



Quarterly Report

March 31,

2025

(Un-audited)

**The Road to
Financial Wellness**



Table of Contents

02	Company Information
03	Directors' Report
11	Directors' Report Urdu
14	Unconsolidated Condensed Interim Statement of Financial Position
15	Unconsolidated Condensed Interim Statement of Profit and Loss Account
16	Unconsolidated Condensed Interim Statement of Comprehensive Income
17	Unconsolidated Condensed Interim Statement of Changes in Equity
18	Unconsolidated Condensed Interim Cash Flow Statement
19	Unconsolidated Notes to the Condensed Interim Financial Statements
62	Consolidated Condensed Interim Statement of Financial Position
63	Consolidated Condensed Interim Statement of Profit and Loss Account
64	Consolidated Condensed Interim Statement of Comprehensive Income
65	Consolidated Condensed Interim Statement of Changes in Equity
66	Consolidated Condensed Interim Cash Flow Statement
67	Consolidated Notes to the Condensed Interim Financial Statements

Company Information

Board of Directors

Mr. Adil Matcheswala
Mr. Khalilullah Shaikh
Ms. Nargis Ghaloo
Lt. Gen. (Retd.) Sadiq Ali
Mr. Saad Ali Bhimjee
Mr. Usman Yousaf Mobin
Mr. Basir Shamsie

Chairman
Independent Director
Non-Executive Director
Independent Director
Non-Executive Director
Independent Director
President & CEO

Board Audit Committee

Mr. Khalilullah Shaikh
Ms. Nargis Ghaloo
Lt. Gen. Retd. Sadiq Ali

Chairman
Member
Member

Board Human Resource, Remuneration & Nomination Committee

Ms. Nargis Ghaloo
Mr. Adil Matcheswala
Mr. Usman Yousaf Mobin

Chairperson
Member
Member

Board Risk Management Committee

Mr. Khalilullah Shaikh
Mr. Saad Ali Bhimjee
Lt. Gen. (Retd.) Sadiq Ali
Mr. Basir Shamsie

Chairman
Member
Member
Member

Board IT Committee

Mr. Usman Yousaf Mobin
Mr. Saad Ali Bhimjee
Mr. Basir Shamsie

Chairman
Member
Member

Chief Financial Officer

Syed Adeel Ehtesham

Company Secretary & Head of Legal

Syed Muhammad Talib Raza

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road Karachi.

Legal Advisors

Bawaney & Partners
Haidermota & Co.
Liaquat Merchant Associates

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 – B, Block ‘B’,
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi

Registered office

JS Bank Limited
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847, Karachi-74200, Pakistan
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Directors' Report

We are pleased to present the unconsolidated and consolidated condensed interim financial statements of JS Bank Limited ("JSBL") for the quarter ended March 31, 2025.

Economy and Banking Sector Review

Pakistan's key macroeconomic indicators remained largely stable during the first quarter of CY25. Headline CPI inflation reached a six-decade low of 0.7% in March 2025, bringing the average inflation for the quarter down to 1.5%, compared to 24% in the same period last year. This sharp decline was primarily driven by easing food and energy prices. Fiscal consolidation measures yielded tangible results, leading to a primary surplus and a narrowed fiscal deficit. On the external front, the current account recorded a cumulative surplus of US\$691 million during 8MFY25, supported by a 33% YoY increase in workers' remittances. Exports rose by 8.4% while imports increased by 7.6% YoY during the same period. Investors' confidence continues to strengthen, as reflected in the bullish performance of the Pakistan Stock Exchange. These positive developments lay the foundation for sustained growth and moderate inflation in the coming months.

The State Bank of Pakistan (SBP) paused its monetary easing cycle in March 2025, following a 100 basis points (bps) rate cut in January 2025. The policy rate now stands at 12%, down significantly from 22% in March 2024.

In a significant development, the IMF staff and Pakistani authorities reached a Staff-Level Agreement (SLA) on the first review under the US\$7bn Extended Fund Facility (EFF), as well as a new 28-month Resilience and Sustainability Facility (RSF), granting total access of US\$2.3billion. Pakistan remains committed to following structural reforms and requirements set by the IMF, including energy sector reforms, approval of agricultural income tax at provincial levels, and privatization of state-owned enterprises, including DISCOs and the national airline.

In a recent development in April 2025, Pakistan's sovereign credit rating was raised to B- from CCC+ by Fitch Ratings, which points to stronger fiscal discipline, a more stable external account, and improved economic governance, and the outlook assigned was stable. The move reflects growing confidence in Pakistan's ability to sustain tighter budget controls and implement reforms under its ongoing International Monetary Fund (IMF) programme.

Pakistan's banking sector has entered a new phase shaped by swift monetary easing, with the State Bank of Pakistan (SBP) reducing the policy rate by a cumulative 1,000 bps since March 2024. With interest rates on a downward trajectory, banks are expected to witness margin compression as the high-yielding asset base begins to reprice at lower levels. This is expected to weigh on core profitability metrics. NIM contraction is likely to be more pronounced in banks with a shorter asset duration or higher exposure to floating-rate lending. Advances can be expected to pick up as a result of financing now available at reduced rates following the reduction in policy rate. Capital adequacy ratios in the sector remain strong and well above regulatory requirements.

