

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

	2024				Total
	Core Banking Application	Computer software	Website	Goodwill on NBP Fund Acquisition	
------(Rupees in '000)-----					
At January 1, 2024					
Cost	2,913,952	3,104,889	1,041	655,146	6,675,028
Accumulated amortisation and impairment	(2,913,952)	(1,951,688)	(1,041)	(92,593)	(4,959,274)
Net book value	-	1,153,201	-	562,553	1,715,754
Year ended December 2024					
Opening net book value	-	1,153,201	-	562,553	1,715,754
Additions:					
- developed internally	-	48,190	-	-	48,190
- directly purchased	-	448,663	-	-	448,663
- through acquisitions / purchase	-	10,957	-	-	10,957
		507,810	-	-	507,810
Adjustments - addition	-	-	-	-	-
Impairment loss recognised in the profit and loss account - net					
Disposals	-	-	-	-	-
Amortisation charge	-	(548,798)	-	-	(548,798)
Exchange rate adjustments	-	(26,901)	-	-	(26,901)
Other adjustments - amortisation	-	(744)	-	-	(744)
Closing net book value	-	1,084,568	-	562,553	1,647,121
At December 31, 2024					
Cost	2,913,952	3,585,054	1,041	655,146	7,155,193
Accumulated amortisation and impairment	(2,913,952)	(2,500,486)	(1,041)	(92,593)	(5,508,072)
Net book value	-	1,084,568	-	562,553	1,647,121
Rate of amortisation (percentage)	33.33 % on cost	33.33 % on cost	33.33 % on cost		
Useful life	3 years	3 years	3 years		

14.2 The cost of fully amortised intangible assets that are still in use.

	2025	2024
	------(Rupees in '000)-----	
Core Banking Application	2,913,952	2,913,952
Computer software	1,096,505	971,629
Website	1,041	1,041
	4,011,498	3,886,622

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

15	OTHER ASSETS	Note	2025	2024
			----- (Rupees in '000) -----	
	Income / return / mark-up accrued in local currency - net of provision		168,130,210	149,058,379
	Income / return / mark-up accrued in foreign currency - net of provision		9,181,791	11,134,215
	Advances, deposits, advance rent and other prepayments	15.1	45,273,396	42,689,543
	Advance taxation (payments less provisions) and Income tax refunds receivable	15.7	3,423,946	227,785
	Income tax refunds receivable		99,383	18,356
	Compensation for delayed tax refunds		22,129,925	22,129,925
	Non-banking assets acquired in satisfaction of claims	15.4	1,146,897	1,153,069
	Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		158,931	208,423
	Commission receivable on Government treasury transactions		5,431,654	5,291,790
	Stationery and stamps on hand		506,656	452,880
	Barter trade balances		195,399	195,399
	Receivable on account of Government transactions	15.2	323,172	323,172
	Receivable from Government under VHS scheme	15.3	418,834	418,834
	Receivable against sale / purchase of shares		7,143	64,990
	Acceptances		10,335,656	9,580,543
	Receivable from Pakistan Stock Exchange		-	434,284
	Receivable from Customers		2,345,811	784,291
	Deferred fair Value loss	15.8	11,275,985	12,587,242
	Others		13,628,070	13,798,664
	Dividend Recievable		3,267,361	3,255,224
			297,280,221	273,807,008
	Less: Provision held against other assets	15.5	16,223,310	15,892,557
	Less: Credit loss allowance held against markup receivable	16.6	1,301,500	1,225,858
	Other assets (Net of credit loss allowance & Provision)		279,755,411	256,688,593
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.4 & 24.2	3,243,242	2,995,046
	Other assets - Total		282,998,653	259,383,639

15.1 This includes Rs. 800 million (2024: Rs. 800 million) advance against Pre-IPO placement of Term Finance Certificates and prepaid staff benefits amounting to Rs. 40,401 million (2024: 37,632 million).

15.2 This represents amount receivable from GoP on account of encashment of various instruments handled by the Bank for GoP as an agent of the SBP. Due to uncertainty about its recoverability, full amount has been provided for.

15.3 This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from GoP. Due to uncertainty about its recoverability, full amount has been provided for.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	------(Rupees in '000)-----	
15.4 Market value of Non-banking assets acquired in satisfaction of claims	4,390,139	4,148,115

An independent valuation of the Bank's non-banking assets was performed by an independent professional valuer to determine the fair value of the assets as at December 31, 2025. The valuation was carried out by RBS Associates (Pvt) Limited (Pakistan Banks' Association registered valuer) on the basis of an assessment of present market values.

	2025	2024
	------(Rupees in '000)-----	
15.4.1 Non-banking assets acquired in satisfaction of claims		
Opening balance	4,148,115	3,973,126
Additions	-	1,115
Revaluation	259,563	191,818
Disposals	-	-
Depreciation	(17,539)	(17,944)
Impairment	-	-
Closing Balance	4,390,139	4,148,115

15.5 Provision held against other assets		
Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	800,000	800,000
Stationery and stamps on hand	74,075	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,399,671	4,566,759
Ex-MBL / NDFC	760,941	760,941
Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC)	158,931	208,423
Provision against Pre - IPO	3,237,161	3,237,161
Others	5,702,519	5,132,719
	16,223,310	15,892,557

15.5.1 Movement in provision held against other assets		
Opening balance	15,892,557	12,495,413
Charge for the year	615,423	(33,596)
Other movement	20,234	3,448,679
Transfer	-	-
Adjustment against provision	(304,904)	(17,939)
Closing balance	16,223,310	15,892,557

15.6 Credit loss allowance held against mark-up receivable		
Opening balance	1,225,858	-
Impact of ECL recognition on adoption of IFRS-9	535	1,125,218
Charge for the period	(71,766)	100,640
Transfer in	146,873	-
Closing balance	1,301,500	1,225,858

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

15.7 During the year, the Bank has adjusted an amount of Rs. Nil million (2024: Rs. 8,797 million) against its advance tax liability and demand of previous tax year against income tax refunds receivables.

15.8 This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 2nd year's 10% of loss in these consolidated financial statements.

		2025	2024
	Note	------(Rupees in '000)-----	
16	BILLS PAYABLE		
	In Pakistan	20,781,510	25,878,780
	Outside Pakistan	35,702	181,343
		20,817,212	26,060,123
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Under Export Refinance Scheme	17.2 15,873,707	25,676,900
	Under Financing Scheme for Renewable Energy	17.3 1,112,560	1,393,611
	Under Refinance Facility for Modernization of SMEs	17.4 204,159	135,466
	Under Financing Facility for Storage of Agriculture Produce (FFSAP)	17.5 246,803	365,850
	Under Long-Term Financing Facility (LTFF)	17.6 10,470,123	13,716,223
	Under Temporary Economic Refinance Facility	17.7 11,726,436	13,612,139
	Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	17.8 61,937	99,514
	Under Refinance Facility for Combating Covid-19	17.9 7,152	21,131
	Under Export Refinance Scheme for Bill Discounting	17.10 2,511,175	2,207,230
	Under Refinance Scheme for Working Capital	17.11 27,000	-
		42,241,052	57,228,064
	Repurchase agreement borrowings	17.12 & 17.16 1,596,028,090	1,855,342,203
	Total secured	1,638,269,142	1,912,570,267
	Unsecured		
	Call borrowings	17.13 48,387,944	21,989,167
	Overdrawn nostro accounts	-	197,488
	Borrowing from Pakistan Mortgage Refinance Company	17.15 3,000,000	3,000,000
	Others	-	-
	Total unsecured	51,387,944	25,186,655
		1,689,657,086	1,937,756,922
17.1	Particulars of borrowings with respect to currencies		
	In local currency	1,641,269,142	1,918,267,755
	In foreign currencies	48,387,944	19,489,167
		1,689,657,086	1,937,756,922
17.2	The Bank has entered into an agreement with the SBP for extending export finance to customers. As per the terms of the agreement, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP. These borrowings are repayable within 180 days. These carry mark-up at rates ranging from 6.00% to 7.00% (2024: 8.00% to 15.50%) per annum.		

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

- 17.3** These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These borrowings are repayable for a maximum period of twelve years. These carry mark-up at rates ranging from 2.00% to 3.00% (2024: 2.00% to 3.00%) per annum.
- 17.4** These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up of new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These borrowings are repayable for a maximum period of ten years and carry mark-up at rates ranging from 2.00% (2024: 2.00%) per annum
- 17.5** These borrowings have been obtained from the SBP for providing financing facilities to develop the agricultural produce marketing and enhance storage capacity, to encourage Private Sector to establish Silos, Warehouses and Cold Storages. These borrowings are repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00 % to 2.50% (2024: 2.00 % to 2.50%) per annum.
- 17.6** These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings are repayable for a maximum period of ten years. These carry mark-up at rates ranging from 2.00% to 16.00% (2024: 2.00% to 16.00%) per annum.
- 17.7** These borrowings have been obtained from the SBP with a view to support businesses to continue payment of wages and salaries to their workers and employees in the aftermath of corona virus (COVID-19) outbreak. These borrowings are repayable for a maximum period of 2.5 years. These carry mark-up at 0% (2024: 0%) per annum.
- 17.8** These borrowings have been obtained from the SBP for improving access to finance for the women entrepreneurs, a refinance cum credit guarantee scheme is being launched for the women borrowers across the country. Under the scheme, refinancing will be provided by State Bank of Pakistan at 0% to participating financial institutions for onward lending to women entrepreneurs across the country at a mark-up rate of upto 5% per annum (2024: 5%) per annum.
- 17.9** These borrowings have been obtained from the SBP with a view to provide long term local currency finance for imported and locally manufactured medical equipment to be used for combating COVID – 19. The facility will be available to all the Hospitals and Medical Centres duly registered with respective provincial / federal agencies / commissions and engaged in controlling & eradication of COVID – 19. These borrowings are repayable for a maximum period of 5 years. These carry mark-up at rates at 0% (2024: 0%) per annum.
- 17.10** These borrowings have been obtained from the SBP for providing export bill discounting facilities to customers. These carry mark-up at rates ranging from 1.00% to 2.00% per annum (2024: 1.00% to 2.00% per annum)
- 17.11** These borrowings have been obtained from the SBP with a view to provide access to finance for development of the country's small and medium enterprises (SMEs), State Bank of Pakistan (SBP) is offering a refinance facility to meet the working capital requirements of selective SME sectors. The financing facility will be initially available to meet the working capital requirements of limited SME sectors. These borrowings are repayable for a maximum period of 1 year. These carry mark-up at rates at 6.00% per annum (2024: Nil).
- 17.12** Repurchase agreement borrowings carry mark-up ranging from 10.49% to 11.50% per annum (2024: 12.00% to 14.00% per annum) having maturities from January 2, 2026 to January 12, 2026.
- 17.13** Call borrowings carry interest ranging from 4.36% to 6.60% per annum (2024: 4.44% to 14.10% per annum).
- 17.14** Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.
- 17.15** This borrowing has been obtained from the Pakistan Mortgage Refinance Company (PMRC) to support the Bank's housing finance portfolio and carry an average mark-up at the rate of 12% per annum (2024: 13.99% per annum) with maturity on October 25, 2026.
- 17.16** Pakistan Investment Bonds and Market Treasury Bills having maturity of 3 - 10 Years and 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 1,596,028 million (2024: Rs. 1,855,342 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

18 DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits - remunerative	932,883,053	-	932,883,053	933,886,863	-	933,886,863
Current deposits - non-remunerative	661,035,059	154,955,433	815,990,492	530,873,365	150,386,822	681,260,187
Savings deposits	1,223,390,842	144,899,660	1,368,290,502	1,055,298,802	166,957,145	1,222,270,258
Term deposits	504,918,393	272,899,557	777,817,950	532,415,136	259,883,774	792,298,910
Others	23,156,231	2,862,591	26,018,822	11,713,858	6,711	11,720,569
	3,345,383,578	575,617,241	3,921,000,819	3,064,188,024	577,248,763	3,641,436,787
Financial Institutions						
Current deposits - remunerative	57,570,811	-	57,570,811	4,043,354	-	4,043,354
Current deposits - non-remunerative	353,072,890	2,846,955	355,919,845	169,952,266	836,653	170,788,919
Savings deposits	42,073,982	2,890,259	44,964,241	32,044,776	4,214,835	36,259,611
Term deposits	36,634,470	11,577,351	48,211,821	8,683,690	3,999,936	12,683,626
Others	-	-	-	-	-	-
	489,352,153	17,314,565	506,666,718	214,724,086	9,051,424	223,775,510
	3,834,735,731	592,931,806	4,427,667,537	3,278,912,110	586,300,187	3,865,212,297

18.1 Composition of deposits

	2025	2024
----- (Rupees in '000) -----		
- Individuals	1,307,018,996	1,453,740,882
- Government (Federal and Provincial)	1,553,836,948	1,511,800,469
- Public sector entities	604,658,710	324,537,753
- Banking companies	361,128,477	179,401,406
- Non-banking financial institutions	145,538,240	44,374,104
- Private sector	455,486,166	351,357,683
	4,427,667,537	3,865,212,297

18.2 Foreign currencies deposits include deposit of foreign branches amounting to Rs. 112,156 million (2024: Rs. 104,461 million).

18.3 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,376,417 million (2024: Rs. 1,201,539 million) including Islamic branches.

19 LEASE LIABILITIES

	2025	2024
----- (Rupees in '000) -----		
Outstanding amount at the start of the year	8,324,955	8,891,000
Additions during the year	3,850,737	2,064,589
Lease payments including interest	(3,093,814)	(3,310,780)
Interest expense	1,136,851	1,050,289
Exchange difference	7,041	(109,416)
Closure of branch	(1,342,254)	-
Outstanding amount at the end of the year	8,883,515	8,585,682

19.1 Contactual maturity of lease liabilities

Short-term lease liabilities - within one year	1,786,291	1,720,059
Long-term lease liabilities		
- 1 to 5 years	4,657,271	4,557,122
- 5 to 10 years	1,622,944	1,581,913
- More than 10 years	817,009	726,588
	7,097,224	6,865,623
Total lease liabilities	8,883,515	8,585,682

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

20 (DEFERRED TAX LIABILITIES) / DEFERRED TAX ASSETS

		2025				
	At January 1, 2025	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in other comprehensive income	At December 31, 2025
------(Rupees in '000)-----						
Deductible temporary differences on						
- Tax losses carried forward	10,705	-	10,705	-	-	10,705
- Post retirement employee benefits	7,544,995	-	7,544,995	104,481	1,559,159	9,208,635
- Net credit loss allowance against investments	4,148,213	82,204	4,230,417	(2,205,261)	-	2,025,156
- Net Credit loss allowance against loans and advances	22,864,227	80,650	22,944,877	12,722,771	-	35,667,648
- Net Credit loss allowance against off-balance sheet obligations	1,751,226	65	1,751,291	208,343	-	1,959,634
- Excess of tax written values over tax accounting book values of property and equipment	1,493,052	-	1,493,052	(1,667,055)	-	(174,003)
- Other Credit loss allowance	735,122	278	735,400	320,433	-	1,055,833
- Accelerated tax depreciation	-	-	-	223	-	223
- Provision against contingencies	221,741	-	221,741	179,302	-	401,043
- Net Credit loss allowance against Balance with other banks	8	1,257	1,265	(191)	-	1,074
- Net Credit loss allowance against Balance with other Central bank	9,358	-	9,358	(6,695)	-	2,663
- Net Credit loss allowance against lending to financial institution	(292)	-	(292)	292	-	-
- Right of use assets	890,496	-	890,496	48,880	-	939,376
	39,668,851	164,454	39,833,305	9,705,523	1,559,159	51,097,987
Taxable temporary differences on						
- Surplus on revaluation of property and equipment	(3,673,192)	-	(3,673,192)	196,532	(121,478)	(3,598,138)
- Surplus on revaluation of investments	(75,513,506)	(4,124,143)	(79,637,649)	-	(3,526,098)	(83,163,747)
- Surplus on revaluation of non-banking assets	(118,215)	-	(118,215)	5,911	1,465	(110,839)
- Opening impact IFRS-9	(232,907)	-	(232,907)	232,907	-	-
- Exchange translation reserve	(1,169,112)	-	(1,169,112)	230,349	420,615	(518,148)
- Excess of accounting book value of leased assets	42,817	-	42,817	(42,815)	-	2
- Reclassification / Re-measurement of Investments on adoption of IFRS 9	-	-	-	-	-	-
	(80,664,115)	(4,124,143)	(84,788,258)	622,884	(3,225,496)	(87,390,870)
	(40,995,264)	(3,959,689)	(44,954,953)	10,328,406	(1,666,337)	(36,292,883)
		2024				
	At January 1, 2024	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS 9	Recognised in P&L charge / (reversal)	Recognised in other comprehensive income	At December 31, 2024
------(Rupees in '000)-----						
Deductible temporary differences on						
- Tax losses carried forward	10,705	-	10,705	-	-	10,705
- Post retirement employee benefits	7,002,470	-	7,002,470	41,332	501,193	7,544,995
- Net credit loss allowance against investments	236,751	3,448,715	3,685,466	462,747	-	4,148,213
- Net Credit loss allowance against loans and advances	10,143,512	15,540,398	25,683,910	(2,819,683)	-	22,864,227
- Net Credit loss allowance against off-balance sheet obligations	115,222	1,984,149	2,099,371	(348,145)	-	1,751,226
- Excess of accounting book values over tax written down values of property and equipment	1,550,617	-	1,550,617	(57,565)	-	1,493,052
- Other Credit loss allowance	98,789	551,357	650,146	84,976	-	735,122
- Provision against contingencies	-	-	-	221,741	-	221,741
- Net Credit loss allowance against Balance with other banks	-	18	18	(10)	-	8
- Net Credit loss allowance against Balance with other Central bank	-	9,169	9,169	189	-	9,358
- Net Credit loss allowance against lending to financial institution	-	4,764	4,764	(5,056)	-	(292)
- Right of use assets	651,852	-	651,852	238,644	-	890,496
	19,809,918	21,538,570	41,348,488	(2,180,830)	501,193	39,668,851
Taxable temporary differences on						
- Surplus on revaluation of property and equipment	(3,221,529)	-	(3,221,529)	173,298	(624,961)	(3,673,192)
- Surplus on revaluation of investments	(16,223,311)	(5,657,733)	(21,881,044)	-	(53,632,462)	(75,513,506)
- Surplus on revaluation of non-banking assets	(106,848)	-	(106,848)	-	(11,367)	(118,215)
- Gain on sale of Equity Shares - FVOCI	-	-	-	-	-	-
- Exchange translation reserve	(1,116,836)	-	(1,116,836)	(99,091)	46,815	(1,169,112)
- Excess of accounting book value of leased assets	16,038	-	16,038	11,550	15,229	42,817
- Opening impact IFRS-9	-	(232,907)	(232,907)	-	-	(232,907)
- Reclassification / Re-measurement of Investments on adoption of IFRS 9	-	(3,057,980)	(3,057,980)	3,057,980	-	-
	(20,652,486)	(8,948,620)	(29,601,106)	3,143,737	(54,206,746)	(80,664,115)
	(842,568)	12,589,950	11,747,382	962,907	(53,705,553)	(40,995,264)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	Note	------(Rupees in '000)-----	
21	OTHER LIABILITIES		
Mark-up / Return / Interest payable in local currency		129,814,141	198,479,773
Mark-up / Return / Interest payable in foreign currency		5,510,712	2,126,296
Unearned commission and income on bills discounted		1,036,128	316,175
Accrued expenses		16,692,340	15,598,804
Advance payments		405,737	426,199
Current taxation (provisions less payments)		13,905,216	14,338,206
Unclaimed dividends		172,688	174,057
Mark to market loss on forward foreign exchange contracts		3,609,168	379,658
Branch adjustment account		445,201	3,772,016
Payable to defined benefit plan:			
Pension fund	41.4	75,312,954	75,638,568
Post retirement medical benefits	41.4	48,234,725	39,745,198
Benevolent scheme	41.4	2,145,147	1,882,384
Gratuity scheme	41.4	6,433,413	5,333,423
Compensated absences	41.4	10,503,531	10,227,411
Staff welfare fund		400,457	394,102
Liabilities relating to barter trade agreements		4,299,845	4,280,203
Provision against contingencies	21.1	6,258,300	5,343,606
Credit loss allowance against off-balance sheet obligations	21.2	2,460,086	1,726,164
Payable to brokers		82,324	30,288
Payable to customers		892,134	857,521
Acceptances		10,335,656	9,580,543
Others		18,202,864	20,687,229
		357,152,768	411,337,824
21.1	Provision against contingencies		
Opening balance		5,343,606	4,698,118
Charge during the year		344,812	426,424
Other movement		584,882	219,064
Adjustment		(15,000)	-
Closing balance		6,258,300	5,343,606
21.2	Credit loss allowance against off-balance sheet obligations		
Opening balance		1,726,164	627,494
Impact of adoption of IFRS-9		125	4,049,283
Charge / (Reversals) for the year		167,047	(669,509)
Transfer Out		566,750	(2,281,104)
Closing balance		2,460,086	1,726,164

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

22 SHARE CAPITAL

22.1 Authorized Capital

2025	2024		2025	2024	
-----Number of shares-----			----- (Rupees in '000) -----		
2,500,000,000	2,500,000,000	Ordinary shares of Rs. 10 each	25,000,000	25,000,000	

22.2 Issued, subscribed and paid up capital

2025	2024		2025	2024	
-----Number of shares-----			----- (Rupees in '000) -----		
		Ordinary shares			
140,388,000	140,388,000	Fully paid in cash	1,403,880	1,403,880	
1,987,125,026	1,987,125,026	Issued as bonus shares	19,871,251	19,871,251	
-	-	Issued for consideration other than cash	-	-	
2,127,513,026	2,127,513,026		21,275,131	21,275,131	
-	-	Less: Discount on issue of shares	-	-	
2,127,513,026	2,127,513,026		21,275,131	21,275,131	

The Federal Government holds 75.6% (2024: Federal Government and SBP 75.60%) shares of the Bank through State Bank of Pakistan (SBP)

22.3 Shares of the Bank held by subsidiary and associate

Following shares were held by the associate of the Bank as of year end:
First Credit & Investment Bank Limited

2025	2024	
-----Number of shares-----		
70,000	70,000	
70,000	70,000	

23 RESERVES

Exchange translation reserve

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

Statutory reserve

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
		------(Rupees in '000)-----	
24	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
	Surplus / (deficit) on revaluation of:		
	- Securities measured at FVOCI - Debt	10.1 & 24.3 72,125,535	50,319,905
	- Securities measured at FVOCI - Equity	10.1 & 24.3 87,804,749	94,898,376
	- Property and Equipment	24.1 49,265,354	49,394,600
	- Non-banking assets acquired in satisfaction of claims	24.2 3,243,242	2,995,046
	- On securities of associates and joint venture	(93,384)	(93,379)
		212,345,496	197,514,548
	Deferred tax on surplus on revaluation of:		
	- Securities measured at FVOCI - Debt	(37,505,278)	(26,166,351)
	- Securities measured at FVOCI - Equity	(45,658,469)	(49,347,156)
	- Property and equipment	24.1 (3,706,574)	(3,773,782)
	- Non-banking assets acquired in satisfaction of claims	24.2 (110,839)	(118,215)
		(86,981,160)	(79,405,504)
		125,364,336	118,109,044
24.1	Surplus on revaluation of property and equipment		
	Surplus on revaluation of fixed assets as at January 1	49,394,600	47,395,553
	Recognised during the year	12.2 233,617	2,338,109
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(174,174)	(162,750)
	Related deferred tax liability on incremental depreciation charged during the year	(188,689)	(176,312)
	Surplus on revaluation of fixed assets as at December 31	49,265,354	49,394,600
	Less: related deferred tax liability on:		
	- revaluation as at January 1	(3,773,782)	(3,322,829)
	- revaluation recognised during the year	(121,481)	(423,825)
	- rate adjustment	-	(203,439)
	- incremental depreciation charged during the year	188,689	176,312
		(3,706,574)	(3,773,782)
		45,558,780	45,620,818
24.2	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		
	Surplus on revaluation as at January 1	2,995,046	2,803,228
	Recognised during the year	259,563	191,818
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(5,456)	-
	Related deferred tax liability on incremental depreciation charged during the year	(5,911)	-
	Surplus on revaluation as at December 31	3,243,242	2,995,046
	Less: related deferred tax liability on:		
	- revaluation as at January 1	(118,215)	(106,848)
	- revaluation recognised during the year	1,465	(4,826)
	- Rate adjustment	-	(6,541)
	- incremental depreciation charged during the year	5,911	-
		(110,839)	(118,215)
		3,132,403	2,876,831

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	Note	------(Rupees in '000)-----	
24.3	Securities which will be recycled to consolidated Statement of Profit & Loss		
	- Securities measured at FVOCI - Debt	72,125,535	50,319,905
	Securities which will not be recycled to consolidated Profit & Loss		
	- Securities measured at FVOCI - Equity	87,804,749	94,898,376
25	NON-CONTROLLING INTEREST		
	Opening balance	1,398,811	1,134,234
	Share of profit for the year	846,142	517,577
	Cash dividend paid / profit distribution by subsidiaries	(556,221)	(253,000)
	Closing balance	1,688,732	1,398,811
26	CONTINGENCIES AND COMMITMENTS		
	-Guarantees	533,648,579	513,080,260
	-Commitments	2,733,126,110	2,319,154,517
	-Other contingent liabilities	24,698,907	26,536,608
		3,291,473,596	2,858,771,385
26.1	Guarantees:		
	Financial guarantees	418,325,647	461,985,681
	Performance guarantees	115,322,932	51,094,580
		533,648,579	513,080,260
26.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	1,836,712,713	1,585,818,397
	Commitments in respect of:		
	- forward foreign exchange contracts	857,254,845	637,181,340
	- forward government securities transactions	16,508,022	79,587,535
	- forward lending	20,217,417	15,467,596
	Commitments for acquisition of:		
	- operating property and equipment	2,433,113	1,082,641
	Other commitments	26.2.5	17,008
		2,733,126,110	2,319,154,517

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

		2025	2024
		------(Rupees in '000)-----	
26.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	569,734,830	419,040,101
	Sale	287,520,014	218,141,239
		857,254,845	637,181,340

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

26.2.2 Commitments in respect of forward government securities transactions	2025	2024
	------(Rupees in '000)-----	
Purchase	10,463,492	74,167,535
Sale	6,044,530	5,420,000
	<u>16,508,022</u>	<u>79,587,535</u>

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

26.2.3 Commitments in respect of forward lending	2025	2024
	------(Rupees in '000)-----	
Undrawn formal standby facilities, credit lines and other commitments to lend	20,217,417	15,467,596
	<u>20,217,417</u>	<u>15,467,596</u>

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

26.2.5 Other commitments	2025	2024
	------(Rupees in '000)-----	
Professional services to be received	-	17,008
26.3 Other contingent liabilities	24,698,907	26,536,608

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

26.3.2 Taxation

- The return of income for tax year 2025 was filed which was treated to be deemed assessment order, no notice of amendment of assessment has yet been issued by FBR. For the tax year 2024, an order was passed under Section 122(5A) of the Ordinance whereby certain additions were made. The bank being aggrieved preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR disposed of the appeal declaring that the bank is a State Owned Enterprise (SOE) and that the case needs to be referred to Alternate Dispute Resolution Committee (ADRC).
- During the year, the Appellate Tribunal Inland Revenue (ATIR) issued orders for the various tax years whereby the ATIR did not adjudicate the issues on merit due to the reason that in their viewpoint, NBP is a state-owned enterprise in view of the Supreme Court decision in the name of National Bank and accordingly the appeals need to be referred to Alternate Dispute Resolution Committee (ADRC) in view of section 134A of the Ordinance. The bank is currently in the process of deciding whether to file a reference application before the Honorable High Court of Sindh to challenge such orders or whether to approach FBR to constitute an ADRC. Since, this would merely result in a change of forum therefore there is no effect on these financial statements.
- Honourable Appellate Tribunal of Punjab Revenue Authority has passed appellate order for the tax years 2016 & 2017 and remand back the proceeding to the Commissioner (Appeal) against order passed by the Additional Commissioner, Enforcement-IV, Punjab Revenue Authority, Lahore. In this respect, the bank has filed a reference application before the Honorable Lahore High Court through its legal Counsel.
- Honourable Appellate Tribunal of Punjab Revenue Authority has passed appellate order for the tax years 2012 to 2016 and upheld the order passed by the Additional Commissioner, Enforcement-IV, Punjab Revenue Authority, Lahore and delete the amount of default surcharge and penalty. In this respect, the bank has filed a reference application before the Honorable Lahore High Court through its legal Counsel.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

- The aggregate effect of contingencies as on Dec 31, 2025 amounts to Rs. 204 million (December 31, 2024 : Rs. 716 million) in respect of indirect tax issues, and in respect of direct tax issues amounts to Rs. 32,327 million (December 31, 2024: Rs. 34,444 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expect favorable outcome upon decisions of pending appeals.

