137
Eligible Additional Tier 1 (ADT 1) Capital		11,967,500	11,917,500
Total Eligible Tier 1 Capital		95,983,224	85,921,637
Eligible Tier 2 Capital		24,833,701	16,474,516
Total Eligible Capital (Tier 1 + Tier 2)		120,816,925	102,396,153
Risk Weighted Assets (RWAs):			
Credit Risk		511,960,742	442,180,669
Market Risk		66,299,796	35,234,308
Operational Risk		95,951,006	81,726,967
Total		674,211,544	559,141,944
Common Equity Tier 1 Capital Adequacy ratio		12.46%	13.24%
Tier 1 Capital Adequacy Ratio		14.24%	15.37%
Total Capital Adequacy Ratio		17.92%	18.31%

46.1 Capital adequacy framework

The Basel Framework for a capital adequacy is applicable to the Group both at the consolidated level (including the Subsidiary) and on a standalone basis. The Group's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future business developments. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratio compares the amount of eligible capital with the total of risk-weighted assets. The Group monitors and reports its capital ratios under SBP rules, which ultimately determine the regulatory capital required to be maintained by banks and DFIs.

In addition, the SBP requires that the paid up capital of locally incorporated Groups should be raised to Rs. 10 billion by December 31, 2013 in a phased manner. The paid-up capital requirement (net of losses) as at December 31, 2024 is Rs. 10 billion.

The SBP requires that Groups doing business in Pakistan should maintain regulatory capital for credit, market, and operational risks, the amount of which should at least be equal to 10% plus capital conservation buffer of 2.50% of the risk weighted assets of the Group. However, in order to dampen the effects of COVID - 19, SBP vide Circular No 12 of 2020 dated March 26, 2020, provided relaxation to maintain capital conservation buffer CCB of 1.5% from March, 2020 till further instructions. Accordingly, capital adequacy ratio requirement stood at 11.50% as at December 31, 2024.

Further, under Basel III instructions, groups are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2024. The Group is fully compliant with prescribed ratios as the Group's CAR is 17.92% whereas CET 1 and Tier 1 ratios stood at 12.46% and 14.24% respectively.

The SBP's regulatory capital as managed by the Group is analyzed into following tiers:

- Tier I capital (CET1), which comprises of highest quality capital element and include fully paid up capital, share premium, reserve for bonus shares, general reserves and accumulated losses.
- Additional Tier I capital (ADT-I), which includes instrument meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares and its premium after all regulatory adjustments applicable on ADT-I.

The deductions from Tier 1 capital include mainly:

- i) Book value of goodwill / intangibles;
- ii) Shortfall in provision;
- iii) Deficit on revaluation of available for sale investments - AFS and fixed assets;
- iv) Defined benefit pension fund asset;
- v) Investment in own shares;
- vi) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
- vii) Investment in mutual funds above a prescribed ceiling;
- viii) Threshold deductions applicable from 2014 on deferred tax assets and certain investments; and
- ix) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position during transition phase.

- Tier II capital, which includes subordinated debt / instruments and its premium, general reserve for loan losses (up to a maximum of 1.25% of CRWA), net of tax revaluation reserves, exchange translation reserves after all regulatory adjustments applicable on Tier-II.

The deductions from Tier 2 include mainly

- i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;
- ii) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Group calculates capital requirement as per regulatory framework, using the following approaches:

Credit risk	Standardized Approach
Market risk	Standardized Approach
Operational risk	Basic Indicator Approach

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Group.

	2024	2023
	Rupees in '000'	
46.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	95,983,224	85,921,637
Total Exposures	2,770,015,980	2,553,341,907
Leverage Ratio	3.47%	3.37%
46.3 Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	828,488,113	633,492,844
Total Net Cash Outflow	434,785,659	345,059,142
Liquidity Coverage Ratio	190.55%	183.59%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,308,850,221	1,136,308,900
Total Required Stable Funding	967,747,619	911,331,400
Net Stable Funding Ratio	135.25%	124.69%

46.3.1. LCR and NSFR included in these consolidated financial statements are same as reported in the unconsolidated financial statements of the Bank.

46.4 The Group availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 17.79%, 3.32% and 134.95% respectively.

46.5 The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time are available at <http://bop.com.pk>.

47. RISK MANAGEMENT

The Group has implemented a 360-degree end-to-end risk management framework based on prudent and best Grouping practices. The framework covers all verticals of Risk Management including Credit, Market, Liquidity, Operational, AML/CFT, Environmental, Social & Governance (ESG) and Information Security. In addition, the Group has in-place consolidated risk appetite statement which helps the Group steer its strategic direction. The entire risk management process is governed by the Board and its risk committees which are responsible for approving the risk framework including policies and setting effective risk controls thereby safeguarding the Group from any unforeseen event. The implementation of all such controls and highlighting any red flag in timely manner is ensured by strong governance vis-a-vis Groups' management committees like Asset and Liability Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk management strategy and processes play a critical role in safeguarding the financial stability of the Group. Effective risk management involves identifying, assessing and mitigating risk through a combination of robust internal controls, risk based policies, procedures and through effective monitoring ensured within the risk management group. By ensuring compliance to the approved policy and procedures, the Group fosters trust and regulatory compliance, thereby ensuring informed decision making by the senior management and the Board.

The Group's Chief Risk Officer (CRO) has a dotted line reporting to the Board's Risk Management, Compliance & NPL Review Committee (which is a specialized risk oversight Committee established by the BoD). The Board's Risk Management, Compliance & NPL Review Committee assists the BoD in establishing its regular oversight of the Group wide risk management policies, systems, procedures whilst ensuring that the Groups; risk taking activities are confined to the approved risk appetite and tolerance thresholds established by the BoD. RMG is comprised of following divisions:

1. Corporate & FI Risk
2. Commercial & SME Risk
3. Consumer, Agri. & Fintech
4. Enterprise Risk Management
5. ESG, Policy & Risk Analytics
6. Information Security
7. Credit Administration
8. Special Assets Management

The risk management function ensures regular reporting to the senior management and Board of Directors through respective committees. In order to generate various reports, risk management function currently relies on Flexcube (Core Grouping System), Loan Origination System (LOS) and Risk Rating System. The Group is constantly investing on upgradation of its IT based infrastructure in order to ensure effective monitoring of its various portfolios through efficient reporting mechanism. The Group's risk management involves the identification, measurement, monitoring, mitigation and controlling of risks to ensure that following primary objectives at minimum are adhered to :

- a. Individuals who take or manage risks clearly understand it in the entire credit value chain;
- b. The Group's risk exposure is within the risk appetite limits duly defined by the regulator or established by Board of Directors;
- c. Risk taking decisions are in line with business strategy and objectives set by the management;
- d. Business decisions optimize the risk-reward trade-off;
- e. Risk taking decisions are explicit and clear; and
- f. Sufficient capital as a buffer is available to take risk.

47.1 Credit risk

Credit Risk exposes the Group to a potential financial loss due to its obligor and/or counterparty(ies) failure to meet the contractual obligations. Credit risk can arise from direct lending to Consumer/Retail, Agriculture, SME, Corporate/Commercial clientele, trade finance products and credit derivatives. The Group assesses the credit risk of its clientele on the basis of a well documented and robust credit policy/product manuals and procedures duly approved by the Board along with strict compliance to SBP Prudential Regulations, regulatory and industry specific guidelines issued from time to time. The Group has deployed an economic and statistically balanced Obligor Risk Rating (ORR) model which captures both qualitative (corporate structuring, account behaviour, relationship with Group, market check, internal quality and buyer / supplier concentration. etc.) and quantitative (financials, economics & industry specific) factors of the clients to define credit rating which further complement the in-place credit assessment and management process(es).

To further beef up the credit evaluation process Facility Risk Ratings (FRR) are also assessed to ensure that the Bank's credit exposure is maintained within the pre-defined Board approved appetite at all times. The Bank has a very strong pre & post credit monitoring and collateral management mechanism thereby ensuring the Banks' interest is safeguarded. The Bank monitors its credit portfolio on an ongoing basis by applying various analytical and statistical techniques / methodologies with findings presented in CRMC and the Board's Risk Management, Compliance and NPL Review Committee (RMC&NPLRC). The Bank also continuously monitors the credit ratings via rating migration matrix analysis; in terms of both number of accounts & exposure to identify any credit deterioration that can expose the Bank to current and /or potential credit risk.

The risk management function of the Group is regularly conducting assessments of the Group's credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. Stress tests (sensitivity analysis &/or scenario analysis) helps in identifying and analyzing the risks which might be quiescent, but if triggered, can have far-fetching implications for the financial institution. The Group has implemented a very effective stress testing program and stress testing has been made a regular feature of periodic risk assessment and reporting framework.

The main objective of the Group's Credit Policy & Manual is to extend quality credits in accordance with the norms of prudent lending, to ensure health of its portfolio and development of quality assets, it also places utmost emphasis in containing the non-performing portfolio (NPLs) of the Group. The policy serves as a guiding tool on effective management of the Group's credit risk. Furthermore, one of the key objective of credit policy & manual is to ensure compliance to all relevant and latest SBP Prudential Regulations (PRs)/directives/guidelines that must be adhered at all times.

The Group has developed internal risk rating models for its Corporate / Commercial and SE / ME customers whereas for retail portfolio application scorecard is applied for generation of credit score. The external ratings are used for evaluation of FIs and investments in Sukkuk / TFCs. The external rating is then mapped with Group internal risk rating grid for determination of credit score. The risk rating model(s) are applied on both performing and non-performing relationships of the Group.

In line with Grouping sector best credit risk management practices, the Group conducts a detailed 360-degree due diligence of credit presentations including but not limited to Dynamic Covenant application & periodic rapid portfolio thereby ensuring credit risk at all levels/segments remains within the Board approved appetite and safeguard Group from any un-foreseen losses due to deterioration in credit quality of its lending portfolio. While Corporate, Commercial, SE & ME portfolios are reviewed at an obligor level and the retail portfolio is assessed on portfolio level basis.

The methods deployed by the Group to determine specific and general allowances are as per the approved IFRS 9 related Policies of the Group and SBP IFRS 9 guidelines. Group's Risk Rating models generally covers various qualitative factors in order to gauge the quantum of credit risk at an obligor level. The credit rating assign through risk rating models reflect the credit and financial strength of the customer against SBP prescribed risk rating scale of 1 to 12. Relevant to mention that while allocating the qualitative score, analytical judgement plays an important role. The Group manages past-due loans and impaired assets as per requirements of SBP PRs and IFRS 9 implementation guidelines.

The Group has in place relevant risk rating models for all business segments to evaluate and manage credit risk across its credit portfolio. These models incorporate a mix of quantitative and qualitative factors that assist in calculation of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) at both individual and portfolio levels. These estimates form the basis for assessing expected credit losses (ECL) in compliance with the requirements of SBP IFRS 9 implementation guidelines.

The Group's collateral management mechanism in place ensures that effective credit risk mitigation techniques are deployed to keep the credit risk of Group within Board's approved Credit Risk Appetite. The Group accepts a variety of valid and legally enforceable collaterals including but not limited to real estate, fixed assets, securities, receivables, and cash deposits, to secure its credit exposures while ensuring Group's right of recourse against the collateral held as security. The Group maintains appropriate margins to account for potential fluctuations in the value of collateral and applies prudent valuation practices in accordance with regulatory requirements.

471.1 Loans and advances

The Group employs robust methodologies and models for the measurement of key credit risk parameters vis-a-vis Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) to estimate expected credit losses (ECL) in compliance with the SBP IFRS 9 Implementation Instructions. The brief synopsis of IFRS-9 related models is given here as:

1. PD Model estimates the likelihood that a borrower will default on their obligation within a specific time horizon, typically one year. The Group applies Vasicek Approach along with Markov Chain Method for calculation of Corporate/Commercial and SME segment PDs, whereas flow rate based approach is used for the calculation of PDs related to Consumer and Agri.
2. LGD is an estimate of the magnitude of loss expected to be sustained on an exposure upon default by a borrower/customers and is expressed as a percentage of the exposure outstanding as of the expected date of default. The Group calculates historical LGD based on workout approach, where as Jacob Frye Model is being deployed for conversion of Historical LGD into FLI based LGD.
3. The Group has developed an EAD model for the calculation of expected tenor beyond contractual maturities of revolving credit lines.
4. The Groups has developed Credit Conversion Factor (CCF) model for estimating extent of conversion of non-fund based facilities and unutilized portion of irrevocable funded facilities.

EAD as a component of Expected Credit Loss computation represents the amount of potential exposure that is at risk. The EAD methodology adopted by the Group is a measure of expected exposure (or utilization of a facility) when a counterparty defaults.

According to IFRS 9, exposures are required to be categorized into three stages. Stage 1 are performing exposures, stage 2 are performing exposures where credit risk has increased significantly since initial recognition and stage 3 are primarily Credit-Impaired Exposures. Group staging classification criteria is as follows:

Stage 1

Group shall classify a financial asset as Stage 1 where there is no "significant increase in credit risk /decrease in credit quality" since issuance. Risk rating and DPDs parameters are applicable for categorization of Financial Assets as stage 1 as per SBP IFRS 9 implementation instructions.

Stage 2

Group shall classify a financial asset as Stage 2 where exposures have potentially deteriorated in terms of credit quality i.e. significant increase in credit risk. However, classification to Stage 2 should not be considered an indication of default, unless there are other indications of unlikelihood or inability to pay. Exposures with the following characteristics shall be classified in stage 2:

Obligor Risk Rating	Significant change in credit quality grade
1-2	Three notches downgrade
3-5	Two notches downgrade
6 Onwards	One notch downgrade

Stage 3

Group shall classify stage 3, where 'default' has occurred with regards to an obligor. Default will trigger with any of the following events:

- a) The obligor is classified based on objective or subjective criteria as per SBP PRs;
- b) Group concludes (based on internal/external indicators) that the obligor is unwilling or unable to pay its credit obligations, without recourse to punitive actions such as realizing security. Credit Allowance for stage 3 parked financial assets will be taken as a higher of provision calculated under SBP PR8 and ECL computed under IFRS 9 requirements.

Reclassification to Stage 1:

Where there is evidence of significant improvement in credit quality, Group shall reclassify financial asset from Stage 2 to 1. However, the Group would continue to monitor such financial instruments / credit exposures for a probationary / cooling-off period of (03) three months to ascertain if the risk of default has decreased sufficiently before upgrading such financial asset from Stage 2 to Stage 1.

Reclassification to Stage 2:

An exposure cannot be upgraded from Stage 3 to 1 directly and should be upgraded to Stage 2 initially. Group follows the cooling off period of (06) six months for those customers followed to move back from Stage 3 to Stage 2.

471.2 Lendings to financial institutions
Credit risk by public / private sector
Credit loss allowance / provision held

	Gross lendings		Non-performing lendings		Stage-1	Stage-2	Stage-3	
	2024	2023	2024	2023		2024	2023	
Rupees in '000								
Public / Government	-	19,217,031	-	-	-	-	-	-
Private	12,932,190	125,743,902	-	-	40,984	-	-	-
	12,932,190	144,960,933	-	-	40,984	-	-	-

471.3 Investment in debt securities
Credit loss allowance / provision held

	Gross investments		Non-performing investments		Stage-1	Stage-2	Stage-3	
	2024	2023	2024	2023		2024	2023	
Rupees in '000								
Refinery	-	-	-	-	-	-	-	-
Textile	160,000	760,464	160,000	760,464	-	-	160,000	760,464
Cement	-	20,000	-	20,000	-	-	-	20,000
Sugar	-	308,606	-	308,606	-	-	-	308,606
Electronics and electrical appliances	16,862	19,362	16,862	19,362	-	-	16,862	19,362
Construction	14,631	47,387	14,631	47,387	-	-	14,631	47,387
Power (electricity), gas, water, sanitary	8,896,407	9,380,459	400	400	658	-	400	400
Transport, storage and communication	179,167	220,488	-	5,488	-	-	-	5,488
Financial	1,297,498,458	900,471,119	26,907	54,453	-	-	26,907	54,453
Services	607,068	780,515	-	-	15,460	-	-	-
Chemical and pharmaceuticals	885,003	2,249,950	-	1,364,949	3,582	-	-	1,364,949
	1,308,257,596	914,258,350	218,800	2,581,109	19,700	-	218,800	2,581,109
Credit risk by public / private sector								
Public / Government	1,296,469,848	898,764,854	400	400	-	-	400	400
Private	11,787,748	15,493,496	218,400	2,580,709	19,700	-	218,400	2,580,709
	1,308,257,596	914,258,350	218,800	2,581,109	19,700	-	218,800	2,581,109

471.4 Advances
Credit loss allowance / provision held

	Gross advances		Non-performing advances		Stage-1	Stage-2	Stage-3	
	2024	2023	2024	2023		2024	2023	
Rupees in '000								
Agriculture, forestry, hunting and fishing	84,425,424	42,020,466	3,891,749	1,660,494	361,484	191,285	2,855,076	1,256,145
Oil & gas	26,224,470	23,685,053	1,359,186	3,263	145,685	303	1,359,121	-
Textile	127,086,005	131,730,768	21,330,747	21,860,993	352,346	155,924	19,288,737	18,994,634
Chemical and pharmaceuticals	20,894,384	20,593,264	545,303	64,172	79,669	15,328	308,269	33,935
Cement	17,457,402	21,999,835	-	-	61,146	460,673	-	-
Sugar	25,578,540	17,066,102	1,826,148	1,596,353	107,780	-	1,826,148	1,500,623
Footwear and leather garments	1,989,573	3,802,276	436,266	432,871	5,882	2,017	386,802	342,666
Automobile and transportation equipment	2,707,811	3,995,755	479,284	1,980,218	5,965	10,493	479,284	1,980,218
Electronics and electrical appliances	1,870,797	1,089,762	22,640	22,640	5,050	-	22,640	22,640
Cable, electrical & engineering	15,352,061	17,160,884	4,293,522	2,504,352	24,848	43,791	2,805,828	1,993,280
Production & transmission of energy	84,887,688	98,958,233	1,272,320	3,021,217	443,899	-	633,875	2,146,346
Construction	11,950,054	10,540,389	1,525,346	1,522,399	76,110	15,586	1,425,481	1,247,225
Trading & commerce	58,533,136	135,765,792	5,108,888	7,164,791	362,765	87,205	4,321,013	6,408,508
Food & allied	29,298,064	109,907,514	4,291,519	4,735,082	105,844	61,226	3,609,562	3,248,817
Transport, storage and communication	43,588,683	86,819,648	505,436	350,002	343,704	17,369	322,160	189,195
Financial	66,712,026	13,358,344	727,129	725,054	160,045	-	727,129	725,054
Fertilizer	3,280,084	3,938,623	39,902	49,008	2,866	-	39,902	49,008
Services	75,131,392	23,022,062	3,420,156	1,575,745	151,627	46,156	2,368,888	921,955
Individuals	61,048,176	64,048,051	2,262,630	1,169,596	709,358	727,453	1,257,701	731,458
Others	71,300,188	214,062,206	906,476	999,155	77,777	60,690	1,041,148	876,697
	829,315,958	850,909,027	54,244,647	51,437,405	3,583,850	1,895,499	45,078,764	42,668,404
Credit risk by public / private sector								
Public / Government	172,570,139	313,224,653	-	-	385,779	-	-	-
Private	656,745,819	537,684,374	54,244,647	51,437,405	3,198,071	1,895,499	45,078,764	42,668,404
	829,315,958	850,909,027	54,244,647	51,437,405	3,583,850	1,895,499	45,078,764	42,668,404

	2024	2023
	Rupees in '000'	
47.15 Contingencies and commitments		
Textile and ginning	21,417,329	22,633,891
Cement	3,739,226	7,789,329
Sugar	3,001,313	1,359,002
Financial	206,351,719	275,732,306
Construction and real estate	31,580,350	19,964,138
Oil and gas	31,959,392	16,836,922
Auto and allied	1,738,277	2,291,968
Food and allied	2,710,030	1,409,156
Chemical and pharmaceuticals	4,339,396	3,568,301
Fertilizers	8,388,478	8,298,034
Cable, electrical and engineering	3,929,787	5,183,162
Production and transmission of energy	37,676,343	37,135,573
Transport, storage and communication	6,256,817	4,811,246
Trading and commerce	11,975,570	7,703,598
Services	123,662,505	111,462,384
Others	13,819,365	16,586,830
	512,545,897	542,765,840
Credit risk by public / private sector		
Public / Government	149,649,666	136,257,043
Private	362,896,231	406,508,797
	512,545,897	542,765,840

47.16 Concentration of advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 342,663,666 thousand (2023: Rs. 410,050,854 thousand).