Overview of the Bank's Performance

For the first quarter ended March 31, 2025, the Bank reported a Profit Before Tax of PKR 2,738 million (Profit after Tax of PKR 1,289 million), as compared to a Profit before Tax of PKR 3,743 million (Profit after Tax of PKR 1,718 million) earned during the corresponding period last year.

Directors' Report

Period end deposits at March 31, 2025, increased to PKR 534.3 billion, growing by 4% year on year. At the same time, period end non-remunerative deposits grew by 11%, as the non-remunerative mix improved to PKR 179.9 billion at March 31, 2025 as against PKR 162.7 billion at March 31, 2024. This increase is testimony to the confidence and trust reposed in the Bank by its valued customers and the dedicated efforts of our teams to improve the deposit mix.

In terms of overall revenue, the Bank maintained a relatively stable trajectory year on year, earning PKR 10,610 million for the first quarter of 2025, as against PKR 10,812 million earned last year. This is despite the fact that the Bank had realized relatively higher Foreign Exchange Income, coupled with gains on sale of government securities as part of its non mark-up income during the comparative prior period. Overall non mark-up income for the current period was reported at PKR 3,179 million, lower by 14% against the corresponding prior period. However, this decrease in non mark-up income was largely offset by improved Net Interest Income, which was reported at PKR 7,431 million for the current quarter, up 5% year on year. Despite a significant reduction in interest rates as against the comparative prior period, the Bank was able to improve its overall Net interest income year on year, primarily through improvement in the deposit mix, as non-remunerative deposit averages improved from PKR 152.3 Bn in Q1'24 to PKR 174.1 Bn in Q1'25 (YoY growth of ~14%).

Operating expenses increased by 13%YoY, primarily driven by higher staff costs and enhanced investment in Information technology - reflecting the Bank's continued focus on strengthening its human capital and digital capabilities. The Bank's cost-to-income ratio improved to 67% as compared to 71% for the year ended December 31, 2024.

With a reduction in Gross Advances of 13% as against the year ended December 31, 2024 position, the Bank's NPL ratio inched up to 10.02%. However, the Bank's NPL Coverage Ratio improved to 72.4% (December 31, 2024: 70.7%), with overall coverage now at 76.4 percent. The Bank's Capital Adequacy Ratio as at March 31, 2025, has been reported at 13.15% (December 31, 2024: 13.24%), mainly due to shift in Risk Weighted Assets.

Key highlights of the financial results of the Bank for the quarter ended March 31, 2025, are presented below:

Financial Position

PKR Million

	March 31, 2025	December 31, 2024
Shareholders' Equity	44,491	43,707
Total Deposits	534,319	525,134
Total Assets	670,060	636,107
Advances – net	193,015	225,519
Investments – net	360,548	302,437

Financial Performance

	March 31, 2025	March 31, 2024 (Restated)
Net Mark-up/Interest Income	7,431	7,097
Non-Markup/Interest Income	3,179	3,714
Operating Expenses	7,074	6,282
Profit before Credit Loss Allowance	3,481	4,454
Credit Loss Allowance and write offs – net	744	711
Profit Before Taxation	2,738	3,743
Profit After Taxation	1,289	1,718
Basic/Diluted Earnings Per Share – Rupee	0.63	0.84

Consolidated Financial Statements

On a consolidated basis, JS Bank along with its subsidiaries BankIslami Pakistan Limited, JS Global Capital Limited, and JS Investments Limited recorded a profit before tax of PKR 7,489 million (profit after tax of PKR 3,101 million) for the first quarter ended March 31, 2025, as compared to a profit before tax of PKR 9,360 million (profit after tax of PKR 4,214 million) in the corresponding period last year. The earnings per share stood at PKR 1.18 for the first quarter ended March 31, 2025 as against PKR 1.66 for the corresponding prior period, while the Consolidated Capital Adequacy Ratio as of March 31, 2025, stood at 17.92% (December 31, 2024, 18.07%).

Credit Ratings

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of “AA” (Double A) and a short-term rating of “A1+” (A One Plus) to the Bank, with the short-term rating being the highest possible in that category.

The ratings denote very high credit quality and very low expectation of credit risk and indicate a very strong capacity for timely payment of financial commitments.

Directors' Report

Acknowledgments

On behalf of JS Bank, we would like to express our gratitude to our customers and stakeholders for their patronage. We would also like to extend our appreciation to the entire management team and the Bank's staff for their continued commitment and dedication. While there are challenging times ahead, JS Bank will continue to work towards providing seamless customer experience and innovative solutions suited to the requirements of our clients.

Finally, we would also like to thank the Ministry of Finance, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, and other regulatory authorities for their continued guidance and support of our Bank.