26.3.3 Contingencies in respect of employees benefits and related matters

The following are the details of the contingencies arising out of the various legal cases pending adjudication in respect of employees' benefits and related matters. The Bank considers that except for Pensionary benefits note 26.3.3.1, the financial impact of other matters is impracticable to determine with sufficient reliability.

26.3.3.1 Pensionary benefits to retired employees

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

The Honourable Supreme Court had also directed NBP to pay the arrears of any government increases in pension but to only pensioners who are directly involved and are parties in the aforesaid litigation. However, as things stand at the moment, an off- shoot of the said litigation is presently pending final adjudication in the Supreme Court wherein a different class of pensioners are claiming payment of government increases in pension from NBP. In this case, the Supreme Court has granted NBP interim relief and has suspended the operation of the judgment of the Lahore High Court which had directed NBP to pay such pension increases. As a result, there are now two different views of the Honourable Supreme Court vis a vis the payment of government increases in pension to the pensioners of NBP and the legal position is far from being clear or certain. However, as a matter of abundant caution the Bank has incorporated financial impact in consolidated financial statements for the year ended December 31, 2024. The hearing related to the Government increases in pension was fixed for hearing on 13th February, 2026 but has been adjourned to a later date.

26.3.3.1.2 Regularizing the temporary hires / workers deployed by Service provider companies under outsourcing arrangements

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

26.3.3.1.3 Litigation related to management trainee program

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

26.4 Foreign Exchange repatriation case

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

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

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

26.5 SBP has imposed penalties on the Bank amounting to Rs. 200 million and Rs. 1,276 million on account of detection of certain counterfeit bank notes. The Bank maintains chest operations as custodian of SBP and is confident that the ultimate exposure with respect to the above-mentioned penalties will be borne by the relevant depositing bank for which lien has been marked on their deposit accounts. The Bank has taken up the matter with SBP, and it is under consideration at SBP.

	2025	2024
	------(Rupees in '000)-----	
27 MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	183,025,374	233,243,873
Investments	590,961,808	842,172,110
Lendings to financial institutions	4,634,265	11,124,263
Balances with banks	2,538,474	3,350,692
	781,159,921	1,089,890,938
28 MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	281,869,196	460,381,568
Borrowings	4,766,172	8,956,569
Cost of foreign currency swaps against foreign currency deposits / borrowings	12,423,012	15,257,391
Finance Charges lease liability against right of use assets	1,203,121	1,050,289
Securities sold under repurchase agreements - Government securities	232,278,537	432,806,427
	532,540,038	918,452,244
29 FEE AND COMMISSION INCOME		
Branch banking customer fees	1,495,511	1,872,522
Consumer finance related fees	949,859	829,131
Card related fees (debit cards)	6,414,760	4,895,488
Credit related fees	392,358	337,189
Investment banking fees	457,754	382,569
Commission on trade	2,013,867	2,447,629
Commission on guarantees	2,224,289	1,767,688
Commission on cash management	69,892	56,703
Commission on remittances including home remittances	704,931	1,772,179
Commission on bancassurance	357,519	273,804
Commission on government transactions	12,977,564	10,862,413
Management Fee & Sale Load	6,294,290	3,133,839
Brokerage Income	267,590	154,440
Others	70,630	385,569
	34,690,814	29,171,163

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
		------(Rupees in '000)-----	
30	GAIN ON SECURITIES		
		Note	
	Realised	30.1	19,112,490
	Unrealised gain on investments - measured at FVPL	30.2 & 10.1	9,082,580
			<u>28,195,070</u>
30.1	Realized gain on:		
	Federal government securities		9,222,915
	Shares		3,818,998
	Foreign securities		(91,098)
	Associates - mutual funds		-
	Sale of Joint Venture	30.1.1	6,161,675
			<u>19,112,490</u>

30.1.1 Last year, the transaction for the sale of the Bank's shareholding in United National Bank Limited (UNBL UK) was concluded after obtaining all the regulatory approvals on July 01, 2024.

		2025	2024
		------(Rupees in '000)-----	
30.2	Net gain/loss on financial assets/ liabilities measured at FVPL:		
	Designated upon initial recognition	3,402,794	5,874,857
	Mandatorily measured at FVPL	1,079,955	3,207,723
		<u>4,482,749</u>	<u>9,082,580</u>
	Net gain on financial assets (debt instruments) measured at FVOCI	5,805,337	6,421,596
		<u>10,288,086</u>	<u>15,504,176</u>
31	NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Loss on derecognition of financial assets measured at amortised cost	31.1	(662,486)
			<u>(1,311,257)</u>

31.1 This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognised proportionate amount of 2nd year's 10% of loss in these consolidated financial statements.

		2025	2024
		------(Rupees in '000)-----	
32	OTHER INCOME		
	Rent on property	124,528	89,121
	Gain on sale of property and equipment - net	184,540	5,022
	Postal, SWIFT and other charges recovered / reversed	234,108	214,222
	Swift share allocation	22,256	-
	Gain on derecognition on right of use assets	173,029	-
	Recovery from TFCs	299,760	-
	Insurance Claim	68,491	-
	Early settlement of Staff loan	-	319,333
	Deferred Income on Sale of Fixed Asset	13,065	10,542
	Reversal of Expenses	-	44,348
	Others	21,788	42,218
		<u>1,141,565</u>	<u>724,806</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33	OPERATING EXPENSES	Note	2025	2024
			------(Rupees in '000)-----	
	Total compensation expenses	33.2	75,480,535	137,825,820
	Property expense			
	Rent and taxes		1,796,354	1,662,651
	Insurance	33.3	96,216	54,204
	Utilities cost		3,481,548	3,394,864
	Security (including guards)		5,295,246	4,583,774
	Repair and maintenance (including janitorial charges)		2,382,563	1,688,161
	Depreciation		534,474	499,358
	Depreciation on non banking assets		17,539	17,944
	Depreciation on Ijarah assets		1,183,200	1,371
	Depreciation on right-of-use assets		2,057,174	2,117,452
	Others		3,622	12,268
			16,847,936	14,032,047
	Information technology expenses			
	Software maintenance		4,767,539	3,321,159
	Hardware maintenance		216,511	160,017
	Depreciation		1,996,887	750,716
	Amortisation		745,383	548,798
	Network charges		1,550,738	1,000,925
	IT manage services		1,927,907	1,916,363
	Others		-	4,193
			11,204,965	7,702,171
	Other operating expenses			
	Directors' fees and allowances		120,180	95,191
	Directors' fees and allowances - subsidiaries		27,390	27,920
	Fees and allowances to Shariah Board		23,916	19,503
	Legal and professional charges		1,629,726	1,344,087
	Outsourced services costs	33.1	1,816,742	1,470,838
	Travelling and conveyance		1,713,507	1,738,257
	NIFT clearing charges		393,756	279,744
	Depreciation		2,175,716	1,619,752
	Training and development		228,428	184,736
	Postage and courier charges		445,915	359,123
	Communication		1,683,051	1,676,185
	Stationery and printing		2,087,724	2,514,600
	Marketing, advertisement and publicity		4,331,028	1,764,011
	Donations	33.5	299,979	148,762
	Auditors' remuneration	33.6	367,422	367,484
	Property and equipment / Non-banking asset deficit		-	12,102
	Financial charges on leased assets		193,873	237,162
	Entertainment		533,255	486,870
	Clearing charges, verification and licence fee		674,503	499,229
	Brokerage		563,420	228,342
	Workers' Welfare Fund		60,540	35,077
	Insurance general		1,084,075	1,043,258
	Vehicle expenses		335,694	294,107
	Deposit premium expense		1,922,462	1,636,619
	Repairs and maintenance general		1,773,592	1,169,136
	Others		1,215,387	1,280,572
			25,701,281	20,532,667
			129,234,717	180,092,705

33.1 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 1,800 million (2024: Rs. 1,471 million). Out of this cost, Rs. 1,789 million (2024: Rs. 1,455 million) pertains to the payment to companies incorporated in Pakistan and Rs. 11.43 million (2024: Rs. 16.3 million) pertains to payment to companies incorporated outside Pakistan. Total Cost of outsourced activities for the year given to related parties is Rs.Nil (2024: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017. The material outsourcing arrangements along with their nature of services are as follows:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
		------(Rupees in '000)-----	
Name of Company	Nature of Services		
HTECH Solutions (Private) Limited	Call center management	299,665	168,497

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

33.2	Total compensation expense	Note	2025	2024
			------(Rupees in '000)-----	
	Fees and Allowances etc		110,278	110,756
	Managerial Remuneration			
	i) Fixed		18,948,269	19,245,929
	ii) Variable		136,655	126,222
	a) Cash Bonus / Awards etc.		7,177,244	6,229,808
	b) Bonus & Awards in Shares etc.		-	356,648
	Charge for defined benefit plan		16,504,662	82,033,112
	Charge for defined benefit plan - Subsidiaries		-	175,822
	Contribution to defined contribution Plan		-	17,736
	Rent & house maintenance		7,843,113	7,041,372
	Utilities		3,458,587	3,216,195
	Medical		6,079,382	5,642,967
	Conveyance		5,571,734	4,835,112
	Club Membership & Subscription		172,935	153,640
	Education Allowance		2,033,789	1,820,867
	Insurance		353,468	412,722
	Honorarium to Staff and Staff Welfare		284,243	231,091
	Overtime		73,868	49,460
	Special Duty Allowance		1,950	1,369
	Islamic Banking Allowance		1,244	1,070
	Washing Allowance		11,755	13,232
	Key Allowance		69,389	70,804
	Unattractive Area Allowance		109,024	83,185
	Leave Encashment		-	12,766
	Teaching Allowance		13,078	13,004
	Incentive on CASA deposits mobilization		2,612	76,656
	Meal Allowance		491,437	444,646
	Staff Incentive		60,632	15,632
	Liveries		107	13
	Inchamber Allowance		673	617
	Saturday Allowances		39,578	158,454
	Severe Winter Allowance		57,025	57,338
	Hill Allowance		41,584	46,379
	ATM Cash Replenish Allowance		3,936	21,325
	PhD Allowance		16,932	12,844
	Hardship Allowance		3,156	3,110
	Staff Loan - notional cost	33.4	5,358,353	4,605,524
	EOBI		16,493	-
	Others		433,350	588,393
			75,480,535	137,925,820

33.3 This includes Rs. 4.004 million (2024: Rs.3.935 million) insurance premium against directors' liability insurance.

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

33.5	'Donations include following amounts:	2025	2024
		----- (Rupees in '000) -----	
	Family Educational Services Foundation	30,000	15,000
	Child Aid Association	10,800	2,000
	Akhuwat	15,000	14,000
	Karwan-e-Hayat	14,472	12,600
	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	17,537	38,511
	Special Olympics Pakistan	-	5,500
	Afzaal Memorial Thalassemia Foundation	-	5,000
	Marie Adelaide Leprosy Centre	-	2,500
	Child Life Foundation	-	10,000
	Pakistan Alliance For Girls Education Trust	-	5,300
	The Hunar Foundation	-	15,000
	Strengthening Participatory Organization	-	11,314
	Tehzibul Akhlaq Trust	-	7,000
	Sindh community Foundation	-	5,037
	Bioniks	10,000	-
	WWF-Pakistan	19,754	-
	Women Empowerment Group (WEG)	21,108	-
	Teachers Resource Centre	5,500	-
	Prime Minister's Flood Relief Fund	50,000	-
	Aziz Jehan Begum Trust	20,000	-
	Transformation International Society (TIS)	13,260	-
	Agha Khan Hospital & Medical Foundation (AKH & MCF)	50,000	-
	Lahore Mental Health Association Fountain House	9,150	-
	Network of Organizations Working for Persons with Disabilities (NOWPDP)	10,500	-
	The Citizens Foundation	1,000	-
	Sanjan Nagar Public Education Trust	200	-
	MBJ Health Association	1,000	-
	The Cancer Foundation	360	-
	Charity Right Welfare Association Pakistan	288	-
	Make-A-Wish Foundation, Karachi	50	-
	Total	299,979	148,762

33.5.1 None of the directors, sponsor shareholders and key management personnel or their spouse have an interest in the donees.

33.6	Auditors' remuneration	2025		2024
		A.F.Ferguson & Co.	BDO Ebrahim & Co.	Total
				Total
		----- (Rupees in '000) -----		
	Audit fee	42,240	36,009	78,249
	Special certifications	3,616	2,952	6,568
		45,856	38,961	84,817
	Other special certifications and sundry advisory	25,000	4,500	29,500
	Out-of-pocket expenses	10,000	10,000	20,000
	Sindh sales tax on services	6,068	3,877	9,945
	Fee for audit of overseas branches including advisory services and out-of-pocket expenses	-	-	213,554
	Fee for audit of subsidiaries including out-of-pocket expenses	-	-	9,606
		86,924	57,338	367,422
				367,484

34	OTHER CHARGES	2025	2024
		----- (Rupees in '000) -----	
	Penalties imposed by State Bank of Pakistan	39,072	36,718
	Penalties imposed by other regulatory bodies (Central Bank of international branches)	-	7,496
	Penalties imposed by other regulatory bodies (Regulators of subsidiaries)	-	1,812
		39,072	46,026

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	Note	----- (Rupees in '000) -----	
39 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	7	375,945,572	314,787,387
Balance with other banks	8	33,532,966	58,644,846
Overdrawn nostro accounts	17	-	(197,488)
Market Treasury Bills		21,593,530	6,758,920
		431,072,068	379,993,665

		2025	2024
		----- Numbers -----	
40 STAFF STRENGTH			
Permanent		9,052	9,547
On contract		6,834	6,005
Staff strength at the end of the year		15,886	15,552

40.1 In addition to the above, 1,948 (2024: 1,957) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform **services other than guarding** and janitorial services. Out of these, 1,948 employees are working domestically (2024: 1,951) and Nil (2024: 6) abroad respectively.

41 DEFINED BENEFIT PLAN

41.1 General description

General description of the type of defined benefit plan and accounting policy for remeasurements of the net defined liability / asset is disclosed in note 4.18.1 to the consolidated financial statements.

		2025	2024
		----- Numbers -----	
41.2 Number of Employees under the scheme			
The number of employees covered under the following defined benefit schemes are:			
Pension fund		8,533	9,051
Post retirement medical scheme		8,533	9,051
Benevolent scheme		8,533	9,051
Gratuity scheme		6,444	5,551
Compensated absences		8,533	9,051

In addition to above active employees, pension fund, benevolent scheme and post-retirement medical expenses

include 11,026 members who have retired on whose widows and other beneficiaries are receiving benefits.

41.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2025 using the following significant assumptions:

	2025	2024
	----- Per annum -----	
Discount rate	11.00%	12.25%
Expected rate of return on plan assets	11.00%	12.25%
Expected rate of salary increase	9.50%	10.75%
Expected rate of increase in pension	138% for next one year	107% for next one year
Expected rate of increase in medical benefit	11.00%	12.25%

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Note	2025				2024							
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
41.4	Reconciliation of (receivable from) / payable to defined benefit plans											
	(Rupees in '000)											
	193,000,892	48,234,725	2,145,147	5,836,026	10,503,531	259,720,321	177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477
	(117,687,938)	-	-	-	-	(117,687,938)	(101,540,358)	-	-	-	-	(101,540,358)
	-	-	-	597,387	-	597,387	-	-	-	480,865	-	480,865
	75,312,954	48,234,725	2,145,147	6,433,413	10,503,531	142,629,770	75,638,568	39,745,198	1,882,384	5,333,423	10,227,411	132,826,984
41.5	Movement in defined benefit obligations											
	177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477	103,591,193	34,833,112	1,613,699	4,575,660	9,632,176	154,245,840
	2,707,293	865,219	51,641	643,181	12,050	4,279,384	2,577,250	890,143	42,294	628,666	17,341	4,155,694
	-	-	-	-	-	-	57,549,870	-	149	80,555	356,535	57,987,109
	-	-	-	-	-	-	-	-	-	-	-	-
	33,502	5,714	124	-	5,674	45,014	78,513	12,814	118	-	11,273	102,718
	18,285,606	4,771,200	218,931	583,025	1,225,378	25,084,140	24,875,597	5,288,935	235,391	694,031	1,463,426	32,557,380
	(8,989,221)	(1,593,258)	(190,381)	(186,334)	(448,653)	(11,407,847)	(22,508,104)	(1,421,895)	(190,094)	(196,086)	(381,432)	(24,697,611)
	-	-	-	-	-	-	-	-	-	-	(871,908)	(871,908)
	3,784,786	4,440,652	182,448	(56,404)	(518,329)	7,833,153	11,014,607	142,089	180,827	(830,268)	-	10,407,255
	193,000,892	48,234,725	2,145,147	5,836,026	10,503,531	259,720,321	177,178,926	39,745,198	1,882,384	4,852,558	10,227,411	233,886,477
41.6	Movement in fair value of plan assets											
	101,540,358	-	-	-	-	101,540,358	80,646,300	-	-	-	-	80,646,300
	12,340,533	-	-	-	-	12,340,533	12,425,960	-	-	-	-	12,425,960
	1,562,167	-	-	-	-	1,562,167	1,501,147	-	-	-	-	1,501,147
	(8,989,221)	-	-	-	-	(8,989,221)	(22,508,104)	-	-	-	-	(22,508,104)
	5,824,429	-	-	-	-	5,824,429	20,049,320	-	-	-	-	20,049,320
	5,409,672	-	-	-	-	5,409,672	-	-	-	-	-	-
	-	-	-	-	-	-	9,425,735	-	-	-	-	9,425,735
	117,687,938	-	-	-	-	117,687,938	101,540,358	-	-	-	-	101,540,358

41.8.2

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Note	2025					2024						
	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total	Pension fund	Post retirement medical scheme	Benevolent scheme	Gratuity scheme	Compensated absences	Total
41.7	Movement in (receivable) / payable under defined benefits scheme											
	(Rupees in '000)											
	75,638,568	39,745,198	1,882,384	4,852,558	10,227,411	132,346,119	22,944,893	34,833,112	1,613,699	4,575,660	9,632,176	73,539,540
	8,652,366	5,636,419	270,572	1,226,206	719,099	16,504,662	72,576,757	6,179,078	277,934	1,403,252	965,394	81,402,315
	-	-	-	-	-	-	-	-	-	-	-	-
	33,502	5,714	124	-	5,674	45,014	78,513	12,814	118	-	11,273	102,718
	(1,562,167)	-	-	-	-	(1,562,167)	(1,501,147)	-	-	-	-	(1,501,147)
	Re-measurement loss / (gain) recognized in OCI during the year											
41.8.2	(1,624,866)	4,440,652	182,448	(56,404)	-	2,941,810	1,568,872	142,089	180,827	(930,268)	-	981,520
	(5,824,429)	(1,593,258)	(190,381)	(186,334)	(448,653)	(8,243,055)	(20,049,320)	(1,421,895)	(190,094)	(196,086)	(381,432)	(22,238,827)
	75,312,954	48,234,725	2,145,147	5,836,026	10,503,531	142,032,383	75,638,568	39,745,198	1,882,384	4,852,558	10,227,411	132,346,119
41.8	Charge for defined benefit plans											
41.8.1	Cost recognised in profit and loss											
	2,707,293	865,219	51,641	643,181	12,050	4,279,384	2,577,250	890,143	42,294	628,666	17,341	4,155,694
	-	-	-	-	-	-	57,549,870	-	149	80,555	356,535	57,987,109
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(518,329)	(518,329)	-	-	-	-	(871,908)	(871,908)
	5,945,073	4,771,200	218,931	583,025	1,225,378	12,743,607	12,449,637	5,288,935	235,391	694,031	1,463,426	20,131,420
	8,652,366	5,636,419	270,572	1,226,206	719,099	16,504,662	72,576,757	6,179,078	277,934	1,403,252	965,394	81,402,315
41.8.2	Re-measurements recognised in OCI											
	Loss / (gain) on obligation											
	1,962,194	713,779	142,818	(42,792)	-	2,795,999	(14,151,479)	(1,265,384)	283,033	(952,228)	-	(16,086,059)
	1,802,592	3,726,873	39,630	(13,612)	-	5,555,483	25,166,086	1,407,473	(102,206)	21,960	-	26,493,314
	(5,409,672)	-	-	-	-	(5,409,672)	(9,425,735)	-	-	-	-	(9,425,735)
	(1,624,866)	4,440,652	182,448	(56,404)	-	2,941,810	1,568,872	142,089	180,827	(930,268)	-	981,520

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	------(Rupees in '000)-----	
41.9 Components of plan assets - Pension fund		
Cash and cash equivalents - net	701,684	355,898
Government securities	69,287,034	65,336,734
Shares	750,702	750,702
Non-Government debt securities	100,000	100,000
Mutual funds	2,150,000	2,150,000
	72,989,420	68,693,334

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

41.10 Sensitivity analysis

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

	2025					
	Pension fund	Post retirement medical scheme	Benevolent Scheme	Gratuity Scheme	Compensated absences	Total
	------(Rupees in '000)-----					
1% increase in discount rate	(13,721,498)	(4,950,892)	(119,839)	(528,549)	(588,424)	(19,909,202)
1% decrease in discount rate	16,226,753	6,046,135	134,504	613,313	661,977	23,682,682
1% increase in expected rate of salary increase	4,250,142	652,946	4,682	645,610	713,330	6,266,710
1% decrease in expected rate of salary increase	(3,886,633)	(595,818)	(5,116)	(563,992)	(643,799)	(5,695,358)
1% increase in expected rate of pension increase	12,245,462	2,154,912	-	-	-	14,400,374
1% decrease in expected rate of pension increase	(10,707,030)	(1,866,703)	-	-	-	(12,573,733)
1% increase in expected rate of medical benefit increase	-	569,581	-	-	-	569,581
1% decrease in expected rate of medical benefit increase	-	(512,953)	-	-	-	(512,953)

41.11 Expected contributions to be paid to the fund in the next financial year 1,787,112

41.12 Expected charge for the next financial year 16,772,030

41.13 Maturity profile Years

The weighted average duration of the obligation	8.39
Pension fund	7.76
Post retirement medical scheme	11.40
Benevolent scheme	5.93
Gratuity scheme	9.82
Compensated absences	5.95

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

41.14 Funding Policy

Fund on any valuation date, based on actuarial assumptions.