	2024	2023
	Rupees in '000'	
Funded	223,931,298	296,794,801
Non funded	118,732,368	113,256,053
Total exposure	342,663,666	410,050,854

The sanctioned limits against these top 10 exposures aggregated to Rs. 416,777,453 thousand (2023: Rs. 641,436,230 thousand).

Total funded classified therein

	2024		2023	
	Amount	Credit loss allowance	Amount	Credit loss allowance
	Rupees in '000'			
Other assets specially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	-	-

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

47.1.7 Advances - province / region-wise disbursement and utilization

Province / Region	Disbursements		Utilization				
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
							Rupees in '000'
Punjab	648,090,190	586,493,437	47,934,128	3,992,650	81,783	9,088,138	500,054
Sindh	555,901,508	9,795,958	544,737,387	357,061	577,393	433,709	-
KPK including FATA	395,455	-	-	395,455	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	37,500,661	1,362,155	-	3,281,347	-	32,857,159	-
AJK including Gilgit-Baltistan	53,575	-	-	-	-	-	53,575
Total	1,241,941,389	597,651,550	592,671,515	8,026,513	659,176	42,379,006	553,629

Province / Region	Disbursements		Utilization				
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
							Rupees in '000'
Punjab	740,557,315	696,638,135	37,404,907	2,654,314	41,534	3,527,996	290,429
Sindh	330,088,442	22,022,996	305,450,905	1,322,252	400,138	892,151	-
KPK including FATA	239,683	-	-	239,683	-	-	-
Baluchistan	93,308	-	-	-	93,308	-	-
Islamabad	43,536,088	59,927	-	3,177,873	-	40,298,288	-
AJK including Gilgit-Baltistan	35,223	-	-	-	-	-	35,223
Total	1,114,550,059	718,721,058	342,855,812	7,394,122	534,980	44,718,435	325,652

47.1.8 Credit risk - general disclosures

The Group follows the standardized approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit rating or type of exposure, whichever is applicable.

Under standardized approach, the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. Group utilizes, wherever available, the credit ratings assigned by the SBP recognized ECAIs, viz. PACRA (Pakistan Credit Rating Agency), VIS (Vital Information Systems), Fitch Moody's and Standard & Poors. Credit rating data for advances is obtained from recognized ECAIs and then mapped to SBP's rating grades.

Type of exposures & ECAs used

Exposures	Fitch	Moody's	S&P	PACRA	VIS
Corporate				√	√
Banks	√	√	√	√	√
Sovereigns			√		
PSEs				√	√
SMEs				√	√

Mapping to SBP rating grades

For all credit exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to SBP rating grades are given below:

Long term ratings grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short term rating grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS
S1	F1	P1	A-1+	A-1+	A-1+
S1	F1	P1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

Credit exposures subject to standardized approach

Exposures	Rating	2024			2023		
		Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
Rupees in '000							
Corporate	1	95,133,865	(2,206,616)	92,927,249	95,870,166	(12,144,243)	83,725,923
	2	148,954,547	(2,206,883)	146,747,663	156,465,008	2,260,181	158,725,189
	3,4	19,056,308	103,430	19,159,738	21,159,379	(1,796,806)	19,362,573
	5,6	2,413,602	96,593	2,510,195	-	-	-
	Unrated-100%	33,430,096	(870,578)	32,559,518	49,012,429	494,330	49,506,759
	Unrated-125%	46,920,532	(1,609,701)	45,310,831	40,203,026	(2,268,728)	37,934,298
Bank	1	18,380,663	91,614	18,472,278	152,394,406	(126,436,378)	25,958,028
	2,3	50,986,598	(48,007,159)	2,979,439	2,482,143	58,897	2,541,040
	4,5	-	-	-	-	-	-
	6	90,972	4,124	95,096	-	-	-
	Unrated	-	-	-	-	-	-
	Public sector enterprises in Pakistan	1	39,927,167	(6,252,581)	33,674,586	44,275,571	(18,973,231)
	2,3	57,353,065	(48,744,862)	8,608,203	14,548,679	(2,366,388)	12,182,291
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	19,979,135	(17,184,536)	2,794,599	175,925,467	(167,508,702)	8,416,765
Sovereigns and on Government of Pakistan or Provisional Government or SBP or Cash	0	286,171,488	(18,259,839)	267,911,649	1,109,504,432	(26,266,749)	1,083,237,683
	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4,5	28,126	-	28,126	5,408,881	-	5,408,881
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
Listed equity investments	100%	2,994,767	-	2,994,767	1,152,919	-	1,152,919
Un-listed equity investments	150%	25,000	-	25,000	21,260	-	21,260
Non performing loans	150%	(130,566)	-	(130,566)	3,552,156	-	3,552,156
	100%	7,404,402	-	7,404,402	3,670,690	-	3,670,690
	50%	2,254,844	-	2,254,844	988,619	-	988,619
Mortgage	35%	13,017,579	833,823	13,851,402	20,091,547	470,071	20,561,618
Low Cost Housing	25%	5,122,121	753,761	5,875,882	6,027,767	406,212	6,433,979
Retail	75%	188,160,955	(35,212,404)	152,948,552	112,349,558	(20,817,506)	91,532,052
Fixed assets	100%	41,505,715	-	41,505,715	33,218,995	-	33,218,995
Deferred tax assets	250%	6,107,637	-	6,107,637	7,665,343	-	7,665,343
Significant investments	250%	-	-	-	-	-	-
Others	100%	110,135,049	(65,513,839)	44,621,210	107,992,983	(95,151,602)	12,841,381
Total		1,195,423,667	(244,185,653)	951,238,015	2,163,981,424	(470,040,642)	1,693,940,782

471.9 Credit risk: Disclosures with respect to credit risk mitigation for standardized approach

The Group has adopted comprehensive approach of credit risk mitigation for Grouping book. Under this approach cash, lien on deposits, government securities, and eligible securities etc. are consolidated as eligible collateral. Where the Group's exposure to an obligor is secured by eligible collaterals, the Group reduces its exposure for the calculation of the capital requirement by the realizable amount of the collateral, adjusted for any applicable haircuts.

471.9.1 Credit risk: Disclosures for portfolio subject to the standardized approach

No credit risk mitigation benefit is taken in the trading book. For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net amount for the calculation of risk weighted assets.

47.1.9.2 Equity position risk

The Group takes proprietary equity positions for both short term and long term trading purposes. As of December 31, 2024 the composition of equity investments, is as follows:

	Held for trading	Available for sale	Total
	Rupees in '000'		
Ordinary shares (listed) - net of impairment held	5,146,890	4,763,773	9,910,663
Ordinary shares (un-listed) - net of impairment held	-	25,000	25,000
Preference shares - net of impairment held	305,100	-	305,100
Total	5,451,990	4,788,773	10,240,763

The Bank classify its equity investment portfolio in accordance with the directives of the SBP as follows:

- Investments - Held for trading
- Investments - Available for Sale
- Investments in Subsidiaries

47.2 Market risk

Market Risk exposes the Group to a potential financial loss due to adverse movement in systematic risk factors like interest rates, foreign exchange, equity and debt market, credit spreads, commodity prices and overall market's volatility which can hamper the value of Groups investment position(s).

Interest rate risk is the potential negative impact on Groups profitability and/or assets market value due to uncertain movement in interest rates. Interest rate risk can be broadly categorized into the following categories:

- a. Yield curve risk (parallel, steepness and/or curvature)
- b. Repricing risk
- c. Basis risk
- d. Options risk

Equity price risk arises from an uncertain decline in value of a security and/or portfolio in the future. Adverse movement in equity market or index can have a negative impact on Groups' earnings and/or capital due to Groups investment position in the market.

Foreign exchange risk arises from adverse movement in a Group direct/indirect exposure on a currency. From Groups perspective Forex movement also expose Group to potential credit risk.

Foreign exchange risk can arise from two factors: i. currency mismatches in an institution's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate, and/or ii. currency cash flow mismatches. Such risk continues until the foreign exchange position is fully hedged.

The Bank's market risk management structure consists of Risk Management, Compliance and NPL Review Committee (RMC&NPLRC), Assets and Liabilities Committee (ALCO) and independent Enterprise Risk Management (ERM) division. Market risk is an independent risk management function that works in close partnership with the business segments to identify and monitor market risks throughout the Group and to define market risk policies and procedures. ERM division seeks to facilitate efficient risk / return decisions, reduce volatility in operating performance and provide transparency in reporting the Group's market risk profile to the senior management, the Board of Directors and the SBP.

The Group is using following techniques for mitigation of market risk:

- Hedging the open positions i.e. taking offsetting positions;
- Portfolio diversification; and
- Limits setting, monitoring and reporting.

The Group is using following techniques for measurement of market risk and all the reports along with suggestive strategies which are escalated to senior management for their review and corrective actions:

- Daily mark to market revaluation of equity, foreign exchange and bonds portfolio;
- Estimated value at risk on equity and foreign exchange exposures;
- Interest rate gap analysis;
- Duration analysis;
- Stress testing of market risk exposures; and
- Scenarios based analysis.

47.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in '000'						
Cash and balances with treasury banks	100,773,627	-	100,773,627	100,894,627	-	100,894,627
Balances with other banks	3,491,711	-	3,491,711	8,560,478	-	8,560,478
Lendings to financial institutions	12,891,206	-	12,891,206	143,325,933	-	143,325,933
Investments - net	141,760,857	1,178,131,200	1,319,892,057	150,351,329	762,736,721	913,088,050
Advances - net	778,757,845	-	778,757,845	807,544,892	-	807,544,892
Property and equipment	28,639,949	-	28,639,949	20,353,238	-	20,353,238
Right of use assets	12,865,764	-	12,865,764	12,865,764	-	12,865,764
Intangible assets	2,488,381	-	2,488,381	2,099,217	-	2,099,217
Deferred tax assets - net	9,204,913	-	9,204,913	10,314,627	-	10,314,627
Other assets	110,135,048	-	110,135,048	197,156,815	-	197,156,815
	1,201,009,301	1,178,131,200	2,379,140,501	1,453,466,920	762,736,721	2,216,203,641

47.2.2 Foreign exchange risk

The Bank's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign currency placements with foreign commercial banks and foreign currency deposits. The Bank manages its foreign exchange exposure by matching foreign currency assets and liabilities. Foreign exchange exposure and nostro balances are managed within the statutory limits, as fixed by SBP. Counter parties limits are also fixed to limit risk concentration. Market risk charge calculates on Foreign Exchange Exposure Limit (FEEL) and forward contracts (interest rate) and credit risk charge manage by Bank on all forward contracts.

	2024				2023 (Restated)			
	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	26,317,176	56,277,023	27,656,964	(2,302,883)	25,235,781	48,209,557	18,773,772	(4,200,004)
Great Britain Pound Sterling	1,940,082	7,704,171	5,233,783	(530,306)	1,651,203	7,323,124	5,313,319	(358,602)
Euro	2,501,141	3,541,193	410,720	(629,332)	2,432,273	3,239,790	395,200	(412,317)
Japanese Yen	15,128	-	-	15,128	56,000	1,869	-	54,131
Other currencies	345,542	78,879	24,920	291,583	499,632	33,135	(92,697)	373,800
	31,119,069	67,601,266	33,326,387	(3,155,810)	29,874,889	58,807,475	24,389,594	(4,542,992)

	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	-	(31,558)	-	(7,263)
- Other comprehensive income	-	-	-	-

47.2.3 Equity position risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. The Bank's strategy is to invest in equity securities for increase in dividend income and capital gains through market volatility.

	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	-	(272,600)	-	(199,274)
- Other comprehensive income	(149,738)	(89,700)	(184,684)	-

47.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II specific

Interest rate risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the Group would be negatively affected with the change in the market interest rates. The vulnerability of the Group towards the adverse movements of the interest rate can be gauged by using duration GAP analysis.

Interest rate risk in the banking book is the risk to interest income arising from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. The banking book activities that give rise to interest rate risk include lending activities, balance sheet funding and capital management. Interest rate risk in banking book can be measured by both, changes in net interest income and changes in market value of interest bearing AFS investments. This also refers to the non-trading market risk. To adjust the effective rate sensitivity, the Group is using following strategies after proper analysis of the Bank's gaps and prevailing interest rate:

- Reduced asset sensitivity
- Increased asset sensitivity
- Reduced liability sensitivity
- Increased liability sensitivity

The Bank's interest rate risk management policy includes following techniques to mitigate potential risks:

- Monitoring and management of interest rate volatility in terms of percentage change in net income through interest sensitive gaps.
- Key consideration in investing in interest rate driven financial instruments.
- Managing volatility in the trading on category / instrument wise basis.

	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	-	(908,136)	(1,466,857)	(7,588,266)
- Other comprehensive income	-	(10,800,966)	-	-

47.25 Mismatch of interest rate sensitive assets and liabilities

2024

	Effective yield / Interest rate	Total	Exposed to Yield / Interest risk							Above 10 Years	Non-interest bearing financial instruments	
			Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years			Over 5 to 10 Years
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		100,773,627	6,949,656	-	-	-	-	-	-	-	-	93,823,971
Balances with other banks	10.99%	3,491,711	2,668,223	-	-	-	-	-	-	-	-	3,224,888
Lending to financial institutions	17.20%	12,891,206	10,914,240	-	-	-	1,976,966	-	-	-	-	-
Investments - net	18.88%	1,319,892,057	246,094,013	393,880,773	314,699,244	215,096,764	26,922,798	3,786,073	71,783,123	37,693,607	-	9,935,662
Advances - net	16.47%	778,757,845	120,941,640	649,399,921	-	-	-	-	-	-	-	8,416,284
Other assets		94,590,402	-	-	-	-	-	-	-	-	-	94,590,402
		2,310,396,848	385,166,372	1,043,280,694	314,699,244	215,096,764	28,899,764	3,786,073	71,783,123	37,693,607	-	209,991,207
Liabilities												
Bills payable		7,636,873	-	-	-	-	-	-	-	-	-	7,636,873
Borrowings	19.98%	409,005,930	341,469,085	71,990,76	13,841,531	182,176	1,107,572	5,382,310	15,632,652	23,685,540	85,000	420,988
Deposits and other accounts	15.26%	1,709,564,159	217,907,584	796,861,428	171,580,175	159,358,089	34,943	812,249	3,349	-	-	363,006,342
Subordinated debts	22.15%	30,820,106	-	3,950,000	26,870,106	-	-	-	-	-	-	-
Lease liabilities		17,011,225	1,142	5,724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878	-
Other liabilities		112,896,916	-	-	-	-	-	-	-	-	-	112,896,916
		2,287,025,109	559,377,811	8,08,016,228	212,326,231	159,645,318	1,341,523	6,559,421	16,703,760	32,687,820	6,405,878	483,961,119
On-balance sheet gap		23,371,739	(174,211,439)	235,264,466	102,373,013	55,451,446	27,558,241	(2,773,348)	55,079,363	5,005,787	(64,058,787)	(273,969,912)
Off-balance sheet financial instruments												
Documentary credits and guarantees		321,908,407	-	-	-	-	-	-	-	-	-	321,908,407
Commitments in respect of:												
- forward foreign exchange contracts - net		33,085,002	-	-	-	-	-	-	-	-	-	33,085,002
- forward lending		34,883,622	-	-	-	-	-	-	-	-	-	34,883,622
Off-balance sheet gap		389,877,031	-	-	-	-	-	-	-	-	-	389,877,031
Total yield / interest risk sensitivity gap		(174,211,439)	(174,211,439)	235,264,466	102,373,013	55,451,446	27,558,241	(2,773,348)	55,079,363	5,005,787	(64,058,787)	115,907,119
Cumulative yield / interest risk sensitivity gap		(174,211,439)	(174,211,439)	61,053,027	163,426,040	218,877,486	246,435,727	243,662,379	298,741,742	303,747,529	297,341,651	413,248,770