For and on behalf of the Board,

Basir Shamsie

President & CEO

Adil Matcheswala

Chairman

Karachi: April 23, 2025

ڈائریکٹر رپورٹ

اظہار تشکر:

جے ایس بینک کی جانب سے ہم اپنے معزز صارفین اور شرکاء کو تہہ دل سے شکریہ ادا کرتے ہیں کہ انہوں نے ہمیشہ ہمارا اعتماد بڑھایا۔ ہم اپنی انتظامیہ کی پوری ٹیم اور بینک کے تمام عملے کی انتھک محنت، لگن اور وابستگی پر بھی دلی طور پر قدردانی کرتے ہیں۔ اگرچہ مستقبل میں ہمیں کئی مشکلات کا سامنا ہوگا، تاہم جے ایس بینک اپنے صارفین کو بہترین سہولیات اور ان کی ضروریات کے مطابق جدید حل فراہم کرنے کے لیے اپنی کوششیں جاری رکھے گا۔

آخر میں، ہم وزارت خزانہ، اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہمیشہ ہماری رہنمائی اور حمایت فرمائی۔

منجانب بورڈ

باصرتی

صدر اور سی ای او

عادل ماحس والا

چیئرمین

کراچی: 23 اپریل 2025ء

مالیاتی کارکردگی		
31 مارچ 2024 (Restated)	31 مارچ 2025	
7,097	7,431	مارک اپ/انٹریسٹ آمدنی۔ خالص
3,714	3,179	غیر مارک اپ/انٹریسٹ آمدنی
6,282	7,074	آپریٹنگ اخراجات
4,454	3,481	قبل از کریڈٹ لوس الاؤنس منافع
711	744	کریڈٹ لوس الاؤنس اور رٹ آف۔ خالص
3,743	2,738	قبل از ٹیکس منافع
1,718	1,289	بعد از ٹیکس منافع
0.84	0.63	بنیادی/ڈیلو پیئڈ آمدنی فی حصص۔ روپے میں

مجموعی مالیاتی بیانات:

مجموعی مالیاتی بیانات کی بنیاد پر، 31 مارچ 2025ء کو ختم ہونے والی پہلی سہ ماہی میں ہے ایس بینک نے اپنی ذیلی کمپنیوں بینک اسلامی پاکستان لمیٹڈ، ہے ایس گلوبل کیپیٹل لمیٹڈ اور ہے ایس انویسٹمنٹس لمیٹڈ کے ساتھ قبل از ٹیکس منافع 7,489 روپے (بعد از ٹیکس منافع 3,101 روپے) حاصل کیا جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 9,360 ملین روپے (بعد از ٹیکس منافع 4,214 ملین روپے) سے کیا جاسکتا ہے۔ 31 مارچ 2025ء کو ختم ہونے والی پہلی سہ ماہی کے لیے فی حصص آمدنی 1.18 روپے رہی۔ 31 مارچ 2025ء کو جمع شدہ سرمائے کی مناسبت کا تناسب 17.92 فیصد (31 دسمبر 2024، 18.07 فیصد) تھا۔

کریڈٹ ریٹنگ:

پاکستانی کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پاکرا) نے بینک کو "AA" (ڈبل اے) کی طویل مدتی درجہ بندی اور "A1+" (اے ون پلس) کی مختصر مدتی درجہ بندی تفویض کی ہے، جو کہ اس زمرے کے لئے سب سے زیادہ ممکنہ درجہ بندی ہے۔

یہ ریٹنگز بہت اعلیٰ کریڈٹ کوالٹی اور کریڈٹ رسک کے امکانات نہایت کم ہونے کی نشاندہی کرتی ہیں، اور مالی ذمہ داریوں کی بروقت ادائیگی کی نہایت مضبوط صلاحیت کو ظاہر کرتی ہیں۔

ڈائریکٹر رپورٹ

بینک کے آپریٹنگ اخراجات میں سال بہ سال 13 فیصد اضافہ ہوا، جس کی بنیادی وجوہات میں عملے کے اخراجات میں اضافہ اور انفارمیشن ٹیکنالوجی میں مزید سرمایہ کاری شامل ہیں۔ جو اس بات کی عکاسی کرتی ہیں کہ بینک اپنی انسانی صلاحیتوں اور ڈیجیٹل مہارتوں کو مضبوط بنانے پر مسلسل توجہ دے رہا ہے۔ بینک کا کاسٹ ٹو انکم ریٹو بہتری کے ساتھ 67 فیصد رہا، جو کہ 31 دسمبر 2024 کو ختم ہونے والے سال کے 71 فیصد کے مقابلے میں کم ہے۔

مجموعی قرضہ جات میں 31 دسمبر 2024ء کے مقابلے میں 13 فیصد کمی کے باعث بینک کا نان پرفارمنگ لون (NPL) ریٹو بڑھ کر 10.02 فیصد تک جا پہنچا۔ تاہم، بینک کا این پی ایل کوریج ریٹو بہتری کے ساتھ 72.4 فیصد ہو گیا (31 دسمبر 2024: 70.7 فیصد)، اور اب مجموعی کوریج 76.4 فیصد ہے۔ 31 مارچ 2025ء بینک کا کپیٹل ایڈیکوئیٹی ریٹو (CAR) 13.15 فیصد رپورٹ کیا گیا ہے (31 دسمبر 2024: 13.24 فیصد)، جو کہ رسک ویڈ اسٹیس میں تبدیلی کی بنیاد پر ہے۔

31 مارچ 2025 کو ختم ہونے والی پہلی سہ ماہی کیلئے بینک کے مالی نتائج کا خلاصہ درج ذیل ہے:

مالی پوزیشن		ملین پاکستانی روپے
	31 مارچ 2025	31 دسمبر 2024
شیئر ہولڈرز ایکویٹی	44,491	43,707
مجموعی ڈپازٹس	534,319	525,134
مجموعی اثاثہ جات	670,060	636,107
خالص ایڈوائسز	193,015	225,519
خالص سرمایہ کاریاں	360,548	302,437

پاکستان کا بینکاری شعبہ ایک نئے دور میں داخل ہو چکا ہے، جسے تیز رفتار مالیاتی نرمی نے تشکیل دیا ہے۔ اسٹیٹ بینک آف پاکستان (SBP) نے مارچ 2024ء سے اب تک پالیسی ریٹ میں مجموعی طور پر 1,000 بیسیس پوائنٹس کی کمی کی ہے۔ سود کی شرحوں میں کمی کے اس رجحان کے نتیجے میں بینکوں کو اپنے منافع کے مارجن میں دباؤ کا سامنا ہو سکتا ہے کیونکہ زیادہ منافع دینے والے اثاثے اب کم شرحوں پر ریٹس ہو رہے ہیں۔ اس سے بینکوں کی بنیادی منافع بخش کارکردگی پر اثر پڑنے کا امکان ہے۔ خاص طور پر وہ بینک جن کے اثاثوں کی مدت کم ہے یا جو زیادہ تر فلوئنگ ریٹ قرضوں سے وابستہ ہیں، ان میں ٹیٹ انٹرسٹ مارجن (NIM) میں کمی زیادہ نمایاں ہو سکتی ہے۔ پالیسی ریٹ میں کمی کے بعد کم شرح سود پر فنانسنگ دستیاب ہونے کی وجہ سے ایڈوائسز میں اضافے کی توقع ہے۔ اس شعبے میں کیپیٹل ایڈگنسی ریشیز بدستور مضبوط ہیں اور ریگولیٹری تقاضوں سے کافی زیادہ ہیں۔

بینک کی کارکردگی کا جائزہ:

31 مارچ 2025ء کو ختم ہونے والی پہلی سہ ماہی کے لیے بینک نے قبل از ٹیکس منافع 2,738 ملین روپے (بعد از ٹیکس منافع 1,289 ملین روپے) حاصل کیا، جبکہ گزشتہ سال اسی مدت کے دوران قبل از ٹیکس منافع 3,743 ملین روپے (بعد از ٹیکس منافع 1,718 ملین روپے) حاصل ہوا تھا۔

31 مارچ 2025ء تک مدت کے اختتام پر بینک کے ڈپازٹس 534.3 ملین روپے تک بڑھ گئے، جو سال بہ سال 4 فیصد کا اضافہ ظاہر کرتے ہیں۔ اسی دوران، نان ریونیو بیوڈپازٹس میں 11 فیصد اضافہ ہوا، جس کے باعث نان ریونیو بیوڈپازٹس کا حجم 31 مارچ 2025ء تک بڑھ کر 179.9 ملین روپے ہو گیا، جو کہ 31 مارچ 2024ء کو 162.7 ملین روپے تھا۔ یہ اضافہ بینک پر معزز صارفین کے اعتماد اور یقین کے ساتھ ساتھ ہماری ٹیویں کی محنت و لگن کا مظہر ہے، جنہوں نے ڈپازٹ مکس میں بہتری لانے کے لیے انٹھک محنت کی۔

مجموعی آمدنی کے لحاظ سے بینک نے سال بہ سال ایک نسبتاً مستحکم رجحان برقرار رکھا، اور 2025 کی پہلی سہ ماہی کے دوران 10,610 ملین روپے کی آمدنی ہوئی، جبکہ گزشتہ سال اسی مدت کے دوران 10,812 ملین روپے کی آمدنی ہوئی تھی۔ حالانکہ گزشتہ سال کے اسی عرصے میں بینک نے نسبتاً زیادہ زرمبادلہ آمدنی حاصل کی تھی، اور حکومتی سیکورٹیز کی فروخت پر منافع بھی حاصل ہوا تھا، جو نان مارک اپ آمدنی کا حصہ تھا۔ موجودہ عرصے کے دوران مجموعی نان مارک اپ آمدنی 3,179 ملین روپے رہی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 14 فیصد کم ہے۔ تاہم، نان مارک اپ آمدنی میں اس کمی کا زوال بہتر ٹیٹ انٹرسٹ انکم کے ذریعے ہوا، جو اس سہ ماہی کے دوران 7,431 ملین روپے رہی، جو کہ سال بہ سال 5 فیصد زائد ہے۔ حالانکہ سود کی شرحوں میں گزشتہ سال کے مقابلے میں نمایاں کمی ہوئی ہے، بینک نے انجی ٹیٹ انٹرسٹ انکم کو سالانہ بنیادوں پر بہتر بنانے میں کامیابی حاصل کی، جس کی بڑی وجہ ڈپازٹ مکس میں بہتری رہی۔ نان ریونیو بیوڈپازٹس کی اوسط 24'Q1 میں 152.3 ملین روپے سے بڑھ کر 25'Q1 میں 174.1 ملین روپے ہو گئی، جو کہ تقریباً 14 فیصد سالانہ اضافہ ہے۔