Current Assets

Cash and cash equivalents - net
Government Securities
Shares
Non-Government Debt Securities
Mutual Funds

	Amount	Percentage
	Rupees in '000	
	701,684	0.96%
	69,287,034	94.93%
	750,702	1.03%
	100,000	0.14%
	2,150,000	2.95%
	<u>72,989,420</u>	<u>100.00%</u>

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

41.15 The significant risks associated with the staff retirement benefit schemes are as follows:

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

42 DEFINED CONTRIBUTION PLAN

Provident Fund

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

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

This scheme covers 8,288 employees (2024: 8,808 employees).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

43 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

43.1 Total Compensation Expense

Items	2025						
	Directors (43.3)			Members Shariah Board (Note 43.4)	President / CEO	Key Management Personnel (Note 43.1.1)	Other Material Risk Takers / Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
------(Rupees in '000)-----							
Fees and Allowances etc. Managerial Remuneration	15,469	-	104,710	14,592	-	-	12,601
i) Fixed	-	-	-	2,608	108,000	246,848	2,428,775
ii) Total Variable	-	-	-	-	-	-	385,371
a) Cash Bonus / Awards	-	-	-	1,366	-	187,923	1,157,772
b) Bonus & Awards in Shares	-	-	-	-	-	-	-
Charge for defined benefit plan	-	-	-	2,074	22,000	61,437	520,815
Contribution to defined contribution plan	-	-	-	-	-	-	75,477
Rent & house maintenance	-	-	-	1,434	16,500	135,766	574,381
Utilities	-	-	-	600	1,409	56,775	235,306
Medical	-	-	-	535	3,009	51,946	270,763
Conveyance	-	-	-	562	-	36,356	327,351
Others	-	-	-	145	10,503	8,692	184,983
Total	15,469	-	104,710	23,916	161,420	785,743	6,173,594
Number of Persons	1	-	7	5	1	22	639

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

43.1.2 The total amount of deferred bonus as at December 31, 2025 for the Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 300.6 million (2024: Rs. 266.2 million). The deferred bonus is held in a trust fund.

Items	2024						
	Directors (43.3)			Members Shariah Board (Note 43.4)	President / CEO	Key Management Personnel (Note 43.1.1)	Other Material Risk Takers / Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
------(Rupees in '000)-----							
Fees and Allowances etc. Managerial Remuneration	13,440	-	81,751	12,257	-	-	-
i) Fixed	-	-	-	2,287	108,000	207,006	1,184,570
ii) Total Variable	-	-	-	-	-	-	537,717
a) Cash Bonus / Awards	-	-	-	958	-	161,945	537,717
b) Bonus & Awards in Shares	-	-	-	753	19,799	80,166	746,502
Charge for defined benefit plan	-	-	-	1,258	12,000	113,853	552,526
Rent & house maintenance	-	-	-	526	2,168	47,525	222,736
Utilities	-	-	-	469	-	43,943	244,256
Medical	-	-	-	574	-	42,984	247,944
Conveyance	-	-	-	121	5,499	9,167	198,015
Others *	-	-	-	-	-	-	-
Total	13,440	-	81,751	19,203	147,466	706,589	3,995,291
Number of persons	1	-	5	5	1	22	278

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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

43.3 Remuneration paid to Directors for participation in board and committee meetings

Sr. No.	Name of director	2025								
		Meeting Fees and Allowances Paid								
		For Board Meetings	For Board Committees							Allowances *
Board Audit Committee	Board Risk & Compliance Committee		Board HR & Remuneration Committee	Board Technology & Digitalization Committee	Board Inclusive Development Committee	Board Strategy Committee				
(Rupees in '000)										
1	Mr. Ashraf Mahmood Wathra	5,280	-	-	4,800	2,400	1,920	-	1,069	15,469
2	Mr. Farid Malik	4,400	4,400	-	4,000	2,000	-	1,200	2,993	18,993
3	Mr. Amjad Mahmood	4,400	4,400	-	-	2,000	1,600	1,200	12	13,612
4	Mr. Ali Syed	4,400	4,400	3,600	4,000	2,000	-	1,200	556	20,156
5	Mr. Nasim Ahmad	4,400	4,400	3,600	-	-	1,600	-	15,602	29,602
6	Muhammad Sohail Tabba	3,200	1,600	2,800	2,400	-	-	-	111	10,111
7	Aaiza Khan	3,600	-	-	1,200	1,600	1,600	-	1,437	9,437
8	Navaid Hasib Malik	1,200	-	400	1,200	-	-	-	-	2,800
	Total amount paid	30,880	19,200	10,400	17,600	10,000	6,720	3,600	21,779	120,178

* Allowances include accommodation, travel expenses and daily allowance in lieu of hotel as per Board Remuneration Policy.

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

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

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

*** Retired on June 20, 2024.

43.4 Remuneration paid to Shariah Board Members

Items	2025				2024			
	Chairman	Resident Member	Non-Resident Members	Total	Chairman	Resident Member	Non-Resident Members	Total
(Rupees in '000)								
Retainer fee and fixed remuneration	5,460	9,324	9,132	23,916	4,438	6,946	7,818	19,203
Total number of persons	1	1	3	5	1	1	3	5

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

44 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted Instruments classified under held to collect are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of market value of these investments as assessed through a fair valuation exercise conducted using their latest available audited financial statements.

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

44.1 Fair value of financial assets

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	2025				Total
	Carrying Value	Level 1	Level 2	Level 3	
On balance sheet financial instruments	----- (Rupees in '000) -----				
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,305,930,352	-	1,305,930,352	-	1,305,930,352
- Pakistan Investment Bonds	2,621,502,656	-	2,621,502,656	-	2,621,502,656
- GOP Ijarah Sukuks	247,873,840	224,965,999	22,907,841	-	247,873,840
- Foreign Currency Debt securities	27,246,038	-	27,246,038	-	27,246,038
					-
Ordinary Shares					
- Listed Companies	92,256,671	92,256,671	-	-	92,256,671
- Unlisted Companies	9,394,985	-	-	9,394,985	9,394,985
Preference Shares					
- Listed Companies	1,106,411	1,106,411	-	-	1,106,411
Non-Government Debt Securities					
- Term Finance Certificates and Sukuk Bonds	29,550,365	4,164,544	25,385,821	-	29,550,365
Units of open-ended mutual funds	8,583,933	-	8,583,933	-	8,583,933
Real estate investment trust units	2,487,311		2,487,311		2,487,311
Foreign Securities					
- Government debt securities	2,307,443	-	2,307,443	-	2,307,443
- Equity Securities - Listed	39,473,319	39,473,319	-	-	39,473,319
	4,387,713,324	361,966,944	4,016,351,395	9,394,985	4,387,713,324

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Financial assets - disclosed but not measured at fair value

	2025				Total
	Carrying Value	Level 1	Level 2	Level 3	
------(Rupees in '000)-----					
Investments					
Federal Government Securities					
- Market Treasury Bills	54,473	-	54,473	-	54,473
- Pakistan Investment Bonds	461,461,674	-	463,990,379	-	463,990,379
- Ijarah Sukuks	14,027,812	5,184,500	-	-	5,184,500
- Foreign Currency Debt securities	9,597,900	-	9,597,900	-	9,597,900
- GOP Ijarah sukuks - Traded	4,999,075	-	14,176,100	-	14,176,100
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	8,466,335	-	8,466,335	-	8,466,335
Foreign Securities					
- Government debt securities	36,712,987	-	36,712,987	-	36,712,987
- Non-Government debt securities	1,079	1,079	-	-	1,079
	535,321,335	5,185,579	532,998,174	-	538,183,753
	4,923,034,659	367,152,523	4,549,349,569	9,394,985	4,925,897,077
Off-balance sheet financial instruments measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	857,254,846	-	(3,609,169)	-	(3,609,169)
Forward government securities transactions	16,508,022	-	24,389	-	24,389

On balance sheet financial instruments

	2024				Total
	Carrying Value	Level 1	Level 2	Level 3	
------(Rupees in '000)-----					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,206,109,126	-	1,206,109,126	-	1,206,109,126
- Pakistan Investment Bonds	2,793,255,571	-	2,793,255,571	-	2,793,255,571
- GOP Ijara Sukuks	96,404,072	64,725,870	31,678,202	-	96,404,072
- Foreign Currency Debt securities	19,567,813	-	19,567,813	-	19,567,813
Ordinary Shares					
- Listed Companies	105,072,151	105,072,151	-	-	105,072,151
Preference shares					
- Listed Companies	992,711	992,711	-	-	992,711
Mutual Fund units	8,748,858	2,994,767	5,754,091	-	8,748,858
Non-Government Debt Securities					
- Term Finance Certificates and Sukuk Bonds	42,378,187	18,111,177	24,267,010	-	42,378,187
Foreign Securities					
- Government debt securities	5,802,711	-	5,802,711	-	5,802,711
- Equity Securities - Listed	52,569,482	52,569,482	-	-	52,569,482
	4,330,900,682	244,466,158	4,086,434,524	-	4,330,900,682
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	59,594	-	59,594	-	59,594
- Pakistan Investment Bonds	222,656,096	-	222,656,096	-	222,656,096
- GOP Ijara Sukuks	14,373,995	-	14,373,995	-	14,373,995
- Foreign Currency Debt securities	6,287,309	-	6,287,309	-	6,287,309
Foreign Securities					
- Government debt securities	37,707,456	-	37,707,456	-	37,707,456
- Non-Government debt securities	1,077	-	1,077	-	1,077
	281,085,527	-	281,085,527	-	281,085,527
	4,611,986,209	244,466,158	4,367,520,051	-	4,611,986,209
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	637,181,340	-	(379,658)	-	(379,658)
Forward government securities transactions	79,587,535	-	(774,179)	-	(774,179)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

44.2 Fair value of non-financial assets

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

	2025				
	Carrying Value	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----				
Land & building (fixed assets)	54,673,276	-	-	54,673,276	54,673,276
Non-banking assets acquired in satisfaction of claims	4,390,139	-	-	4,390,139	4,390,139
	59,063,415	-	-	59,063,415	59,063,415

	2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----				
Land & building (fixed assets)	54,416,216	-	-	54,416,216	54,416,216
Non-banking assets acquired in satisfaction of claims	4,148,115	-	-	4,148,115	4,148,115
	58,564,331	-	-	58,564,331	58,564,331

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

45. **SEGMENT INFORMATION**
45.1 **Segment Details with respect to Business Activities**

	2025									
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance Group	Aitemaad and Islamic Banking Group	Head Office / Others	Sub total	Eliminations	Total
(Rupees in '000)										
Profit and loss account										
Net mark-up / return / profit	(196,455,641)	34,326,144	3,244,221	363,301,852	4,335,672	33,396,689	6,470,946	248,619,884	-	248,619,883
Inter segment revenue - net	277,525,261	(25,543,319)	19,223,885	(282,058,335)	-	(13,123,516)	23,976,023	-	-	-
Non mark-up / return / interest income	21,976,358	536,173	6,337,290	24,147,444	1,463,012	336,650	14,835,824	69,632,751	-	69,632,751
Total income	103,045,979	9,318,997	28,805,397	105,390,961	5,798,684	20,609,823	45,282,793	318,252,634	-	318,252,634
Segment direct expenses	53,816,028	886,593	1,479,599	740,500	8,097,361	6,096,177	4,953,583	76,069,841	-	76,069,841
Inter segment expense allocation	-	-	-	-	-	-	53,203,948	53,203,948	-	53,203,948
Total expenses	53,816,028	886,593	1,479,599	740,500	8,097,361	6,096,177	58,157,531	129,273,789	-	129,273,789
Credit loss allowance	698,330	5,676,311	8,043,256	(369)	(3,879,422)	828,086	(2,170,406)	9,195,786	-	9,195,787
Profit / (loss) before tax	48,531,620	2,756,093	19,282,542	104,650,830	1,580,745	13,685,560	(10,704,332)	179,783,059	-	179,783,058
Statement of financial position										
Cash and bank balances	65,617,574	5,538,863	310,376	228,837,426	49,089,296	57,494,880	2,582,935	409,471,351	-	409,471,351
Investments	-	-	16,741,471	4,553,954,044	75,865,368	274,169,693	4,116,207	4,924,846,783	-	4,924,846,783
Net inter segment lending	2,722,751,375	-	210,940,044	-	-	-	464,197,106	3,397,888,525	(3,397,888,525)	-
Lendings to financial institutions	-	-	-	16,000,000	-	30,000,000	-	46,000,000	-	46,000,000
Advances - performing	286,541,911	247,306,913	542,448,102	-	73,574,286	248,313,158	(6,505,947)	1,391,678,423	-	1,391,678,423
Advances - Non performing	4,734,919	28,913,516	23,295,347	-	61,226,458	2,173,921	102,657,217	223,001,379	-	223,001,379
Credit loss against advances	(7,107,886)	(39,239,520)	(63,646,127)	-	(59,630,834)	(3,603,303)	(103,713,285)	(276,940,955)	-	(276,940,955)
Advances - net	284,168,944	236,980,909	502,097,323	-	75,169,910	246,883,776	(7,562,015)	1,337,738,847	-	1,337,738,847
Others	44,702,056	3,702,498	25,929,267	113,500,962	6,878,032	16,434,554	149,192,351	360,339,720	-	360,339,720
Total Assets	3,117,239,950	246,222,270	756,018,481	4,912,292,432	207,002,606	624,982,903	612,526,584	10,476,258,226	(3,397,888,525)	7,078,396,701
Borrowings	-	5,019,895	39,784,092	1,596,028,090	48,387,944	-	437,065	1,689,657,086	-	1,689,657,086
Deposits & other accounts	3,059,108,219	-	686,670,290	-	112,155,588	558,984,228	10,749,213	4,427,667,537	-	4,427,667,537
Net inter segment borrowing	-	236,416,880	1	3,061,016,810	41,648,541	58,806,294	-	3,397,888,525	(3,397,888,525)	-
Others	58,131,731	4,785,495	29,564,097	85,337,166	4,381,925	5,720,004	235,225,961	423,146,379	-	423,146,378
Total liabilities	3,117,239,950	246,222,270	756,018,480	4,742,382,066	206,573,997	623,510,525	246,412,239	9,988,359,527	(3,397,888,525)	6,540,471,001
Equity	-	-	-	169,910,366	428,609	1,472,379	366,114,345	537,925,699	-	537,925,700
Total Equity & liabilities	3,117,239,950	246,222,270	756,018,480	4,912,292,432	207,002,606	624,982,904	612,526,584	10,476,258,226	(3,397,888,525)	7,078,396,701
Contingencies & Commitments	-	91,942,598	2,257,591,624	893,980,284	20,827,070	-	27,132,020	3,291,473,596	-	3,291,473,596

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2024

	Retail Banking Group		Inclusive Development Group		Corporate and Investment Banking Group		Treasury		International, Financial Institution and Remittance Group		Alteamaad and Islamic Banking Group		Head Office / Others		Sub total		Eliminations		Total		
----- (Rupees in '000) -----																					
Profit and loss account																					
Net mark-up / return / profit	(362,654,307)	35,736,621	10,187,073	456,133,827	9,935,777	16,938,715	5,160,987	171,438,693	-	-	-	-	-	-	-	-	-	-	-	171,438,694	
Inter segment revenue - net	464,832,128	(37,960,949)	14,808,636	(459,753,500)	-	(6,695,911)	24,769,597	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non mark-up / return / interest income	19,678,664	627,069	6,392,275	32,926,860	1,072,798	485,813	9,139,943	70,323,422	-	-	-	-	-	-	-	-	-	-	-	-	70,323,420
Total Income	121,856,485	(1,597,259)	31,387,984	29,307,187	11,008,575	10,728,617	39,070,527	241,762,116	-	-	-	-	-	-	-	-	-	-	-	-	241,762,114
Segment direct expenses	47,265,374	703,657	1,499,610	703,145	12,537,015	4,009,762	2,729,615	69,448,178	-	-	-	-	-	-	-	-	-	-	-	-	69,448,178
Inter segment expense allocation	-	-	-	-	-	-	110,690,554	110,690,554	-	-	-	-	-	-	-	-	-	-	-	-	110,690,554
Total expenses	47,265,374	703,657	1,499,610	703,145	12,537,015	4,009,762	113,420,168	180,138,731	-	-	-	-	-	-	-	-	-	-	-	-	180,138,731
Provisions charge / (reversal)	(1,191,982)	5,043,441	3,007,751	115,163	723,601	386,001	(3,580,753)	4,503,222	-	-	-	-	-	-	-	-	-	-	-	-	4,503,222
Profit / (loss) before tax	75,783,093	(7,344,357)	26,880,623	28,488,879	(2,252,041)	6,332,854	(70,768,888)	57,120,163	-	-	-	-	-	-	-	-	-	-	-	-	57,120,160
Statement of financial position																					
Cash and bank balances	104,543,937	12,700,078	323,160	180,215,699	44,650,767	28,290,145	2,708,447	373,432,233	-	-	-	-	-	-	-	-	-	-	-	-	373,432,233
Investments	-	-	17,474,258	4,401,774,189	69,366,379	123,905,109	2,329,341	4,614,849,276	-	-	-	-	-	-	-	-	-	-	-	-	4,614,849,276
Net inter segment lending	2,654,121,574	-	15,212,340	-	-	-	385,852,374	3,055,186,288	-	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	30,000,000	-	30,000,000	-	-	-	-	-	-	-	-	-	-	-	-	30,000,000
Advances - performing	255,462,856	302,627,511	634,925,249	-	68,891,051	144,913,723	(3,456,320)	1,403,264,070	-	-	-	-	-	-	-	-	-	-	-	-	1,403,264,070
Advances - non performing	4,049,155	77,623,629	25,693,942	-	61,422,655	1,985,434	98,663,652	269,438,467	-	-	-	-	-	-	-	-	-	-	-	-	269,438,468
Credit Loss against advances	(5,322,616)	(30,305,806)	(71,341,462)	-	(59,115,382)	(2,677,968)	(99,312,178)	(268,075,412)	-	-	-	-	-	-	-	-	-	-	-	-	(268,075,412)
Advances - net	254,189,395	349,845,335	589,277,729	-	71,198,324	144,221,189	(4,104,846)	1,404,627,126	-	-	-	-	-	-	-	-	-	-	-	-	1,404,627,126
Others	35,950,181	4,380,238	32,592,996	95,122,683	9,554,222	6,998,746	146,489,151	331,088,217	-	-	-	-	-	-	-	-	-	-	-	-	331,088,217
Total Assets	3,048,805,087	366,925,651	654,880,483	4,677,112,571	194,769,692	333,415,189	533,274,467	9,809,183,140	(3,055,186,288)	6,753,996,853	-	-	-	-	-	-	-	-	-	-	6,753,996,853
Borrowings	-	6,146,011	53,629,990	1,858,039,691	19,489,167	-	452,063	1,937,756,922	-	-	-	-	-	-	-	-	-	-	-	-	1,937,756,922
Deposits & other accounts	2,879,997,795	-	567,480,954	-	104,461,295	309,438,082	3,834,171	3,865,212,297	-	-	-	-	-	-	-	-	-	-	-	-	3,865,212,297
Net inter segment borrowing	-	340,348,843	1	2,631,278,091	67,253,026	16,306,327	-	3,055,186,288	(3,055,186,288)	-	-	-	-	-	-	-	-	-	-	-	-
Others	168,807,292	20,430,796	33,766,774	21,551,859	4,217,824	5,057,923	233,146,424	486,978,892	-	-	-	-	-	-	-	-	-	-	-	-	486,978,892
Total liabilities	3,048,805,087	366,925,650	654,877,719	4,5190,869,641	195,421,312	330,802,332	237,432,658	9,345,134,399	(3,055,186,288)	6,289,948,112	-	-	-	-	-	-	-	-	-	-	6,289,948,112
Equity	-	-	2,764	166,242,930	(651,619)	2,612,857	295,841,808	464,048,740	-	-	-	-	-	-	-	-	-	-	-	-	464,048,741
Total Equity & liabilities	3,048,805,087	366,925,650	654,880,483	4,677,112,571	194,769,693	333,415,189	533,274,466	9,809,183,139	(3,055,186,288)	6,753,996,853	-	-	-	-	-	-	-	-	-	-	6,753,996,853
Contingencies and commitments	-	69,715,086	2,006,678,247	732,236,471	22,505,325	-	27,636,257	2,856,771,386	-	-	-	-	-	-	-	-	-	-	-	-	2,856,771,386

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

45.2 Segment details with respect to geographical locations

	2025					Total
	Pakistan	Asia Pacific (including South Asia)	Europe	United States of America	Middle East	
------(Rupees in '000)-----						
Profit and loss account						
Net mark-up / return/profit	244,284,212	(531,337)	139,392	291,733	4,435,883	248,619,883
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	68,169,737	862,389	285,184	199,052	116,389	69,632,751
Total Income	312,453,949	331,052	424,576	490,785	4,552,272	318,252,634
Segment direct expenses	67,972,476	2,367,326	799,348	2,907,803	2,022,887	76,069,841
Inter segment expense allocation	53,203,948	-	-	-	-	53,203,948
Total expenses	121,176,424	2,367,326	799,348	2,907,803	2,022,887	129,273,789
Credit loss allowance	13,073,764	(1,069,499)	(1)	(298,123)	(2,510,356)	9,195,787
Profit / (loss) before tax	178,203,761	(966,775)	(374,771)	(2,118,897)	5,039,741	179,783,058
Statement of financial position						
Cash and bank balances	360,382,055	20,328,476	15,914,390	9,072,588	3,773,842	409,471,351
Investments	4,848,981,415	42,992,391	-	2,307,444	30,565,533	4,924,846,783
Net inter segment lendings	41,648,540	-	-	-	30,899,129	72,547,670
Lendings to financial institutions	46,000,000	-	-	-	-	46,000,000
Advances - performing	1,318,104,136	60,633,549	1,840,990	-	11,099,747	1,391,678,423
- non-performing	175,550,297	49,421,799	2,159,731	-	9,644,928	223,001,379
Credit loss against advances	(217,310,120)	(49,820,145)	(2,159,731)	-	(7,650,958)	(276,940,955)
Advances - net	1,262,568,937	60,235,202	1,840,990	-	13,093,717	1,337,738,847
Others	354,898,200	4,428,093	51,990	22,454	2,375,495	360,339,720
Total Assets	6,913,042,637	127,984,163	17,807,370	11,402,486	80,707,716	7,150,944,371
Borrowings	1,641,269,142	3,844,932	-	-	44,543,013	1,689,657,086
Deposits & other accounts	4,315,511,949	68,592,318	5,224,252	5,227,541	33,111,476	4,427,667,537
Net inter segment borrowing	-	55,602,946	12,268,731	4,675,993	-	72,547,670
Others	418,764,454	(26,668)	314,386	1,496,216	2,597,990	423,146,378
Total liabilities	6,375,545,546	128,013,528	17,807,370	11,399,750	80,252,479	6,613,018,671
Equity	537,497,091	(29,365)	-	2,736	455,237	537,925,700
Total Equity & liabilities	6,913,042,637	127,984,163	17,807,370	11,402,486	80,707,716	7,150,944,371
Contingencies & Commitments	3,270,646,526	13,137,526	739,632	-	6,949,913	3,291,473,596

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2024					
	Pakistan	Asia Pacific (including South Asia)	Europe	United States of America	Middle East	Total
	------(Rupees in '000)-----					
Profit and loss account						
Net mark-up/return/profit	161,188,444	3,602,216	145,520	748,228	5,754,285	171,438,694
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	69,248,121	366,696	273,941	198,787	235,876	70,323,420
Total Income	230,436,565	3,968,912	419,461	947,015	5,990,161	241,762,114
Segment direct expenses	56,395,025	3,311,431	1,358,227	6,908,222	1,475,273	69,448,178
Inter segment expense allocation	110,690,554	-	-	-	-	110,690,554
Total expenses	167,085,579	3,311,431	1,358,227	6,908,222	1,475,273	180,138,732
Credit loss allowance	3,747,174	282,443	3	(385,503)	859,105	4,503,222
Profit / (loss) before tax	59,603,812	375,038	(938,769)	(5,575,704)	3,655,783	57,120,160
Statement of financial position						
Cash and bank balances	328,775,614	25,470,005	10,804,570	5,257,264	3,124,781	373,432,233
Investments	4,542,923,802	45,391,617	-	3,958,760	22,575,101	4,614,864,276
Net inter segment lending	67,253,026	-	-	-	-	67,253,026
Lendings to financial institutions	30,000,000	-	-	-	-	30,000,000
Advances - performing	1,334,373,019	46,867,609	-	-	22,023,442	1,403,264,070
Advances - non-performing	207,891,212	50,034,870	1,905,119	-	9,607,267	269,438,468
Provision against Advances	(208,960,030)	(49,798,232)	(1,905,119)	-	(7,412,030)	(268,075,411)
Advances - net	1,333,304,201	47,104,247	-	-	24,218,679	1,404,627,128
Others	321,474,536	3,500,420	22,122	262,572	5,828,566	31,088,216
Total assets	6,623,731,179	121,466,289	10,826,692	9,478,596	55,747,126	6,821,249,879
Borrowings	1,918,267,755	6,977,772	-	-	12,511,396	1,937,756,922
Deposits and other accounts	3,760,751,002	48,907,231	6,450,502	4,519,881	44,583,681	3,865,212,297
Net inter segment borrowing	-	61,452,445	4,279,997	3,589,328	(2,068,744)	67,253,026
Others	482,759,108	297,769	96,194	1,442,455	2,383,367	486,978,893
Total liabilities	6,161,777,865	117,635,217	10,826,693	9,551,664	57,409,700	6,357,201,138
Equity	461,953,312	3,831,071	-	(73,068)	(1,662,573)	464,048,741
Total Equity & liabilities	6,623,731,177	121,466,288	10,826,693	9,478,596	55,747,126	6,821,249,879
Contingencies and commitments	2,836,266,060	13,008,078	627,153	-	8,870,094	2,858,771,385

46. TRUST ACTIVITIES

46.1 Endowment Fund

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

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

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

The amount of the Endowment Funds in investments stands at Rs. 1,150.1 million as at December 31, 2025 (2024: Rs. 1,045.2 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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

		As at December 31, 2025			
		Securities Held (Face Value)			
Category	No. of IPS Accounts	Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	Total
------(Rupees in '000)-----					
Assets Management companies	48	-	-	-	-
Charitable institutions	6	-	-	-	-
Companies	53	276,469,500	106,821,800	-	383,291,300
Employee Funds	49	123,176,650	581,603,200	-	704,779,850
Individuals	3,491	2,321,215	111,500	-	2,432,715
Insurance Companies	8	34,500,000	181,421,000	-	215,921,000
Non-Government Organizations	-	-	-	-	-
Others	106	96,935,045	992,140,600	-	1,089,075,645
Total	3,761	533,402,410	1,862,098,100	-	2,395,500,510

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

47 RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, subsidiaries, associates, employee benefit plans and its directors and Key Management Personnel. The details of investments in subsidiary companies and associated undertakings and their provisions are stated in note 10 of the financial statements of the Group.