2023

Effective yield / Interest rate	Exposed to Yield / Interest risk										Non-interest bearing financial instruments	
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
Rupees in '000												
On-balance sheet financial instruments												
Assets												
	100,894,627	6,592,100	-	-	-	-	-	-	-	-	-	94,302,527
Cash and balances with treasury banks	8,560,478	4,633,898	-	-	-	-	-	-	-	-	-	3,926,580
Balances with other banks	143,325,933	143,325,933	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	913,088,050	5,404,739	52,273,507	34,788,089	236,712,072	108,403,037	161,878,572	203,392,184	103,046,331	-	-	71,891,519
Investments - net	807,544,892	200,958,752	606,000,670	-	-	-	-	-	-	-	-	585,470
Advances - net	193,292,555	-	-	-	-	-	-	-	-	-	-	193,292,555
Other assets	2,166,706,535	360,915,422	658,274,177	34,788,089	236,712,072	108,403,037	161,878,572	203,392,184	103,046,331	-	-	299,296,651
Liabilities												
Bills payable	5,507,855	-	-	-	-	-	-	-	-	-	-	5,507,855
Borrowings	453,965,991	379,800,830	30,325,890	6,994,536	26,637	61,4150	2,252,101	5,263,021	28,092,412	396,290	-	200,124
Deposits and other accounts	1,520,836,189	59,796,156	822,470,280	143,412,527	193,474,736	2,580,957	4,034,500	822,648	-	-	-	294,244,385
Subordinated debts	30,204,640	-	-	30,204,640	-	-	-	-	-	-	-	-
Other liabilities	125,073,817	1,919	10,611	3,046	691,146	298,429	258,718	878,276	714,5780	706,1334	-	109,346,558
	2,135,588,492	439,598,905	852,806,781	180,614,749	193,570,519	3,493,536	6,545,319	696,3945	35,238,192	7,457,624	-	409,298,922
On-balance sheet gap	3,118,043	(78,683,483)	(194,532,604)	(145,826,660)	43,141,553	104,909,501	155,333,253	196,428,239	67,808,139	(7,457,624)	-	(110,002,271)
Off-balance sheet financial instruments												
Documentary credits and guarantees	308,292,732	-	-	-	-	-	-	-	-	-	-	308,292,732
Commitments in respect of:												
- forward foreign exchange contracts	24,415,612	-	-	-	-	-	-	-	-	-	-	24,415,612
- forward lending	15,817,173	-	-	-	-	-	-	-	-	-	-	15,817,173
Off-balance sheet gap	348,525,517	-	-	-	-	-	-	-	-	-	-	348,525,517
Total yield / interest risk sensitivity gap	(78,683,483)	(78,683,483)	(194,532,604)	(145,826,660)	43,141,553	104,909,501	155,333,253	196,428,239	67,808,139	(7,457,624)	-	238,523,246
Cumulative yield / interest risk sensitivity gap	(78,683,483)	(78,683,483)	(273,216,087)	(419,042,747)	(375,901,194)	(270,991,693)	(115,658,440)	80,769,799	148,577,938	141,120,314	-	379,643,560

Reconciliation of financial assets and liabilities with total assets and liabilities:

	2024	2023
	Rupees in '000'	
Financial assets	2,310,396,848	2,166,706,535
Non financial assets:		
Property and equipment	28,639,949	20,794,866
Right of use assets	12,865,764	12,424,136
Intangibles	2,488,381	2,099,217
Deferred tax assets - net	9,204,913	10,314,627
Other assets	15,544,646	3,864,260
	68,743,653	49,497,106
Total assets as per statement of financial position	2,379,140,501	2,216,203,641
Financial liabilities	2,287,025,109	2,135,588,492
Non financial liabilities:		
Other liabilities	1,805,577	43,983
Total liabilities as per statement of financial position	2,288,830,686	2,135,632,475

47.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes & controls, people and system or from external events. Potential losses arising out of Operational Risk may not be brought down to zero, however, the Group strive to minimize the operational risk impact through efficient controls & framework, monitoring and responding to any potential risk in a timely manner. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff training and appraisal procedures, including the use of internal audit function. The Group has established a comprehensive Business Continuity Plan (BCP) to deal with the risk of any financial loss and damage to reputation arising from operational risk factors.

The Group uses Risk Control Self Assessment and monitoring of Key Risk Indicators to mitigate operational losses. The Group's operational risk management framework, as laid down in the operational risk policy, duly approved by Board of Directors, is flexible enough to implement in stages and permits the overall risk management approach to evolve in the light of organizational learning and the future needs of the Group. Operational loss events are reviewed and appropriate corrective actions taken on an ongoing basis, including measures to improve control procedures with respect to design and operative effectiveness.

In accordance with the operational risk policy and framework, a database covering losses, control breaches and near misses is being maintained. Major risk events are analyzed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. quarterly updates on operational risk events are presented to senior management and the Risk Management, Compliance and NPL Review Committee (RMC&NPLRC).

47.3.1 Operational risk disclosures Basel-II specific

Currently, the Group is reporting operational risk capital charge under Basic Indicator Approach (BIA). However, the Group took a number of initiatives with respect to operational risk management. The Group will initiate further steps for improvement in operational risk management to adopt next approach of capital charge i.e. Alternative Standardized Approach (ASA) as and when required by regulator.

47.4 Liquidity risk

Liquidity risk is the potential loss to a Group arising from either its inability to meet obligation(s) or to fund increase in assets as they fall due without incurring unacceptable cost or losses. The Group's ALCO is primarily responsible to ensure adequate maintenance and monitoring of liquidity and minimization of liquidity risk by filling in the Asset-Liability gap. The Group manages its liquidity risk by continuous monitoring of the maturity profiles of its assets and liabilities, strengthening of its credit recovery procedures by focusing on retail and medium-sized customers and managing open positions through effective treasury operations. Allocation of funds towards various business prepositions and pricing of assets and liabilities of the Group are given significant importance. Group liquidity risk framework enables management in identification of key drivers of liquidity risk (on/off balance) and developing mitigants there against.

The Group is using following strategies for mitigation of liquidity risk:

- Invest key liquid deposit providers in liquid investment;
- Contingency funding plan;
- Monitoring of advances to deposits ratio;
- Diversification of portfolio;
- Maintaining desirable level of currency wise liquidity; and
- Identify situations or events that may trigger a crisis situation in terms of liquidity.

47.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Group

2024

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Rupees in '000														
Assets														
Cash and balances with treasury banks	100,773,627	100,773,627	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	3,491,711	3,491,711	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	12,891,206	-	5,292,050	1,350,000	6,150,000	-	-	-	-	-	99,156	-	-	-
Investments	1,319,892,057	2,680,165	-	-	8,549,798	122,155,506	32,098,879	105,747,041	118,672,360	188,431,869	239,741,000	59,315,591	328,915,096	113,584,752
Advances	778,757,845	68,783,888	5,004,274	2,891,827	45,060,135	86,238,719	84,756,037	84,584,940	47,186,286	46,844,913	86,670,767	73,114,904	25,405,313	122,215,842
Property and equipment	28,639,949	21,776	130,656	152,432	370,232	281,989	281,988	767,344	688,724	688,723	2,440,404	2,440,404	4,965,966	15,409,311
Right of Use Assets	12,865,764	-	-	-	947	212	5,542	35,685	23,582	43,978	143,086	226,705	733,134	11,652,893
Intangible assets	2,488,381	886	5,316	6,202	15,061	27,465	27,465	82,395	82,395	82,395	329,580	346,094	659,160	823,967
Deferred tax assets	9,204,913	-	-	-	-	-	-	-	-	-	-	-	9,204,913	-
Other assets	110,135,048	10,281,503	320,421	482,015	60,095,043	6,152,079	1,854,209	6,732,536	1,813,666	6,740,668	5,609,964	6,013,864	4,039,080	-
	2,379,140,501	186,033,556	10,752,717	4,882,476	120,241,216	214,855,970	119,024,120	197,949,941	168,467,013	242,832,546	335,033,957	141,457,562	373,922,662	263,686,765
Liabilities														
Bills payable	7636.873	7636.873	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	409,005,930	421,440	140,764,210	491,696	198,712,728	5,994,356	1,204,720	13,841,531	57,421	1,624,755	616,156	5,386,439	15,644,590	24,245,888
Deposits and other accounts	1,709,564,159	1,207,721,303	8,097,286	13,421,901	45,013,961	29,211,633	38,636,578	175,436,966	117,463,175	67,444,706	4,687,544	1,312,838	116,268	-
Subordinated debts	30,820,106	-	-	-	-	-	-	3,774	-	3,774	7,548	2,148,948	2,153,916	26,502,146
Lease liabilities	17,011,25	-	-	-	11,42	387	5,337	34,419	42,113	62,940	199,008	364,862	1,067,759	15,323,158
Other liabilities	112,896,916	12,931,336	1,669,289	2,839,376	78,44,011	8,544,804	5,121,712	21,938,886	11,797,249	10,198,958	70,70,476	5,304,602	9,712,766	79,23,451
	2,287,025,109	1,228,710,952	150,530,785	16,752,973	251,571,842	43,751,180	44,968,347	211,255,576	129,359,958	79,335,133	12,580,732	14,517,689	29,695,299	73,994,643
Net assets	92,115,392	(104,677,396)	(139,778,068)	(118,704,97)	(131,330,626)	171,104,790	74,055,773	(13,305,635)	391,070,555	163,497,413	322,453,225	126,939,873	344,227,363	189,692,122
Share capital - net	32,452,535													
Reserves	17,710,207													
Surplus on revaluation of assets - net of tax	7,952,066													
Non controlling interest	954,312													
Unappropriated profit	33,046,272													
	92,115,392													

2023														
Rupees in '000														
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Assets														
Cash and balances with treasury banks	100,894,627	100,894,627	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	8,560,478	8,560,478	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	143,325,933	-	143,325,933	-	-	-	-	-	-	-	-	-	-	-
Investments - net	913,088,050	4,055,267	-	73,856	143,090	5,013,730	40,279,769	308,335	212,846,497	24,357,500	112,845,318	182,052,225	218,851,073	112,261,390
Advances - net	807,544,892	56,821,261	3,372,989	81,444,810	132,821,851	25,777,232	133,144,605	53,368,937	24,347,978	2,603,683	22,327,735	33,484,266	103,672,539	207,657,006
Property and equipment	332,190,002	17,067	102,399	119,469	292,047	217,229	225,805	588,947	536,795	552,514	2,063,529	2,047,975	4,272,027	22,183,199
Intangible assets	2,099,217	749	4,494	5,243	12,748	23,234	23,234	69,702	69,702	69,702	287,004	278,808	557,616	696,981
Deferred tax assets - net	10,314,627	-	-	-	-	-	-	-	-	-	-	-	10,314,627	-
Other assets - net	197,156,815	137,822,972	511,647	2,605,322	41,156,654	1,836,482	1,928,477	8,736,965	266,662	2,291,634	-	-	-	-
	2,216,203,641	3,081,72,421	147,317,462	109,48,700	174,42,6390	32,867,907	175,601,890	63,072,886	238,067,634	298,750,333	137,523,586	217,863,274	337,667,882	342,798,576
Liabilities														
Bills payable	5,507,855	5,507,855	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	453,965,991	200,987	177,489,416	656,996	201,654,418	7,693,967	21,635,004	7,492,345	6,341	21,346	61,692	2,255,341	5,272,381	28,970,757
Deposits and other accounts	1,520,836,189	981,748,277	10,229,831	14,496,119	34,056,623	56,490,558	68,712,504	149,239,420	116,815,615	80,614,281	2,812,886	4,450,739	11,69,336	-
Subordinated debts	30,204,640	-	-	-	-	-	-	2,260	-	2,260	4,520	4,520	4,290,980	25,900,100
Other liabilities	125,117,800	66,822,655	708,095	2,569,395	4,687,171	1,710,897	4,031,153	8,870,427	399,765	5,705,519	2,738,841	4,302,848	6,126,228	16,444,806
	2,135,632,475	1,054,279,774	188,427,342	177,22,510	240,398,212	65,895,422	94,378,661	165,604,452	117,221,721	86,343,406	6,172,939	11,013,448	16,858,925	71,315,663
Net assets	80,571,166	(746,107,353)	(41,109,880)	(6,773,810)	(65,971,822)	(33,027,515)	81,223,229	(102,531,566)	120,845,913	(56,468,373)	131,350,647	206,849,826	320,808,957	271,482,913
Share capital - net	32,452,535													
Reserves	15,035,135													
Surplus on revaluation of assets - net of tax	1,818,506													
Non controlling interest	762,170													
Unappropriated profit	30,502,820													
	80,571,166													

47.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

2024

	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Rupees in '000										
Assets										
Cash and balances with treasury banks	100,773,627	100,773,627	-	-	-	-	-	-	-	-
Balances with other banks	3,491,711	3,491,711	-	-	-	-	-	-	-	-
Lendings to financial institutions	12,891,206	12,792,050	-	-	-	99,156	-	-	-	-
Investments	1,319,892,057	11,229,963	154,254,385	105,747,041	307,104,229	239,741,000	59,315,591	328,915,096	113,584,752	-
Advances	778,757,845	121,740,123	170,994,756	84,584,940	94,031,199	86,670,767	73,114,904	25,405,313	110,918,149	11,297,694
Property and equipment	28,639,949	675,096	563,977	767,344	1,377,447	2,440,404	2,525,562	4,880,808	12,202,020	3,207,291
Right of Use Assets	12,865,764	947	5,754	35,685	67,560	143,086	226,705	733,134	7,213,645	4,439,248
Intangible assets	2,488,381	27,465	54,930	82,395	164,790	329,580	346,094	659,160	823,967	-
Deferred tax assets	9,204,913	-	-	-	-	-	-	9,204,913	-	-
Other assets	110,135,048	71,178,982	8,006,288	6,732,536	8,554,334	5,609,964	6,013,864	4,039,080	-	-
	2,379,140,501	321,909,964	333,880,090	197,949,941	411,299,559	335,033,957	141,542,720	373,837,504	244,742,533	18,944,233
Liabilities										
Bills payable	7636,873	7636,873	-	-	-	-	-	-	-	-
Borrowings	409,005,930	340,390,074	71,990,076	13,841,531	1,682,176	616,156	5,386,439	15,644,590	241,608,888	85,000
Deposits and other accounts	1,709,564,159	409,610,804	220,432,384	277,159,748	286,630,663	106,410,326	103,035,620	102,839,050	101,722,782	101,722,782
Subordinated debts	30,820,106	-	-	3,774	3,774	7,548	2,148,948	2,153,916	26,502,146	-
Lease liabilities	17,101,125	11,442	5,724	34,419	105,053	199,008	364,862	1,067,759	9,002,280	6,320,878
Other liabilities	112,896,916	25,284,012	13,666,516	21,938,886	21,996,207	7,070,476	5,304,602	9,526,294	8,108,841	1,082
	2,287,025,109	782,922,905	241,303,700	312,978,358	310,417,873	114,303,514	116,240,471	131,231,609	169,496,937	108,129,742
Net assets	92,115,392	(461,012,941)	92,576,390	(115,028,417)	100,881,686	220,730,443	25,302,249	242,605,895	75,245,596	(89,185,509)
Share capital - net	32,452,535	-	-	-	-	-	-	-	-	-
Reserves	17,710,207	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	7,952,066	-	-	-	-	-	-	-	-	-
Non controlling interest	954,312	-	-	-	-	-	-	-	-	-
Unappropriated profit	330,462,272	-	-	-	-	-	-	-	-	-
	92,115,392	-	-	-	-	-	-	-	-	-

Deposit account without contractual maturities have been classified by taking into account historical trend of their withdrawal pattern, which shows that 15% of such deposits mature in each of the first two categories mentioned above and 10% mature in each of the remaining seven categories.

2023

	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
Assets										
Cash and balances with treasury banks	100,894,627	100,894,627	-	-	-	-	-	-	-	-
Balances with other banks	8,560,478	8,560,478	-	-	-	-	-	-	-	-
Lendings to financial institutions	143,325,933	143,325,933	-	-	-	-	-	-	-	-
Investments - net	913,088,050	4,272,213	45,293,499	308,335	237,203,997	112,845,318	182,052,225	218,851,073	112,261,390	-
Advances - net	807,544,892	20,160,911	158,921,837	53,368,937	26,951,661	22,327,735	33,484,266	103,672,539	183,230,179	244,426,827
Fixed assets	33,219,002	530,982	443,034	588,947	10,89,309	2,063,529	2,047,975	4,272,027	15,257,055	6,926,144
Intangible assets	2,099,217	23,234	46,468	69,702	139,404	287,004	278,808	557,616	696,981	-
Deferred tax assets - net	10,314,627	-	-	-	-	-	-	10,314,627	-	-
Other assets - net	197,156,815	182,096,595	3,764,959	8,736,965	2,558,296	-	-	-	-	-
	2,216,203,641	640,864,973	208,469,797	63,072,886	267,942,667	137,523,586	217,863,274	337,667,882	311,445,605	31,352,971
Liabilities										
Bills payable	5,507,855	5,507,855	-	-	-	-	-	-	-	-
Borrowings	453,965,991	380,001,817	29,328,971	7,492,345	27,687	616,692	2,255,341	5,272,381	28,574,467	396,290
Deposits and other accounts	1,520,836,189	235,195,009	267,321,152	243,984,814	292,175,291	97,558,280	99,196,133	95,914,730	94,745,394	94,745,386
Subordinated debts	30,204,640	-	-	2,260	2,260	4,520	4,520	4,290,980	25,900,100	-
Other liabilities	125,117,800	74,787,316	5,742,050	8,870,427	61,05,284	2,738,841	4,302,848	6,126,228	9,373,221	707,1585
	2,135,632,475	695,491,997	302,392,173	260,349,846	298,310,522	100,918,333	105,758,842	111,604,319	158,593,182	102,213,261
Net assets	80,571,166	(54,627,024)	(93,922,376)	(197,276,960)	(30,367,855)	36,605,253	112,104,432	226,063,563	152,852,423	(70,860,290)
Share capital - net	32,452,535									
Reserves	15,035,135									
Surplus on revaluation of assets - net of tax	1,818,506									
Non controlling interest	762,170									
Unappropriated profit	30,502,820									
	80,571,166									

48. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Bank in its meeting held on 17th February 2025 has proposed a cash dividend of 18 percent (2023: cash dividend @ 10%). These appropriations will be approved in the forthcoming Annual General Meeting. These consolidated financial statements for the year ended December 31, 2024 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2025.

49. DATE OF AUTHORIZATION FOR ISSUE

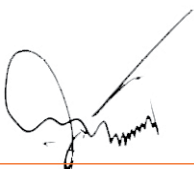
These consolidated financial statements were authorized for issue on 17th February 2025 by the Board of Directors of the Bank.

50. GENERAL

50.1 Figures have been rounded off to the nearest thousand rupees.

50.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the year except for as mentioned in note 5.1 to these consolidated financial statements.