ڈائریکٹر رپورٹ

ہم 31 مارچ 2025ء کو ختم ہونے والی سہ ماہی کیلئے بے ایس بینک لمیٹڈ (بے ایس بی ایل) کے عبوری مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کرنے میں مسرت محسوس کرتے ہیں۔

معاشی اور بینکاری شعبے کا جائزہ

پاکستان کے اہم معاشی اشاریے سال 2025ء کی پہلی سہ ماہی کے دوران مجموعی طور پر مستحکم رہے۔ مارچ 2025ء میں کنزیومر پرائس انڈیکس (CPI) کی افراط زر گزشتہ چھ دہائیوں کی کم ترین سطح 0.7 فیصد پر پہنچ گئی، جس کے نتیجے میں اس سہ ماہی کے لیے اوسط افراط زر 1.5 فیصد کم ہو گئی، جو گزشتہ سال کی اسی مدت کے دوران 24 فیصد تھی۔ اس نمایاں کمی کی بنیادی وجہ اشیاء اور توانائی کی قیمتوں میں نرمی تھی۔ مالی نظم و ضبط کے اقدامات کے ٹھوس نتائج سامنے آئے، جس سے پرائمری سرپلس حاصل ہوا اور مالی خسارہ محدود ہوا۔ بیرونی محاذ پر، کرنٹ اکاؤنٹ نے مالی سال 2025 کے پہلے آٹھ مہینوں کے دوران مجموعی طور پر 691 ملین امریکی ڈالر کا سرپلس ریکارڈ کیا، جس کی بنیاد ترسیلات زر میں سال بہ سال 33 فیصد اضافے پر تھی۔ اسی عرصے کے دوران برآمدات میں 8.4 فیصد اور درآمدات میں 7.6 فیصد سال بہ سال اضافہ ہوا۔ سرمایہ کاروں کے اعتماد میں مسلسل اضافہ ہو رہا ہے، جس کا اظہار پاکستان اسٹاک ایکسچینج کی تیزی سے ہوتا ہے۔ یہ مثبت پیش رفت آئندہ مہینوں میں پائیدار ترقی اور معتدل بینکاری کی بنیاد فراہم کرتی ہے۔

اسٹیٹ بینک آف پاکستان (SBP) نے مارچ 2025 میں مانیٹری ایڈجسٹمنٹ کا سلسلہ عارضی طور پر روک دیا، جس سے قبل جنوری 2025 میں 100 بیس پوائنٹس کی شرح سود میں کمی کی گئی تھی۔ اس وقت پالیسی ریٹ 12 فیصد پر آ گیا ہے، جو کہ مارچ 2024 میں 22 فیصد کی سطح سے نمایاں کمی کو ظاہر کرتا ہے۔

ایک اہم پیش رفت کے طور پر، آئی ایم ایف کے عملے اور پاکستانی حکام کے درمیان 7 ارب امریکی ڈالر کے ایکسٹینڈڈ فنڈ فیسلٹی (EFF) کے تحت پہلے جائزے اور نئے 28 ماہ کے ریپیمینٹس اینڈ سسٹین ایبلٹی فیسلٹی (RSF) پر اسٹاف لیول معاہدہ (SLA) طے پا گیا، جس کے تحت پاکستان کو مجموعی طور پر 2.3 ارب امریکی ڈالر تک رسائی حاصل ہوگی۔ پاکستان نے آئی ایم ایف کی جانب سے طے کردہ ساختی اصلاحات اور شرائط پر عملدرآمد جاری رکھنے کے عزم کا اظہار کیا ہے، جن میں توانائی کے شعبے میں اصلاحات، صوبائی سطح پر زرعی آمدنی پرنکس کی منظوری، اور سرکاری اداروں، بشمول ڈسکوز (DISCOs) اور قومی ایئر لائن کی نجکاری شامل ہے۔

اپریل 2025ء میں ہونے والی حالیہ پیش رفت کے مطابق، فچ ریٹنگز نے پاکستان کی خود مختار کریڈٹ ریٹنگ کو CCC+ سے بڑھا کر B- کر دیا ہے۔ یہ بہتری مضبوط مالی نظم و ضبط، بیرونی کھاتوں میں استحکام اور بہتر اقتصادی حکمرانی کی عکاسی کرتی ہے۔ اس کے ساتھ پاکستان کے لیے ”مستحکم“ آؤٹ لک بھی جاری کیا گیا۔ یہ اقدام آئی ایم ایف پر وگرام کے تحت اصلاحات پر عملدرآمد اور سخت بجٹ کنٹرول برقرار رکھنے کی پاکستان کی صلاحیت پر بڑھتے ہوئے اعتماد کی نشاندہی کرتا ہے۔

SETTING FINANCIAL GOALS

Set clear financial goals. Define what you want to achieve and break it down into specific, measurable, and realistic steps. Create a simple list to keep yourself motivated throughout the year.