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025										2024									
	Key management personnel	Directors	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A.A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A.A/c)	Provident Fund	Other related parties			
Balances with other banks																				
In current accounts	-	-	-	-	-	-	69,472	-	-	-	-	-	-	-	-	-	279,616			
	-	-	-	-	-	-	69,472	-	-	-	-	-	-	-	-	-	279,616			
Lendings to financial institutions																				
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Investments																				
Opening balance	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	-	4,921,177			
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Transfer in / (out) - net	-	-	-	-	-	-	1,292,240	-	-	-	-	-	-	-	-	-	(4,921,077)			
Closing balance	-	-	-	-	-	-	1,292,340	-	-	-	-	-	-	-	-	-	100			
Credit loss allowance for diminution in value of investments																				
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100			
Advances																				
Opening balance	258,612	183,172	-	-	-	-	-	-	265,788	2,540,453	-	-	-	-	-	-	-			
Addition during the year	106,284	-	-	-	-	-	-	-	75,194	-	-	-	-	-	-	-	-			
Repaid during the year	(55,143)	-	-	-	-	-	-	-	(69,509)	(2,357,281)	-	-	-	-	-	-	-			
*Transfer in / (out) - net	(24,589)	-	-	-	-	-	18,471,971	-	17,139	-	-	-	-	-	-	-	-			
Closing balance	285,165	183,172	-	-	-	-	18,471,971	-	268,613	183,172	-	-	-	-	-	-	-			
Credit loss allowance held against advances																				
	-	183,172	-	-	-	-	-	-	-	183,172	-	-	-	-	-	-	-			

(Rupees in '000)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025										2024									
	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A.A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A.A/c)	Provident Fund	Other related parties				
Other Assets	(Rupees in '000)																			
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Commission paid in advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,582				
Rent receivable	-	70	-	-	-	-	-	-	-	8,370	-	-	-	-	-	-				
Dividend receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Credit loss allowance against other assets	-	70	-	-	-	-	-	-	-	8,370	-	-	-	-	-	4,582				
Borrowings																				
Opening balance	-	-	-	-	-	-	575,441	-	-	-	-	-	-	-	-	546,209				
Borrowings during the year	-	-	-	-	-	-	(466,056)	-	-	-	-	-	-	-	-	29,232				
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Closing balance	-	-	-	-	-	-	119,385	-	-	-	-	-	-	-	-	575,441				
Subordinated debt																				
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Issued / Purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Redemption / Sold during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Deposits and other accounts																				
Opening balance	21,088	96,412	77,968	-	87,283	268,614	14,199,203	4,828,343	3,630	72,801	146,790	-	100	378,978	13,563,087	9,245,132				
Received during the year	45,868	1,096,623	496,137	-	56,585,775	22,950,794	3,210,515	91,857,367	37,179	1,270,799	-	-	36,502,461	6,363,285	3,417,472	120,594,671				
Withdrawn during the year	(36,107)	(1,060,791)	-	-	(56,672,958)	(22,517,825)	(2,373,547)	(86,574,882)	(19,721)	(1,244,645)	(67,822)	-	(36,415,278)	(6,473,650)	(2,781,356)	(124,055,441)				
* Transfer in (out) - net	-	(4,250)	-	-	-	-	-	200,841	-	(2,542)	-	-	-	-	-	(1,256,020)				
Closing balance	30,849	129,994	574,105	-	100	701,553	15,036,171	10,011,660	21,088	96,412	77,968	-	87,283	268,613	14,199,203	4,528,343				
Provident Fund Subsidiary																				
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,603	-				
Other Liabilities																				
Interest / mark-up payable	270	1,671	14,974	-	-	112,119	-	-	418	2,491	8,759	-	-	73,809	-	-				
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	270	1,671	14,974	-	-	112,119	-	-	418	2,491	8,759	-	-	73,809	-	-				
Contingencies & Commitments																				
Other contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

RELATED PARTY TRANSACTIONS

	2025					2024						
	Directors	Key management personnel	Associates	Pension Fund	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Pension Fund	Provident Fund	Other related parties
Income												
Mark-up / return / interest earned	-	6,852	-	-	-	2,046,851	-	13,918	-	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	110,412	-	-	206,550	-	-	111,506	-	-	81,180
Net gain on sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Rent income / Lighting & Power and Bank charges	-	-	7,750	-	-	21,027	-	-	6,451	-	-	21,027
Expense												
Mark-up / return / interest paid	2,473	4,809	32,787	259,586	1,756,085	785,492	3,065	8,898	31,800	95,946	1,816,643	952,971
Provident Fund Deposit Markup	-	-	-	-	2,274	-	-	-	-	-	-	-
Expenses paid to company in which Director of the bank is interested as CEO and Director	-	-	-	-	-	482,381	-	-	-	-	-	-
Remuneration to key management executives including charge for defined benefit plan	-	947,163	-	-	-	-	95,191	854,055	-	-	-	926,655
Directors fee & other allowances	120,179	-	-	-	-	-	-	-	-	-	-	-

(Rupees in '000)

47.1 Transactions with Government-related entities

The entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking service to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 12,932 million (2024: 10,862 million) for the year ended December 31, 2025. As at the statement of financial position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 363,960 million (2024: 620,914 million), Rs. 1,931,350 million (2024: 1,864,349 million) and Rs.2,073,574 million (2024: 1,798,996 million), respectively and income earned on advances and investment and profit paid on deposits amounted to Rs. 53,493 million (2024: 74,854 million) and Rs. 175,887 million (2024: 277,132 million) respectively.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

48 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- to comply with the capital requirements set by the regulators of the banking markets where the Bank operates;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

The SBP has issued instructions for Basel-III Implementation vide BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions were effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

Basel-III instructions comprise the following three capital standards:

i. Minimum Capital Requirement (MCR):

The MCR standard sets the nominal amount of capital banks / DFIs are required to hold. Currently, the MCR for banks and DFIs is Rs. 10 billion as prescribed by SBP.

ii. Capital Adequacy Ratio (CAR):

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the banks/ DFIs. The banks/ DFIs are required to comply with the minimum requirements as specified by the SBP on standalone as well as consolidated basis. Currently the required CAR for banks is 11.50% (plus 1.50% for NBP as D-SIB requirement).

iii. Leverage Ratio:

Tier-1 Leverage Ratio of 3% is introduced in response to Basel III Accord as the third capital standard. Bank level disclosure of the leverage ratio and its components has started from December 31, 2015. The bank has a leverage ratio of 4.43 % in the year ended December 31, 2025, (2024: 3.93%) and Tier-1 capital of Rs.416,132 Millions (2024: 359,002).

The SBP's regulatory capital as managed by the Group is analysed into following tiers:

1. Tier 1 Capital (going-concern capital)

- Common Equity Tier 1
- Additional Tier 1

- Tier I capital, which comprises highest quality capital element and includes fully paid up capital, balance in share premium account, reserve for issue of bonus shares, general reserves and un-appropriated profits (net of accumulated losses, if any) and foreign exchange translation reserve.

2. Tier 2 Capital (gone-concern capital)

- Tier II capital, which includes general reserve for loan losses, revaluation reserve, exchange translation reserve and subordinated debt.

Basel III capital rules require bank to make certain deductions from the capital before arriving at the Capital Adequacy Ratio (CAR).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

Risk weighted assets are measured according to the nature of the asset and reflect an estimate of credit, market and other risks associated with each asset and counterparty, after taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect more contingent nature of potential losses.

The Group's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence, and to sustain future development of the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratios compare the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratio under the SBP rules, which ultimately determine the regulatory capital, required to be maintained by Banks and DFIs.

The paid-up capital of the Bank for the year ended December 31, 2025 stood at Rs. 21,275 million (2024 : Rs. 21,275 million) and is in compliance with the SBP requirement for the said period. In addition, the Bank has maintained minimum Capital Adequacy Ratio (CAR) of 26.30% (2024: 28.05%).

There have been no material changes in the Bank's management of capital during the year.

	2025	2024
	------(Rupees in '000)-----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	21,275,131	21,275,131
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	416,132,062	359,001,823
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	416,132,062	359,001,823
Eligible Tier 2 Capital	137,018,612	127,884,327
Total Eligible Capital (Tier 1 + Tier 2)	553,150,674	486,886,150
Risk Weighted Assets (RWAs):		
Credit Risk	1,182,909,902	1,219,662,457
Market Risk	458,002,737	148,427,279
Operational Risk	462,352,850	367,891,513
Total	2,103,265,488	1,735,981,249
Common Equity Tier 1 Capital Adequacy ratio	19.79%	20.68%
Tier 1 Capital Adequacy Ratio	19.79%	20.68%
Total Capital Adequacy Ratio	26.30%	28.05%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	416,132,062	359,001,823
Total Exposures	9,390,144,210	9,129,797,793
Leverage Ratio	4.43%	3.93%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	2,886,883,909	2,474,264,138
Total Net Cash Outflow	1,341,932,335	1,200,642,088
Liquidity Coverage Ratio	215%	206%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	4,181,169,255	3,776,992,766
Total Required Stable Funding	2,370,313,223	2,176,376,949
Net Stable Funding Ratio	176%	174%

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

48.1 During the year, the SBP, through its letter No. BSD-1/BANK/NBP/751797/2024 dated August 29, 2024 has reduced the D-SIB buffer requirement for the Bank from 2.50% to 1.50%.

48.2 The full disclosure on the Capital Adequacy, Leverage Ratio and Liquidity Requirements as per SBP instructions issued from time to time, is available on NBP's website. The link to the full disclosure is available at <https://www.nbp.com.pk/blsd/>.

49 RISK MANAGEMENT

Risk management is a logical and systematic method used to identify, measure, monitor, and control the risks involved in any activity or process. Risk is inherent in all business activities. If not managed effectively, risks can result in financial loss, regulatory sanctions or penalties, and damage to the Bank's reputation, each of which may adversely impact the Bank's ability to execute business strategies. The Bank has adopted a comprehensive approach to risk management through a well-defined Risk Management Strategy and Policy with clear objectives and deliverables, supported by multi-pronged risk management processes. The Bank ensures that its risk management framework, together with internal controls, is adequate and effective in accurately identifying, assessing, and addressing the risks it faces.

The Bank applies the Basel framework as a cornerstone of its risk management framework and its capital and liquidity strategy. The Bank maintains a strong capital, funding, and liquidity position, in line with its ongoing commitment to preserving balance sheet strength. The Bank's risk profile management is built on the following pillars:

- Identification and assessment of significant material risks.
- Overseeing and managing the risk profile of the Bank within the context of the risk appetite.
- Optimize risk/ return decisions by aligning them to business objective of achieving sustainable optimum growth.

To support the activities of the Risk Management Group (RMG), a robust data management mechanism is in place to collect and consolidate exposure-wise information for various risk-related analyses and reviews. This mechanism also supports the identification of e-CIB-related information, facilitates periodic reviews, enables report generation, highlights inconsistencies and errors, and issues instructions to the relevant data entry points for rectification.

The Bank is cognizant of the importance of Environmental and Social Risk Management (E&SRM). The Green Banking Office (GBO), within the Inclusive Development Group (IDG), is responsible for the development of Green Banking and Environmental and Social Risk Management (GB & E&SRM) policies and procedures, and coordinates across all functional areas of the Bank to oversee the implementation of the GB & E&SRM Policy.

49.1 Risk Governance Structure

The Board is responsible for ensuring active oversight of the implementation of policies and frameworks to prevent any significant financial loss or reduction in shareholder value. The Board discharges this responsibility through the Board Risk and Compliance Committee (BRCC), a Board-level oversight committee that remains informed of changes in the Bank's risk management activities on behalf of the Board. The BRCC is the highest risk-related policy-making and supervisory body for all types of risks faced by the Bank, notably credit, market, liquidity, operational, information security, and other risks that may have a material impact on the Bank's performance. The BRCC functions under its Terms of Reference (TORs), duly approved by the Board of Directors.

The Risk Management Group (RMG) operates as an independent group under the supervision of the Chief Risk Officer (CRO). RMG's scope and coverage have been expanded to encompass enterprise-wide risk management, credit risk management, credit administration, and information security. The CRO reports directly to the President, with a dotted-line reporting to the Board Risk and Compliance Committee (BRCC). The group is responsible for functions related to the development and oversight of the risk management framework, methodologies, and other duties assigned from time to time, in accordance with local and international best practices and within the ambit of SBP regulations and guidelines.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Bank's risk governance is carried out by various management committees, where material risks are addressed in a focused manner. These committees operate under duly approved Terms of Reference (TORs) to oversee risk management activities within their respective scopes. Key committees include the Enterprise Risk Committee (ERC) for operational, strategic, reputational, and other risks; the Management Credit Committee (MCC) for credit risk; the Asset Liability Committee (ALCO) for market and liquidity risk; and the Compliance Committee for Management (CCM) for compliance risk.

49.2 Risk Management Framework

The Bank implements its risk management framework through a Three Lines of Defence model, clearly defining responsibilities and accountabilities for various offices, and ensuring effective and independent oversight that activities are carried out as intended.

First Line of Defence: Business groups have primary responsibility for identifying, measuring, monitoring, and controlling the risks within their areas of accountability. They are required to implement effective procedures and controls to ensure compliance with relevant policy requirements, maintain appropriate risk management skills, and operate within the parameters set and approved by the Board.

Second Line of Defence: The Risk Management and Compliance functions primarily act as the second line of defence; however, other support functions such as Human Resources, Logistics, and Finance also perform control activities where applicable. These functions oversee and independently challenge the effectiveness of risk management actions taken by business groups, which are further evaluated at Management-level Committees.

Third Line of Defence: The Audit & Inspection Group (A&IG) provides independent, objective assurance and consulting activities designed to add value and improve the Bank's risk management functions. A&IG supports the Bank in achieving its objectives by applying a systematic and disciplined approach to evaluate and enhance the effectiveness of risk management, control, and governance processes.

Following paragraphs introduce Group's exposures to material risks associated with its business activities and explain overall strategies and processes to manage those risks:

49.2.1 Credit Risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty fails to meet its contractual obligations on time. This risk may arise when the financial condition of a customer or counterparty weakens, affecting counterparty's ability or willingness to repay under agreed terms.

The objective of credit risk management is to keep the Bank's credit exposures within the approved risk appetite limit. This helps to protect asset quality while earning appropriate returns. Through a proactive and disciplined approach, NBP aims to safeguard its financial performance and long-term sustainability, while supporting financial system stability and efficient use of capital. Oversight of credit risk is carried out by the Board Risk and Compliance Committee (BRCC). The Bank's dedicated Risk Management Group, led by the Chief Risk Officer, is responsible for assessing, measuring, monitoring, and reporting credit risk, and for ensuring that policies and controls are aligned with regulatory requirements and industry's best practices.

Prudent lending decisions can empower people and businesses to boost the Bank's profitability and strategically guard against the risks of extending credit. By implementing risk assessment standards, conducting comprehensive pre-disbursement evaluations, and performing rigorous post-disbursement reviews, NBP effectively manages credit exposures and keeps losses within acceptable tolerance levels. The Bank also utilizes its Credit Risk Concentration Management frameworks to set exposure limits across obligors, economic groups, and industry sectors.

The Risk Management function regularly reviews the Bank's credit portfolio through detailed reports and dashboards to identify borrowers and sectors that may be vulnerable to adverse local or global economic conditions. The Bank closely monitors account performance, the financial strength of counterparties, macroeconomic trends, and other relevant risk indicators. A structured credit review and approval process, under the supervision of senior management, ensures strong governance and enables the timely identification, assessment, and mitigation of emerging credit risks.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

The Bank has implemented IFRS 9, which introduces the Expected Credit Loss (ECL) model for the impairment of financial assets.

The Retail & Program Lending Division is responsible for end-to-end credit risk management of all program-based lending products across the Retail Banking Group (RBG), Inclusive Development Group (IDG), and Aitemaad Islamic Banking Group (AIBG). Operating under a credit life-cycle framework, the Division oversees credit policy formulation, portfolio monitoring, MIS and analytics, independent credit approvals, collections and recoveries, and quality assurance to ensure compliance with internal risk appetite, regulatory requirements, and sound banking practices. The Division also manages and provides risk oversight for lending programs structured under various State Bank of Pakistan (SBP) schemes, including those designed for small enterprises and small farmers, such as SBP refinance, risk-sharing and credit loss guarantee schemes, and digital and collateral-free agricultural financing initiatives aimed at promoting financial inclusion. Close coordination is maintained with Operational Risk, Information Technology, Compliance, Legal, Credit Administration, and Human Resources to ensure robust controls and effective implementation. The Divisional Head reports directly to the Chief Risk Officer (CRO), ensuring independence and effective escalation of risk matters.

The Bank's Credit Administration (CAD) plays a vital role in managing credit risk, ensuring regulatory compliance, and maintaining financial stability. By effectively handling post-approval credit management, CAD supports portfolio growth and provides individuals and businesses with access to necessary funds. To improve processes, CAD has introduced additional controls and enhanced monitoring, aiming for efficient end-to-end operations while maintaining robust controls. Furthermore, CAD is working on automation, focusing on advanced collateral management, limit control, and vendor management.

During the year, the Bank successfully implemented the upgraded version of the Core Banking Application (CBA). The system has empowered CAD to implement controls in a more systematic manner, besides emphasizing credit discipline. All these efforts remain helpful in the effective management of credit risk, maintaining regulatory compliance, and ensuring financial stability.

49.2.1.1 Credit risk - general disclosures Basel specific

The Bank uses the Standardized Approach under the State Bank of Pakistan's Basel framework to calculate credit risk-weighted assets. This approach allows the Bank to use external credit ratings to assign risk weights and measure credit risk exposure. In addition, the Bank conducts credit risk stress testing based on scenarios prescribed by the regulator to assess the impact of adverse economic and financial conditions.

The Particulars of the Bank's significant on-balance sheet and off-balance sheet credit risk in across sectors are analyzed as follows:

49.2.1.2 External ratings

The SBP Basel III guidelines require banks to use ratings assigned by specified External Credit Assessment Institutions (ECAIs) namely Pakistan Credit Rating Agency Limited (PACRA), VIS and Moody's, Fitch and Standard & Poor's.

The SBP through its letter number BSD/BAI-2/201/1200/2009 dated December 21, 2009 accorded approval to the Bank for use of ratings assigned by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL). The Bank uses these ECAIs to rate its exposures denominated in Bangladeshi currency on certain corporate exposures and banks incorporated in Bangladesh.

The Bank uses external ratings for the purpose of mapping risk weights as per the Basel III framework. Instances whereby an exposure is rated by two or more ratings agencies, mapping into different risk weights, instructions outlined in Regulatory guidelines on BASEL framework shall be adhered to for selection of applicable rating.

49.2.1.3 Credit risk mitigation policy

The Bank defines collateral as the assets or rights provided to the Bank by the borrower or a third party in order to secure a credit facility. The Bank would have the rights of secured creditor in respect of the assets / contracts offered as security for the obligations of the borrower / obligor.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.1.4 Collateral valuation and management

As stipulated in the SBP Basel guidelines, the Bank uses simple approach for credit risk mitigation. Under this approach the risk weighting of the collateral instrument collateralizing or partially collateralizing the exposure is substituted for the risk weighting of the counterparty.

49.2.1.5 Types of collaterals

The Bank determines the appropriate collateral for each facility based on the type of product and counterparty. In case of corporate and SME financing, fixed assets are generally taken as security for long tenure loans and current assets for working capital finance usually backed by mortgage or hypothecation. For project finance, security of the assets of the borrowers and assignment of the underlying project contracts are generally obtained. Additional security such as pledge of shares, cash collateral, TDRs, SSC/DSCs, charge on receivables may also be obtained. Moreover, in order to cover the entire exposure personal guarantees of directors / borrowers are also obtained generally by the Bank. For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the property and automobile being financed respectively.

The Bank also offers products which are primarily based on collateral such as shares, specified securities and pledged commodities. These products are offered in line with the SBP prudential regulations and approved product policies which also deal with types of collateral, valuation and margining.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorisation approved by the MCC under its delegation powers. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

49.2.1.6 Types of eligible financial collateral

For credit risk mitigation purposes (capital adequacy purposes), the Bank considers all types of financial collaterals that are eligible under the SBP Basel III accord. This includes cash / TDRs, gold, securities issued by Government of Pakistan such as T-Bills and PIBs, National Savings Certificates, certain debt securities rated by recognised credit rating agencies, and guarantees from certain specified entities (Government of Pakistan, Banks etc.) under substitution effect of Basel.

49.2.1.7 Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz. industry, geography, and single/group borrower exposures. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single borrower, group borrowers and related parties. Moreover, in order to restrict the industry concentration risk, Bank's Credit Risk Concentration Management Framework spells out the maximum allowable exposure that it can take on specific industry. Additionally, the Internal Rating System allows the Bank to monitor risk rating concentration of borrowers against different grades / scores ranging from 1 - 12 (1 being the best and 12 being loss category).

Particulars of the group's on balance sheet and off balance sheet credit risk in various sectors are analysed as follows:

49.2.1.8 Methodologies and models used for the measurement of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal / external rating grade for subject customer. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account being restructured. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Bank groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 (Performing assets): When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the forward looking LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.

Stage 2 (Underperforming assets): When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.

Stage 3 (Non performing assets): For financial instruments considered credit-impaired, the Bank recognises LTECLs for these instruments. A description of how the Bank defines credit-impaired and default is given in relevant section. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.

Undrawn financing commitments: When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. Expected draw-down is added to the EAD and the ECL is then based on the present value of the expected cash flows of EAD if the financings are drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both financings and an undrawn commitment, ECLs are calculated on un-drawn portion (after application of CCF) of the facility and presented within other liabilities.

Guarantee and letters of credit contracts: The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for financial guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee and letter of credit contracts are recognised within other liabilities.

Forward looking information

The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for Wholesale & Retail portfolio.

These economic variables and their associated impact on the PD vary by the portfolio.

The rating band / DPD bucket wise PDs are computed through migration analysis using atleast 5 years historical transition matrices of respective portfolio. Furthermore, a detailed regression analysis is carried out using Marco Economic variables (i.e. Average Inflation rate ,GDP Growth rate and Exports were regressed against Bank's Internal Default Rates) in order to attain forward-looking PDs for each following year.

In addition to the base economic scenario, the Bank also uses other possible scenarios along with scenario weightings. The number of scenarios and their attributes are reassessed at each reporting date.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

In its ECL models, the Bank relies on range of the following forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index
- Exports

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), discounted at an approximation to the EIR, defined as follows:

Probability of Default (PD):

The Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- For corporate, commercial, and SME loan portfolios, the Bank has used a obligor risk rating (ORR) transition based approach to determine the segment wise PDs for each ORR.
 - For housing, agriculture, cash and gold and advance salary, a days-past-due (“DPD”) based migration approach has been used; and these PD's for wholesale & retail portfolio are then adjusted with forward looking information to arrive at point in time (PIT) PDs;
 - For other financial assets (i.e. investments, lending to financial institutions, balances with other banks etc.), historical PDs were estimated on the basis of global default Rates taken from S&P rating-wise transition matrices. These annual default Rates were converted into forward-looking PDs using the Vasicek model. The forecast global macro-economic variables were derived using historical regression between global macro-economic variables and Pakistan macro-economic variables.

Exposure at Default (EAD)

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier. The Bank's product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behaviour, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

Loss Given Default (LGD):

LGD represents an estimate of the loss incurred on a facility in the event of default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive. It is expressed as a percentage of the EAD. Bank has estimated segment wise LGDs for Corporate / Commercial, SE, ME & Agri Portfolio as well as product wise LGDs for Auto Finance, Personal Loan, Home Finance and Credit Card portfolio. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money.

The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs, through use of term structure of Point in time Pds.

49.2.1.9 ECL Principles, Grouping and Calculations

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Bank uses an approximation e.g. contractual rate (at reporting date).

When estimating the ECLs, the Bank considers three scenarios (a base, best and a worst case). Each of these scenario's is based on different macro-economic forecasts and is associated with different set of PDs & LGD.

Furthermore, to mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty & enforceability
- History of recovery

The Bank's management has only considered cash, gold & gold ornaments, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs. Furthermore, The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Impact on Regulatory Capital:

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has permitted Banks to opt for transitional arrangement for the ECL impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

Accordingly, Bank has opted for transition arrangement to phase in ECL impact and below tabulated is the impact on key ratios, had the transitional arrangement not applied.

Key Ratios	With Transitional arrangement	Without Transitional arrangement
Total Capital to total RWA (CAR)	26.30%	25.52%
Leverage Ratio	4.43%	4.25%

49.2.1.10 ECL Modeling and staging criteria/ Significant increase in ECLs

Significant increase in credit risk (SICR): A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument compared to the risk of default expected at the time of initial recognition.

The Bank uses a number of qualitative and quantitative measures in assessing SICR including, inter alia, the deterioration of Obligor Risk Ratings (ORR), in line with Bank's internally approved grid outlining specific notches downgrade for each ORR / external rating, payments being past due by 60 days, and other qualitative factors (such as watchlisting or restructuring of account).

49.2.1.11 Loans and advances definitions and methodologies of categorisation, credit loss allowance stages and movements between stages

Backward Transition:

In line with Bank's IFRS 9 Policy and Regulatory guidelines, financial assets shall be reclassified out of Stage 3 if they fulfill the criteria outlined in the Prudential Regulations (PR) issued by the State Bank of Pakistan (SBP). Similarly, financial assets classified under Stage 2 shall be reclassified to Stage 1 if the conditions that led to a significant increase in credit risk (SICR) no longer exist. However, a minimum period of three months from the initial downgrade is mandatory before any facility can be moved back to Stage 1 from Stage 2.