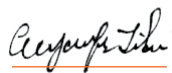
Area	Reclassified from	Reclassified to	Rs in thousand
Assets	Property and equipment	Right-of-use assets	12,424,136
Liabilities	Other liabilities	Lease liabilities	17,101,125



Chief Financial Officer



President



Chairman



Director



Director

Annexure I

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

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Fathers / Husbands name	Outstanding Liabilities at beginning of year			Interest / Mark-up waived			Other financial relief provided	Total (9+10+11+12)	
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Principal written-off	Interest / Mark-up written-off	Interest / Mark-up waived			
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
1	Muhammad Rashid Ali Khan (Chak-40/2-L, Tehsil - District Okara)	Muhammad Rashid Ali Khan (353029944538-5)	Muhammad Ashraf Khan	1,309	3,259	-	4,568	-	-	2,840	-	2,840
2	Muhammad Ashfaq (Mohalla: Darbar Shah Meer, Hujra Shah Mueqem Tehsil Depalpur)	Muhammad Ashfaq (353011868365-5)	Muhammad Yar	-	941	-	941	-	-	941	-	941
3	Abdul Rasheed Lakha (Kotla Kabeer Post Office Kotlan Eason District Rajanpur)	Abdul Rasheed Lakha (324032387239-1)	Haji Khan Muhammad	780	914	-	1,694	-	-	896	-	896
4	Muhammad Arshad (Kotla Dakhana Khaas Tehsil District Okara)	Muhammad Arshad (353029863850-3)	Zain Ul Abideen	800	803	-	1,603	-	-	948	-	948
5	Liaqat Ali (Kotli Mirani Ghandawal Post Office, Tehsil Muridke)	Liaqat Ali (354050385513-1)	Shukar Din	-	1,885	-	1,885	-	-	1,510	-	1,510
6	Muhammad Ahmed Chaudhary (House# E 1/2 Mohalla Fase Defence Housing Authority Lahore Cantt Lahore)	Muhammad Ahmed Chaudhary (352015315550-9)	Mehdi Hussain Chaudhry	-	-	-	-	-	-	1,574	220	1,794
7	Mazhar Hayat & Muhammad Nazir (Gunjalai Shumali Quidabad District Khushab)	Mazhar Hayat (382015194235-3) Muhammad Nazir (382018715680-9)	Haji Muhammad Amir Muhammad Sher	-	3,958	-	3,958	-	-	3,957	-	3,957
8	M/S Rai Muzaffar Protein Farm (Noor Shah Road Near Hazrat Lal A Wala Darbar Okara)	Amjad Ali (353027330598-9)	Muzaffar Ali	118	606	-	724	-	-	764	-	764
9	M/S Ghousia Cold Storage (Mouza Kandawal, Kasur Road Near Fakhr Town Depalpur)	Muhammad Javed (353011347237-3) Muhammad Rafiq (353014732967-5)	Chaudhary Ahmad Yar Muhammad Sharif	-	-	-	-	-	-	4,293	-	4,293
10	Chaudhry Dilpazeer Ahmad (Chak 25/2-R Okara)	Chaudhry Dilpazeer Ahmad (353022038737-9)	Muhammad Mansha	359	824	-	1,183	-	-	824	-	824

Annexure I

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
11	Chaudhry Dilpazeer Ahmad (Chak 25/2-R Okara)	Chaudhry Dilpazeer Ahmad (35302-2038737-9)	Muhammad Mansha	424	726	-	1150	-	-	726	-	726
12	Mian Shoaib Murtaza (Chak Bahripur Tehsil Depalpur)	Mian Shoaib Murtaza (35301-2839282-7)	Mian Ghulam Murtaza	-	3,379	-	3,379	-	-	3,379	-	3,379
13	Mian Shoaib Murtaza (Chak Bahripur Tehsil Depalpur)	Mian Shoaib Murtaza (35301-2839282-7)	Mian Ghulam Murtaza	-	1,518	-	1,518	-	-	1,518	-	1,518
14	Mian Mehboob Ali Khan Wattoo (Dhool Faqeer Bukhsh Tehsil Depalpur, District Okara)	Mian Mehboob Ali Khan Wattoo (35301-5852152-9)	Mian Rajab Ali Khan Wattoo	-	4,931	-	4,931	-	-	4,931	-	4,931
15	Rana Riaz Hussain (Mouza M.Saeed Post Office Rind Jaddah, District Lodhran)	Rana Riaz Hussain (36202-7072445-9)	Rana Ameer Ali	-	710	-	710	-	-	709	-	709
16	Sardar Muhammad Ajmal Khan (5/Sp Ladhoka Tehsil Depalpur, District Okara)*	Sardar Muhammad Ajmal Khan (35301-2006994-5)	Sardar Qasim Ali Khan	-	1,233	-	1,233	-	-	925	-	925
17	Sardar Muhammad Ajmal Khan (5/Sp Ladhoka Tehsil Depalpur, District Okara)*	Sardar Muhammad Ajmal Khan (35301-2006994-5)	Sardar Qasim Ali Khan	-	689	-	689	-	-	517	-	517
18	Liumen Poultry Control Shed (Lal Wala Road Bahawalnagar)*	Muhammad Saleem (31101-5037567-9)	Aftab Ahmad	8,000	4,405	-	12,405	-	-	5,579	-	5,579
19	M/S Mascot Profiten Farm (Mascot Profiten Kalas Gaman Kanganpur Tehsil Churnian District Kasur)	Malik Azhar Waheed (35101-2476262-3)	Malik Abdul Rashid	5,099	2,622	-	7,721	-	-	2,948	-	2,948
20	Sharayr Abbasi (Dilkusha Manzil Club Road Near Dig Chowk Bahawalpur)	Sharayr Abbasi (31202-2182219-9)	Shibzada Mansoor Ahmad Khan Abbasi	678	1,353	-	2,031	-	-	1,041	-	1,041
21	Sohail Ahmed Khan (Mouza Shatabh Garh Post Office Khas Tehsil Malisi District Vehari)	Sohail Ahmed Khan (36602-7078278-3)	Umar Iqbal Khan	1,509	1,595	-	3,104	-	-	1,403	-	1,403
22	M/S Al-Madina Poultry Farm (Chak# 48 Nb Faisalabad Road Sargodha)	Tahir Akhtar (38403-5051921-7)	Chaudhry Muhammad Shabbir Akhtar	12,047	1,871	-	13,918	-	-	2,669	-	2,669
23	M/S Al-Madina Poultry Farm (Chak# 48 Nb Faisalabad Road Sargodha)	Tahir Akhtar (38403-5051921-7)*	Chaudhry Muhammad Shabbir Akhtar	3,043	765	-	3,808	-	-	1,142	-	1,142

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
24	M/S Al-Madina Poultry Farm (Chak# 48 Nb Faisalabad Road Sargodha)	Tahir Akhtar (38403-5051921-7)	Chaudhry Muhammad Shabbir Akhtar	6,220	1,463	-	7,683	-	-	2,114	-	2,114
25	Amdad Hussain & Riaz Hussain (Thatha Gabolan Post Office Thata Gabolan Dera Ghazi Khan)	Amdad Hussain (32102-2068193-3) Riaz Hussain (32102-8053303-5)	Khadim Hussain Khadim Hussain	615	1,347	-	1,962	-	-	1,035	-	1,035
26	Liaqat Ali (Post Khas Chak #99 Sb Tehsil And District Sargodha)	Liaqat Ali (38403-4214008-1)	Muhamamd Ali	950	437	-	1,387	-	-	579	-	579
27	Muhammad Zeeshan Arshad (Chak-48/3R Okara)	Muhammad Zeeshan Arshad (35302-2540108-7)	Mian Arshed Iqbal	714	1,708	-	2,422	-	-	1,627	-	1,627
28	Malik Ali Akbar (Warseen Post Office Kalvana Tehsil And District Pakpattan)	Malik Ali Akbar (36402-4967961-1)	Haji Muhammad Hassan	2,000	772	-	2,772	-	-	1,150	-	1,150
29	Malik Ali Akbar (Warseen Post Office Kalvana Tehsil And District Pakpattan)	Malik Ali Akbar (36402-4967961-1)	Haji Muhammad Hassan	2,387	565	-	2,952	-	-	838	-	838
30	Habib Ullah (Behawal Kalan Post Office Same Tehsil Pattoki District Kasur Pattoki)	Habib Ullah (35103-5564919-7)	Sardar Ali	488	722	-	1,210	-	-	577	-	577
31	M/S Al Shaikh Poultry Farm (Scheme - 01, H-6-B, Street - 01, Satellite Town Sadiqabad)	Kaleem Ali (31304-9576942-1)	Muhammad Amin	10,000	4,653	-	14,653	-	-	5,354	-	5,354
32	Fayyaz Tahir (House# 154-M Mohallah Gulberg Colony Lahore)	Fayyaz Tahir (35200-9048025-7)	Tara Masih	4,000	2,464	-	6,464	-	-	3,082	-	3,082
33	Lal Deen (Chak#, 33/Dnb, Post Office 38/Dnb Yazman)	Lal Deen (31205-4773401-1)	Hakim Ali	1,252	1,175	-	2,427	-	-	1,095	-	1,095
34	Rab Nawaz (Chak#151 Nb Sillanawali Sargodha)	Rab Nawaz (38405-5400725-5)*	Malik Muhammad Bahader	497	562	-	1,059	-	-	521	-	521
35	Muhammad Moneeb Ahsan (House# A-17, Street# 2 Mohalla Quaid-E-Azam Dharmiyal Road Rawalpindi)	Muhammad Moneeb Ahsan (37405-5401584-1)	Raja Barkat Ali	1,866	274	-	2,140	-	-	342	333	675
36	Muhammad Mazhar Abbas (Basti Chan Wala Post Office Qasba Gujrat Tehsil - Kot Addu District-Muzaffargarh)	Muhammad Mazhar Abbas (32303-4606296-9)	Mureed Hussain	2,369	255	-	2,624	-	-	370	239	609
37	Nayyar Abbas (Chak No 54 Sb Post Office Khas Tehsil And District Sargodha)	Nayyar Abbas (38403-1135488-3)	Ghulam Murtaza	2,445	231	-	2,676	-	-	551	270	821

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
38	Ahtisham Munir (Street#1, Mohallah Liaquat Abad, Chowk Pondawala, Gujranwala)	Ahtisham Munir (3410115306057)	Munir Hussain	1,465	119	-	1,584	-	-	303	222	525
39	Razwan Ul Zaman Asif (House# 105, Street# 4, Canal Point Scheme Harbanspura, Lahore)	Razwan Ul Zaman Asif (32202-6194404-9)	Muhammad Zaman	687	103	-	790	-	-	103	867	970
40	Ghulam Mustafa (Head Nau Bahar Bahawalpur Road Near Sino Multan Motors Multan)	Ghulam Mustafa (41504-0396450-7)	Jamal	840	166	-	1,006	-	-	254	478	732
41	*Mobeen Iqbal (Defence Road Harbanspura Pull Near Mian Marble Lahore.)*	Mobeen Iqbal (35202-0184946-3)	Muhammad Iqbal	1,132	235	-	1,367	-	-	479	387	866
42	Muhammad Javed (Street Madina Masjid Islami Colony Block 2 Bahawalpur)	Muhammad Javed (31102-4204036-7)	Muhammad Din	2,019	495	-	2,514	-	-	491	427	918
43	Saeed Ahmad (Chah Lori Wala Wahli Dewan Wali Post Office Juggu Wala Tehsil District Lodhran)	Saeed Ahmad (36203-9704952-5)	Noor Muhammad	762	116	-	878	-	-	116	659	775
44	Muhammad Shahzad (Chah Salih Muhammad Wala Po Khas Bhotaji Tehsil And Distt Lodhran)	Muhammad Shahzad (36203-0230687-5)	*Muhammad Musheer	1,021	266	-	1,287	-	-	262	262	524
45	Syed Arfan Babar (Madina Syedan Post Office Khas Near Imamiya Masjid House # 397A)	Syed Arfan Babar (34201-0589332-9)	Syed Ibrar Hussain	1,335	449	-	1,784	-	-	453	637	1,090
46	Badar Liaquat (House # 5, Street # 2, Abdullah Town Bharakhu Islamabad)	Badar Liaquat (61101-74184908-1)	Liaquat Mehmood	2,563	769	-	3,332	-	-	775	685	1,460
47	Muhammad Waqas (Chak No 266 Rb Mohallah Ghousia Colony Khurrian Wala Tehsil Jaranwala District Faisalabad)	Muhammad Waqas (33104-0141580-1)	Muhammad Ashfaq	1,611	228	-	1,839	-	-	217	384	601
48	Malik Siraj Iron Store (Kachi Muhammad Khan Post Office Tma Kachi Muhammad Khan Tranda)	Malik Siraj Iron Store (31302-9974132-9)	Malik Siraj Ahmad	2,208	294	-	2,502	-	-	202	1,450	1,652
49	Muhammad Imran Hussain Rizwi (House No B- 211-Street No 20 Model Town Bahawalpur)	Muhammad Imran Hussain Rizwi (31202-3827305-5)	Muhammad Sajjad Hussain Shah	602	228	-	830	-	-	229	910	1,139

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	5						
1	2	3	4	5	6	7	8	9	10	11	12	13	
Rupees in '000													
50	Muzhir Iqbal (House No 72 Street No 3 Sofiabad Ferozpur Road Lahore)	Muzhir Iqbal (35503-6413686-9)	Sabir Hussain Shakir	658	148	-	806	-	-	148	845	993	
51	Rana Muhammad Ahsan Sarwar (House # 05, Street # 1, Peeran Galb Road Mohalla Bagh Hussain Multan)	Rana Muhammad Ahsan Sarwar (36302-6423033-3)	Muhammad Sarwar Khan	1,964	649	-	2,613	-	-	789	897	1,686	
52	Hassan Sarfraz Cheema (Askari II House No 272 Cantt Gujranwala)	Hassan Sarfraz Cheema (34601-9680788-1)*	Muhammad Sarfraz Cheema	1,327	180	-	1,507	-	-	226	422	648	
53	Muhammad Waqas Butt (19-Abbot Road, Near Janki Devi Hospital Lahore)	Muhammad Waqas Butt (35201-526516-1)	Munir Butt	2,787	782	-	3,569	-	-	968	1,063	2,031	
54	Muhammad Akbar (Galli Muhalla Basti Chanan Wali Post Office Liaqat Abad Wahi Motan Mill Tehsil And Distt Lodhran)	Muhammad Akbar (36203-1814934-3)	Allah Yar	1,795	439	-	2,234	-	-	620	455	1,075	
55	Samar Ali (Ward No 05 Sadar Bazar House No 6/7 Sialkot Tehsil And Distt Sialkot)	Samar Ali (34603-9312062-1)	Syed Matin Ali Ajmery	1,198	234	-	1,432	-	-	358	246	604	
56	Ali Shair (390 N Block 1st Floor Johar Town Lahore)	Ali Shair (36402-3618934-5)	Muhammad Yousaf	1,435	343	-	1,778	-	-	437	550	987	
57	Zeshan Ali (IIPA Sadhari Post Office Khas Tehsil Pattoki District Kasur)	Zeshan Ali (35103-9341096-9)	Khalid Hussain	2,188	403	-	2,591	-	-	565	588	1,153	
58	Tayyab Bilal (Punjab Traders Service Road Purana Kahna Near Rehman Gardern Feroze Pur Road Lahore)	Tayyab Bilal (42101-9791216-5)	Aas Muhammad	1,716	468	-	2,184	-	-	621	508	1,129	
59	Ali Raza (Purani Mandi Muhalla Main Bazar Pattoki Kasur)	Ali Raza (35103-7509063-3)	Iqrar Khan	2,569	747	-	3,316	-	-	968	1,377	2,345	
60	Muhammad Zafar (House No 32 Maharan Block Allama Iqbal Town Lahore)	Muhammad Zafar (31204-3531759-5)*	Faiz Bakht	1,333	251	-	1,584	-	-	384	289	673	
61	Zahid Riaz Sardar (House No 7 Street No 1 Army Officers Colony Morgah Rawalpindi)	Zahid Riaz Sardar (37405-5513757)	Riaz Ahmed	3,073	1,053	-	4,126	-	-	1,233	2,540	3,773	

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
62	Imran Khan (9-Fist Floor Kohi-E-Noor Scheme Abid Market Qainchi Stop Ferozepyar Road Lahore)	Imran Khan (35201-2195606-9)	Muhammad Shafi Azad	1369	317	-	1686	-	-	462	363	825
63	Abdul Raheem (House No A-378 Street Scheme 33 Muhalla Seven Star Colony Gaddap Town Karachi)	Abdul Raheem (54303-204224-9)	Muhammad Ibraheem	4373	1089	-	5462	-	-	1420	1623	3,043
64	Abdul Majeed (Alpa Sadan Post Office Padana Check 45 Tehsil Pattoki District Kasur)	Abdul Majeed (35103-3419034-9)	Muhammad	2,309	425	-	2,734	-	-	624	613	1,237
65	Muhammad Kamran (House # 118 Street # 10 Nothia Shams Colony Near Golra Moor Islamabad)	Muhammad Kamran (38403-7300971)	Muhammad Yar Khan	2,450	559	-	3,009	-	-	772	886	1658
66	Saddam Hussain (Mohallah Sangina Batkhela District Malakand Teh Batkhela)	Saddam Hussain (15402-1404838-9)	Muhammad Diyar Khan	2,480	157	-	2,637	-	-	172	637	809
67	Syed Umair Fakhir (House No 58, Block No C Riaz Colony Bahawalpur)	Syed Umair Fakhir (31202-0384387-3)	Syed Musarat Fakhir	2,749	382	-	3,131	-	-	582	585	1,167
68	Muzamil Iqbal (House No P-712 Street # 9 Mohalla Islam Nagar Faisalabad)	Muzamil Iqbal (33100-9003157-9)	Muhammad Iqbal	2,532	546	-	3,078	-	-	796	791	1,587
69	Muhammad Shoab (House # 38/B Mohallah Goshah Ahbab Peco Road Multan Chungi Lahore)	Muhammad Shoab (35202-4486299-7)	Akbar Ali	2,452	320	-	2,772	-	-	502	542	1,044
70	Muhammad Kamran (Hashim Garden Near Noor Mahal Road Bahawalpur)	Muhammad Kamran (31202-5079691-9)	Abdul Rehman	254	12	-	266	-	-	12	550	562
71	Muhammad Kamran (Hashim Garden Near Noor Mahal Road Bahawalpur)	Muhammad Kamran (31202-5079691-9)	Abdul Rehman	257	32	-	289	-	-	32	827	859
72	Asif Ali (House No V7-R-44 Muhalla Basti Chargh Shah Sahari Road Kasur)	Asif Ali (35102-1424535-7)	Mushtaq Ahmad	534	115	-	649	-	-	115	805	920
73	Saeed Ur Rehman (House No P-28 Street # 2 Mohallah Islam Nagar Faisalabad)	Saeed Ur Rehman (33100-0399507-5)	Abdul Ghafoor	2,012	120	-	2,132	-	-	437	273	710
74	Muhammad Arshad (House No E-147 Street No 4 Mohalla Peer Colony No 2 Walton Road Lahore)	Muhammad Arshad (35200-1478232-9)	Muhammad Ismail	2,837	120	-	2,957	-	-	367	338	705
75	Misbah Bashir (Al-Iman Bakery Layyah Road Chowk Azam Karon Lal Eson District Layyah)	Misbah Bashir (32203-4469660-2)	Muhammad Murtaza Anwar	1,570	380	-	1,950	-	-	527	906	1,433