UNCONSOLIDATED FINANCIAL STATEMENTS



Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

		(Un-audited) March 31, 2024	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	51,835,433	43,058,132
Balances with other banks	7	3,137,659	3,617,293
Lendings to financial institutions	8	-	1,999,730
Investments	9	360,548,308	302,436,602
Advances	10	193,014,556	225,518,627
Property and equipment	11	12,253,819	12,086,893
Right-of-use assets	12	2,576,817	2,610,093
Intangible assets	13	7,198,208	6,806,276
Deferred tax assets		-	-
Other assets	14	39,495,280	37,973,622
Total Assets		670,060,080	636,107,268
LIABILITIES			
Bills payable	15	5,508,410	8,125,841
Borrowings	16	53,224,342	28,698,505
Deposits and other accounts	17	534,319,368	525,134,376
Lease liabilities	18	2,658,020	2,788,429
Subordinated debt	19	8,495,600	8,495,833
Deferred tax liabilities	20	277,587	671,138
Other liabilities	21	21,086,005	18,486,512
Total Liabilities		625,569,332	592,400,634
NET ASSETS		44,490,748	43,706,634
REPRESENTED BY			
Share capital		20,506,625	20,506,625
Reserves		7,383,286	7,113,683
Surplus on revaluation of assets	22	2,841,752	3,377,860
Unappropriated profit		13,759,085	12,708,466
		44,490,748	43,706,634

CONTINGENCIES AND COMMITMENTS 23

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Unconsolidated Condensed Interim Statement of Profit and Loss Account (Un-Audited)

For The Quarter Ended March 31, 2025

		March 31, 2025	(Restated) March 31, 2024
	Note	----- Rupees in '000 -----	
Mark-up / return / interest earned	25	21,306,287	26,368,748
Mark-up / return / interest expensed	26	13,875,418	19,271,272
Net mark-up / interest income		7,430,869	7,097,476

NON MARK-UP / INTEREST INCOME

Fee and commission income	27	1,311,001	1,103,169
Dividend income		1,145,436	917,143
Foreign exchange income		660,022	1,263,276
Loss from derivatives		(39)	-
Gain on securities - net	28	23,888	418,844
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	29	38,986	11,873
Total non mark-up / interest income		3,179,294	3,714,305
Total Income		10,610,163	10,811,781

NON MARK-UP / INTEREST EXPENSES

Operating expenses	30	7,074,097	6,281,988
Workers' welfare fund	31	54,750	75,501
Other charges	32	265	326
Total non-mark-up / interest expenses		7,129,112	6,357,815

Profit before credit loss allowance

Credit loss allowance and write offs - net	33	743,535	710,688
Extra ordinary / unusual items		-	-

PROFIT BEFORE TAXATION

Taxation	34	1,448,949	2,025,253
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PROFIT AFTER TAXATION

		----- Rupee -----	
Earnings per share - basic and diluted	35	0.63	0.84

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
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Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Quarter Ended March 31, 2025

	March 31, 2025	(Restated) March 31, 2024
	----- Rupees in '000 -----	
Profit after taxation for the period	1,288,567	1,718,025
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branch	11,890	(22,846)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(453,157)	(774,990)
	(441,267)	(797,836)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of equity investments - net of tax	(63,186)	(134,019)
Total comprehensive income	784,114	786,170

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

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Officer

Director

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Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For The Quarter Ended March 31, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non-banking assets		
					Rupees in '000				
Balance as at December 31, 2023 (Audited)	20,506,625	2,689,217	677,028	3,196,998	401,685	1,060,323	497,880	11,292,332	40,322,068
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	(65,563)	-	-	(834,014)	(899,577)
Balance as at January 01, 2024 after adoption of IFRS 9	20,506,625	2,689,217	677,028	3,196,998	336,102	1,060,323	497,880	10,458,318	39,422,491
Profit after taxation (March 31, 2024)	-	-	-	-	-	-	-	1,718,025	1,718,025
Other comprehensive income - net of tax	-	-	(22,846)	-	-	-	-	-	(22,846)
Effect of translation of net investment in foreign branch	-	-	(22,846)	-	-	-	-	-	(22,846)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	(774,990)	-	-	-	(774,990)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	(134,019)	-	-	-	(134,019)
	-	-	(22,846)	-	(909,009)	-	-	-	(931,855)
Transfer to statutory reserve	-	-	-	341,604	-	-	-	(341,604)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(4,716)	(236)	4,952	-
Opening Balance as at April 01, 2024 (Un-audited) - Restated	20,506,625	2,689,217	654,182	3,538,602	(572,907)	1,055,607	497,644	11,839,691	40,208,661
Profit after taxation	-	-	-	-	-	-	-	1,130,441	1,130,441
Other comprehensive income - net of tax	-	-	3,593	-	-	-	-	-	3,593
Effect of translation of net investment in foreign branch	-	-	3,593	-	-	-	-	-	3,593
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	1,694,165	-	-	-	1,694,165
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	297,010	-	-	-	297,010
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(51,997)	(51,997)
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	411,137	-	-	411,137
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	13,624	-	13,624
	-	-	3,593	-	1,991,175	411,137	13,624	(51,997)	2,367,532
Transfer to statutory reserve	-	-	-	228,089	-	-	-	(228,089)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(13,038)	(653)	13,691	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(4,729)	-	-	4,729	-
Opening Balance as at January 1, 2025	20,506,625	2,689,217	657,775	3,766,691	1,413,539	1,453,706	510,615	12,708,466	43,706,634
Profit after taxation for the current period	-	-	-	-	-	-	-	1,288,567	1,288,567
Other comprehensive income - net of tax	-	-	11,890	-	-	-	-	-	11,890
Effect of translation of net investment in foreign branch	-	-	11,890	-	-	-	-	-	11,890
Movement in surplus on revaluation of debt investments - net of tax	-	-	-	-	(453,157)	-	-	-	(453,157)
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	(63,186)	-	-	-	(63,186)
	-	-	11,890	-	(516,343)	-	-	-	(504,453)
Transfer to statutory reserve	-	-	-	257,713	-	-	-	(257,713)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(5,010)	(14,755)	19,765	-
Balance as at March 31, 2025 (Un-audited)	20,506,625	2,689,217	669,665	4,024,404	897,196	1,448,696	495,860	13,759,085	44,490,748