For a facility to transition from Stage 3 to Stage 2, it must meet the declassification requirements specified in the relevant Prudential Regulations. An exposure cannot be directly upgraded from Stage 3 to Stage 1; instead, it must first transition to Stage 2 and subsequently complete a cooling-off period of three months before being reclassified to Stage 1.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.1.12 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	2025			2024		
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Public/ Government	16,000,000	-	-	-	-	-	-	-	-	-
Private	30,172,150	30,172,150	172,150	172,150	-	-	(172,150)	-	-	(172,150)
	46,172,150	30,172,150	172,150	172,150	-	-	(172,150)	-	-	(172,150)

49.2.1.13 Investment in debt securities

Credit risk by industry sector

	Gross Investment		Non-performing lendings		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	2025			2024		
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
------(Rupees in '000)-----										
Cement	6,401	132,838	6,401	20,168	-	-	6,401	2,112	-	20,168
Chemical	1,004,155	1,076,217	1,004,155	1,076,217	-	-	1,004,155	-	-	1,076,217
Construction	1,968,878	2,298,072	1,636,714	1,633,739	3,682	-	1,636,714	16,478	-	1,633,739
Engineering	5,434	4,842	5,434	4,842	-	-	5,434	-	-	4,842
Fertilizer	1,152,560	1,152,560	1,152,560	1,152,560	-	-	1,152,560	-	-	1,152,560
Sugar	10,143	214,549	10,143	214,549	-	-	10,143	-	-	214,549
Textile	576,860	582,953	576,860	582,954	-	-	576,860	-	-	582,954
Transport	-	-	-	-	-	-	-	-	-	-
Financial	4,049,993	4,049,989	49,991	49,990	20,591	-	49,991	64,538	-	49,990
Electronics and electrical appliances	1,308,738	1,308,738	1,308,738	1,308,738	-	-	1,308,738	-	-	1,308,738
Glass and Ceramics	2,394	11,361	2,394	11,361	-	-	2,394	-	-	11,361
Leather and Tanneries	7,746	5,288	7,746	5,288	-	-	7,746	-	-	5,288
Food and Personal Care Products	11,904	11,184	11,904	11,184	-	-	11,904	-	-	11,184
Pharmaceuticals	3,142	2,413	3,142	2,413	-	-	3,142	-	-	2,413
Technology and Communication	3,991	6,170	3,991	6,170	-	-	3,991	-	-	6,170
Vanaspati and Allied Industries	4,238	4,238	4,238	4,238	-	-	4,238	-	-	4,238
Oil and Gas Marketing	687	687	687	687	-	-	687	-	-	687
Cable and Electrical Goods	1,909	4,284	1,909	4,284	-	-	1,909	-	-	4,284
Automobile Parts and Accessories	67	1,185	67	1,185	-	-	67	-	-	1,185
Power (electricity), Gas, Water, Sanitary	1,400,000	2,200,000	-	-	-	110,664	-	-	188,427	-
Tobacco	144	144	144	144	-	-	144	-	-	144
Paper and Board	7,725	10,794	7,725	10,794	-	-	7,725	-	-	10,794
Jute	1,250	7,081	1,250	7,081	-	-	1,250	-	-	7,081
Metal Products	340,000	590,000	340,000	340,000	-	-	340,000	5,667	-	340,000
Services	607,067	607,068	607,067	607,068	-	-	607,067	-	-	607,068
Public Sector	78,332,117	36,333,331	-	-	116	2,895,242	-	-	6,936,211	-
Miscellaneous	47,501	34,687	47,503	34,685	-	-	47,503	-	-	34,685
	90,855,044	50,650,672	6,790,763	7,090,338	24,389	3,005,906	6,790,763	88,795	7,124,638	7,090,338

	Gross Investment		Non-performing lendings		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	2025			2024		
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
------(Rupees in '000)-----										
Public / Government	82,350,978	36,352,193	18,861	18,862	116	2,895,242	18,861	-	6,936,211	18,862
Private	8,504,066	14,298,479	6,771,902	7,071,476	24,272	110,664	6,771,902	88,795	188,427	7,071,476
	90,855,044	50,650,672	6,790,763	7,090,338	24,389	3,005,906	6,790,763	88,795	7,124,638	7,090,338

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.1.14 Advances

Credit risk by industry sector

Sector Change	Gross advances		Non-performing advances		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	2025			2024		
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
(Rupees in '000)										
Agriculture, Forestry, Hunting & Fishing	141,099,429	115,101,438	6,976,726	59,823,751	3,183,371	1,887,200	6,062,532	2,344,417	231,812	7,144,814
Mining & Quarrying	4,630,320	2,997,004	194,078	192,334	5,066	1,970	190,935	58,414	-	192,334
Textile	157,131,370	158,393,261	38,555,519	38,446,498	1,508,495	6,153,802	36,551,121	3,206,068	2,332,019	38,286,703
Chemical & Pharmaceuticals	10,275,313	9,528,745	8,209,511	5,253,406	168,282	395,648	8,174,697	179,349	9,561	5,206,889
Cement	23,158,764	23,766,311	-	6,291,552	467,891	920,797	-	459,020	18,690	5,527,365
Sugar	38,805,224	32,494,636	925,000	15,473,023	-	-	925,000	146,598	465,096	15,473,023
Footwear and Leather garments	3,705,356	1,637,081	824,782	1,091,113	45,463	43,384	823,570	7,910	136	1,088,303
Automobile & Transportation Equipment	14,454,428	9,017,546	383,749	1,380,656	223,040	98,367	383,749	241,780	76,607	1,374,031
Electronics & Electrical Appliances	7,613,550	9,664,286	4,767,015	4,753,298	52,600	18,660	4,767,015	44,853	2,493	4,720,555
Construction	21,561,744	22,048,431	9,663,107	9,751,095	446,435	332,113	8,287,280	61,953	627,904	9,729,560
Oil & Gas	210,012,572	270,712,396	20,486,568	19,783,847	270,061	1,998,488	29,291,381	4,867,063	3,052,715	36,351,983
Power (electricity), Gas, Water, Sanitary	183,636,842	160,207,995	5,382,899	12,362,352	1,196,990	7,290,200	4,957,014	2,510,062	2,641,340	10,742,733
Wholesale & Retail Trade	65,264,176	59,878,358	11,210,533	11,847,289	537,702	382,603	11,060,540	14,778	-	11,597,525
Transport, Storage and Communication	71,617,227	75,316,094	13,804,381	17,232,785	133,192	30,010	13,378,855	184,019	15,464	14,917,504
Financial	22,856,493	136,267,709	283,920	344,460	204,755	-	283,920	18,499	701	339,191
Services	45,178,959	44,262,655	1,433,679	1,301,450	349,979	135,252	1,427,661	95,749	162,907	1,214,412
Individuals	194,695,637	183,202,191	16,446,151	7,400,924	5,894,221	1,863,322	22,584,727	2,051,721	439,534	5,828,559
Fertilizer	3,127,131	2,895,562	1,180,223	1,391,094	63,696	24,300	1,375,756	37,817	650	1,363,159
Metal Product	75,344,828	72,997,045	31,767,005	32,511,687	72,921	375,159	31,731,470	146,968	81,642	32,323,086
Telecommunication	36,593,506	29,777,778	948,876	877,816	187,840	793,809	920,935	693,476	334,796	877,816
Public Sector Commodity Operations	162,704,397	154,240,557	277,523	74,198	53,694	22,743	276,059	-	-	74,198
Rice Trading & Processing	51,663,506	47,439,549	5,862,994	5,605,102	90,101	125,758	5,610,359	1,428,741	55,486	5,453,474
Food and Tobacco	25,161,377	22,199,266	21,993,111	8,767,732	689,894	235,877	21,912,375	567,251	150,878	8,604,421
Glass and Ceramics	7,018,090	6,570,308	3,393,358	296,493	4,309	2,975	3,393,358	7,605	-	296,493
Paper & Board	8,058,111	4,273,736	613,910	610,718	46,983	4,020	613,278	32,796	81,770	589,787
Engineering	12,586,391	3,660,605	820,753	1,305,957	24,013	58,491	820,753	44,213	-	1,203,457
Plastic Products	4,492,949	3,767,532	1,473,863	1,731,563	50,860	145,527	1,424,194	1,087	-	1,641,158
Media	387,835	398,683	151,334	151,334	6,789	12,032	151,334	16,328	2	151,334
Flour Mills	6,312,686	4,641,652	-	840,495	-	-	-	152,239	18,737	773,594
Sports Goods	1,833,958	1,535,815	26,493	33,294	39,565	-	26,493	282	-	33,294
Surgical equipments	179,894	902,571	819,916	13,159	4,439	-	119,916	953	-	13,159
Others	3,517,739	2,905,741	14,124,403	2,697,993	40,000	60,000	2,417,608	129,820	7,681	2,879,636
	1,614,679,802	1,672,702,537	223,001,379	269,438,468	16,062,649	23,412,506	219,943,885	19,751,829	10,808,621	226,013,550

Credit risk by public / private sector	Gross advances		Non-performing advances		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	2025			2024		
					Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
(Rupees in '000)										
Public / Government	614,536,628	604,290,709	-	51,337,669	-	-	-	-	-	337,619
Private	1,000,143,174	1,068,411,828	223,001,379	218,100,799	16,062,649	23,412,506	219,943,885	19,751,829	10,808,621	225,675,931
	1,614,679,802	1,672,702,537	223,001,379	269,438,468	16,062,649	23,412,506	219,943,885	19,751,829	10,808,621	226,013,550

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.1.15 Contingencies and Commitments

	2025	2024
	------(Rupees in '000)-----	
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	65,843	229,085
Mining and Quarrying	3,609,445	3,559,445
Textile	16,941,597	21,024,719
Chemical and Pharmaceuticals	3,819,621	8,756,360
Cement	3,730,245	2,567,426
Sugar	7,073	221,542
Footwear and Leather garments	50,705	32,793
Automobile and Transportation Equipment	3,652,961	4,382,093
Electronics and Electrical Appliances	3,472,137	3,470,564
Construction	9,697,499	9,909,840
Oil & Gas	97,591,318	108,118,521
Power (electricity), Water, Sanitary	48,482,335	50,826,895
Wholesale and Retail Trade	3,831,734	2,332,478
Transport, Storage and Communication	50,694,291	54,873,340
Financial Services	1,068,554,345	847,846,794
Individuals	1,636,470,911	1,567,386,041
Fertilizer	134,868	212,308
Metal Products	2,666,249	3,613,420
Telecommunication	26,955,384	13,540,609
Public Sector Commodity Operations	29,555,809	31,452,915
Rice processing and Trading	27,399,543	27,399,543
Food and Tobacco	50,276	483,325
Glass and Ceramics	1,263,399	2,866,583
Paper and Board	276,173	594,346
Engineering	1,080,907	2,134,032
Plastic Products	251,013,943	90,458,587
Sports Goods	108,245	108,908
Surgical equipments	4,321	33,709
Others	35,832	76,299
	256,584	258,866
	3,291,473,596	2,858,771,385
Credit risk by public / private sector		
Public / Government	2,073,573,977	1,798,995,582
Private	1,217,899,619	1,059,775,803
	3,291,473,596	2,858,771,385

* Contingent liabilities for the purpose of this note are presented at cost and includes direct credit substitutes, transaction related contingent liabilities and trade related contingent liabilities.

49.2.1.16 Concentration of Advances

The bank's top ten (10) exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 2,258,435 million (2024: Rs. 2,074,573 million) are as following:

	2025	2024
	------(Rupees in '000)-----	
Funded	465,470,277	554,555,082
Non Funded	1,792,965,238	1,520,018,147
Total Exposure	2,258,435,515	2,074,573,229

The sanctioned limits against these top 10 exposures aggregated to Rs. 2,335,888 million (2024: Rs. 2,158,452 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

Total funded classified therein	2025		2024	
	Amount	Credit loss allowance held	Amount	Credit loss allowance held
	(Rupees in '000)			
OAEM	-	-	-	-
Substandard	-	-	51,000,000	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	51,000,000	-

For the purpose of this note, exposure means outstanding funded facilities and utilised non-funded facilities as at the reporting date.

49.2.1.17 Advances - Province / Region-wise Disbursement and Utilization

Province/Region	Disbursements	2025					
		Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	574,711,692	565,408,601	5,441,257	3,861,834	-	-	-
Sindh	580,993,562	294,997	496,823,774	-	-	83,874,790	-
KPK including FATA	18,810,485	-	-	18,810,485	-	-	-
Balochistan	5,772,973	-	-	-	5,772,973	-	-
Islamabad	119,760,736	-	-	-	-	119,760,736	-
AJK including Gilgit-Baltistan	6,020,103	-	-	-	-	-	6,020,103
Total	1,306,069,551	565,703,598	502,265,031	22,672,319	5,772,973	203,635,526	6,020,103

Province/Region	Disbursements	2024					
		Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	659,220,612	657,735,567	-	1,485,044	-	-	-
Sindh	587,484,427	1,000,000	584,837,367	1,647,060	-	-	-
KPK including FATA	16,881,142	-	-	16,881,142	-	-	-
Balochistan	5,078,348	-	-	-	5,078,348	-	-
Islamabad	120,272,040	-	-	-	-	120,272,040	-
AJK including Gilgit-Baltistan	5,123,306	-	-	-	-	-	5,123,306
Total	1,394,059,875	658,735,567	584,837,367	20,013,246	5,078,348	120,272,040	5,123,306

49.2.2 Market Risk

Market Risk is the potential loss in the value of on and off-balance-sheet positions of a financial institution due to adverse movements in market factors such as interest rates, foreign exchange rates, equity prices, credit spreads, and commodity prices, which can negatively impact earnings and capital.

The Bank's market risk is managed through Market & Liquidity Risk Management Policy, which is duly approved by the Board. The Bank has established market risk limits to manage risks within its approved risk appetite/ tolerance limits & zones.

The Standardized Approach is used to calculate the capital charge for market risk in accordance with the Basel framework. Stress testing for interest rate-sensitive, equity, and FX exposures is conducted regularly to assess their potential impact on the Bank's capital.

In addition to regulatory requirements, the Bank has developed proprietary stress testing scenarios which are periodically performed to assess their impact on the Bank's capital for Internal Capital Adequacy and Assessment Process (ICAAP). Limits/ zones and management action triggers/ plans corresponding to various ratios, limits and thresholds are defined in the Market & Liquidity Risk Procedure Manual. Appropriate segregation of duties exists between the front, middle, and back-office functions.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.2.1 Statement of Financial position split by trading and banking books

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
------(Rupees in '000)-----						
Cash and balances with treasury banks	375,938,408	-	375,938,408	314,787,387	-	314,787,387
Balances with other banks	33,532,943	-	33,532,943	58,644,846	-	58,644,846
Lendings to financial institutions	46,000,000	-	46,000,000	30,000,000	-	30,000,000
Investments	4,843,249,220	81,597,563	4,924,846,783	4,518,537,899	96,311,377	4,614,849,276
Advances	1,337,738,847	-	1,337,738,847	1,404,627,126	-	1,404,627,126
Property and Equipment	67,508,646	-	67,508,646	62,231,233	-	62,231,233
Right of use assets	6,706,135	-	6,706,135	6,596,343	-	6,596,343
Intangible assets	3,126,286	-	3,126,286	2,577,003	-	2,577,003
Deferred tax asset	-	-	-	-	-	-
Other assets	282,998,653	-	282,998,653	259,683,639	-	259,683,639
	6,996,799,138	81,597,563	7,078,396,701	6,657,685,476	96,311,377	6,753,996,853

49.2.2.2 Foreign Exchange Risk

Foreign exchange risk arises from the impact of currency movements on the value of the Bank's foreign exchange exposures, which result from its participation in financial markets and international operations.

To manage currency risk, the Bank engages in ready, spot, forward, and swap transactions with the SBP, financial institutions, and corporates. The Bank's foreign exchange exposure consists of forward contracts, purchases of foreign bills, foreign currency cash on hand, balances with banks abroad, foreign placements, and foreign currency assets and liabilities. Foreign exchange exposure is managed within both regulatory and internal limits.

	2025				2024			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
------(Rupees in '000)-----								
United States Dollar	344,254,837	607,839,046	263,967,795	383,586	407,614,555	566,598,696	183,543,747	24,559,606
Great Britain Pound	4,811,183	7,710,522	3,121,097	221,758	1,327,328	7,393,733	5,479,782	(586,623)
Euro	8,518,161	2,096,056	62,622	6,484,727	10,343,955	13,886,149	7,455,351	3,913,157
Japanese Yen	16,365,831	14,587,120	6,757,196	8,535,907	5,521,105	1,673,326	(162,608)	3,685,171
Other currencies	112,429,077	46,043,944	8,306,108	74,691,241	131,375,632	48,670,790	4,582,589	87,287,431
	486,379,089	678,276,688	282,214,818	90,317,219	556,182,575	638,222,695	200,898,861	118,858,743

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
------(Rupees in '000)-----				
Impact of 1% change in foreign exchange rates				
- Profit and loss account	-	128,649	-	28,304
- Other comprehensive income	903,172	-	1,161,117	-

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.2.3 Equity position Risk

Stock trading activities also carry risks arising from adverse movements in stock prices. The Bank's equity exposure is managed through limits imposed by the regulator for both overall investment and exposure in single scrip. Moreover, internal limits are set to manage equity risk by placing stop loss and VaR limits and/or through diversification within overall equity portfolio.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
------(Rupees in '000)-----				
Impact of 5% change in equity prices				
- Profit and loss account	-	1,122,585	-	1,329,805
- Other comprehensive income	3,862,339	-	4,387,208	-

49.2.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate risk arises from adverse movements in the yield curve and is monitored by ALCO, with the objective of managing potential negative impacts on the Bank's profitability. This may arise due to volatility in market interest rates and any mismatch/ gaps in the amount of financial assets/ liabilities in different maturity time bands. The sources of IRR are based on following sub-risks.

- Re-pricing risk: Arises from changes in the overall level of interest rates and from inherent mismatches in the re-pricing terms of banking book items.
- Yield curve risk: Arises from changes in the relative levels of interest rates for different tenors, as well as changes in the slope or shape of the yield curve.
- Basis risk: Arises from differences between the actual and expected interest margins on banking book items relative to the implied cost of funds of those items.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
------(Rupees in '000)-----				
Impact of 1% change in interest rates on				
- Profit and loss account	-	150,852	-	321,262
- Other comprehensive income	27,724,251	-	21,487,481	-

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

Effective Yield / interest rate	Total	Exposed to Yield/ Interest risk										Non-interest bearing financial instruments	
		2025											
		Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years			
(Rupees in '000)													
On-balance sheet financial instruments													
Assets													
		375,938,408	52,230,791	-	-	-	-	-	-	-	-	-	323,707,617
	Cash and balances with treasury banks	33,532,943	5,205,642	1,236,488	18,538	-	-	-	-	-	-	-	27,072,275
	Balances with other banks	46,000,000	46,000,000	-	-	-	-	-	-	-	-	-	-
	Lending to financial institutions	4,924,846,783	719,926,036	1,063,119,701	1,147,319,675	286,921,604	49,796,261	330,699,136	361,400,493	21,633,761	152,436,332	-	-
	Investments	1,337,738,947	202,832,393	571,045,006	185,936,180	99,605,099	46,806,304	26,303,927	47,169,108	85,351,948	21,215,444	51,474,437	-
	Advances	212,173,810	4,904,613	-	94,882	-	-	1,229,574	-	-	19,613	-	205,925,128
	Other assets	6,930,230,791	1,031,099,475	1,382,636,791	1,250,292,369	1,247,038,194	313,726,908	76,102,189	379,097,818	446,752,441	42,888,818	780,615,789	-
Liabilities													
	Bills payable	20,817,212	-	-	-	-	-	-	-	-	-	-	20,817,212
	Borrowings	1,689,657,086	1,606,411,185	36,851,698	17,544,140	3,771,871	1,478,192	1,147,392	5,412,949	17,039,659	-	-	-
	Deposits and other accounts	4,427,667,537	2,620,443,003	146,379,012	258,060,167	127,942,744	31,630,327	27,036,566	32,221,436	4,672,051	-	-	1,179,282,230
	Liabilities against assets subject to finance lease	8,883,315	81,955	23,035	135,593	280,195	794,105	1,122,001	2,378,923	2,921,317	1,146,391	-	-
	Other liabilities	344,566,357	6,066,700	-	-	-	-	-	-	-	-	-	338,499,657
	On-balance sheet gap	6,491,591,707	4,233,002,844	183,253,744	275,739,899	131,994,810	33,902,825	29,305,960	40,013,308	24,633,027	1,146,391	1,538,599,098	-
		438,639,085	(3,201,903,369)	1,199,383,047	974,552,470	1,115,043,384	279,824,283	46,796,229	339,084,510	422,119,414	41,722,427	(777,963,309)	-
Off-balance sheet financial instruments													
	Documentary credits and short-term trade-related transactions	1,836,712,713	-	-	-	-	-	-	-	-	-	-	1,836,712,713
Commitments in respect of:													
	- forward foreign exchange contracts	282,214,817	55,004,369	156,684,439	72,943,154	(2,417,144)	-	-	-	-	-	-	-
	- forward government securities transactions	4,418,963	151,845	-	-	(4,541,540)	-	-	8,808,658	-	-	-	-
	- forward lending	20,217,417	-	-	-	-	-	-	-	-	-	-	20,217,417
	Commitments for acquisition of:												
	- fixed assets	2,433,113	-	-	-	-	-	-	-	-	-	-	2,433,113
	Off-balance sheet gap	2,145,997,023	55,156,214	156,684,439	72,943,154	(6,958,684)	-	-	8,808,658	-	-	-	1,859,363,243
	Total yield / interest risk sensitivity gap	2,584,636,108	(3,146,747,155)	1,356,067,485	1,047,495,623	1,108,034,699	279,824,283	46,796,229	347,893,168	422,119,414	41,722,427	1,081,379,934	-
	Cumulative yield / interest risk sensitivity gap	(3,146,747,155)	(1,790,679,670)	(743,184,046)	364,900,653	644,724,936	691,521,165	1,039,414,333	1,461,533,747	1,503,256,174	1,503,256,174	2,584,636,108	-

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk										Non-interest bearing financial instruments
		(Rupees in '000)										
		Upto 1 Months	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years		
On-balance sheet financial instruments												
Assets												
4.0%	314,787,387	48,777,802	-	-	-	-	-	-	-	-	-	266,009,585
10.7%	58,644,846	6,161,320	750,824	605,181	716,457	-	-	-	-	-	-	50,411,064
19.8%	30,000,000	30,000,000	-	-	-	-	-	-	-	-	-	-
19.8%	4,164,849,276	699,982,202	1,202,993,983	989,696,165	866,003,307	284,899,267	171,253,762	124,639,101	102,365,484	2,336,428	170,759,579	-
15.3%	1,404,627,126	434,267,630	379,461,619	219,216,950	84,335,549	22,370,722	26,734,243	43,232,169	62,829,290	40,439,536	91,739,419	-
0%	187,030,211	-	-	-	-	-	-	-	-	-	-	187,030,211
	6,609,938,846	1,219,168,955	1,583,206,426	1,209,458,296	951,055,313	307,269,989	197,988,005	167,871,270	165,194,774	42,775,964	765,949,858	-
Liabilities												
0.0%	26,060,123	-	-	-	-	-	-	-	-	-	-	26,060,123
20.7%	1,937,756,922	1,866,830,523	16,077,088	19,720,345	967,481	3,573,437	2,605,938	4,995,166	22,850,206	136,740	-	-
12.5%	3,865,212,297	2,254,833,266	165,626,282	247,944,847	142,528,000	8,882,966	31,116,038	41,928,830	4,736,575	-	967,615,494	-
25.5%	8,585,681	1,009	4,710	32,223	167,229	619,327	1,137,990	1,827,830	4,287,976	507,388	-	-
9.9%	-	-	-	-	-	-	-	-	-	-	-	-
0%	400,196,068	-	-	-	-	-	-	-	-	-	-	400,196,068
	6,237,811,081	4,121,664,798	181,708,080	267,697,414	143,682,710	13,075,730	34,859,965	48,751,826	31,874,756	644,127	1,393,871,675	-
	372,127,764	(2,902,495,843)	1,401,498,346	941,760,882	807,392,603	294,194,259	163,128,039	119,119,444	133,320,016	42,131,836	(627,921,817)	-
	On-balance sheet gap											
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions												
Commitments in respect of:												
	1,585,818,397	-	-	-	-	-	-	-	-	-	-	1,585,818,397
	200,898,861	84,001,311	102,780,386	13,888,614	278,550	-	-	-	-	-	-	-
	68,747,535	-	-	211,235	50,500,000	(220,000)	-	18,256,300	-	-	-	-
	15,467,596	-	-	-	-	-	-	-	-	-	-	15,467,596
Commitments for acquisition of:												
	-	-	-	-	-	-	-	-	-	-	-	-
	1,082,641	-	-	-	-	-	-	-	-	-	-	1,082,641
	1,872,015,031	84,001,311	102,780,386	14,049,849	50,778,550	(220,000)	-	18,256,300	-	-	-	1,602,368,635
	Off-balance sheet gap											
	2,244,142,795	(2,818,494,532)	1,504,278,732	955,810,730	858,171,133	299,974,259	163,128,039	137,375,744	133,320,016	42,131,836	974,446,817	-
	Total Yield / Interest Risk Sensitivity Gap											
	Cumulative Yield / Interest Risk Sensitivity Gap											
	(2,818,494,532)	(1,314,215,800)	956,666,361	1,094,244,125	1,227,564,141	1,269,695,977	2,244,142,795					

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	------(Rupees in '000)-----	
49.2.2.6 Reconciliation of Financial Assets and with Total Assets & Liabilities		
Total Financial Assets as per note 49.2.2.5	6,930,230,391	6,609,938,846
Add: Non-Financial Assets		
Property and Equipment	67,508,646	62,231,233
Intangible assets	3,126,286	2,577,003
Right of Use Assets	6,706,135	6,596,343
Deferred tax assets	-	-
Other assets	70,824,842	72,653,428
	148,165,909	144,058,007
Total assets as per statement of financial position	7,078,396,701	6,753,996,853
Total Financial Liabilities as per note 49.2.2.5	6,491,591,707	6,237,811,082
Add: Non-Financial Liabilities		
Deferred tax liabilities	36,292,883	40,995,264
Other liabilities	12,586,411	11,141,766
Total liabilities as per statement of financial position	6,540,471,001	6,289,948,112

49.2.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks. For effective implementation, Group has comprehensive Operational Risk Management (ORM) Framework and procedure documents. These documents provide guidance for setting up operational risk strategy of the Bank, selection and adoption of risk and loss measurement tools, reporting, and establishment of operational risk management processes.