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
76	Muhammad Humayoun Jawad (House No 172 A Street No 1 Sabazwari Town Multan)	Muhammad Humayoun Jawad (32304-6912641-3)	Muhammad Yousaf Jawad	1,828	278	-	2,106	-	611	385	996	
77	Zohaib Ali (Muhala Purani Mandi Pattoki District Kasur)	Zohaib Ali (G5103-7219039-7)	Asghar Ali	3,342	287	-	3,629	-	694	875	1,569	
78	Muhammad Umar Khan (Mona Shoes Sale Point Farid Gate Bahawalpur)	Muhammad Umar Khan (31202-8849062-5)	Muhammad Shahid Khan	1,518	506	-	2,024	-	706	1,124	1,830	
79	Syed Shahbaz Ali (House No D-23 Street No 1 Dream Garden Old Shuja Abad Road Multan)	Syed Shahbaz Ali (36302-1135219-5)	Sajid Hussain Zaidi	1,976	163	-	2,139	-	559	344	903	
80	Maqbool Ahmed (Post Office Mandi Sadiq Gurji Mirza Ka Tehsil Minchinabad District Bahawalnagar)	Maqbool Ahmed (31105-8305404-9)	Sakhi Muhammad	2,973	128	-	3,101	-	715	506	1,221	
81	Muhammad Sajid (Moza Baqir Pur Misti Miani Near Yaqoob Mithai Waly Bahawalpur)	Muhammad Sajid (31202-7613037-3)	Muhammad Shafi	1,577	87	-	1,664	-	248	296	544	
82	Muhammad Junaid Akbar (Dakhana Khias Chak # 68 JB Lehlan Tehsil And District Faisalabad)	Muhammad Junaid Akbar (33103-1062842-3)	Akbar Ali	1,030	110	-	1,140	-	289	263	552	
83	Waqas Ali (Kala Khataye Road New Qaisewr Town Shadra Lahore)	Waqas Ali (34102-2758939-1)	Abbas Ali	1,350	75	-	1,425	-	353	282	635	
84	Usama Ismail (Lala Zar Colony Mudasir Shaheed Road Cant By Pass Sialkot House # B-20)	Usama Ismail (34603-4538617-3)	Haseeb Arshad	2,020	115	-	2,135	-	574	543	1,117	
85	Nageen (House # 55-B/4, Shaheen Park Bhagat Pura Shad Bagh Lahore)	Nageen (35202-8502832-4)	Muhammad Siddique	2,162	43	-	2,205	-	403	413	816	
86	Irfan Ali (Chachoo Wali Stop Main Bedian Road Near Grammar School Lahore)	Irfan Ali (35201-6784594-5)	Abdul Ghafar	1,465	221	-	1,686	-	538	444	982	
87	Abdul Rehman (Ward No 13 Munalah Muslim Colony Minchinabad District Bahawalnagar)	Abdul Rehman (31105-4882722-3)	Muhammad Nazir	2,055	45	-	2,100	-	455	267	722	

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
88	Muhammad Babar Khan (Muslim Town House No 636/506 B-Vii Street No 4 Bahawalpur)	Muhammad Babar Khan (31202-1159643-7)	Muhammad Zahir Javed	2,055	86	-	2,141	-	-	538	333	871
89	Muhammad Riaz (Chak No 11 M P R Post Office Gellay Wala Tehsil O District Lodharan Bahawalpur)	*Muhammad Riaz (36203-2885849-5)	Ashiq Hussain	2,254	136	-	2,390	-	-	511	643	1,154
90	Fawad Hameed (Moh Karma Wala Kingra Road Near Muqadas Shopping Mart Tehsil And District Sialkot)	*Fawad Hameed (81302-0341055-7)	Abdul Hameed	2,134	155	-	2,289	-	-	573	437	1,010
91	Muhammad Abrar (Bismillah General Store Shop No 9 Dhoke Mori Hazara Chowk Mohsin Market Bahara Kahn Islamabad)	Muhammad Abrar (36303-9825337-9)	Allah Baktsh	2,055	54	-	2,109	-	-	518	291	809
92	Muhammad Ismail (Post Office Fathe Pur Warris Wahin Malisi District Vehari)	Muhammad Ismail (36602-8796632-7)	Muhammad Akbar	1,861	121	-	1,982	-	-	366	505	871
93	Muhammad Ali (Post Office Jalalpur Pir Wala Bait Kaiser Tehsil Jalalpur Pir Wala District Multan)	Muhammad Ali (36301-0902577-9)	Muhammad Akmal	2,301	234	-	2,535	-	-	579	833	1,412
94	Nadeem Khaliq Kayani (House 126, Muhallah Army Housing Colony Morgah Rawalpindi)	Nadeem Khaliq Kayani (37405-053154-9)	Abdul Khaliq Kayani	1,606	139	-	1,745	-	-	462	562	1,024
95	Goodi & Joyous (Pvt) Ltd (103 - Play Land Floor, Siddique Trade Centre, 72-Main Bulevard, Gulberg, Lahore)	*Shafiq-Ur-Rehman (35201-1570244-5) Rauf-Ur-Rehman (35201-6869776-3) Sami-Ur-Rehman (35201-6879273-3)	Muhammad Sadiq Shafiq-Ur-Rehman Shafiq-Ur-Rehman	8,348	3,902	-	12,250	-	-	2,281	-	2,281
96	Imran / Brothers (Shop # 28/B, Grain Market, Gagoo Mandi)	Muhammad Islam Ghazanfar (36601-0313490-5)	*Ghazanfar Ali	-	1,141	-	1,141	-	-	523	-	523
97	Basharat Electric Company (Alcon Fan, Near China Fan, G T Road Gujrat.)	Khalid Aziz (34201-3404172-1) Tariq Mefimood (34201-0319173-1) Baber Aziz (34201-0322315-7) Qamer Aziz (34201-0279082-9)	Mian Khan Mian Khan Mian Khan Mian Khan	-	4,673	-	4,673	-	-	1,596	-	1,596
98	Jugnoo Cotton Gainers (Bhong Road, Sadiqabad)	Sheikh Shahabuddin (31304-1122334-4)	Sheikh Nazamuddin	3,888	11,221	-	15,109	-	-	6,938	-	6,938

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)	
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
99	Mian Traders A/C (Farooqabad Br, Approach Road, Farooqabad.)	Muhammad Imran (35404-4378795-1)	Ahmed Ullah	1,025	3,306	-	4,331	-	-	1,150	-	1,150
100	Rehman Cloth House (Branch: Tibba Sultanpura), Sikander Market, Tibba Sultanpur, Tehsil Malis, Distt. Vehari	Muhammad Ashraf Rehman (36602-0781079-3)	Abdul Rehman	98	2,126	-	2,224	-	-	1,019	-	1,019
101	Amin Traders (Approach Road Farooqabad)*	Muhammad Yasin (35404-7542755-9)	Ahmed Ullah	1,134	4,335	-	5,469	-	-	1,509	-	1,509
102	Al-Haseeb Traders (Dajal Road, Allah Abad, Tehsil Jampur Distrigt Rajan Pur.)	Muhammad Aslan (Deceased) (32402-1407881-3)	Hamid Khan	2,000	1,477	-	3,477	-	-	1,127	-	1,127
103	Al-Hamid Traders / Oil Mills (Mouza Bait Ultra Gath Multan Road Near Bismillah Star Public School Tehsil Kot Addu Distt Muzaifgar Garh)	Sher Muhammad (32102-4233329-9) Gul Muhammad (32102-116949-3) Khan Muhammad (32102-5333235-9) Muhammad Sajjad (32102-4659190-5) Mujahid Hussain (32102-1188167-9) Muhammad Ejaz (32102-6980171-9)	Hamid Khan Hamid Khan Hamid Khan Hamid Khan Hamid Khan Hamid Khan	14,990	10,773	-	25,763	-	-	5,447	-	5,447
104	Syed Zarai Services (Muslim Town Market Bahawalpur Road Lodhran)	Muhammad Arshad (36203-5134597-9)	Zaheer Shah	1,998	889	-	2,887	-	-	740	-	740
105	Talha International (Office # 11 & 12, Raja Cloth Market Rail Bazar, Faisalabad)	Haji Muhammad Arshad Bashir (33100-9761704-1)	Haji Fazal Din	4,341	10,017	-	14,358	-	-	2,840	-	2,840
106	*Faisal Khan (B.K. Apna Shadi Hall, Qari Road, Rajgarh, Lahore)	*Faisal Khan (35202-5213370-5)*	Bahadur Khan	4,000	8,213	-	12,213	-	-	6,522	-	6,522
107	Muhammad Afzal & Co (Grain Market, Fortabbas)	Muhammad Afzal (31103-2763408-7)	Muhammad Ilyas	871	1,757	-	2,628	-	-	922	-	922

Annexure I

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
Rupees in '000												
108	Itikhar Brothers (Gally Wal Lodhran)	Muhammad Ibrahim (36203-6962154-9)	Urneed Khan	7977	4,396	-	12,373	-	-	2,076	-	2,076
109	Aslam Bricks Co. (Aslam Bricks Co. Near Ali Pur Chatha Railway Phatak Gujranwala Road, Alipur Chatha.)	*Mirza Muhammad Aslam (34101-2284822-9)	Muhammad Nazir	3,998	-	-	3,998	-	-	1,335	-	1,335
110	Madina Trading Company (Opposite Bhai Wala Railway Crossing Near Nbp, Chak No.202 Rb Ghatti, Faisalabad)	Muhammad Shahid Rauf (33100-78284877)	Abdul Rauf Naeem	1,076	2,295	-	3,371	-	-	1,074	-	1,074
111	Al-Shams Cotton Ginning Pressing & Oil Mills (Sikandar Abad Mor Shujabad Road, Multan)	Malik Muhammad Asif Bhutta (36302-172272-9) Malik Yasir Bhutta (36302-5115737-5)	Muhammad Shams Ul Haq Muhammad Shams Ul Haq	502	6,999	-	7,501	-	-	2,857	-	2,857
112	Shahzad & Sangrum Sanitary Fitting & Bathroom Accessories	Tahir Hussain (34101-8909844-5)	Muhammad Ashraf	4,999	1,561	-	6,560	-	-	1,445	-	1,445
113	Chouhdary Rice Mills (Pae, G.T. Road (Muza Virk) Milan Channu)	*Muhammad Arshad (36104-0500336-3) Shahid Iqbal (36104-0397579-5)	*Khair Din Khair Din	2,270	25,599	-	27,869	-	-	13,365	-	13,365
114	Tehseen Industries (Plot# 2-B, Block-L, Guiberg III, Lahore)	*Rana Tehseen Ahmed Khan (35202-2716442-9)	Chajju Khan	6,190	12,846	-	19,036	-	-	2,551	-	2,551
115	Mohammad Islam Hukka Nari Frosh, M/S Muhammad Islam Hukka (Nari Farosh, P-191, Jhang Bazar Near Jamia Moti Masjid Jhang Bazar, Faisalabad)	Muhammad Islam (33100-0614004-5)	Ghulam Hussain	784	7,690	-	8,474	-	-	4,250	-	4,250
116	Al Nasir Trading Company (Opposite Nadra Office, Main Highway Haroonabad Road, Bahawalnagar)	*Muhammad Nasir (31101-84030357)	Haji Ali Muhammad	11,998	11,784	-	23,782	-	-	8,474	-	8,474
117	Sheikh'S Mobile (Shop # 4, Grace Plaza Commercial Zone Karim Block Allama Iqbal Town, Lahore)	Amjad Ali (35202-1657207-5)	Sheikh Muhammad Ali	653	3,040	-	3,693	-	-	662	-	662
118	Subhanallah Ice Factory (St # 1, Iqbal Town, Ghulam Muhammadabad, Faisalabad)	*Muhammad Anis Arif (33100-0459020-7)	*Muhammad Hanif	4,120	8,683	-	12,803	-	-	3,629	-	3,629

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Interest / Mark-up written-off	Interest / Mark-up waived	Other financial relief provided	Total (9+10+11+12)	
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
119	Rana Denim Mills Limited. (Raifhan Mill Road, Adjacent To Raifhan Maize Products Limited, Faisalabad)	Rana Zahid Tousif (33100-06722867) Rana Asif Tousif (33100-0672190-5) Rana Arif Tousif (33100-0706556-3) (Deceased) Rana Atif Tousif (33100-0695537-3) (Deceased) Rana Usman Zahid (33100-0672287-1) Danial Abid (33100-5976024-1) Sharif Ahmed (33100-3791126-9)	Rana Tousif Ali Khan Rana Tousif Ali Khan Rana Tousif Ali Khan Rana Tousif Ali Khan Rana Zahid Tousif Atif Touseeef Arif Tousif		147041	-	147041	-	-	147041	-	147041
120	Hassan Zaman (Private) Limited. (21-B, M-Block, Gulberg III, Lahore)	Muhammad Saeed Malik (35202-2631584-3) Muhammad Saleem Rana (35202-2052703-5) Kashif Saeed (35202-1516587-3) Usman Saleem (35202-8916013-3) Moeen Saleem Rana (35202-2260102-1)	Muhammad Zaman Rana Hassan Muhammad Muhammad Saeed Malik Muhammad Saleem Rana Muhammad Saleem Rana	11105	26651	-	37756	-	-	14,375	-	14,375
121	Al-Bairio Textile Mills (Pvt) Ltd (P-213 Tikka Gall Montgomery Bazar Faisalabad)	Yasir Munir (33100-0881966-5) Sheikh Yawar Munir (33100-1460425-9) Umar Munir (33100-4047322-5)	Sh. Munir Ahmad Sh. Munir Ahmad Sh. Munir Ahmad	25178	34,785	-	59,963	-	-	15,441	-	15,441
122	Farmeco Enterprises (44-B, Industrial Estate, Multan)	Akhlaq Ahmed (36302-0449753-3) Muhammad Asif Akhlaq (36302-0449763-7) Muhammad Atif Akhlaq (36302-3329529-3)	Ashfaq Ali Khan Akhlaq Ahmed Akhlaq Ahmed	30474	86,892	-	117,366	-	-	31,801	-	31,801
				328,014	516,429	-	844,443	-	-	375,972	-	413,267

Rupees in '000

ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the December 31, 2024, the Bank is operating 210 Islamic banking branches (2023: 160 Islamic banking branches) and 258 Islamic banking windows (2023: 73 Islamic banking windows).

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	Note	2024	2023
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		12,893,765	8,872,231
Balances with other banks		774,490	551,223
Due from financial institutions	1	14,769,016	3,935,000
Investments	2	55,521,524	41,712,785
Islamic financing and related assets - net	3	79,408,331	106,772,301
Property and equipment		2,184,672	1,247,643
Right-of-use assets		3,148,547	2,522,746
Intangible assets		13,053	9,416
Due from Head Office		10,691,544	-
Other assets		9,389,214	8,323,643
Total assets		188,794,156	173,946,988
LIABILITIES			
Bills payable		865,968	710,834
Due to financial institutions	4	2,474,259	2,223,337
Deposits and other accounts	5	158,743,365	113,332,498
Due to head office		-	38,936,868
Lease liabilities		3,923,690	3,158,734
Subordinated debt		-	-
Other liabilities		3,022,990	4,121,792
		169,030,272	162,484,063
NET ASSETS		19,763,884	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		30,832	98,651
Surplus / (deficit) on revaluation of assets		385,024	(1,029,266)
Unappropriated profit	6	17,348,028	10,393,540
		19,763,884	11,462,925
CONTINGENCIES AND COMMITMENTS	7		

ISLAMIC BANKING BUSINESS
STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees in '000'	2023
Profit / return earned	8	26,160,280	22,723,664
Profit / return expensed	9	13,709,472	13,680,296
Net profit / return		12,450,808	9,043,368
Fee and commission income		502,176	451,079
Dividend income		-	-
Foreign exchange loss		(226,054)	(9,775)
Income / (loss) from derivatives		-	-
Gain on securities		359,067	5,914
Other income		114,743	23,764
		749,932	470,982
Total income		13,200,740	9,514,350
Other expenses			
Operating expenses		5,158,636	3,552,815
Workers Welfare Fund		-	-
Other charges		123	67
		5,158,759	3,552,882
Profit before credit loss allowance		8,041,981	5,961,468
(Reversal of credit loss allowance) / provisions and write offs - net		(773,424)	208,702
Profit before taxation		8,815,405	5,752,766
Taxation	10	-	-
Profit / (loss) after taxation		8,815,405	5,752,766

ISLAMIC BANKING BUSINESS

Annexure II

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,815,405	5,752,766
Less: dividend income	-	-
	8,815,405	5,752,766
Adjustments for:		
Depreciation on property and equipment	242,456	154,048
Amortization on intangible assets	1,704	1,386
Depreciation on ijarah assets under IFAS - 2	353,078	186,585
Depreciation right-of-use assets	423,035	305,643
Markup on lease liability against right-of-use assets	460,686	369,291
Amortization of premium on debt securities - net	98,672	95,371
Gain on termination of lease liability against right-of-use assets	(104,659)	(17,318)
Gain on sale of property and equipment - net	(872)	(207)
Realized gain on sale of securities - net	(359,067)	-
Credit loss allowance against lending to financial institutions	12,825	-
Reversal of credit loss allowance for diminution in value of investments (Reversal of credit loss allowance) / provision against loans & advances	(17,537)	-
Credit loss allowance against balances with treasury banks	(965,244)	208,702
Credit loss allowance against other assets - net	14,714	-
Credit loss allowance against off balance sheet obligations	16,879	-
Reversal of credit loss allowance against balance with other banks	167,572	-
	(2,633)	-
	341,609	1,303,501
	9,157,014	7,056,267
(Increase) / decrease in operating assets:		
Lendings to financial institutions	(10,875,000)	13,640,000
Advances	26,531,397	(51,020,357)
Others assets	(11,821,583)	(727,205)
	3,834,814	(38,107,562)
Increase in operating liabilities:		
Bills payable	155,134	62,973
Borrowings	-	-
Due to financial institutions	31,191	696,626
Deposits and other accounts	45,410,867	1,685,735
Other liabilities	(40,330,899)	39,966,086
	5,266,293	42,411,420
Net cash flow from operating activities	18,258,121	11,360,125
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments	(12,171,898)	(9,817,568)
Investments in property and equipment & intangible assets	(1,165,810)	(525,245)
Net cash used in investing activities	(13,337,708)	(10,342,813)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(639,907)	(451,504)
Net cash used in financing activities	(639,907)	(451,504)
Net increase in cash and cash equivalents	4,280,506	565,808
Impact of ECL on cash and cash equivalents	(35,705)	-
Cash and cash equivalents at beginning of the year	9,423,454	8,857,646
Cash and cash equivalents at end of the year	13,668,255	9,423,454