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)

For The Quarter Ended March 31, 2025

	Note	March 31, 2025	(Restated) March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
		----- Rupees in '000 -----	
Profit before taxation		2,737,516	3,743,278
Less: Dividend income		(1,145,436)	(917,143)
		1,592,080	2,826,135
Adjustments:			
Net mark-up / interest income		(7,430,869)	(7,097,476)
Depreciation on property and equipment	30	364,461	320,780
Depreciation on non-banking assets	30	10,119	8,875
Depreciation on right-of-use assets	30	368,280	290,970
Amortisation	30	108,008	82,814
Finance charges on leased assets	26	97,760	82,775
Charge for defined benefit plan		48,631	38,075
Unrealised loss on revaluation of investments measured at FVTPL - net	28	66,647	28,886
Credit loss allowance / provisions and write offs - net	33	743,535	710,688
Provision for workers' welfare fund	31	54,750	75,501
Gain on sale of property and equipment - net	29	(3,715)	(1,335)
Gain on sale of non-banking asset - net	29	(20,896)	-
Gain on termination of leases - net	29	(7,153)	(3,318)
		(5,600,442)	(5,462,765)
		(4,008,362)	(2,636,630)
(Increase) / decrease in operating assets			
Lendings to financial institutions		2,000,000	-
Securities measured at FVTPL		(87,123,398)	(14,537,004)
Advances		31,440,651	4,608,317
Others assets (excluding advance taxation)		(3,751,100)	(872,992)
		(57,433,847)	(10,801,679)
Increase / (decrease) in operating liabilities			
Bills payable		(2,617,431)	(604,231)
Borrowings		24,348,351	606,017
Deposits and other accounts		9,184,992	27,730,401
Other liabilities (excluding current taxation)		1,044,187	1,847,994
		31,960,099	29,580,181
		(29,482,110)	16,141,872
Mark-up / return / interest received		23,153,437	25,336,638
Mark-up / return / interest paid		(12,408,074)	(18,239,162)
Income tax paid		(1,119,778)	(932,637)
Net cash flows (used in) / generated from operating activities		(19,856,525)	22,306,711
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities measured at FVOCI		30,236,390	(17,950,074)
Net investments in securities measured at amortised cost		(1,803,180)	(1,715,985)
Dividend received		1,145,436	24,202
Investments in property and equipment		(537,574)	(479,510)
Investments in intangible assets		(548,653)	(459,728)
Proceeds from sale of property and equipment		9,902	15,706
Effect of translation of net investment in foreign branch		11,890	(22,846)
Net cash flows generated from / (used in) investing activities		28,514,211	(20,588,235)
CASH FLOW FROMS FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(534,341)	(375,098)
Repayment of subordinated debt		(233)	(234)
Net cash flows used in financing activities		(534,574)	(375,332)
Increase in cash and cash equivalents		8,123,112	1,343,144
Cash and cash equivalents at beginning of the period		46,296,801	44,073,112
Cash and cash equivalents at end of the period	36	54,419,913	45,416,256

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
Chief Executive Officer

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Officer

Director

Director

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Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

1. STATUS AND NATURE OF BUSINESS

- 1.1** JS Bank Limited (the Bank / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui and Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 316 (December 31, 2024: 314) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2024: 1). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA (Double A) whereas short-term rating is maintained at A1+ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

- 1.2** Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01, 1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL, in their respective extra-ordinary general meetings held on July 31, 2006, approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

2. BASIS OF PRESENTATION

The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 02 dated February 09, 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2024.

These unconsolidated condensed interim financial statements are separate financial statements of the Bank in which the investments in subsidiaries and associates are stated at cost and are accounted for on the basis of cost less accumulated impairment losses rather than on the basis of reported results. The consolidated condensed interim financial statements of the Bank are issued separately.

These unconsolidated condensed interim financial statements have been presented in Pakistani Rupees (PKR), which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank. The amounts are rounded to nearest thousand except as stated otherwise.

The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, the unconsolidated financial statements continue to be prepared on the going concern basis.