Operational risks are a core component of doing business arising from the day-to-day operational activities of the Group including launching of new products and services by the group. Group realizes that operational risks cannot be fully mitigated, it therefore, determines an appropriate balance between accepting potential losses and incurring costs of mitigation.

Further, the Group has adopted an Operational Risk Management Policy Framework and Operational Risk Appetite are approved by the Board in-line with Basel framework and Bank's policy, respectively. Furthermore, Group has rolled-out Operational Loss Data Collection Mechanism whereby field functionaries and Groups/Divisions at head office are responsible to report operational losses under their jurisdictions on immediate basis. Operational loss events are reviewed and appropriate corrective measures are taken on an ongoing basis. Risk Evaluation exercise is carried out for new products, processes and systems as per the ORM procedures document of the Group.

The Group also conducts root cause analysis of major Operational Risk Incidents covering key control lapses and accordingly suggests recommendations & mitigations. As per Basel regulatory framework, the Group calculates capital charge for its operational risk using Basic Indicator Approach. This approach is considered most suitable in view of the business model of the group which relies on an extensive network of branches to offer banking services to its customers.

Moreover, the Group closely monitored overall bank's operational environment and undertook required actions to ensure the safety and security of Bank staff, assets and maintenance of service to its customers. The Group continued to take measures to ensure maintenance of their service levels and resolved customer complaints to meet the expectations of its stakeholders.

The Group operations stayed highly resilient and the Group deployed all necessary measures for the health and safety of its employees to prevent them from any unwarranted situation.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.4 Information Security Risk

Cyber Security is one of our top priority risks. Considering extensive customer base and increasing digital footprint, mechanism has been devised for up scaling of technology infrastructure and related channels from information security standpoint. Further, due to evolving cyber threat landscape, the Group has taken appropriate actions to monitor and respond to cybersecurity risks and adopted a heightened state of cybersecurity. We are living in the highly technology dependent environment, where most of the business functions are performed with information technology for storing, processing and sharing of information. The information “assets” that are being used to store, process and transmit the information, face various types of threats. If threats get materialized and are able to exploit the vulnerabilities (weaknesses) present in these information assets, the confidentiality, integrity and availability of information get compromised. In order to mitigate the risks, certain controls and countermeasures need to be assessed and implemented. The Group has devised a governance mechanism to manage related risks through development of Policies & Frameworks, and deployed security tools to ensure adequate implementation of internal controls and monitoring of security threats within technology infrastructure.

As first line of defense, the Business groups have primary responsibility for identifying, measuring, and controlling the risks within their areas of accountability. Our staff of Information Security Division (ISD) is second line of defense against any cyber risks. Therefore, the Bank regularly assesses the information security controls and undertakes employees’ awareness and trainings. The Bank works with its key technology partners to ensure that potentially vulnerable systems are identified and appropriate fixes & controls are implemented to secure the systems. The Bank is actively communicating with its customers on interacting with the Bank in a secure manner through its full suite of channels including online and digital banking.

Over the span of last two years, the Bank has taken various initiatives to uplift the cyber security controls. The management is cognizant of the fact that cyber security is a top priority risk and the Bank is taking appropriate steps to monitor and respond to it. The Information Security Division (ISD) has been reorganized in 2022 with introduction of new technical roles of IS Security Operations & Threat Management, Network & Infrastructure Security, and Application & Database Security; in addition to the management roles of IS Governance & Compliance, IS Program Management, and IS Risk Management. The unit (ISD) works under the supervision of Chief Information Security Officer (CISO). Numerous steps have been taken by the Bank to identify cyber security weaknesses of systems & infrastructure. Several controls are in place including but not limited to 24/7 SOC, 2FA authentication of VPN connections, Kaspersky EPP and KATA XDR, IBM QRadar SIEM upgrade, Guardium for Database security, Resilient for IR playbooks etc. in line with the action plan outlined in the Bank's cyber security management framework. In addition to these, numerous other initiatives and projects are in line for further enhancement of bank's cyber security for years 2024 and 2025.

49.2.5 Enterprise-wide Risk

In addition to the above mentioned risks, the Group has a structure to identify other Pillar II material risks on periodic basis. The source of these reports includes, but not limited to, the Internal Capital Adequacy and Assessment Process (ICAAP), which takes into account risks over and above those which directly occur as a result of daily business and operations of the Group. These risks include Concentration Risk, Interest Rate Risk in Grouping Book (IRRBB), Increase in NPL Categories, Reputational Risk, Strategic Risk, etc.

Moreover, all those brewing risks that are material and arise within the Group or due to inherent behavior of country's market and economic conditions, whether in isolation or in combination are addressed under the Group-wide Recovery Plan. These risks are monitored on certain frequency and mitigating actions are taken as and when deemed necessary.

Group's Stress-testing framework, comprises of tools, to deliver a timely assessment of the resilience of the Group's capital under stressed conditions to the senior management. It ranges from simple sensitivity analysis to sophisticated stress testing methods to capture the abnormal movement of market and economic indicators and to translate such scenarios into projections of Group's profitability, liquidity and capital planning.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

This framework paves the way to a quantitative, forward-looking assessment of capital adequacy (movement/ level of Capital Adequacy Ratio (CAR) of the Group) to provide an indication of how much capital might be needed to absorb any expected and any unforeseen losses. It helps in identifying potential vulnerabilities within the Group and assessing solvency by applying plausible/ past adverse scenarios under extreme conditions.

49.2.6 Liquidity Risk

Liquidity risk is the risk of loss to a Group arising from its inability to meet obligations as they fall due or to fund assets, without incurring unacceptable costs or losses. More simply, liquidity risk is the possibility that a Group will be unable to meet its financial commitment to a customer, creditor, or investor when due, in a timely and cost-effective manner.

To mitigate this risk, Group has arranged diversified funding sources, manages specific assets with liquidity in mind and monitors liquidity on daily basis. In addition, the Group maintains statutory deposits with central Groups inside and outside Pakistan. The purpose of liquidity management is to ensure that there are sufficient cash flows to meet all of the Group's liabilities when due, under both normal and stressed conditions without incurring unacceptable losses, as well as to capitalize on opportunities for business expansion and profitability. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature and to make new loans and investments, as opportunities arise.

Asset and Liability Committee (ALCO) is responsible for ensuring that the Group has adequate liquidity and monitors liquidity gaps, to execute this responsibility. Mandatory as well as optional stress testing and ratio based liquidity assessments are performed to proactively identify and manage liquidity position, needs/ requirements. Group has various limits/ ratios, triggers and management actions in place to monitor and mitigate liquidity risk. The Group calculates and monitors, on regular basis, Basel-III Liquidity standards (includes LCR, NSFR and LMTs), liquidity ratios as per SBP parameters besides other internal liquidity measures.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.6.1 Maturities of Assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

2025

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Assets														
Cash and balances with treasury banks	375,938,408	375,041,022	779,102	114,850	-	3,435	-	-	-	-	-	-	-	-
Balances with other banks	33,532,943	27,013,827	4,117,488	801,488	-	24,469	1,537,133	16,538	-	-	-	-	-	-
Lendings to financial institutions	46,000,000	-	43,500,000	2,500,000	-	-	-	-	-	-	-	-	-	-
Investments	4,924,846,783	35,372,048	4,179,934	49,451	10,638,739	121,317,955	27,693,813	493,636,978	680,662,487	569,989,054	327,272,858	608,049,377	921,266,692	1,130,697,366
Advances	1,337,738,847	98,614,773	11,661,690	7,353,983	84,949,613	87,222,458	71,555,133	239,408,820	66,247,294	151,518,769	42,836,119	70,007,359	201,837,172	265,505,675
Fixed assets	67,508,646	-	33,042	-	-	-	-	-	266	2,539,901	4,800,620	2,539,900	2,938,741	54,656,177
Intangible assets	3,126,286	-	-	-	-	-	-	-	-	1,024,183	1,024,183	1,025,395	52,526	-
Right of use assets	6,706,135	67,546	-	1,062	-	3,975	12,002	107,500	178,529	95,884	633,985	558,662	1,822,890	3,224,079
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	282,998,653	85,663,816	857,351	-	-	57,375,009	40,887,359	4,695,251	4,691,068	21,222,693	823,185	6,133,125	2,571,366	-
	7,078,396,701	621,773,032	65,146,608	10,819,772	95,569,414	285,947,299	157,028,646	774,597,790	751,802,366	729,856,858	397,790,457	669,003,897	1,134,071,145	1,395,654,703
Liabilities														
Bills payable	20,817,212	20,817,212	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,689,657,086	335,645	1,596,190,353	5,730,348	4,154,839	23,085,167	13,765,531	17,544,140	534,660	3,237,211	1,478,192	1,147,392	5,412,949	17,039,659
Deposits and other accounts	4,427,667,537	3,624,761,742	11,435,399	14,350,002	149,489,802	67,885,741	78,181,559	259,060,167	74,739,741	53,204,003	31,630,327	27,366,566	32,221,436	4,672,053
Liabilities against assets subject to finance lease	8,883,515	80,376	-	1,580	-	4,307	18,728	135,593	129,838	150,356	883,215	1,402,820	2,008,994	4,067,708
Deferred tax liabilities	36,292,883	-	-	-	-	-	-	141	-	(744)	-	-	36,293,488	-
Other liabilities	357,162,768	145,712,322	940,581	1,573,609	576,090	7,883,565	7,659,692	27,576,921	4,284,422	4,245,841	48,393,022	21,130,736	46,325,479	40,850,509
	6,540,471,001	3,791,707,297	1,699,566,33	21,653,959	154,222,310	98,659,700	99,625,909	303,136,961	79,667,682	60,836,667	92,394,737	50,717,515	122,262,346	66,629,927
Net assets	537,925,700	(3,169,623,894)	(1,543,417,725)	(10,834,187)	(58,652,896)	167,887,520	57,403,136	471,280,829	672,114,895	663,022,191	315,405,720	632,286,416	1,011,808,850	1,330,024,843
Share capital	21,275,131													
Reserves	82,647,530													
Unappropriated profit	306,949,971													
Surplus on revaluation of assets - net of tax	125,364,336													
Non-controlling interest	1,688,732													
	537,925,700													

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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
Assets													
Cash and balances with treasury banks	314,787,387	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	58,644,846	2,615,353	3,523,304	-	750,824	-	605,181	716,457	-	-	-	-	-
Lendings to financial institutions	30,000,000	30,000,000	-	-	-	-	-	-	-	-	-	-	-
Investments	4,614,849,276	31,621,768	4,463,284	12,106,686	521,265,266	149,503,906	507,107,307	685,719,445	663,809,329	385,710,068	274,407,343	1,222,619,515	166,485,359
Advances	1,404,827,126	19,967,689	23,103,364	200,656,121	34,109,689	50,590,232	140,494,655	93,289,519	152,994,434	44,969,819	53,081,452	205,553,859	187,306,942
Fixed assets	62,231,233	-	-	-	-	-	-	-	1,444,847	3,029,072	1,444,848	1,413,194	54,899,273
Intangible assets	2,577,003	-	-	-	-	-	-	-	859,001	859,001	859,000	-	-
Right of use assets	6,566,342	-	-	261	1,488	1,488	25,466	67,713	67,713	436,180	972,233	1,303,929	3,719,872
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	259,683,639	80,549,534	-	-	53,781,593	54,194,307	38,410,397	4,724,430	4,724,430	21,719,334	797,692	1,196,539	1,595,394
	6,753,996,852	675,991,567	31,089,953	212,763,068	609,908,860	254,279,933	684,583,206	784,517,563	813,869,754	456,723,475	331,562,567	1,432,117,035	414,006,630
Liabilities													
Bills payable	26,060,123	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,937,756,922	1,407,653	6,238,210	1,557,234,942	12,422,392	3,654,166	19,720,345	530,023	437,458	3,573,487	2,605,937	4,985,166	22,986,945
Deposits and other accounts	3,865,212,297	3,086,153,999	15,146,557	65,750,483	113,949,557	51,517,227	247,944,847	125,840,402	16,687,598	8,882,966	31,116,036	41,928,830	4,736,573
Lease Liabilities	8,586,681	-	-	1,009	2,355	2,355	32,223	83,614	83,614	619,327	1,137,990	1,827,831	4,795,364
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	40,985,264	-	-	-	-	-	-	-	-	-	-	40,985,264	-
Other liabilities	411,337,824	211,811,056	66,353	61,988	6,633,946	6,809,657	34,843,114	3,391,288	3,391,288	44,081,949	20,169,015	39,635,315	39,084,353
	6,289,948,111	3,325,432,831	21,451,120	1,623,048,422	133,108,800	61,983,395	302,540,529	130,385,327	21,139,958	57,157,678	55,028,978	129,382,405	71,603,236
Net assets	464,048,741	(2,649,441,263)	9,638,833	(1,410,285,354)	476,800,060	192,296,538	382,042,677	654,132,236	792,729,796	399,565,797	276,533,589	1,302,734,630	342,403,395
Share capital	21,275,131	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	82,145,337	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	241,120,418	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) on revaluation of assets - net of tax	118,109,044	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	1,388,811	-	-	-	-	-	-	-	-	-	-	-	-
	464,048,741	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.6.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

2025

	Total	Upto 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Assets										
Cash and balances with treasury banks	375,938,408	230,311,943	6,979,697	69,324,521	69,322,246	-	-	-	-	-
Balances with other banks	33,532,943	31,813,332	-	1,366,311	353,300	-	-	-	-	-
Lendings to financial institutions	46,000,000	46,000,000	-	-	-	-	-	-	-	-
Investments	4,924,846,783	25,025,706	151,194,648	542,872,239	1,224,788,167	320,932,567	608,049,377	921,286,692	1,108,452,166	22,245,220
Advances	1,337,738,847	186,320,913	205,949,027	221,317,276	203,962,508	42,831,861	70,039,731	201,836,481	176,945,901	28,535,150
Fixed assets	67,508,646	-	-	264	2,539,901	4,833,662	2,602,689	2,875,953	-	54,656,177
Intangible assets	3,126,286	-	-	-	1,024,183	1,024,183	1,025,967	51,954	-	-
Right of use assets	6,706,135	68,609	15,977	107,500	279,113	539,103	648,864	1,822,890	2,291,253	932,826
Other assets	282,998,653	167,406,019	45,483,564	29,976,395	10,307,154	21,222,693	823,218	6,133,175	1,646,435	-
	7,078,396,701	686,946,523	409,622,912	864,964,507	1,512,576,571	391,384,069	683,189,846	1,134,007,145	1,289,335,755	106,369,373
Liabilities										
Bills payable	20,817,212	15,526,240	1,583,551	1,235,807	1,235,807	1,235,807	-	-	-	-
Borrowings	1,689,657,086	1,606,628,192	36,851,698	17,544,140	3,771,871	1,478,192	1,147,392	5,412,949	16,822,652	-
Deposits and other accounts	4,427,667,537	989,026,010	251,520,652	803,316,328	630,175,267	584,319,960	579,726,199	584,911,068	4,672,053	-
Liabilities against assets subject to finance lease	8,883,515	81,955	23,035	135,583	280,195	883,215	706,883	2,704,981	2,921,317	1,146,391
Deferred tax liabilities	36,292,883	-	-	139	(744)	-	-	36,293,488	-	-
Other liabilities	357,152,768	126,695,371	33,087,103	32,287,913	8,415,629	48,393,002	21,130,736	41,465,329	25,268,919	20,408,766
	6,540,471,001	2,737,957,768	323,066,038	854,519,919	643,878,026	636,310,177	602,711,210	670,787,766	49,684,940	21,555,157
Net assets	537,925,700	(2,051,011,245)	86,556,874	10,444,588	868,698,545	(244,926,108)	80,476,636	463,219,379	1,239,650,815	84,814,216
Share capital	21,275,131									
Reserves	82,647,530									
Unappropriated profit	306,949,971									
Surplus/(Deficit) on revaluation of assets - net of tax	125,364,336									
Non-controlling interest	1,688,732									
	537,925,700									

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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
Assets										
Cash and balances with treasury banks	314,787,387	200,798,631	37,996,252	37,996,252	37,996,252	-	-	-	-	-
Balances with other banks	58,644,846	56,572,385	750,824	605,181	716,457	-	-	-	-	-
Lendings to financial institutions	30,000,000	30,000,000	-	-	-	-	-	-	-	-
Investments	4,614,849,276	29,182,734	673,112,071	557,685,939	1,312,933,806	378,392,509	274,407,343	1,222,649,515	162,533,196	3,952,163
Advances	1,404,627,126	400,318,629	144,895,191	130,735,203	238,387,250	46,091,404	54,141,876	205,757,146	140,308,681	43,991,747
Fixed assets	62,231,233	-	-	-	1,444,847	3,029,072	1,444,847	1,413,194	-	54,899,274
Intangible assets	2,577,003	-	-	-	859,001	859,001	859,001	-	-	-
Right of use assets	6,596,342	261	2,976	25,466	135,426	436,180	972,233	1,303,928	3,306,415	413,457
Other assets	259,683,639	158,930,795	40,202,865	25,792,171	9,448,859	21,719,334	797,692	1,196,538	1,595,384	-
	6,753,996,852	875,803,434	896,960,179	752,840,212	1,601,921,897	450,527,500	332,622,991	1,432,320,320	307,743,676	103,256,641
Liabilities										
Bills payable	26,060,123	16,645,423	2,098,769	2,438,644	2,438,644	2,438,644	-	-	-	-
Borrowings	1,937,756,922	1,866,830,523	16,077,088	19,720,345	967,481	3,573,437	2,605,938	4,995,166	22,850,206	136,740
Deposits and other accounts	3,865,212,297	620,941,344	331,315,281	735,090,566	625,087,883	497,587,241	519,820,313	530,633,105	4,736,574	-
Lease Liabilities	8,585,682	1,009	4,710	32,222	167,229	619,327	1,137,990	1,827,830	4,287,976	507,388
Deferred tax liabilities	40,995,264	-	-	-	-	-	-	40,995,264	-	-
Other liabilities	411,337,824	176,393,876	41,587,633	42,523,107	7,962,575	44,081,949	20,169,014	39,635,315	19,542,177	19,542,177
Net assets	6,289,948,112	2,680,812,175	391,083,481	799,804,873	636,523,811	548,300,597	543,733,254	618,086,680	51,416,933	20,186,305
	464,048,740	(1,805,008,741)	505,876,698	(46,964,661)	965,398,086	(97,773,098)	(211,110,264)	814,233,640	256,326,743	83,070,336
Share capital	21,275,131									
Reserves	82,145,337									
Unappropriated profit	241,120,418									
Surplus/(Deficit) on revaluation of assets - net of tax	118,109,044									
Non-controlling interest	1,398,811									
	464,048,741									

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

49.2.7 Derivative Risk

A derivative is a contract whose value is derived from the performance of an underlying asset, which can include an index, interest rate, commodity price, security price, foreign exchange rate, or similar instruments. Common types of derivatives include forwards, futures, swaps, and options.

Currently, the Bank is not an active participant in the Pakistan derivatives market, as it does not hold an Authorized Derivative Dealer (ADD) license to conduct derivative transactions. Once this license is obtained, the Bank will engage in transactions permitted under the Financial Derivatives Business Regulations issued by the SBP, which may include interest rate swaps, forward rate agreements, foreign currency options, and other similar instruments.

Additionally, the Bank may offer other over the counter (OTC) derivative products to meet customer requirements, with specific approval from the SBP sought on a transaction-by-transaction basis.

50 EVENTS AFTER THE REPORTING DATE

50.1 The Board of Directors in their meeting held on February 24, 2026 has announced final cash dividend of Rs. 35 per share (2024: Rs. 8 per share). The consolidated financial statements for the year ended December 31, 2025, do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2026.

51. GENERAL

51.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary, to facilitate comparison and better presentation. No significant reclassifications have been made during the current year.

52 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on February 24, 2026 by the Board of Directors of the Bank.

Rehmat Ali Hasnie
Chairman / CEO

Abdul Wahid Sethi
Chief Financial Officer

Muhammad Sohail Tabba
Director

Aaiza Khan
Director

Farid Malik
Director

ANNEXURE 'I' AS REFERRED TO IN NOTE 11.7.3 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

Statement showing written-off loans or any other financial relief of rupees five hundred thousand or above provided during the year ended December 31,2025

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			Rupees in '000			Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	5	6	7				
1	M/s Five Star Cotton Gimmers, Factory Leased from M/S Aziz ur Rehman Model Form Cotton Ginning Pressing Industries, Manthar Road Saqiababad.	Rana Sohail Ashraf 31304-0546085-9	Muhammad Ashraf	-	6,679	89	6,768	-	-	-	1,021	1,021	
2	Javed Iqbal, Gps Cosit Kasmt VIII Kosht The Majity	Ms. Nasreen Akhtar 31304-0284808-4	Ghulam Muhammad	535	-	-	535	535	-	-	-	535	
3	Azam Ali Po Khas Kassowala Tehsil Daska	Javed Iqbal 15202-8544883-3	Musa Muhammad	519	-	-	519	519	-	-	-	519	
4	Munstaq Abbas Mohala Kot Lashkar Khan Sahiwal	Azam Ali 34601-0785723-3	Inayatullah	771	-	-	771	771	-	-	-	771	
5	Sajawal Khan Ro Goharabad Po Hattian Tehsil Hattian Bala Dist Jhelum Valley	Munstaq Abbas 38102-8798016-5	Ghulam Abbas	1,015	-	-	1,015	1,015	-	-	-	1,015	
6	Mrs. Nasreen Fatima Khawajan, Uch Sharif Ahmadpur East	Sajawal Khan 82203-6158744-3	Sher Khan	596	-	-	596	596	-	-	-	596	
7	Kaleemullah Ro Village Khudo Dad Khan Pathan Po Baledai Taluka Mehrar Dist Dadu	Mrs. Nasreen Fatima 31201-5550731-4	Fayyaz Ahmad	910	-	-	910	910	-	-	-	910	
8	Muhammed Younas Chah Abdullah Wala, Po Kukkar Hatta Chator Garh	Kaleemullah 41205-5061559-5	Aurangzeb	944	-	-	944	944	-	-	-	944	
9	Tajamul Hussain, Mukhdourm Pur Chu Ward No 4 Kabirwala	Muhammed Younas 36102-2184878-1	Muhammed Yaqoob	720	-	-	720	720	-	-	-	720	
10	Muhammed Imran Khan R/O Chah Sadu Wala Rajanpur	Tajamul Hussain 36102-7630028-3	Ghulam Jafar	656	-	-	656	656	-	-	-	656	
11	Ameer Ali R/O H# 1223/99 Nasirabad Nako Mouchi Muhalla Kamber District Kamber @ Shahdadkot	Muhammed Imran Khan 32402-3115132-7	Muhammad Ali Qureshi	514	-	-	514	514	-	-	-	514	
12	Gulab Khan R/O Village Yaro Jalbani District Larkana	Ameer Ali 43402-0397469-3	Abdul Majeed Abro	838	-	-	838	838	-	-	-	838	
13	Nisar Ahmed S/O Muhammad Usman Chandio R/O Village Dajel Burro Taluka Miro Khan	Gulab Khan 43205-1520212-3	Hazoor Bux Jalbani	508	-	-	508	508	-	-	-	508	

ANNEXURE 'I' AS REFERRED TO IN NOTE 11.7.3 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

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				Rupees in '000-				Total (9+10+11)
				Principal	Interest/ Mark-up	Other than Interest/ Mark-up	Total	Principal written off	Interest/ Mark-up written off/ waived	Other financial relief provided *	Total	
1	2	3	4	5	6	7	8	9	10	11	12	
14	Mussarat Parveen D/O Muhammed Bux, H. No 618, Muhalla Islam Abad, Satellite Town, Jhang Saddar	Mussarat Parveen 33202-1701918-4	Muhammed Bux	536	-	-	536	536	-	-	536	
15	Lalazar Textile Mills Pvt Ltd Maourza 136/P-L, Lahore Multan Road, Sahiwal	Ishfaq Ahmad 36502-1378032-3 Mrs. Saima Sadaf 36502-1305750-0	S/o Sh. Bashir Ahmad W/o Sh. Ishfaq Ahmad	261,063	342,199	19	603,281	-	-	305,155	305,155	
16	M/S Farruki Pulp Mills Limited, Ground Floor, Rb-1, Awami Complex, Usman Block, New Garden Tow, Lahore	1. Shahid Akbar Faruki 3520268357039 2.Izhar UJ Haque 3610339190797 3. Waleed Faruki 3520291922825 4. Ali Khan Tareen 3520258039641	1. M. Akbar Faruki 2.N/A 3.N/A 4. Jahangir Khan Tareen	-	-	442,833	442,833	-	-	442,833	442,833	
17	M/S Efer Industries Limited 280/4 Javed Lane, Peshawar Road, Rawalpindi.	1.Btfg (P) M.M.Mahmud, 3740502297373 2.Mr:Hamayun Mahmud 3740503760831 3.Mian Akbar Mahmud 6110179221781 4.Mr:Fahim Ahmed Saeed 2765868864831 5.Mr:Nadeem Ahmed 4230107216671 6.Aamer Saeed 3740507216881	1. Mian Muhammad Nazir 2. M.M. Mahood 3. M. M. Mahmood 4. Saeed Ahmad 5.N/A 6.N/A	-	-	752	752	-	-	752	752	
18	Muhammad Hanif Ahsan R/O Shah Pur /P Jama Din Wali Sadiqabad	Muhammad Hanif Ahsan 31304-2051334-7	Abdul Majeed	616	-	-	616	616	-	-	616	
19	Ishfaq Rehmat Rejoiya Tehsil Havelian,Abbotabad	Ishfaq Rehmat 13101-0841136-5	Rehmat Din	751	-	-	751	751	-	-	751	
20	Taj Din R/O Mohalla Abadi 80 Muraba Chak No. 203 Rb Manawala, Faisalabad	Taj Din 33100-0799771-7	Moula Bukhsh	531	-	-	531	531	-	-	531	
21	Naveed Shahbaz R/O H # G-6Wapda Colony Barooti Thill Colony ManglaJhelum	Naveed Shahbaz 37301-1259886-7	Bashir Masih	544	-	-	544	544	-	-	544	
22	Abdul Shakoor S/O Loung Khan R/O Village Akro Shareef Jamshoro	Abdul Shakoor 41204-8704283-5	Loung Khan	1,177	-	-	1,177	1,177	-	-	1,177	
			TOTAL:	273,744	348,878	443,693	1,066,315	12,681	-	749,760	762,441	

* Relief includes amounts which would be due to the Bank under contractual arrangements whether or not accrued in the books.