1. DUE FROM FINANCIAL INSTITUTIONS

	2024			2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Unsecured	14,769,016	-	14,769,016	3,935,000	-	3,935,000

2. INVESTMENTS BY SEGMENTS

	2024				2023			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'							
Amortised cost / held to maturity								
Federal Government securities	9,561,046	-	-	9,561,046	-	-	-	-
Non Government debt securities 2.1	2,122,068	(19,700)	-	2,102,368	-	-	-	-
	11,683,114	(19,700)	-	11,663,414	-	-	-	-
FVOCI / available for sale								
Federal Government securities	34,514,669	-	287,582	34,802,251	31,290,783	-	(1,134,412)	30,156,371
Non Government debt securities	8,266,007	-	(15,008)	8,250,999	11,545,574	-	10,840	11,556,414
	42,780,676	-	272,574	43,053,250	42,836,357	-	(1,123,572)	41,712,785
FVTPL / held for trading								
Federal Government securities	804,860	-	-	804,860	-	-	-	-
	804,860	-	-	804,860	-	-	-	-
Total investments	55,268,650	(19,700)	272,574	55,521,524	42,836,357	-	(1,123,572)	41,712,785

2.1 This includes credit loss allowance against stage-1 non government debt securities.

	Note	2024	2023
		Rupees in '000'	
3. ISLAMIC FINANCING AND RELATED ASSETS - NET			
Ijarah	3.1	3,472,893	2,451,160
Murabaha	3.2	272,036	977,303
Musharaka		8,198,268	47,100,860
Diminishing musharaka		42,190,942	40,720,767
Payment against documents		55,304	5,155,929
Waqala		7,064,896	7,001,913
Istisna		10,565,509	305,304
Musawamah financing		7,731,982	4,530,852
Tijarah financing		2,163,367	335,812
Gross islamic financing and related assets		81,715,197	108,579,900
Less: Credit loss allowance / provision against islamic financings			
Stage 1		468,232	-
Stage 2		281,189	-
Stage 3		1,557,445	1,807,599
		2,306,866	1,807,599
Islamic financing and related assets - net of provision		79,408,331	106,772,301

3.1 Ijarah

	2024								
	Cost				Depreciation				Book value
	As at Jan 01, 2024	Additions	Deletion / adjustment	As at Dec 31, 2024	As at Jan 01, 2024	Deletion / adjustment	Charge for the year	As at Dec 31, 2024	as at Dec 31, 2024
	Rupees in '000'								
Plant and machinery	29,766	53,430	(26,945)	56,251	18,451	(17,668)	8,684	9,467	46,784
Vehicles	1,434,450	1,851,435	(679,348)	2,606,537	212,910	(64,673)	344,394	492,631	2,113,906
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,218,305	500,000	(406,102)	1,312,203	-	-	-	-	1,312,203
Total	2,859,118	2,404,865	(1,112,395)	4,151,588	407,958	(82,341)	353,078	678,695	3,472,893

	2023								
	Cost				Depreciation				Book value
	As at Jan 01, 2023	Additions	Deletion / adjustment	As at Dec 31, 2023	As at Jan 01, 2023	Deletion / adjustment	Charge for the year	As at Dec 31, 2023	as at Dec 31, 2023
	Rupees in '000'								
Plant and machinery	29,766	-	-	29,766	10,296	-	8,155	18,451	11,315
Vehicles	1,055,336	698,528	(319,414)	1,434,450	237,656	(203,176)	178,430	212,910	1,221,540
Equipment	176,597	-	-	176,597	176,597	-	-	176,597	-
Service Ijarah	1,624,407	-	(406,102)	1,218,305	-	-	-	-	1,218,305
Total	2,886,106	698,528	(725,516)	2,859,118	424,549	(203,176)	186,585	407,958	2,451,160

3.1.1 Future ijarah payments receivable

	2024				2023			
	Not later than 1 year	Later than 1 & less than 5 years	Over five years	Total	Not later than 1 year	Later than 1 & less than 5 years	Over five years	Total
	Rupees in '000'				Rupees in '000'			
Ijarah rental receivables	597,106	2,342,603	533,184	3,472,893	601,756	1,843,057	6,347	2,451,160

	Note	2024	2023
		Rupees in '000'	
3.2 Murabaha			
Murabaha financing	3.2.1	235,148	918,310
Advances for murabaha		36,888	58,993
		272,036	977,303
3.2.1 Murabaha receivable - gross	3.2.2	295,417	1,000,684
Deferred murabaha income	3.2.4	3,008	(45,018)
Profit receivable shown in other assets		(63,277)	(37,356)
Murabaha financings		235,148	918,310
3.2.2 The movement in murabaha financing during the year is as follows:			
Opening balance		1,000,684	4,893,318
Sales during the year		921,776	4,563,331
Adjusted during the year		(1,627,043)	(8,455,965)
Closing balance		295,417	1,000,684

Annexure II

	Note	2024	2023
		Rupees in '000'	
3.2.3	Murabaha sale price	303,435	1,113,329
	Murabaha purchase price	(235,148)	(918,310)
		68,287	195,019
3.2.4	Deferred murabaha income		
	Opening balance	45,018	144,463
	Arising during the year	42,978	366,571
	Recognized during the year	(84,988)	(466,016)
	Closing balance	3,008	45,018

3.3 Islamic financing and related assets include Rs. 2,929,643 thousand (2023: Rs. 3,134,134 thousand) which have been placed under non-performing status.

4 DUE TO FINANCIAL INSTITUTIONS

	Islamic export re-finance scheme (IERF)	41	779,900	720,000
	Islamic long term financing facility (ILTF)	4.2	96,316	106,636
	Financing facility for storage of agriculture Produce (FFSAP)	4.3	185,000	-
	Finance facility for islamic temporary economic refinance facility (ITERF)	4.4	1,413,043	1,396,701
			2,474,259	2,223,337

4.1. These represent borrowings made under the scheme for providing financing to exporters for adoption of new technologies and modernization of plant and machinery. These borrowings carry profit payable quarterly at rates ranging from 10.00% to 14.50% per annum (2023: 18.00% per annum) with maturities upto June 24, 2025.

4.2. This amount has been obtained for providing islamic long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 4.00% to 16.00% per annum (2023: 4.00% to 16.00% per annum) with maturities upto October 13, 2031.

4.3. These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at 4.25% per annum (2023: nil) with maturities upto May 21, 2025.

4.4. These represent borrowings under scheme of temporary relief refinance facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% per annum (2023: 1.00% per annum) with maturities upto April 27, 2032.

5. 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	37,466,351	1,243,324	38,709,675	25,426,222	567,074	25,993,296
Savings deposits	102,120,880	497,296	102,618,176	66,146,832	562,048	66,708,880
Term deposits	11,353,436	4,455,062	15,808,498	14,863,624	913,660	15,777,284
Margin deposits	35,364	-	35,364	226,907	-	226,907
	150,976,031	6,195,682	157,171,713	106,663,585	2,042,782	108,706,367
Financial institutions						
Current deposits	49,334	103,629	152,963	31,400	19,425	50,825
Savings deposits	1,418,456	186	1,418,642	4,574,897	239	4,575,136
Term deposits	-	-	-	-	-	-
Margin deposits	47	-	47	170	-	170
	1,467,837	103,815	1,571,652	4,606,467	19,664	4,626,131
	152,443,868	6,299,497	158,743,365	111,270,052	2,062,446	113,332,498

		2024	2023
		Rupees in '000'	
5.1	Composition of deposits		
	- Individuals	22,026,152	17,037,291
	- Private sector	82,794,052	49,316,768
	- Government	50,487,277	40,787,855
	- Public sector entities	1,864,232	1,564,453
	- Banking companies	130,234	108,459
	- Non-banking financial institutions	1,441,418	4,517,672
		158,743,365	113,332,498
5.2	This includes deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 80,107,446 thousand (2023: Rs 58,910,608 thousand).		
5.3	Current deposits include call deposits amounting to Rs. 2,472,287 thousand (2023: Rs. 5,597,471 thousand).		
		2024	2023
		Rupees in '000'	
	Note		
6.	ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
	Opening balance	10,393,540	4,640,774
	Impact of adoption of IFRS-09	(1,860,917)	-
	Islamic banking profit for the year	8,815,405	5,752,766
	Closing balance	17,348,028	10,393,540
7.	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	10,387,396	2,109,817
	- Commitments	17,705,266	16,668,513
		28,092,662	18,778,330
7.1	Guarantees:		
	Financial guarantees	18,200	18,200
	Performance guarantees	1,419,293	877,740
	Other guarantees	8,949,903	1,213,877
		10,387,396	2,109,817
7.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	4,075,301	5,782,258
	Commitments in respect of - forward lending	9,078,833	10,886,255
	Commitments in respect of purchase forward foreign exchange contracts	4,548,013	-
	Commitments for acquisition of :		
	- property and equipment	3,119	-
		17,705,266	16,668,513
7.2.1	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	9,078,833	10,886,255

7.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

7.2.3 Claims against the bank not acknowledge as debts

An amount of Nil (2023: Nil) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2024	2023
	Rupees in '000'	
8. PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	16,658,578	16,060,426
Investments	7,982,396	5,777,055
Placements	1,068,460	886,173
Deposits with financial institutions	80	10
IFRS-09 adjustment for staff finance - notional	450,766	-
	26,160,280	22,723,664
9. PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	11,003,221	11,349,364
Markup on lease liability against right-of-use assets	460,686	369,291
Markup on borrowings from SBP	192,299	53,668
Profit on deposits from conventional Head Office	2,053,266	1,907,973
	13,709,472	13,680,296

10. The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 4,025,114 thousand (2023: Rs. 2,688,843 thousand).

	2024	2023
Note	Rupees in '000'	
11. CHARITY FUND		
Opening balance	39,321	4,207
Additions during the year :		
Received from customers on account of delayed payment	60,935	45,531
Profit on charity saving account	3,924	1,455
	64,859	46,986
Payments / utilization during the year :		
Education	(11,920)	-
Welfare works	(7,000)	(6,872)
Health	(8,530)	(5,000)
	(27,450)	(11,872)
Closing balance	76,730	39,321

12. POOL MANAGEMENT

12.1 BOP TAQWA islamic banking division is maintaining following pools for profit declaration and distribution.

- | | |
|-------------------------------------|---|
| i) General pool | xxiii) Special pool-XXIX |
| ii) Special pool-I (Equity) | xxiv) Special pool-XXX |
| iii) Special pool-II | xxv) Special pool-XXXI |
| iv) Special pool-IV | xxvi) Special pool-XXXII |
| v) Special pool-VII (PER) | xxvii) Special pool-XXXIII |
| vi) Special pool-IX | xxviii) Special pool-XXXIV |
| vii) Special pool-XIII | xxix) Special pool-XXXV |
| viii) Special pool-XIV | xxx) Special pool-XXXVI |
| ix) Special pool-XV | xxxi) Special pool-XXXVII |
| x) Special pool-XVI | xxxii) Special pool-XXXVIII |
| xi) Special pool-XVII | xxxiii) Special pool-XXXIX |
| xii) Special pool-XVIII | xxxiv) Special pool-XXXX |
| xiii) Special pool-XIX | xxxv) Special Saving Pool-I |
| xiv) Special pool-XX | xxxvi) Taqwa Foreign Currency USD Pool |
| xv) Special pool-XXI | xxxvii) Taqwa Foreign Currency GBP Pool |
| xvi) Special pool-XXII | xxxviii) Taqwa Foreign Currency EURO Pool |
| xvii) Special pool-XXIII | xxxix) USD special pool-I |
| xviii) Special pool-XXIV | xxxx) USD special pool-II |
| xix) Special pool-XXV | xxxxi) USD special pool-III |
| xx) Special pool-XXVI | xxxxii) USD special pool-IV |
| xxi) Special pool-XXVII (IERS Pool) | xxxxiii) USD RFC Special Pool-I |
| xxii) Special pool-XXVIII | xxxxiv) EURO special pool-I |

12.2 General pool

The general pool comprises of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as fund manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pool is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of period concerned.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-Islamic Banking Division (IBD) as Mudarib.

a) Weightages for distribution of profit in general pools

Profit is calculated on the basis of daily product balance in Mudaraba based depositors' accounts and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment.
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, islamic banking institutions and shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.3 Special pools

The special pools comprise of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as Fund Manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pools is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of concerned period.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-TAQWA as Mudarib.

a) Weightages for distribution of profit in special pools

Profit is calculated on daily product basis and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

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

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment.
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, islamic banking institutions and shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

12.4 Avenues / sectors of economy / business where mudaraba based deposits have been deployed:

	2024	2023
	Rupees in '000'	
Federal and provincial governments	2,269,926	26,620,408
Placement with Financial Institutions	14,810,000	3,935,000
Ijara sukuk	44,075,715	29,678,226
Transport, storage, logistics and communication	155,214	129,533
Manufacturing and trading of food items	6,024,272	3,010,253
Manufacture of pesticides and other agro-chemical product	60,639	762,060
Power generation	17,599,980	22,444,837
Manufacture of paper, paperboard and products thereof	37,000	33,000
Consumer car Ijarah	1,629,192	826,285
Consumer Housing / LCH	1,811,652	1,808,064
Textile composite / other	5,975,674	7,635,217
Cement & allied	2,862,154	4,190,510
Iron & steel industry	3,572,712	1,980,277
Rubber / plastic products etc.	247,850	104,550
Others	53,101,804	51,620,688
	154,233,784	154,778,908

12.5 Charging expenses

The direct expenses are being charged to the pool, while indirect expenses including the establishment cost is being borne by BOP IBD as Mudarib. The direct expenses to be charged to the pool may include cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee or documentation charges, brokerage fee for purchase of securities/commodities etc.

	2024	2023
	Rupees in '000'	
Credit loss allowance / provisions		
Murabaha	65,338	1,732
Istisna	28,900	-
Ijarah	246,217	199,023
Diminishing Musharika	1,835,027	1,606,844
Musharaka	44,675	-
Musawamah financing	39,470	-
Payment against documents	24,909	-
Tijarah financing	8,037	-
Waqala	14,293	-
	2,306,866	1,807,599

12.6 Mudarib share (in amount and percentage of distributable income):

	2024		2023	
	Rupees in '000'	Percentage %	Rupees in '000'	Percentage %
	Rupees in '000'			
Rabbul mal	13,129,999	65.62%	12,953,960	68.30%
Mudarib	6,880,087	34.38%	6,011,837	31.70%
Distributable income	20,010,086	100.00%	18,965,797	100.00%

12.7 Amount & percentage of mudarib share transferred to depositors through Hiba:

	2024	2023
	Rupees in '000'	
Mudarib share	6,880,087	6,011,837
Hiba	229,371	69,886
Hiba percentage of mudarib share	3.33%	1.16%

This is not a special hiba as such. This hiba has been distributed across the Board to all the account holders.

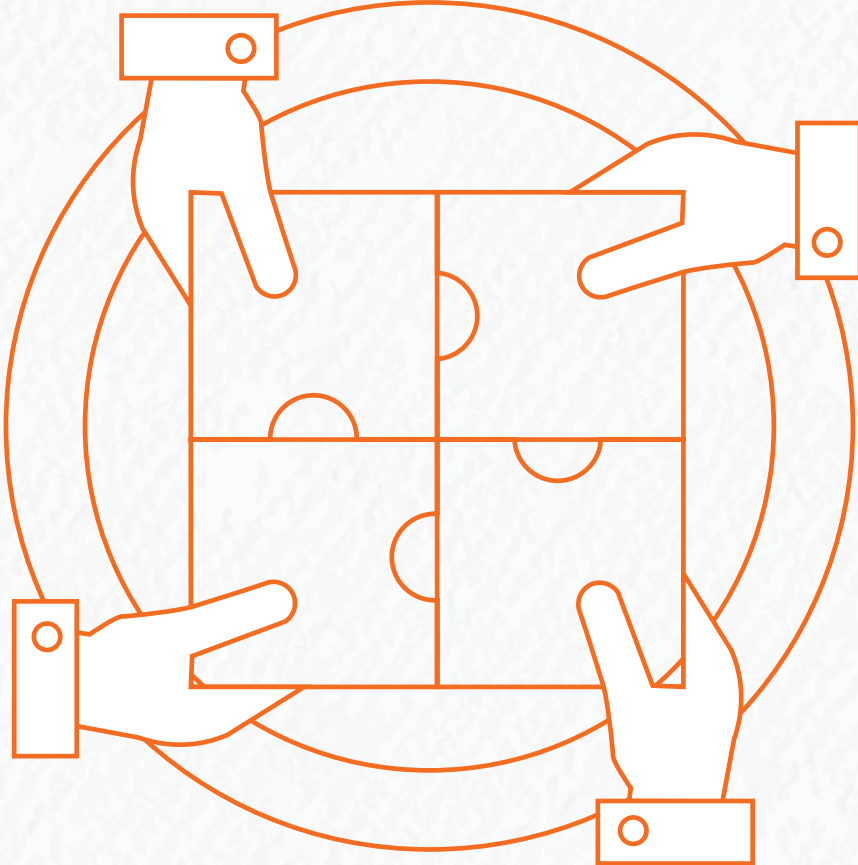
12.8 Profit rate earned vs. profit rate distributed to the depositors during the year:

	2024	2023
	Rupees in '000'	
Profit rate earned	19.45%	18.21%
Profit rates distributed to depositors	10.04%	11.37%

09.

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

A shareholding pattern refers to the distribution of BOP's ownership among its shareholders.



PATTERN OF SHAREHOLDING OF SHARES

AS ON DECEMBER 31, 2024

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total	From	To		Physical	CDC	Total		
936	1,918	2,854	FROM	1	TO	100	32,962	67,776	100,738	0.0031
1,410	1,821	3,231	FROM	101	TO	500	372,509	555,127	927,636	0.0284
646	1,776	2,422	FROM	501	TO	1,000	463,670	1,367,506	1,831,176	0.0560
1,075	4,353	5,428	FROM	1,001	TO	5,000	2,299,504	11,334,042	13,633,546	0.4167
177	1,676	1,853	FROM	5,001	TO	10,000	1,228,306	12,851,985	14,080,291	0.4304
55	794	849	FROM	10,001	TO	15,000	688,604	10,120,621	10,809,225	0.3304
30	538	568	FROM	15,001	TO	20,000	520,648	9,783,377	10,304,025	0.3150
22	392	414	FROM	20,001	TO	25,000	499,445	9,162,772	9,662,217	0.2953
16	250	266	FROM	25,001	TO	30,000	435,930	7,042,947	7,478,877	0.2286
43	190	233	FROM	30,001	TO	35,000	1,394,676	6,180,346	7,575,022	0.2315
3	178	181	FROM	35,001	TO	40,000	113,746	6,815,397	6,929,143	0.2118
6	118	124	FROM	40,001	TO	45,000	252,550	5,041,317	5,293,867	0.1618
3	244	247	FROM	45,001	TO	50,000	144,988	11,967,338	12,112,326	0.3702
2	81	83	FROM	50,001	TO	55,000	103,968	4,290,560	4,394,528	0.1343
	95	95	FROM	55,001	TO	60,000		5,527,796	5,527,796	0.1690
2	92	94	FROM	60,001	TO	65,000	123,397	5,766,631	5,890,028	0.1800
	48	48	FROM	65,001	TO	70,000		3,276,012	3,276,012	0.1001
2	74	76	FROM	70,001	TO	75,000	146,392	5,442,657	5,589,049	0.1708
	51	51	FROM	75,001	TO	80,000		3,980,800	3,980,800	0.1217
	39	39	FROM	80,001	TO	85,000		3,225,184	3,225,184	0.0986
	39	39	FROM	85,001	TO	90,000		3,421,893	3,421,893	0.1046
	38	38	FROM	90,001	TO	95,000		3,543,465	3,543,465	0.1083
1	159	160	FROM	95,001	TO	100,000	98,766	15,846,575	15,945,341	0.4874
	44	44	FROM	100,001	TO	105,000		4,503,840	4,503,840	0.1377
	41	41	FROM	105,001	TO	110,000		4,425,452	4,425,452	0.1353
2	24	26	FROM	110,001	TO	115,000	223,875	2,699,663	2,923,538	0.0894
	25	25	FROM	115,001	TO	120,000		2,947,342	2,947,342	0.0901
	52	52	FROM	120,001	TO	125,000		6,430,193	6,430,193	0.1965
	28	28	FROM	125,001	TO	130,000		3,588,351	3,588,351	0.1097
	16	16	FROM	130,001	TO	135,000		2,123,302	2,123,302	0.0649
	24	24	FROM	135,001	TO	140,000		3,302,055	3,302,055	0.1009
1	17	18	FROM	140,001	TO	145,000	141,728	2,427,721	2,569,449	0.0785
	45	45	FROM	145,001	TO	150,000		6,725,441	6,725,441	0.2056
	20	20	FROM	150,001	TO	155,000		3,059,158	3,059,158	0.0935
	19	19	FROM	155,001	TO	160,000		3,016,899	3,016,899	0.0922
	10	10	FROM	160,001	TO	165,000		1,627,944	1,627,944	0.0498
	12	12	FROM	165,001	TO	170,000		2,011,479	2,011,479	0.0615
	10	10	FROM	170,001	TO	175,000		1,741,135	1,741,135	0.0532
	13	13	FROM	175,001	TO	180,000		2,318,427	2,318,427	0.0709
	14	14	FROM	180,001	TO	185,000		2,560,466	2,560,466	0.0783
	13	13	FROM	185,001	TO	190,000		2,437,110	2,437,110	0.0745
	6	6	FROM	190,001	TO	195,000		1,156,265	1,156,265	0.0353
	44	44	FROM	195,001	TO	200,000		8,793,551	8,793,551	0.2688
	9	9	FROM	200,001	TO	205,000		1,822,309	1,822,309	0.0557
	5	5	FROM	205,001	TO	210,000		1,041,196	1,041,196	0.0318
	12	12	FROM	210,001	TO	215,000		2,552,008	2,552,008	0.0780
	7	7	FROM	215,001	TO	220,000		1,535,700	1,535,700	0.0469
	12	12	FROM	220,001	TO	225,000		2,676,381	2,676,381	0.0818
	5	5	FROM	225,001	TO	230,000		1,145,907	1,145,907	0.0350
1	5	6	FROM	230,001	TO	235,000	234,679	1,166,425	1,401,104	0.0428
	7	7	FROM	235,001	TO	240,000		1,673,792	1,673,792	0.0512
	5	5	FROM	240,001	TO	245,000		1,215,382	1,215,382	0.0371
	35	35	FROM	245,001	TO	250,000		8,702,619	8,702,619	0.2660

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total	From		To	Physical	CDC	Total		
	7	7	FROM	250,001	TO	255,000		1,769,279	1,769,279	0.0541
	5	5	FROM	255,001	TO	260,000		1,292,654	1,292,654	0.0395
	3	3	FROM	260,001	TO	265,000		786,605	786,605	0.0240
	7	7	FROM	270,001	TO	275,000		1,910,733	1,910,733	0.0584
	10	10	FROM	275,001	TO	280,000		2,778,976	2,778,976	0.0849
	4	4	FROM	280,001	TO	285,000		1,129,469	1,129,469	0.0345
	6	6	FROM	285,001	TO	290,000		1,727,380	1,727,380	0.0528
	3	3	FROM	290,001	TO	295,000		879,018	879,018	0.0269
	32	32	FROM	295,001	TO	300,000		9,586,887	9,586,887	0.2930
	10	10	FROM	300,001	TO	305,000		3,026,733	3,026,733	0.0925
	6	6	FROM	305,001	TO	310,000		1,853,375	1,853,375	0.0567
	4	4	FROM	310,001	TO	315,000		1,250,874	1,250,874	0.0382
	4	4	FROM	320,001	TO	325,000		1,284,888	1,284,888	0.0393
	4	4	FROM	325,001	TO	330,000		1,315,068	1,315,068	0.0402
	2	2	FROM	330,001	TO	335,000		666,000	666,000	0.0204
	1	1	FROM	335,001	TO	340,000		335,225	335,225	0.0102
	5	5	FROM	340,001	TO	345,000		1,714,676	1,714,676	0.0524
	4	4	FROM	345,001	TO	350,000		1,399,087	1,399,087	0.0428
	1	1	FROM	350,001	TO	355,000		351,375	351,375	0.0107
	2	2	FROM	355,001	TO	360,000		713,487	713,487	0.0218
	2	2	FROM	360,001	TO	365,000		722,500	722,500	0.0221
	2	2	FROM	365,001	TO	370,000		740,000	740,000	0.0226
	5	5	FROM	370,001	TO	375,000		1,859,000	1,859,000	0.0568
	5	5	FROM	375,001	TO	380,000		1,887,023	1,887,023	0.0577
	4	4	FROM	380,001	TO	385,000		1,531,842	1,531,842	0.0468
	3	3	FROM	385,001	TO	390,000		1,165,387	1,165,387	0.0356
	1	1	FROM	390,001	TO	395,000		395,000	395,000	0.0121
	8	8	FROM	395,001	TO	400,000		3,191,081	3,191,081	0.0975
	5	5	FROM	400,001	TO	405,000		2,007,719	2,007,719	0.0614
	6	6	FROM	405,001	TO	410,000		2,452,067	2,452,067	0.0750
	3	3	FROM	410,001	TO	415,000		1,236,825	1,236,825	0.0378
	3	3	FROM	415,001	TO	420,000		1,257,214	1,257,214	0.0384
	2	2	FROM	420,001	TO	425,000		849,700	849,700	0.0260
	3	3	FROM	425,001	TO	430,000		1,279,281	1,279,281	0.0391
	2	2	FROM	430,001	TO	435,000		865,785	865,785	0.0265
	5	5	FROM	440,001	TO	445,000		2,212,613	2,212,613	0.0676
	6	6	FROM	445,001	TO	450,000		2,693,864	2,693,864	0.0823
	3	3	FROM	450,001	TO	455,000		1,361,535	1,361,535	0.0416
	4	4	FROM	455,001	TO	460,000		1,839,350	1,839,350	0.0562
	2	2	FROM	460,001	TO	465,000		929,007	929,007	0.0284
	1	1	FROM	470,001	TO	475,000		470,600	470,600	0.0144
	3	3	FROM	475,001	TO	480,000		1,432,380	1,432,380	0.0438
	1	1	FROM	480,001	TO	485,000		483,000	483,000	0.0148
	1	1	FROM	485,001	TO	490,000		488,535	488,535	0.0149
	4	4	FROM	490,001	TO	495,000		1,977,125	1,977,125	0.0604
	27	27	FROM	495,001	TO	500,000		13,496,237	13,496,237	0.4125
	3	3	FROM	500,001	TO	505,000		1,510,450	1,510,450	0.0462
	3	3	FROM	505,001	TO	510,000		1,521,576	1,521,576	0.0465
	2	2	FROM	510,001	TO	515,000		1,028,562	1,028,562	0.0314
	1	1	FROM	515,001	TO	520,000		516,299	516,299	0.0158
	1	1	FROM	520,001	TO	525,000		523,750	523,750	0.0160
	3	3	FROM	525,001	TO	530,000		1,583,775	1,583,775	0.0484
	1	1	FROM	540,001	TO	545,000		540,168	540,168	0.0165
	4	4	FROM	545,001	TO	550,000		2,200,000	2,200,000	0.0672
	2	2	FROM	550,001	TO	555,000		1,102,467	1,102,467	0.0337
	1	1	FROM	555,001	TO	560,000		556,337	556,337	0.0170
	2	2	FROM	575,001	TO	580,000		1,153,674	1,153,674	0.0353
	2	2	FROM	580,001	TO	585,000		1,165,296	1,165,296	0.0356

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total	From	To	Physical	CDC	Total			
	2	2	FROM	590,001	TO	595,000		1,184,991	1,184,991	0.0362
	6	6	FROM	595,001	TO	600,000		3,600,000	3,600,000	0.1100
	1	1	FROM	600,001	TO	605,000		600,600	600,600	0.0184
	1	1	FROM	605,001	TO	610,000		606,000	606,000	0.0185
	3	3	FROM	610,001	TO	615,000		1,836,949	1,836,949	0.0561
	6	6	FROM	615,001	TO	620,000		3,712,455	3,712,455	0.1135
	1	1	FROM	620,001	TO	625,000		624,562	624,562	0.0191
	3	3	FROM	625,001	TO	630,000		1,886,551	1,886,551	0.0577
	2	2	FROM	640,001	TO	645,000		1,286,500	1,286,500	0.0393
	4	4	FROM	645,001	TO	650,000		2,596,596	2,596,596	0.0794
	1	1	FROM	650,001	TO	655,000		653,439	653,439	0.0200
	1	1	FROM	660,001	TO	665,000		662,680	662,680	0.0203
	1	1	FROM	665,001	TO	670,000		670,000	670,000	0.0205
	2	2	FROM	670,001	TO	675,000		1,345,000	1,345,000	0.0411
	2	2	FROM	680,001	TO	685,000		1,361,250	1,361,250	0.0416
	1	1	FROM	690,001	TO	695,000		693,697	693,697	0.0212
	6	6	FROM	695,001	TO	700,000		4,195,471	4,195,471	0.1282
	1	1	FROM	700,001	TO	705,000		704,519	704,519	0.0215
	1	1	FROM	715,001	TO	720,000		715,500	715,500	0.0219
	1	1	FROM	725,001	TO	730,000		730,000	730,000	0.0223
	1	1	FROM	730,001	TO	735,000		734,470	734,470	0.0225
	4	4	FROM	740,001	TO	745,000		2,970,100	2,970,100	0.0908
	4	4	FROM	745,001	TO	750,000		2,995,961	2,995,961	0.0916
	2	2	FROM	750,001	TO	755,000		1,500,375	1,500,375	0.0459
	1	1	FROM	755,001	TO	760,000		756,917	756,917	0.0231
	3	3	FROM	765,001	TO	770,000		2,301,500	2,301,500	0.0703
	2	2	FROM	770,001	TO	775,000		1,545,312	1,545,312	0.0472
	3	3	FROM	795,001	TO	800,000		2,400,000	2,400,000	0.0734
	2	2	FROM	800,001	TO	805,000		1,604,717	1,604,717	0.0491
	3	3	FROM	805,001	TO	810,000		2,422,852	2,422,852	0.0741
	1	1	FROM	820,001	TO	825,000		820,578	820,578	0.0251
	1	1	FROM	825,001	TO	830,000		825,551	825,551	0.0252
	1	1	FROM	830,001	TO	835,000		830,325	830,325	0.0254
	1	1	FROM	855,001	TO	860,000		860,000	860,000	0.0263
	1	1	FROM	860,001	TO	865,000		862,375	862,375	0.0264
	1	1	FROM	865,001	TO	870,000		866,250	866,250	0.0265
	1	1	FROM	870,001	TO	875,000		875,000	875,000	0.0267
	3	3	FROM	875,001	TO	880,000		2,629,529	2,629,529	0.0804
	2	2	FROM	895,001	TO	900,000		1,800,000	1,800,000	0.0550
	1	1	FROM	910,001	TO	915,000		912,626	912,626	0.0279
	2	2	FROM	915,001	TO	920,000		1,834,812	1,834,812	0.0561
	1	1	FROM	930,001	TO	935,000		932,000	932,000	0.0285
	1	1	FROM	935,001	TO	940,000		937,000	937,000	0.0286
	1	1	FROM	940,001	TO	945,000		942,500	942,500	0.0288
	2	2	FROM	945,001	TO	950,000		1,900,000	1,900,000	0.0581
	1	1	FROM	965,001	TO	970,000		969,704	969,704	0.0296
	2	2	FROM	975,001	TO	980,000		1,958,242	1,958,242	0.0599
	3	3	FROM	985,001	TO	990,000		2,968,900	2,968,900	0.0907
	24	24	FROM	995,001	TO	1,000,000		23,995,250	23,995,250	0.7334
	1	1	FROM	1,005,001	TO	1,010,000		1,008,050	1,008,050	0.0308
	1	1	FROM	1,020,001	TO	1,025,000		1,020,937	1,020,937	0.0312
	1	1	FROM	1,025,001	TO	1,030,000		1,029,105	1,029,105	0.0315
	1	1	FROM	1,040,001	TO	1,045,000		1,044,450	1,044,450	0.0319
	1	1	FROM	1,045,001	TO	1,050,000		1,050,000	1,050,000	0.0321
	2	2	FROM	1,060,001	TO	1,065,000		2,126,813	2,126,813	0.0650
	1	1	FROM	1,065,001	TO	1,070,000		1,066,187	1,066,187	0.0326
	4	4	FROM	1,095,001	TO	1,100,000		4,400,000	4,400,000	0.1345
	2	2	FROM	1,100,001	TO	1,105,000		2,205,035	2,205,035	0.0674

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total		From	To	Physical	CDC	Total		
1	1	1	FROM	1,105,001	TO 1,110,000		1,108,304	1,108,304	0.0339	
1	1	1	FROM	1,140,001	TO 1,145,000		1,143,804	1,143,804	0.0350	
2	2	2	FROM	1,155,001	TO 1,160,000		2,318,384	2,318,384	0.0709	
1	1	1	FROM	1,170,001	TO 1,175,000		1,170,400	1,170,400	0.0358	
2	2	2	FROM	1,195,001	TO 1,200,000		2,400,000	2,400,000	0.0734	
4	4	4	FROM	1,235,001	TO 1,240,000		4,951,237	4,951,237	0.1513	
3	3	3	FROM	1,245,001	TO 1,250,000		3,750,000	3,750,000	0.1146	
1	1	1	FROM	1,250,001	TO 1,255,000		1,251,836	1,251,836	0.0383	
1	1	1	FROM	1,255,001	TO 1,260,000		1,257,239	1,257,239	0.0384	
1	1	1	FROM	1,295,001	TO 1,300,000		1,297,533	1,297,533	0.0397	
1	1	1	FROM	1,335,001	TO 1,340,000		1,338,974	1,338,974	0.0409	
2	2	2	FROM	1,350,001	TO 1,355,000		2,708,135	2,708,135	0.0828	
1	1	1	FROM	1,355,001	TO 1,360,000		1,360,000	1,360,000	0.0416	
1	1	1	FROM	1,365,001	TO 1,370,000		1,367,000	1,367,000	0.0418	
2	2	2	FROM	1,395,001	TO 1,400,000		2,795,280	2,795,280	0.0854	
1	1	1	FROM	1,400,001	TO 1,405,000		1,401,598	1,401,598	0.0428	
1	1	1	FROM	1,405,001	TO 1,410,000		1,408,000	1,408,000	0.0430	
1	1	1	FROM	1,410,001	TO 1,415,000		1,412,633	1,412,633	0.0432	
1	1	1	FROM	1,420,001	TO 1,425,000		1,425,000	1,425,000	0.0436	
1	1	1	FROM	1,435,001	TO 1,440,000		1,440,000	1,440,000	0.0440	
6	6	6	FROM	1,495,001	TO 1,500,000		9,000,000	9,000,000	0.2751	
2	2	2	FROM	1,500,001	TO 1,505,000		3,001,157	3,001,157	0.0917	
1	1	1	FROM	1,510,001	TO 1,515,000		1,514,804	1,514,804	0.0463	
1	1	1	FROM	1,570,001	TO 1,575,000		1,575,000	1,575,000	0.0481	
3	3	3	FROM	1,605,001	TO 1,610,000		4,826,218	4,826,218	0.1475	
1	1	1	FROM	1,615,001	TO 1,620,000		1,617,603	1,617,603	0.0494	
1	1	1	FROM	1,645,001	TO 1,650,000		1,648,000	1,648,000	0.0504	
1	1	1	FROM	1,650,001	TO 1,655,000		1,651,975	1,651,975	0.0505	
2	2	2	FROM	1,695,001	TO 1,700,000		3,400,000	3,400,000	0.1039	
1	1	1	FROM	1,725,001	TO 1,730,000		1,726,125	1,726,125	0.0528	
1	1	1	FROM	1,755,001	TO 1,760,000		1,755,256	1,755,256	0.0537	
1	1	1	FROM	1,790,001	TO 1,795,000		1,793,303	1,793,303	0.0548	
2	2	2	FROM	1,795,001	TO 1,800,000		3,600,000	3,600,000	0.1100	
1	1	1	FROM	1,835,001	TO 1,840,000		1,836,569	1,836,569	0.0561	
1	1	1	FROM	1,855,001	TO 1,860,000		1,856,500	1,856,500	0.0567	
1	1	1	FROM	1,895,001	TO 1,900,000		1,895,025	1,895,025	0.0579	
1	1	1	FROM	1,960,001	TO 1,965,000		1,960,950	1,960,950	0.0599	
3	3	3	FROM	1,995,001	TO 2,000,000		5,996,362	5,996,362	0.1833	
1	1	1	FROM	2,005,001	TO 2,010,000		2,005,100	2,005,100	0.0613	
1	1	1	FROM	2,015,001	TO 2,020,000		2,018,503	2,018,503	0.0617	
1	1	1	FROM	2,020,001	TO 2,025,000		2,021,286	2,021,286	0.0618	
1	1	1	FROM	2,030,001	TO 2,035,000		2,031,000	2,031,000	0.0621	
1	1	1	FROM	2,045,001	TO 2,050,000		2,050,000	2,050,000	0.0627	
1	1	1	FROM	2,050,001	TO 2,055,000		2,054,000	2,054,000	0.0628	
1	1	1	FROM	2,060,001	TO 2,065,000		2,062,090	2,062,090	0.0630	
1	1	1	FROM	2,080,001	TO 2,085,000		2,083,500	2,083,500	0.0637	
1	1	1	FROM	2,095,001	TO 2,100,000		2,100,000	2,100,000	0.0642	
1	1	1	FROM	2,100,001	TO 2,105,000		2,103,750	2,103,750	0.0643	
1	1	1	FROM	2,120,001	TO 2,125,000		2,123,460	2,123,460	0.0649	
1	1	1	FROM	2,165,001	TO 2,170,000		2,167,466	2,167,466	0.0663	
1	1	1	FROM	2,175,001	TO 2,180,000		2,180,000	2,180,000	0.0666	
1	1	1	FROM	2,245,001	TO 2,250,000		2,250,000	2,250,000	0.0688	
2	2	2	FROM	2,345,001	TO 2,350,000		4,699,500	4,699,500	0.1436	
1	1	1	FROM	2,350,001	TO 2,355,000		2,350,452	2,350,452	0.0718	
1	1	1	FROM	2,395,001	TO 2,400,000		2,400,000	2,400,000	0.0734	
2	2	2	FROM	2,415,001	TO 2,420,000		4,835,875	4,835,875	0.1478	
1	1	1	FROM	2,420,001	TO 2,425,000		2,421,046	2,421,046	0.0740	
1	1	1	FROM	2,470,001	TO 2,475,000		2,475,000	2,475,000	0.0757	