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

ISLAMIC BANKING BUSINESS

The bank is operating with 312 (2024: 207) Islamic banking branches and 350 (2024: 251) Islamic banking windows as at December 31, 2025.

		2025	2024
	Note	------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks		57,468,760	28,240,319
Balances with other banks		26,120	49,826
Due from financial institutions	1	30,000,000	30,000,000
Investments	2	274,169,693	123,905,109
Islamic financing and related assets - net	3	246,883,716	144,221,215
Property and equipment		215,071	125,580
Right-of-use assets		602,879	582,812
Intangible assets		-	-
Due from Head Office	4	-	-
Other assets		15,616,604	6,290,354
Total Assets		624,982,843	333,415,215
LIABILITIES			
Bills payable		521,444	1,397,301
Due to financial institutions		-	-
Deposits and other accounts	5	558,984,258	309,438,083
Due to Head Office		30,256,644	2,883,224
Lease liabilities		841,857	814,024
Subordinated debt		-	-
Other liabilities		4,356,700	2,846,597
		594,960,903	317,379,229
NET ASSETS		30,021,940	16,035,986
REPRESENTED BY			
Islamic Banking Fund		14,864,000	8,531,000
Reserves		-	-
Surplus on revaluation of assets		1,472,380	2,612,858
Unappropriated / Unremitted profit	7	13,685,560	4,892,128
		30,021,940	16,035,986
CONTINGENCIES AND COMMITMENTS	8		

The profit and loss account of the Bank's Islamic banking branches for the year ended December 31, 2025 is as follows:

		2025	2024
	Note	------(Rupees in '000)-----	
Profit / return earned	9	46,191,746	29,980,783
Profit / return expensed	10	27,101,773	19,739,351
Net Profit / return		19,089,973	10,241,432
Other income			
Fee and Commission Income		358,493	385,781
Dividend Income		127	-
Foreign Exchange Income		4,669	98,289
Income / (loss) from derivatives		-	-
(Loss) / Gain on securities		(27,046)	1,194
Other Income		407	549
Total other income		336,650	485,813
Total Income		19,426,623	10,727,245
Other expenses			
Operating expenses		4,912,652	4,007,585
Workers Welfare Fund		-	-
Other charges		325	806
Total other expenses		4,912,977	4,008,391
Profit before credit loss allowance		14,513,646	6,718,854
Credit loss allowance and write offs - net		828,086	386,000
Profit before taxation		13,685,560	6,332,854
Taxation		-	-
Profit after taxation		13,685,560	6,332,854

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

	2025			2024		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
------(Rupees in '000)-----						
1 Due from Financial Institutions						
Call Money Placement	30,000,000	-	30,000,000	30,000,000	-	30,000,000
Due from financial institutions - net of credit loss allowance	30,000,000	-	30,000,000	30,000,000	-	30,000,000

	2025				2024			
	Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value
------(Rupees in '000)-----								
2 Investments by segments:								
Debt Instruments								
Classified / Measured at amortised cost								
Federal Government Securities								
-GOP Ijarah Sukuks	19,026,887	-	-	19,026,887	14,057,627	-	-	14,057,627
-Bai Muajjal with GoP	8,466,335	-	-	8,466,335	-	-	-	-
Non Government debt securities Sukuks	113,446	(113,446)	-	-	130,807	(130,807)	-	-
	27,606,668	(113,446)	-	27,493,222	14,188,434	(130,807)	-	14,057,627
Classified / Measured at FVOCI								
Federal Government Securities								
-GOP Ijarah Sukuks	232,907,863	-	1,376,114	234,283,977	83,155,034	-	2,334,037	85,489,071
Non Government debt securities Sukuks	11,230,599	(454,292)	96,266	10,872,573	22,784,066	(550,572)	278,821	22,512,315
	244,138,462	(454,292)	1,472,380	245,156,550	105,939,100	(550,572)	2,612,858	108,001,386
Classified / Measured at FVTPL								
Non Government debt securities Sukuks	1,394,666	-	1,328	1,395,994	1,832,366	-	868	1,833,234
	1,394,666	-	1,328	1,395,994	1,832,366	-	868	1,833,234
Mutual Funds Units (for the purpose of personal finance)	124,991	-	(1,064)	123,927	12,536	-	326	12,862
Total Investments	273,264,787	(567,738)	1,472,644	274,169,693	121,972,436	(681,379)	2,614,052	123,905,109

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
------(Rupees in '000)-----								
2.1 Particulars of credit loss allowance								
Non Government debt securities	3,628	110,664	453,446	567,738	99,880	110,692	470,807	681,379

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

2025 2024
 Note -----(Rupees in '000)-----

3 Islamic financing and related assets

Ijarah	3.1	33,447,156	8,436
Murabaha	3.2	47,649,156	1,050,778
Running Musharaka		108,853,414	104,490,555
Diminishing Musharaka		19,911,201	14,530,164
Musawama		16,260,863	7,443
Other Islamic Modes (Wakala tul Istismar)		-	8,500,000
Advance for Murabaha		-	378,000
Advance for Diminishing Musharaka		937,269	1,320,707
Advance for Istisna		19,077,274	12,797,450
Inventories against Istisna		3,850,754	3,815,624
Inventories against Tijara		500,000	-
Gross Islamic financing and related assets		250,487,087	146,899,157
Less: Credit loss allowance against Islamic financings			
Stage 1		(1,250,869)	(664,490)
Stage 2		(247,855)	(28,044)
Stage 3		(2,104,647)	(1,985,408)
		(3,603,371)	(2,677,942)
Islamic financing and related assets - net of credit loss allowance		246,883,716	144,221,215

3.1 Ijarah

	2025						
	Cost			Depreciation			Book Value as at Dec 31, 2025
	As at Jan 01, 2025	Additions / (deletions) / (adjustment)	As at Dec 31, 2025	As at Jan 01, 2025	Charge/ Adjustment for the year	As at Dec 31, 2025	
	------(Rupees in '000)-----						
Plant & Machinery	55,484	34,624,145 (2,225)	34,677,404	47,048	1,183,200	1,230,248	33,447,156
Vehicles	2,645	- (2,645)	-	2,645	- (2,645)	-	-
Total	58,129	34,624,145 (4,870)	34,677,404	49,693	1,183,200 (2,645)	1,230,248	33,447,156
	------(Rupees in '000)-----						
	Cost			Depreciation			Book Value as at Dec 31, 2024
As at Jan 01, 2024	Additions / (deletions) / (adjustment)	As at Dec 31, 2024	As at Jan 01, 2024	Charge/ Adjustment for the year	As at Dec 31, 2024		
	------(Rupees in '000)-----						
Plant & Machinery	59,828	- (4,344)	55,484	47,449	- (401)	47,048	8,436
Vehicles	6,000	- (3,355)	2,645	4,630	1,371 (3,356)	2,645	-
Total	65,828	- (7,699)	58,129	52,079	1,371 (3,757)	49,693	8,436

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

3.1.1 Future Ijarah payments receivable

	2025				2024			
	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
	------(Rupees in '000)-----							
Ijarah rental receivables	22,594,767	15,502,885	-	38,097,652	475	-	-	475

	Note	2025	2024
		------(Rupees in '000)-----	
3.2 Murabaha			
Murabaha financing	3.2.1	47,649,156	1,050,778
Advances for Murabaha		-	378,000
		47,649,156	1,428,778
3.2.1 Murabaha receivable - gross	3.2.2	72,250,406	1,152,762
Less: Deferred murabaha income	3.2.4	24,226,363	13,366
Profit receivable shown in other assets		374,887	88,618
Murabaha financings		47,649,156	1,050,778
3.2.2 The movement in Murabaha financing during the year is as follows:			
Opening balance		1,152,762	3,409,195
Sales during the year		73,800,541	4,367,769
Adjusted during the year		2,702,897	6,624,202
Closing balance		72,250,406	1,152,762
3.2.3 Murabaha sale price		73,800,541	4,367,769
Murabaha purchase price		49,167,211	4,249,509
		24,633,330	118,260
3.2.4 Deferred murabaha income			
Opening balance		13,366	31,040
Arising during the year		24,633,331	118,260
Less: Recognised during the year		420,334	135,934
Closing balance		24,226,363	13,366

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

4 Due from Head Office
Due from Head Office Rs.0 Million (2024: Rs Nil)

5 Deposits	2025			2024		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits - remunerative	4,282,135	-	4,282,135	1,497,103	-	1,497,103
Current deposits - Non remunerative	102,986,536	254,621	103,241,157	40,619,109	215,067	40,834,176
Savings deposits	184,103,510	-	184,103,510	78,701,894	-	78,701,894
Term deposits	17,845,260	-	17,845,260	17,145,145	-	17,145,145
Others	7,390,576	-	7,390,576	4,800,439	-	4,800,439
	316,608,017	254,621	316,862,638	142,763,690	215,067	142,978,757
Financial Institutions						
Current deposits - remunerative	696,562	-	696,562	406,892	-	406,892
Current deposits - Non remunerative	197,508,539	-	197,508,539	136,864,262	-	136,864,262
Savings deposits	43,244,519	-	43,244,519	28,572,672	-	28,572,672
Term deposits	672,000	-	672,000	615,500	-	615,500
	242,121,620	-	242,121,620	166,459,326	-	166,459,326
	558,729,637	254,621	558,984,258	309,223,016	215,067	309,438,083

5.1 Composition of deposits

	2025	2024
------(Rupees in '000)-----		
- Individuals	148,848,424	78,737,881
- Government / Public Sector Entities	134,782,184	41,395,878
- Banking Companies	198,564,656	137,454,684
- Non-Banking Financial Institutions	43,556,964	29,004,641
- Private Sector	33,232,030	22,844,999
	558,984,258	309,438,083

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 160,195 million (2024: Rs 87,194 million).

	2025	2024
------(Rupees in '000)-----		
6 Charity Fund		
Opening Balance	955	6,369
Additions during the period		
Received from customers on account of delayed payment	1,797	1,302
Profit on charity saving account	81	284
	2,833	7,955
Payments / Utilization during the Year		
Education	-	3,500
Health	-	3,500
Others (Relief Fund)	1,000	-
	1,000	7,000
Closing Balance	1,833	955

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

	2025	2024
	------(Rupees in '000)-----	
6.1 Donation paid during the year are as follows		
Indus Hospital & Health Network	-	2,500
The Citizen Foundation	-	1,500
Network of Organization Working with People with Disabilities Pakistan , (NOWPDP)	-	2,000
Abaseen Institute of Medical Science (AIMS)	-	1,000
Prime Minister Flood relief Fund for Flood, Earthquake and other Calamities	1,000	-
Total	1,000	7,000
7 Islamic Banking Business Unremitted / Unappropriated profit		
Opening Balance	4,892,128	3,529,477
Add: Islamic banking profit for the period	13,685,560	6,332,854
Less: Impact of adoption of IFRS 9	-	(1,440,726)
Less: Transferred / Remitted to Head Office	(4,892,128)	(3,529,477)
Closing Balance	13,685,560	4,892,128
8 Contingencies and Commitments		
-Guarantees	-	-
-Commitments	-	-
-Other contingent liabilities	-	-
	-	-
9 Profit/Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	21,434,590	16,191,448
Investments	24,738,054	13,780,656
Placements	19,102	8,679
	46,191,746	29,980,783
10 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	13,816,744	12,898,692
Due to Financial Institutions	-	292
Amortisation of lease liability against - ROUA	161,514	144,456
Others (General Account)	13,123,515	6,695,911
	27,101,773	19,739,351
11 Pool Management		
NBP-AIBG has managed following pools for profit and loss distribution.		
a) General depositor pool		
The General pool consists of all other remunerative deposits. NBP Aitemaad (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.		

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

b) Special depositor pools (Total 125 during the period and 47 as at December 31, 2025)

Special pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, and after allocation of share of profit to commingled equity, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

c) Equity pool

Equity pools include AIBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

Key features and risk & reward characteristics

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

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

Sector	2025	2024
	Percentage	
Fertilizer	0.42%	0.00%
Textile	1.07%	1.56%
Fuel & energy	17.06%	11.14%
Leasing/Mudaraba	0.06%	0.01%
Sugar	1.76%	2.48%
Cement	0.96%	1.64%
Gas	0.11%	0.19%
Financial	7.23%	10.67%
Federal Government	45.49%	32.52%
Real Estate	0.58%	1.08%
Agriculture	0.43%	0.46%
Commodity Operations	20.24%	34.54%
Others	4.60%	3.71%
Total	100.0%	100.0%

ANNEXURE 'II' AS REFERRED TO IN NOTES 2.2 AND 11.8 OF THE BANK'S CONSOLIDATED FINANCIAL STATEMENTS

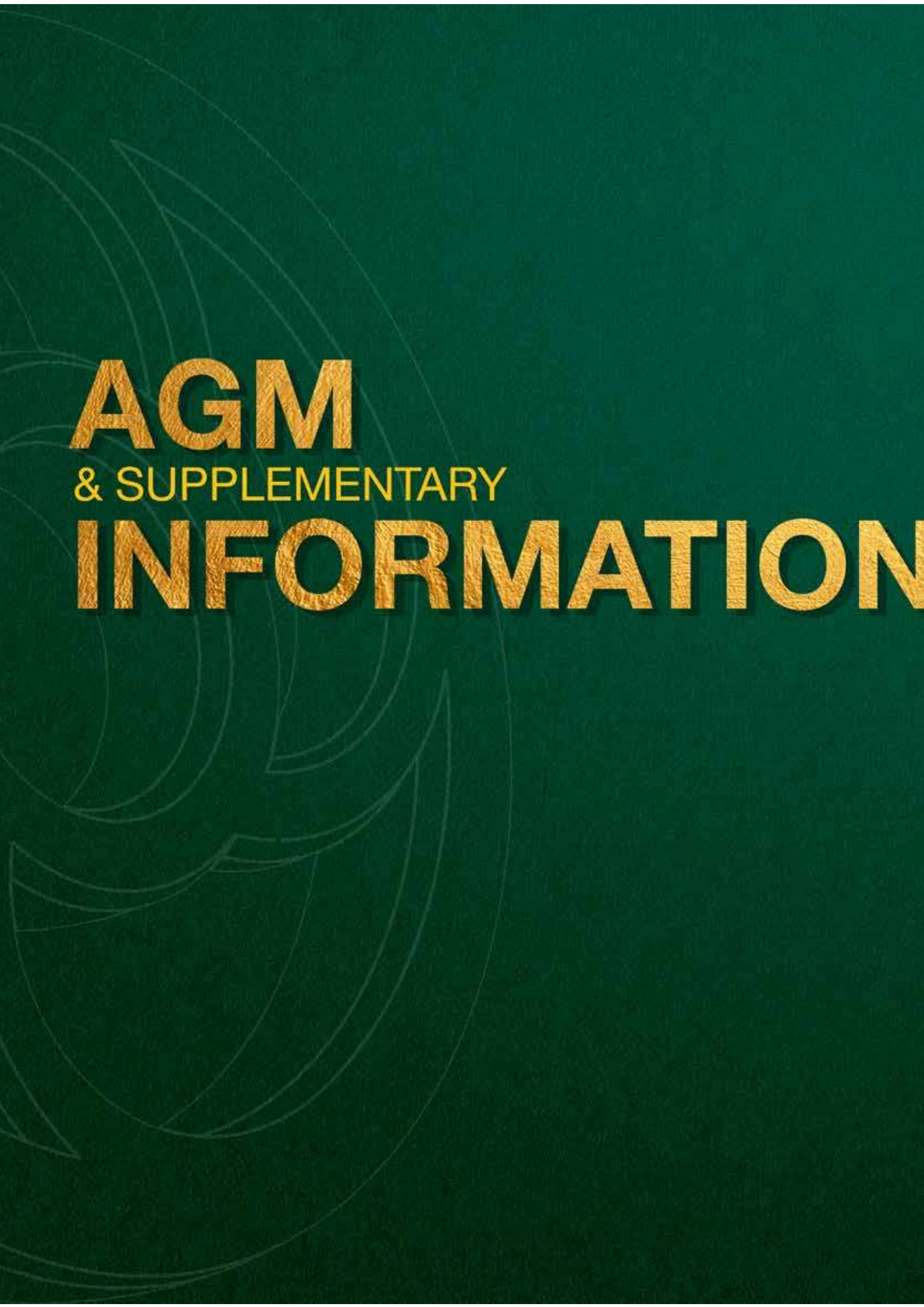
Parameters for profit allocation and charging expenses

Profit of the pools has been distributed between Mudarib and Rab-ul-Mall by using preagreed profit sharing ratios. The share of Rab-ul-Mall's profit has been distributed among different customers using the various weightages assigned to the different categories of the pool.

Administrative expense are borne by Mudarib and not charged to Mudaraba pool.

	31-Dec-25
	---Rupees in '000---
Mudarib Share	
Gross Distributable Income	33,459,554
Mudarib (Bank) share of profit before Hiba	13,919,638
Mudarib Share in % age	41.60%
Hiba from Mudarib Share	
Mudarib (Bank) share of profit before Hiba	13,919,638
Hiba from bank's share to depositors	6,360,505
Hiba from bank's share to depositors in % age	45.69%

During the year ended December 31, 2025 the average profit rate earned by NBP Aitemaad Islamic Banking Group is 12.10% and the profit distributed to the depositors is 9.54%.

A dark green background with a faint, stylized pattern of overlapping leaf shapes in a lighter shade of green. The text is centered and rendered in a bold, gold-colored font with a slight shadow effect.

AGM
& SUPPLEMENTARY
INFORMATION

N

Notice of AGM (English)	376
Notice of AGM (Urdu)	382
Proxy Form (English)	383
Proxy Form (Urdu)	384

National Bank of Pakistan Notice For 77th Annual General Meeting

Notice is hereby given that 77th Annual General Meeting (“AGM”) of National Bank of Pakistan (the “Bank”) will be held on March 30, 2026 at 11:00 A.M. (PKT) at Ballroom-A, Pearl Continental Hotel, Karachi, Pakistan, and through electronic means.

The following business will be transacted in the Meeting:

Ordinary Business:

1. To confirm the minutes of the 76th Annual General Meeting (AGM) of Shareholders held on March 25, 2025, conducted in-person and via electronic means.
2. To receive, consider and adopt the annual audited unconsolidated and consolidated financial statements of National Bank of Pakistan and its subsidiaries for the year ended December 31, 2025, together with the Directors’ Report, Auditors’ Report and Chairman’s Review Report thereon.

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

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



3. To appoint auditors for the year ending December 31, 2026, and fix their remuneration. The Board of Directors has recommended the Re-Appointment of Messrs. BDO Ebrahim & Co., Chartered Accountants, at a fee of PKR 38.962 million, including some statutory certification, and the appointment of Messrs. Yousuf Adil, Chartered Accountants, at a fee of PKR 38.962 million, including some statutory certification, to be auditors of the Bank for the year ending December 31, 2026. In addition, any Federal or Provincial taxes and reimbursement of out-of-pocket expenses will be paid at actuals.
4. To consider and approve cash dividend of PKR 35/- per share, i.e., 350% as recommended by the Board of Directors for the year ended December 31, 2025 (subject to the Government of Pakistan’s approval under Section 17 of The Banks (Nationalization) Act, 1974).

Special Business:

5. To consider and approve a performance bonus to the President & CEO as recommended by the Board of Directors.
6. To transact any other business with permission of the Chairman.

Karachi
Dated: March 09, 2026

By Order of the Board
Sd/-
Mehnaz Salar
Company Secretary (Acting)

Notes:

The Share Transfer Books of the Bank shall remain closed from March 18, 2026 to March 30, 2026 (both days inclusive). Transfers received at Messrs. CDC Share Registrar Services Limited, CDC House 99-B, Block “B”, SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, the Bank’s Share Registrar and Transfer Agent, at the close of business on March 17, 2026 will be treated in time for the purpose of attending the meeting and entitlement.

Participation in Annual General Meeting:

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

a) **Attending Meeting through Electronic Means**

In order to attend the AGM through electronic facility, the members are requested to get themselves registered with CDC Share Registrar Services Limited upto March 29, 2026 till 05:00 P.M. at cdcsl@cdcsl.com, and they are requested to provide the information as per the format below:

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

The details of electronic facility will be sent to the members at the email address provided by them. The login facility will be opened at 10:30 AM on March 30, 2026, enabling the participants to join the proceedings after identification and verification process, before joining the meeting, which will start at 11:00 A.M. (sharp).

b) **Attending Meeting Physically**

Arrangements for physical gathering of shareholders have been made at Ballroom A, Pearl Continental Hotel, Karachi, Pakistan.

c) **Attending Meeting through Proxies**

i) All members, entitled to attend and vote at the Annual General Meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may appoint any person, regardless of whether they are a member or not, as proxy.

ii) The proxy instrument must be complete in all respects and in order to be effective, should be deposited at the Office of the Registrar or the Company Secretary’s office, 2nd floor, NBP Head Office, I.I. Chundrigar Road, Karachi, not later than 48 hours before the time of holding the meeting.

iii) For attending the meeting through electronic means (Zoom), proxy form shall be submitted along with proxy holder’s email address and mobile number.

iv) If any member appoints more than one proxy for any meeting and more than one instrument of the proxy are deposited with the Registrar/Bank, all such instruments of proxy shall be rendered invalid.

d) **Guidelines for Appointing Proxies**

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations shall submit the proxy form as per the requirements mentioned below:

- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form.
- Attested copy of CNIC or the Passport of the beneficial owner(s) and of the proxy shall be furnished with the proxy form.

ii) In case of a legal entity, the original or duly authenticated Board of Directors’ resolution or power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to Messrs. CDC Share Registrar Services Limited or to the Company Secretary’s office, 2nd floor, NBP Head Office, I.I Chundrigar Road, Karachi.

(Proxy Form is available at NBP website www.nbp.com.pk)

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

Procedure for Voting for Special Agenda Item

It is hereby notified that, according to the Companies (Postal Ballot) Regulations, 2018 and its amendments, members will be allowed to exercise their right to vote for the special business in the Annual General Meeting (AGM), in accordance with the conditions mentioned in the aforesaid regulation, the Bank shall provide its members with the following options for voting:

E-Voting Procedure

- a) The Bank's Share Registrar in accordance with the Companies (Postal Ballot) Regulations, 2018 will send complete information to the members, including but not limited to, web address, login detail, password, date of casting e-vote and other necessary details through email; and security code through SMS on their registered email and mobile number available in the members' register.
- b) Identity of the member intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- c) Individual interested to cast his/her vote through e-voting, availability of his/her CNIC, mobile number and email address and in case of a corporate entity NTN in company's record is mandatory.
- d) It is mandatory for all CDS account holders to update their records with their participants and physical shareholders with Bank's Share Registrar i.e., CDCSRSL before book closure date.
- e) Voting lines for Special Agenda items will be opened for the Shareholders from March 27, 2026 at 09:00 a.m. till March 29, 2026 at 5:00 p.m.

Postal Ballot

The Shareholders shall ensure duly-filled and signed ballot paper along with copy of CNIC, in case of individual and in case of body corporate, acceptable identification documents i.e., the Original or duly authenticated Board of Directors' resolution / power of attorney along with valid copies of CNIC of authorized signatories etc., should reach through post to the Chairman, National Bank of Pakistan, Head Office Building, 2nd floor, I. I. Chundrigar Road, Karachi or by email at agm@nbp.com.pk by March 29, 2026 till 5:00 p.m. i.e., before the day of poll.

Vote Casting In-Person or Through Proxy

Polling booth will be established at the place of physical gathering of the AGM for voting.

Special Notes to the Shareholders

1. Conversion of Physical Shares into Book-Entry Form

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

2. Unclaimed Cash Dividends and Share Certificates

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

3. Requirement of Valid CNIC and IBAN

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

4. Deduction of Withholding Tax

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

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

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

5. Electronic Dividend Mandate

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

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

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

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

6. Deduction of Zakat on Dividend Issue

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

7. Prohibition of Distribution of Gifts

The Securities and Exchange Commission of Pakistan (the "SECP"), vide S.R.O.452(1)/2025 has strictly prohibited companies from providing gifts or incentives, in lieu of gifts, tokens/coupons /lunches/takeaway/packages. in any form or manner, to the shareholders at or in connection with general meetings.

Statement of Material Facts

This Statement sets out material facts concerning the special business given in agenda item No. 5 of the Notice, to be transacted in the 77th AGM of NBP's shareholders to be held on March 30, 2026.

The Board in its 383rd meeting held on February 24, 2026 considered the proposal for the President & CEO's performance bonus for the financial years 2023 (prorated), 2024, and 2025, reflecting the Bank's robust financial performance in the respective years under his leadership. The Bank sustained high profitability, grew assets, deposits and loan portfolio, enhanced shareholder value, improved operational performance, and strengthened risk management and governance framework. The Board of Directors recommended a Performance Bonus to be paid to Mr. Rehmat Ali Hasnie, President, for which shareholders' approval is being sought by passing the following resolution:

"RESOLVED THAT in view of the impressive financial performance of the Bank, the performance bonus of the President & CEO, Mr. Rehmat Ali Hasnie, for the financial years ending 2023 (prorated), 2024 and 2025 be and is hereby approved, at the rate of five (5) gross salaries for each respective year as follows:

S.#	Financial Year	No. of Months Served as President	Gross Salary (Monthly Gross+House Rent)	Performance Bonus @ 5 Gross Salaries
01	2023	4 Months 25 Days (146 Days)	10 M	20 M (prorated)
02	2024	12	10 M	50 M
03	2025	12	10 M	50 M

Disclosure:

In terms of Section 134(3) of The Companies Act, 2017, no Director, except the President/CEO, is directly or indirectly interested in the special resolution.