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total	From	To	Physical	CDC	Total			
	3	3	FROM 2,495,001	TO 2,500,000		7,497,321	7,497,321	0.2292		
	1	1	FROM 2,500,001	TO 2,505,000		2,500,301	2,500,301	0.0764		
	1	1	FROM 2,515,001	TO 2,520,000		2,517,500	2,517,500	0.0770		
	1	1	FROM 2,545,001	TO 2,550,000		2,550,000	2,550,000	0.0779		
	1	1	FROM 2,580,001	TO 2,585,000		2,581,155	2,581,155	0.0789		
	1	1	FROM 2,660,001	TO 2,665,000		2,665,000	2,665,000	0.0815		
	1	1	FROM 2,680,001	TO 2,685,000		2,680,258	2,680,258	0.0819		
	1	1	FROM 2,705,001	TO 2,710,000		2,707,746	2,707,746	0.0828		
	1	1	FROM 2,745,001	TO 2,750,000		2,750,000	2,750,000	0.0841		
	1	1	FROM 2,770,001	TO 2,775,000		2,775,000	2,775,000	0.0848		
	1	1	FROM 2,950,001	TO 2,955,000		2,953,625	2,953,625	0.0903		
	2	2	FROM 2,995,001	TO 3,000,000		6,000,000	6,000,000	0.1834		
	1	1	FROM 3,145,001	TO 3,150,000		3,150,000	3,150,000	0.0963		
	1	1	FROM 3,160,001	TO 3,165,000		3,160,750	3,160,750	0.0966		
	1	1	FROM 3,245,001	TO 3,250,000		3,250,000	3,250,000	0.0993		
	1	1	FROM 3,270,001	TO 3,275,000		3,273,425	3,273,425	0.1001		
	1	1	FROM 3,330,001	TO 3,335,000		3,332,663	3,332,663	0.1019		
	1	1	FROM 3,500,001	TO 3,505,000		3,500,250	3,500,250	0.1070		
	1	1	FROM 3,505,001	TO 3,510,000		3,508,046	3,508,046	0.1072		
	1	1	FROM 3,545,001	TO 3,550,000		3,550,000	3,550,000	0.1085		
	1	1	FROM 3,650,001	TO 3,655,000		3,652,914	3,652,914	0.1117		
	1	1	FROM 3,695,001	TO 3,700,000		3,700,000	3,700,000	0.1131		
	1	1	FROM 3,825,001	TO 3,830,000		3,826,748	3,826,748	0.1170		
	1	1	FROM 3,925,001	TO 3,930,000		3,928,329	3,928,329	0.1201		
	1	1	FROM 3,970,001	TO 3,975,000		3,972,227	3,972,227	0.1214		
	1	1	FROM 4,095,001	TO 4,100,000		4,100,000	4,100,000	0.1253		
	1	1	FROM 4,270,001	TO 4,275,000		4,274,785	4,274,785	0.1307		
	1	1	FROM 4,280,001	TO 4,285,000		4,281,371	4,281,371	0.1309		
	1	1	FROM 4,330,001	TO 4,335,000		4,332,875	4,332,875	0.1324		
	1	1	FROM 4,735,001	TO 4,740,000		4,738,000	4,738,000	0.1448		
	1	1	FROM 4,755,001	TO 4,760,000		4,756,462	4,756,462	0.1454		
	1	1	FROM 4,865,001	TO 4,870,000		4,867,990	4,867,990	0.1488		
	2	2	FROM 4,945,001	TO 4,950,000		9,900,000	9,900,000	0.3026		
	1	1	FROM 4,995,001	TO 5,000,000		5,000,000	5,000,000	0.1528		
	1	1	FROM 5,540,001	TO 5,545,000		5,544,705	5,544,705	0.1695		
	1	1	FROM 5,615,001	TO 5,620,000		5,619,537	5,619,537	0.1718		
	1	1	FROM 5,915,001	TO 5,920,000		5,917,000	5,917,000	0.1809		
	1	1	FROM 5,975,001	TO 5,980,000		5,978,224	5,978,224	0.1827		
	1	1	FROM 6,005,001	TO 6,010,000		6,009,412	6,009,412	0.1837		
	1	1	FROM 6,495,001	TO 6,500,000		6,500,000	6,500,000	0.1987		
	1	1	FROM 6,540,001	TO 6,545,000		6,541,250	6,541,250	0.1999		
	1	1	FROM 6,695,001	TO 6,700,000		6,700,000	6,700,000	0.2048		
	1	1	FROM 6,905,001	TO 6,910,000		6,906,909	6,906,909	0.2111		
	1	1	FROM 6,990,001	TO 6,995,000		6,991,050	6,991,050	0.2137		
	1	1	FROM 7,515,001	TO 7,520,000		7,515,057	7,515,057	0.2297		
	1	1	FROM 7,595,001	TO 7,600,000		7,600,000	7,600,000	0.2323		
	1	1	FROM 8,215,001	TO 8,220,000		8,220,000	8,220,000	0.2513		
	1	1	FROM 8,255,001	TO 8,260,000		8,259,561	8,259,561	0.2525		
	1	1	FROM 8,495,001	TO 8,500,000		8,500,000	8,500,000	0.2598		
	1	1	FROM 9,405,001	TO 9,410,000		9,409,950	9,409,950	0.2876		
	1	1	FROM 9,995,001	TO 10,000,000		10,000,000	10,000,000	0.3057		
	1	1	FROM 10,150,001	TO 10,155,000		10,153,286	10,153,286	0.3103		
	1	1	FROM 10,265,001	TO 10,270,000		10,268,000	10,268,000	0.3139		
	1	1	FROM 11,045,001	TO 11,050,000		11,048,873	11,048,873	0.3377		
	1	1	FROM 11,645,001	TO 11,650,000		11,647,018	11,647,018	0.3560		
	1	1	FROM 11,655,001	TO 11,660,000		11,656,777	11,656,777	0.3563		
	1	1	FROM 14,995,001	TO 15,000,000		15,000,000	15,000,000	0.4585		
	1	1	FROM 15,785,001	TO 15,790,000		15,786,500	15,786,500	0.4825		

No. of Shareholders			-----Shareholding-----				Total Shares Held			Percentage
Physical	CDC	Total		From	To		Physical	CDC	Total	
	1	1	FROM	16,015,001	TO	16,020,000		16,018,500	16,018,500	0.4896
	1	1	FROM	17,360,001	TO	17,365,000		17,365,000	17,365,000	0.5308
	1	1	FROM	22,190,001	TO	22,195,000		22,193,423	22,193,423	0.6784
	1	1	FROM	32,120,001	TO	32,125,000		32,120,391	32,120,391	0.9818
	1	1	FROM	32,165,001	TO	32,170,000		32,169,452	32,169,452	0.9833
	1	1	FROM	35,260,001	TO	35,265,000		35,262,344	35,262,344	1.0778
	1	1	FROM	56,995,001	TO	57,000,000		57,000,000	57,000,000	1.7423
	1	1	FROM	72,995,001	TO	73,000,000		73,000,000	73,000,000	2.2313
	1	1	FROM	85,155,001	TO	85,160,000		85,159,544	85,159,544	2.6030
	1	1	FROM	87,485,001	TO	87,490,000		87,488,112	87,488,112	2.6742
	1	1	FROM	1,880,260,001	TO	1,880,265,000	1,880,263,495		1,880,263,495	57.4728
4,434	16,087	20,521					1,889,783,838	1,381,785,481	3,271,569,319	100.0000

CATEGORIES OF SHAREHOLDERS AS ON DECEMBER 31, 2024

Shareholder Category	No. of Shareholders			Total No. of Shares Held			%Age
	Physical	CDC	Total	Physical	CDC	Total	
DIRECTORS	0	1	1	0	3,093	3,093	0.0001%
GOVERNMENT HOLDING	1	0	1	1,880,263,495	0	1,880,263,495	57.4728%
ASSOCIATED COMPANIES	0	0	0	0	0	0	0.0000%
FOREIGN FUNDS	29	6	35	78,104	78,898,445	78,976,549	2.4140%
INDIVIDUALS (FOREIGN)	0	19	19	0	1,560,389	1,560,389	0.0477%
INDIVIDUALS (LOCAL)	4,371	15,864	20,235	9,249,645	826,834,503	836,084,148	25.5561%
BANK/NBFI/FIN.INST./INSURANCE CO. /MODARABAS MUTUAL FUNDS	18	32	50	108,561	126,836,376	126,944,937	3.8802%
LEASING COMPANIES	0	2	2	0	3,928	3,928	0.0001%
CHARITABLE TRUSTS	0	5	5	0	511,203	511,203	0.0156%
COOPERATIVE SOCIETIES	0	0	0	0	0	0	0.0000%
NIT	0	4	4	0	3,457,467	3,457,467	0.1057%
ICP	1	0	1	1,205	0	1,205	0.0000%
JOINT STOCK COMPANIES	14	140	154	82,828	249,546,805	249,629,633	7.6303%
OTHERS	0	14	14	0	94,133,272	94,133,272	2.8773%
TOTAL	4,434	16,087	20,521	1,889,783,838	1,381,785,481	3,271,569,319	100.0000%

CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

AS ON DECEMBER 31, 2024

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

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Mutual Funds (Name Wise Detail)

1	CDC - TRUSTEE ABL STOCK FUND	7,600,000	0.2323%
2	CDC - TRUSTEE AKD INDEX TRACKER FUND	464,915	0.0142%
3	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	500,000	0.0153%
4	CDC - TRUSTEE AL HABIB STOCK FUND	2,350,000	0.0718%
5	CDC - TRUSTEE ATLAS STOCK MARKET DUND	22,193,423	0.6784%
6	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	25,000	0.0008%
7	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	2,500,000	0.0764%
8	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	1,029,105	0.0315%
9	CDC - TRUSTEE HBL INCOME FUND - MT	6,429	0.0002%
10	CDC - TRUSTEE HBL MULTI - ASSET FUND	145,000	0.0044%
11	CDC - TRUSTEE HBL PF EQUITY SUB FUND	93,000	0.0028%
12	CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND	357,237	0.0109%
13	CDC - TRUSTEE LAKSON EQUITY FUND	2,123,460	0.0649%
14	CDC - TRUSTEE NBP FINANCIAL SECTOR FUND	174,218	0.0053%
15	CDC - TRUSTEE NBP FINANCIAL SECTOR INCOME FUND	11,647,018	0.3560%

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. MUHAMMAD NAEEM KHAN (CDC)	3,093	0.0001%
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Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

75,740,060 2.3151%

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	GOVERNMENT OF THE PUNJAB	1,709,330,450	57.4728%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	Name	Sale	Purchase
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FORM OF PROXY

I/We _____ S/o D/o W/o _____ of _____
 _____ being a member of The Bank of Punjab and
 holder of _____ ordinary shares as per share Registered Folio No. _____ and/or CDC
 Participant ID No. _____ and Account/Sub-Account No. _____ do hereby appoint Mr./Mrs./Mis
 s _____ Folio No./CDC No. _____ CNIC # _____ of
 _____ as my/our proxy and to attend, speak and vote for me/us on my/our behalf at the
 Annual General Meeting of the Bank to be held on **Tuesday, March 25, 2025 at 5:30 p.m. at Avari Hotel,
 Lahore** and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally
 present at such meeting.

Signed this _____ Day of _____ 2025.

Affix
Revenue
Stamp of Rs.50/-

Signature
The signature should
agree with the specimen
registered with the
Company

WITNESSES:

1. Signature: _____
 Name: _____
 Address: _____

2. Signature: _____
 Name: _____
 Address: _____

CNIC or
Passport No. _____

CNIC or
Passport No. _____

IMPORTANT NOTES:

1. A member entitled to attend and vote at a meeting is entitled to appoint another person as a proxy to attend, speak and vote for him/her. The proxy appointed should be a member of The Bank of Punjab.
2. For additional copies of the instrument of proxy, the shareholder may use photocopies of the instrument
3. An instrument of proxy and a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney must be valid and deposited at the Registered Office of the Bank not less than 48 hours before the time of the meeting. In calculating the 48 hours, no account shall be taken of any part of the day that is not a working day.
4. **For CDC Account holders/Corporate Entities:**
 - i) Attested copies of Computerized National Identity Cards (CNIC) or the Passport of the beneficial owners and the proxy shall be provided with proxy form.
 - ii) The proxy shall produce his/her original CNIC or Passport at the time of meeting.
 - iii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted along with proxy form to the company.
5. If a member appoints more than one proxy and more than one instrument of proxies are deposited with the Share Registrar, all such instruments of proxy shall be rendered invalid.
6. Members are requested to immediately notify changes in their registered address, if any, to Bank's Share Registrar **M/s. CORPLINK (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore** before start of the book closure so that entitlement, if any, be dispatched at the correct address.

The Company Secretary

THE BANK OF PUNJAB
BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III,
Lahore.
Ph: 35783700-10

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پراکسی فارم

میں/ہم _____ ولد/بنت/زوجہ _____ ساکن _____ بحیثیت بینک آف پنجاب کے ممبر/ممالک
_____ عدد عام حصص بمطابق شیئرز رجسٹر فولیو نمبر/CDC اکاؤنٹ نمبر/ذیلی اکاؤنٹ نمبر
_____ بحیثیت ممبر بینک آف پنجاب محترم/محترمہ _____ فولیو نمبر/CDC اکاؤنٹ نمبر/ذیلی اکاؤنٹ نمبر
_____ شناختی کارڈ نمبر _____ ساکن _____ کواپٹی/اپنے ایماں پر بطور مختار (پراکسی) مقرر کرتا/کرتی/
کرتے ہیں/تاکہ میری/ہماری جگہ _____ میری/ہماری طرف سے بینک کے سالانہ اجلاس عام (AGM) میں جو بروز منگل مورخہ 25 مارچ 2025 کو
05:30 pm بجے بمقام آواری ہوٹل، شارع قائد اعظم، لاہور مختار (پراکسی) شرکت کرے، بولے اور حق رائے دہی استعمال کرے۔

دستخط بتاریخ _____ 2025ء

گواہ نمبر 1:

دستخط _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

گواہ نمبر 2:

دستخط _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

اہم نوٹ:

- (۱) مینٹگ میں شرکت کرنے اور ووٹ دینے کا حقدار کسی دوسرے شخص دار و شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی مقرر کرنے کا حقدار ہے۔
- (۲) شیئرز ہولڈر پراکسی کے لیے اضافی فوٹوکاپیاں استعمال کر سکتا ہے۔
- (۳) پراکسی پاور آف اتارنی یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت اس پر دستخط کیے گئے ہیں۔ یا اس طرح کے پاور آف اتارنی کی درست نوٹرائزڈ کاپی اجلاس کے مقرر کردہ وقت سے 48 گھنٹے قبل بینک کے رجسٹر ڈ آفس میں جمع کروانا ضروری ہوگا۔
- (۴) CDC اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لیے:
- (i) Beneficial Owner کی CNIC یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ مہیا کیا جائے گی۔
- (ii) اجلاس میں شرکت کے لیے پراکسی کے ساتھ اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ مہیا کرنا ہوگا۔
- (iii) کارپوریٹ ممبر کی صورت میں بورڈ آف ڈائریکٹرز کی ریزولوشن/پاور آف اتارنی اور نمائندہ کے دستخط کے نمونے جمع پراکسی فارم بینک میں جمع کروانا ضروری ہوں گے۔
- (۵) اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور پراکسی کے ایک سے زیادہ فارم جمع کرواتا ہے تو اس طرح کے تمام پراکسیوں کو مسترد کر دیا جائیگا۔
- (۶) ممبران سے التماس ہے کہ انکے پتے میں اگر کوئی تبدیلی ہو تو اسے فوری طور پر ہمارے رجسٹر اری میسرز کارپ لنک (پرائیویٹ) لمیٹڈ واقع گلز آر کیڈ 1-K کمرشل ماڈل ٹاؤن لاہور کو مطلع کریں تاکہ ان کی ہر قسم کی ڈاک کی ترسیل کو یقینی بنایا جائے۔

پچاس روپے کارپوریٹ سٹمپ
دستخط بینک میں رجسٹرڈ نمونہ
سے مطابقت رکھنے چاہئیں

The Company Secretary

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