4- دودھولڈنگ ٹیکس کی کوٹنی:

براہ کرم نوٹ کریں کہ ایف بی آر کی ویب سائٹ پر دستیاب "ایکٹیو ٹیکس ہیز لسٹ" (ATL) کی بنیاد پر دودھولڈنگ ٹیکس کی کوٹنی درج ذیل شرح سے کی جائے گی۔

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

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

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

5- الیکٹرانک ڈیوڈٹ مینڈیٹ:

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت تمام درج کمپنیوں کے لیے لازمی ہے کہ وہ اپنے شیئر ہولڈرز کو الیکٹرانک ذرائع کے ذریعے براہ راست شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیوڈٹ ادا کریں۔ براہ راست اپنے بینک اکاؤنٹ میں ڈیوڈٹ وصول کرنے کے لیے فزیکل حصص یافتگان سے درخواست کی جاتی ہے کہ وہ بینک کی ویب سائٹ پر دستیاب کیش ڈیوڈٹ کے الیکٹرانک کرڈٹ کے لیے بینک مینڈیٹ فارم پر کریں اور اسے CNIC کی کاپی کے ساتھ دستخط شدہ شیئر رجسٹری ڈی سی شیئر رجسٹر ارسر و سولمینڈی ڈی سی ہاؤس 99- بی بلاک بی سنڈھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی (ایس ایم سی ایچ ایس)، مین شاہراہ فیصل، کراچی 74400 کو بھیجیں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، الیکٹرانک ڈیوڈٹ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر / شرکت کنندہ / سی ڈی سی اکاؤنٹ سروسز میں جمع کرایا جانا چاہیے۔ یہ معلومات نہ ملنے کی صورت میں، بینک شیئر ہولڈر کو ڈیوڈٹ کی ادائیگی روکنے پر مجبور ہوگا۔

6- ڈیوڈٹ پر زکوٰۃ کی کوٹنی:

زکوٰۃ "زکوٰۃ اور عشر" قوانین کے تحت حصص کی ادا شدہ قیمت کے 2.5% کی شرح سے منافع سے کاٹی جائے گی اور اسے مقررہ مدت کے اندر متعلقہ اتھارٹی کے پاس جمع کرایا جائے گا۔ براہ کرم زکوٰۃ اور عشر آرڈیننس 1980 اور زکوٰۃ (جمع کرنے اور رقم کی واپسی) روٹ 1981 کے تحت اپنا زکوٰۃ اعلیٰ فارم (CZ-50) بینک کے شیئر رجسٹر ارسر و سولمینڈی ڈی سی ہاؤس 99- بی بلاک بی سنڈھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی (ایس ایم سی ایچ ایس) کے ساتھ حصص رکھنے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ متعلقہ بروکر / سی ڈی سی کے ذریعے مندرجہ بالا فارم فراہم کریں۔

7- تحائف کی تقسیم پر پابندی:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے S.R.O. 452(1)/2025 کے ذریعے کمپنیوں کو تفتی سے منع کر دیا ہے کہ وہ عام اجلاس کے دوران یا اس سلسلے میں شیئر ہولڈرز کو کسی بھی صورت یا طریقے سے تحائف یا مراعات فراہم نہ کریں اور نہ ہی تحائف کے بدلے میں ٹوکنا / لٹچ / ٹیک اوٹ / ایکٹیو وغیرہ دیں۔

مادی حقائق کا بیان

یہ بیان 30 مارچ 2026 کو ہونے والی NBP کے شیئر ہولڈرز کی 77 ویں AGM کے نوٹس کے ایجنڈا آئٹم نمبر 5 (آپٹیمل برنس) میں دیئے گئے خصوصی کارروائی سے متعلق مادی حقائق کا تعین کرتا ہے۔

بورڈ نے 24 فروری 2026 کو منعقدہ اپنے 383 ویں اجلاس میں صدر اور سی ای او کے مالیاتی سال 2023 (پروریٹ)، 2024، اور 2025 کے لیے پرفارمنس بونس کی تجویز پر غور کیا، جو ان کی قیادت میں متعلقہ سالوں میں بینک کی مضبوط مالی کارکردگی کی عکاسی کرتا ہے، بینک نے اعلیٰ منافع، ڈیپازٹ، اثاثوں اور لون پورٹ فولیو میں اضافے کو برقرار رکھا۔ شیئر ہولڈرز کی قدر میں نمایاں اضافہ ہوا۔ بہترین آپریشنل کارکردگی، اور مضبوط رسک مینجمنٹ اور گورننس فریم ورک فراہم کیا۔ بورڈ آف ڈائریکٹرز نے صدر رحمت علی حسنی کو پرفارمنس بونس ادا کرنے کی سفارش کی، جس کے لیے مندرجہ ذیل قرارداد منظور کر کے شیئر ہولڈرز سے منظوری لی جا رہی ہے۔

"قرارداد کی منظوری دی جاتی ہے کہ بینک کی متاثر کن مالی کارکردگی کے پیش نظر صدر سی ای او اور صدر رحمت علی حسنی کی کارکردگی بونس، مالی سال ختم ہونے والے 2023 (پروریٹ)، 2024 اور 2025 کے لئے، ہر سال کے عوض پانچ مجموعی تنخواہیں درج ذیل طریقے سے منظور کیا جاتا ہے۔

Item No.	Financial Year	No of Months Served as President	Gross Salary (Monthly Gross + House Rent)	Performance Bonus @ 5 Gross Salaries
1.	2023	4 months 25 days (146 days)	10 M	20 M (prorated)
2.	2024	12	10 M	50 M
3.	2025	12	10 M	50 M

اعلان و شہداری:

کمپنیز ایکٹ 2017 کے سیکشن 134 (3) کے مطابق، صدر / سی ای او کے علاوہ کوئی بھی ڈائریکٹر خصوصی قرارداد میں براہ راست یا بالواسطہ دلچسپی نہیں رکھتا ہے۔

پ) پراسیز کے ذریعے اجلاس میں شرکت کرنا:

- i. تمام ممبران جو کہ سالانہ اجلاس عام میں شرکت اور ووٹ ڈالنے کے اہل ہیں کسی بھی دوسرے ممبر کو تحریری طور پر پراسیز مقرر کر سکتے ہیں۔ ایک قانونی ادارہ رکن ہونے کے ناطے کسی بھی فرد کو قطع نظر خواہ وہ ممبر ہو یا نہ ہو، پراسیز کے طور پر تقرری کر سکتا ہے۔
- ii. پراسیز انٹرنیٹ پر لیا جائے تو مکمل ہونا ضروری ہے۔ اور ووٹ ہونے کے لئے اجلاس کے انعقاد سے 48 گھنٹے قبل شیئر رجسٹرار یا کمپنی سیکریٹری کے دفتر، دوسری منزل، NBP ہیڈ آفس، آئی آئی چندر بگ روڈ، کراچی پر جمع کروانا ہوگا۔
- iii. الیکٹرانک سہولت (Zoom) کے ذریعے میٹنگ میں شرکت کے لیے پراسیز ہولڈرز کا ای میل ایڈریس اور موبائل نمبر پراسیز فارم میں ہونا لازمی ہے۔
- iv. اگر کوئی ممبر کسی ایک میٹنگ کے لئے ایک سے زیادہ ممبرز کو پراسیز مقرر کرتا ہے یا کسی پراسیز کے ایک سے زیادہ اسٹورڈ شیئر رجسٹرار / بینک کے پاس جمع کروائے جاتے ہیں تو پراسیز کے ایسے تمام اسٹورڈ شیئر رجسٹرار کو مطلع کر دیا جائے گا۔

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

- i. انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ کی گئی ہیں وہ مندرجہ ذیل تقاضوں کے مطابق پراسیز فارم جمع کروائیں:
 - الف) پراسیز فارم دو افراد کے بطور گواہ دستخط کے ساتھ جمع کروایا جائے جن کے نام، پتے اور کپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
 - ب) قومی شناختی کارڈ کی تصدیق شدہ کاپی یا بیٹیفیکیشن مالکان اور پراسیز کے پاسپورٹ کی کاپی پراسیز فارم کے ساتھ پیش کی جائے گی۔
 - ii. قانونی ادارے کی صورت میں نامزد شخص کے دستخط کے نمونے کے ساتھ اصل یا ضابطہ تصدیق شدہ پورڈ آف ڈائریکٹرز کی قرارداد یا پورڈ آف انارٹی میسرز ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ یا کمپنی سیکریٹری کے دفتر، دوسری منزل، این بی پی ہیڈ آفس، آئی آئی چندر بگ روڈ، کراچی میں پراسیز فارم کے ساتھ جمع کروانا ہوگا۔ (اگر وہ پہلے فراہم نہ کر دیے گئے ہوں)۔
- (پراسیز فارم این بی پی کی ویب سائٹ www.nbp.com.pk پر بھی دستیاب ہے)۔
- ☆ ممبران سے درخواست ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کی اطلاع فوری طور پر بینک کے رجسٹرار / شیئر فرانسفر ایجنٹ یعنی میسرز ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ کو دیں۔

اجتہاد کے لئے ووٹنگ کا طریقہ کار:

یہاں یہ مطلع کیا جاتا ہے کہ نیٹیز (پوسٹل بیلٹ) ریگولیشنز، 2018 اور اس کی ترامیم کے مطابق ممبران کو اجلاس عام (AGM) میں خصوصی کاروبار کے لیے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔ مذکورہ ضابطے میں بیان کردہ شرائط کے مطابق، بینک اپنے اراکین کو ووٹنگ کے لیے درج ذیل اختیارات فراہم کرے گا:

الیکٹرانک ووٹنگ کا طریقہ کار:

- الف) کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق بینک کا شیئر رجسٹرار ممبرز کو مکمل معلومات بھیجے گا، بشمول لیکن ان تک محدود نہیں، ویب ایڈریس، لاگ ان کی تفصیل، پاس ورڈ، ای ووٹ ڈالنے کی تاریخ، اور دیگر ضروری تفصیلات شامل ہیں اور ممبران کے رجسٹر میں دستیاب ان کے رجسٹر ڈی ای میل اور موبائل نمبر پراسیز ایس ایم ایس کے ذریعے سکیورٹی کوڈ بھیجے گا۔
- ب) الیکٹرانک ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے ممبران کی شناخت / تصدیق الیکٹرانک دستخط یا لاگ ان کے ذریعے کی جائے گی۔
- ج) الیکٹرانک ووٹنگ کے ذریعے اپنا ووٹ ڈالنے میں دلچسپی رکھنے والے افراد کا اپنے CNIC، موبائل نمبر، اور ای میل ایڈریس اور کسی کارپوریٹ ادارے کی صورت میں کمپنی کے ریکارڈز میں NTN کی دستیابی لازمی ہے۔
- د) تمام سی ڈی ایس اکاؤنٹ ہولڈرز کے لئے لازمی ہے کہ وہ اپنے شرکاء کے ساتھ اپنے ریکارڈز کو اور فزیکل شیئر ہولڈرز بینک کے شیئر رجسٹرار یعنی CDCSRSL کے پاس ریکارڈز تک بند ہونے کی تاریخ سے پہلے اپ ڈیٹ کریں۔
- ه) خصوصی ایجنڈا آن لائن کے لئے ووٹنگ لائنز 27 مارچ، 2026 صبح 9:00 بجے سے 29 مارچ، 2026 شام 5:00 بجے تک شیئر ہولڈرز کے لئے کھولی جائیں گی۔

پوسٹل بیلٹ:

انفرادی اور کارپوریٹ باؤ کی صورت میں شیئر ہولڈرز اس بات کو یقینی بنائیں کہ درست طریقے سے بھرے ہوئے اور دستخط شدہ بیلٹ بھرنے کے ساتھ مجاز دستخط کنندگان کے قابل قبول CNIC کی ایک کاپی ہمسند دستاویزات یعنی پورڈ آف ڈائریکٹرز کی قرارداد اور پورڈ آف انارٹی میسرز ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ یا کمپنی سیکریٹری کے دفتر، دوسری منزل، ہیڈ آفس بلڈنگ، دوسری منزل، آئی آئی چندر بگ روڈ، کراچی یا دیگر ای میل agm@nbp.com.pk پر پونگ کے دن سے پہلے یعنی 29 مارچ، 2026 شام 5:00 بجے تک پہنچادیں۔

ذاتی طور پر یا پراسیز کے ذریعے ووٹ ڈالنا:

اجلاس عام میں ووٹ ڈالنے کی غرض سے پونگ ہونے کا حکم کیا جائے گا۔

اجتہاد کے لئے

1- فزیکل شیئر زکوہ اکٹری شکل میں تبدیل کرنا:

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

2- غیر ڈیجیٹل شدہ نقد ڈیویڈنڈز اور شیئر سرٹیفیکیشن:

کمپنیز ایکٹ 2017 کی سشن 244 کے مطابق، بینک نے اختیاری اعلانات کے ذریعے شیئر ہولڈرز کے غیر ڈیجیٹل شدہ نقد ڈیویڈنڈز اور غیر ادائے شدہ نقد ڈیویڈنڈز کے بارے میں مطلع کیا ہے۔ ہم اپنے معزز شیئر ہولڈرز سے درخواست کرتے ہیں کہ وہ بینک کے شیئر رجسٹرار ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ سے رابطہ کریں تاکہ اپنے کسی بھی غیر ڈیجیٹل شدہ نقد ڈیویڈنڈز یا غیر ادائے شدہ نقد ڈیویڈنڈز کے دعوے جمع کرائیں۔

3- درست سی این آئی اور آئی بی ایس این کی ضرورت:

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

نیشنل بینک آف پاکستان

اطلاع برائے ستر واں سالانہ اجلاس عام

بذریعہ نوٹس بذریعہ اطلاع دی جاتی ہے کہ نیشنل بینک آف پاکستان کا ستر واں سالانہ اجلاس عام بروز پیر، مورخہ 30 مارچ، 2026ء، پاکستان کے معیاری وقت کے مطابق صبح 11:00 بجے بال روم - اے پرل کانسٹیٹنٹل ہوٹل، کراچی، پاکستان میں ذاتی موجودگی اور الیکٹرانک ذرائع پر منعقد ہوگا۔
اجلاس میں درج ذیل کارروائی عمل میں لائی جائے گی:

عمومی کارروائی:

- 1۔ مورخہ 25 مارچ، 2025 کو ذاتی موجودگی اور الیکٹرانک ذرائع سے منعقد ہونے والے شیئر ہولڈرز کے بھتیروں میں اجلاس عام کی کارروائی کی توثیق۔
- 2۔ 31 دسمبر، 2025 کو ختم ہونے والے سال کے لئے نیشنل بینک آف پاکستان کے سالانہ آڈٹ شدہ غیر مجموعی اور مجموعی مالی گوشواروں اور اس کے ذیلی اداروں کے مجتمع گوشوارے مع ڈائریکٹرز رپورٹ، آڈیٹرز رپورٹ اور اس پر چیئر مین کی جائزہ رپورٹ کی وصولی، ان پر غور اور منظوری۔
- کمپنیز ایکٹ 2017 ("کمپنیز ایکٹ") کے سیکشن 223 اور ایس آر او 389 (1) / 2023 مورخہ 21 مارچ، 2023 کے تحت بینک کی سالانہ رپورٹ بینک کی ویب سائٹ پر اپ لوڈ کر دی گئی ہے، جسے درج ذیل ویب لنک یا QR فعال کوڈ سے حاصل کیا جاسکتا ہے:



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

- 3۔ 31 دسمبر، 2026 کو ختم ہونے والے سال کے لئے آڈیٹرز کی تقرری اور ان کے معاوضے طے کرنا۔ بورڈ آف ڈائریکٹرز نے میسرز ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے، جن کی فیس 38.962 ملین ہے، بشمول کچھ قانونی سرٹیفیکیشن، اور میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی گئی ہے جن کی فیس 38.962 ملین ہے، بشمول کچھ قانونی سرٹیفیکیشن۔ کوئی وفاقی یا صوبائی ٹیکسیز اور جیب سے ادائیگے جانے والے اخراجات کی ادائیگی اصل کے مطابق کی جائے گی۔
- 4۔ 31 دسمبر، 2025 کو ختم ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کی تجویز کے مطابق -35% روپے فی شیئر یعنی 350% کی شرح سے کیش ڈیویڈنڈ پر غور اور اس کی منظوری (بینک نیشنلائزیشن ایکٹ 1974 کے سیکشن 17 کے تحت حکومت پاکستان کی منظوری سے مشروط)۔

خصوصی کارروائی:

بحکم بورڈ

- 5۔ بورڈ آف ڈائریکٹرز کی طرف سے تجویز کردہ صدر ای ای او کے پرفارمنس بونس پر غور اور منظور کرنا۔
- 6۔ چیئر مین کی اجازت سے کسی دیگر کاروباری معاملے پر کارروائی۔

کراچی

بتاریخ: 9 مارچ، 2026

بینک کی شیئر ٹرانسفر سب 18 مارچ، 2026 سے 30 مارچ، 2026 تک (بشمول دونوں ایام) بند رہیں گی۔ تاہم بینک رجسٹرار، میسرز ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ ڈی سی ہاؤس 99-بی، بلاک بی سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی (ایس ایم سی ایچ ایس)، مین شاہراہ فیصل، کراچی۔ 74400 کو مورخہ 17 مارچ، 2026 تک کاروباری اوقات ختم ہونے سے قبل وصول ہونے والے ٹرانسفرز کو اجلاس میں شرکت اور کسی بھی دیگر استحقاق کے سلسلے میں بروقت تصور کیا جائے گا۔

سالانہ اجلاس عام میں شرکت:

سالانہ اجلاس عام کا انعقاد سکیو ٹیر اینڈ ایگزیکٹو کمیشن آف پاکستان (SECP) کے جاری کردہ رہنما اصولوں کے مطابق کیا جا رہا ہے اور سالانہ اجلاس عام میں شیئر ہولڈرز کی زیادہ سے زیادہ شرکت کیلئے ویڈیو لنک کی سہولت، ذاتی موجودگی پر یا مقرر کردہ پراکسیز کے ذریعے شرکت کے اختیارات کئے گئے ہیں۔

الف) اجلاس میں بذریعہ الیکٹرانک ذرائع شرکت

سالانہ اجلاس عام میں الیکٹرانک سہولت کے ذریعے شرکت کرنے والے ممبران سے درخواست کی جاتی ہے کہ مورخہ 29 مارچ، 2026 بوقت شام 05:00 بجے تک CDC شیئر رجسٹرار سرورسز لمیٹڈ کی ای میل cdcsr@cdcsrsl.com پر خود کو رجسٹر کروائیں اور ان سے التماس ہے کہ وہ مندرجہ ذیل فارمیٹ پر معلومات مہیا کریں:

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

تفصیلات ممبران کی طرف سے فراہم کردہ ای میل ایڈریس پر فراہم کردی جائیں گی۔ مورخہ 30 مارچ، 2026 کو لاگ ان سہولت صبح 10:30 بجے کھول دی جائے گی تاکہ شرکاء اجلاس شروع ہونے کے مقررہ وقت صبح 11:00 بجے سے پہلے پہچان اور تصدیق کے عمل سے گزر کر اجلاس میں شریک ہو سکیں۔

ب) اجلاس میں ذاتی طور پر شرکت:

بال روم - اے پرل کانسٹیٹنٹل ہوٹل، کراچی، پاکستان میں شیئر ہولڈرز کے لئے اجتماع کے اختیارات کئے گئے ہیں۔

National Bank Of Pakistan

77th Annual General Meeting Form of Proxy

Folio No. _____ or CDC participant identity no. _____
 CDC A/C No. _____
 I/We _____
 of _____
 being a member(s) of the National Bank of Pakistan, holding shares no. _____
 hereby appoint _____ of _____
 also a member of the National Bank of Pakistan (Folio No. _____) or failing him/her _____
 of _____ also a member of National Bank of Pakistan (Folio No. _____) as my/our Proxy to attend the 77th Annual General Meeting of National Bank of Pakistan, to be held at 11:00 A.M. (PKT) on Monday, March 30, 2026, at Ballroom-A, Pearl Continental Hotel, Karachi or through electronic means and at any adjournment thereof.

Proxy holder email address (for attending meeting through electronic means): _____
 and mobile number _____.

Signed this _____ day of March, 2026

**Affix Revenue Stamp
Of Five Rupees.**

Witnesses:

Name: _____
 Address: _____
 CNIC No. _____

Signature _____
 (Signature should agree with the specimen signature registered with the Bank)

Name: _____
 Address: _____
 CNIC No. _____

NOTE

Attending Meeting through Proxies:

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

The shareholders will further have to follow the following guidelines for appointing proxies:

- i. In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations shall submit the proxy form as per the requirements mentioned below:
 - a) The proxy form shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form.
 - b) An attested copy of CNIC or valid Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- ii. In case of Government of Pakistan/State Bank of Pakistan/ corporate entity, the original or duly authenticated Board of Directors’ resolution or power of attorney with specimen signatures of the nominee shall be submitted along with proxy form to Messrs. CDC Share Registrar Services Limited or to the Company Secretary’s office, 2nd floor, NBP head Office, I. I. Chundrigar Road, Karachi.

نیشنل بینک آف پاکستان

اطلاع برائے ستر واں سالانہ اجلاس عام

فولیو نمبر _____
 سی ڈی سی اکاؤنٹ نمبر _____
 میں / ہم _____
 جن کا تعلق _____
 سے ہے نیشنل بینک آف پاکستان ہولڈنگ شیئرز نمبر _____ کا کے رکن ہوتے ہوئے بذریعہ ہذا _____ کے _____ کو
 کے جو کہ نیشنل بینک آف پاکستان (فولیو نمبر) _____ کارکن بھی ہے یا _____ کے _____ کی ناکامی کی صورت میں جو کہ نیشنل بینک آف پاکستان
 (فولیو نمبر) _____ کارکن بھی ہے کو میرے / ہمارے نمائندے کے طور پر نامزد کرتا ہوں / کرتے ہیں تاکہ وہ نیشنل بینک آف پاکستان کے 77 ویں سالانہ اجلاس عام میں میرے / ہمارے
 پراسی کے طور پر شرکت کریں، جو بروز پیر، 30 مارچ 2026ء، پاکستان کے معیاری وقت کے مطابق صبح 11:00 بجے بال روم۔ اے پرل کانٹینٹنٹل ہوٹل، کراچی، پاکستان میں ذاتی موجودگی اور الیکٹرونک
 ذرائع پر منعقد ہوگا۔
 پراسی کی ای میل ایڈریس (الیکٹرونک ذرائع سے شرکت کے لئے) _____ اور موبائل نمبر _____
 اسے مارچ 2026ء کی _____ تاریخ کو دستخط کیا گیا: _____

گواہان:

پانچ روپے کے
 ریونیو اسٹیپ

دستخط _____
 دستخط دینے گئے نمونے سے مطابقت رکھتے ہوں یا بینک میں رجسٹرڈ ہوں

نام _____
 پتہ _____
 شناختی کارڈ نمبر _____
 نام _____
 پتہ _____
 شناختی کارڈ نمبر _____

نوٹ

پراسی کے ذریعے اجلاس میں شرکت

1. تمام ممبران، جو سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے حقدار ہیں کسی دوسرے ممبر کو تحریری طور پر اپنے پراسی کے طور پر مقرر کرنے کے حقدار ہیں، تاکہ وہ شرکت کریں اور ووٹ دیں۔ ایک قانونی ادارہ، ایک رکن ہونے کے ناطے کسی بھی شخص کو چاہے وہ رکن ہے یا نہیں، بطور پراسی مقرر کر سکتا ہے۔
2. پراسی کی جزئیات ہر لحاظ سے مکمل ہونا چاہئے اور موثر ہونے کے لئے رجسٹر کے دفتر یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس آئی آئی چندریگر روڈ، کراچی میں میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے جمع کروانا ہوگا۔
3. الیکٹرونک ذرائع (زوم) کے ذریعے میٹنگ میں شرکت کے لئے پراسی ہولڈرز کے ای میل ایڈریس اور موبائل نمبر کے ساتھ ایک پراسی فارم جمع کرایا جائے گا۔
4. اگر کوئی ممبر میٹنگ کے لئے ایک سے زیادہ پراسی کا تقرر کرتا ہے اور پراسی کے ایک سے زیادہ انشرومنٹ رجسٹرار یا بینک کے پاس جمع کرائے جاتے ہیں، تو پراسی کے ایسے تمام انشرومنٹ کو غلط قرار دیا جائے گا۔

حخص یافتگان کو پراسیوں کی تقرری کے لئے درج ذیل رہنما اصولوں پر عمل کرنا ہوگا۔

- i. افراد کے معاملے میں، اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور زیادہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں ذیل میں بیان کردہ ضروریات کے مطابق پراسی فارم جمع کروائیں۔
 الف) پراسی فارم پر دو افراد گواہی دیں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔
 ب) قومی شناختی کارڈ کی تصدیق شدہ کاپی یا اپنی فیٹل مالکان اور پراسی کے پاسپورٹ کی کاپی پراسی فارم کے ساتھ پیش کی جائے گی۔
- ii. حکومت پاکستان / اسٹیٹ بینک آف پاکستان / کارپوریٹ ادارے کی صورت میں نامزد شخص کے دستخط کے نمونے کے ساتھ اصل یا باضابطہ تصدیق شدہ بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ یا سیکریٹری بورڈ کے دفتر، دوسری منزل، این بی پی ہیڈ آفس آئی آئی چندریگر روڈ، کراچی کو پراسی فارم کے ساتھ جمع کروانا ہوگا۔



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