2.1 Statement of Compliance

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

2.2 Standards, interpretations of and amendments to approved accounting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on January 01, 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

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

Standards and Amendments

Effective date (annual periods beginning on or after)

IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

Not yet finalised

Standard

IASB effective date (accounting periods beginning on or after)

IFRS 1 – First-time Adoption of International Financial Reporting Standards

January 01, 2004

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2024 except for fair valuation of unlisted equity securities.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

5. FINANCIAL RISK MANAGEMENT

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	11,777,457	10,992,806
Foreign currencies	1,373,795	1,384,081
	<u>13,151,252</u>	<u>12,376,887</u>
With State Bank of Pakistan in		
Local currency current account	27,269,492	22,942,481
Foreign currency current accounts	2,171,276	2,395,530
Foreign currency deposit accounts	5,048,963	4,965,343
	<u>34,489,731</u>	<u>30,303,354</u>
With National Bank of Pakistan in local currency current accounts	4,187,573	367,397
Prize Bonds	8,417	11,537
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	(1,540)	(1,043)
Cash and balances with treasury banks - net of credit loss allowance	<u>51,835,433</u>	<u>43,058,132</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	5,690	5,690
In deposit accounts	73	73
	<u>5,763</u>	<u>5,763</u>
Outside Pakistan		
In current accounts	3,133,287	3,614,967
	<u>3,139,050</u>	<u>3,620,730</u>
Less: Credit loss allowance held against balances with other banks (stage 1)	(1,391)	(3,437)
Balances with other banks - net of credit loss allowance	<u>3,137,659</u>	<u>3,617,293</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	-	2,000,000
Less: Credit loss allowance held against lendings to financial institutions (stage 1)	-	(270)
Lending to financial institutions - net of credit loss allowance	<u>-</u>	<u>1,999,730</u>
8.1 Lending to FIs - Particulars of credit loss allowance		

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
Category of classification		Lending	Lending
		Credit loss allowance held	Credit loss allowance held
----- Rupees in '000 -----			
Domestic			
Performing	Stage 1	-	2,000,000
Under-performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		-	-
Total		<u>-</u>	<u>(270)</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

9. INVESTMENTS	March 31, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / provision for diminution
Rupees in '000						
Investments by type						
FVTPL						
Federal Government Securities	91,859,838	-	(59,213)	91,800,625	5,005,240	-
Foreign securities	363,170	-	(7,434)	355,736	915,419	-
Mutual funds	800,000	-	-	800,000	-	-
Unlisted Preference Shares	278,259	-	-	278,259	695,647	-
	93,301,267	-	(66,647)	93,234,620	6,616,306	-
						7,442
						(28,491)
						-
						(417,388)
						(438,437)
						6,177,869
FVOCI						
Federal Government Securities	102,001,672	(25,820)	489,694	102,465,546	131,780,766	(25,316)
Shares	2,708,273	-	1,393,630	4,101,903	2,708,014	-
Non Government Debt Securities	1,683,925	(559,481)	(30,050)	1,094,394	1,708,944	(559,488)
Foreign Securities	15,373,863	(161)	15,885	15,389,587	15,420,105	(178,244)
	121,767,733	(585,462)	1,869,159	123,051,430	151,617,829	(763,048)
						2,944,874
						153,799,655
						1,362,316
						1,525,267
						(28,810)
						86,101
						133,117,766
						4,233,281
						1,120,646
						15,327,962
Amortised Cost						
Federal Government Securities	123,194,983	-	-	123,194,983	121,391,803	-
						121,391,803
Associates	242,067	(62,067)	-	180,000	242,067	(62,067)
						-
						180,000
Subsidiaries	20,887,275	-	-	20,887,275	20,887,275	-
						-
						20,887,275
Total Investments	359,393,325	(647,529)	1,802,512	360,548,308	300,755,280	(825,115)
						2,506,437
						302,436,602

9.1.1 The market value of securities measured at amortised cost as at March 31, 2025 amounted to Rs. 122,606,553 million (December 31, 2024: Rs. 121,590,686 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

9.2 Investments given as collateral

Federal Government Securities

Market Treasury Bills

Pakistan Investment Bonds

(Un-audited) March 31, 2025		(Audited) December 31, 2024	
Cost	Market value	Cost	Market value
----- Rupees in '000 -----			
2,703,466	2,726,975	375,757	384,678
16,564,788	16,578,100	-	-
19,268,254	19,305,075	375,757	384,678

9.3 Credit loss allowance for diminution in value of investments

Note

Opening balance - provision for diminution other than associates

Opening balance - provision for diminution on associates

Impact of adoption of IFRS 9

Balance as at January 01 after adopting IFRS 9

Exchange rate adjustments

Charge for the period / year other than associates

Provision for diminution on associates for the period / year

Reversals for the period / year

33

Closing balance

(Un-audited) March 31, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----	
763,048	753,496
62,067	43,145
825,115	796,641
-	(133,384)
825,115	663,257
671	(3,700)
364	388,204
-	18,922
(178,621)	(241,568)
(178,257)	165,558
647,529	825,115

9.3.1 Particulars of credit loss allowance against debt securities

Category of classification

Domestic

Performing

Under-performing

Non-performing

Substandard

Doubtful

Loss

Overseas

Performing

Under-performing

Non-performing

Substandard

Doubtful

Loss

Total

(Un-audited) March 31, 2025		(Audited) December 31, 2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----			
650,071	99	675,090	105
-	-	-	-
-	-	-	-
-	-	862,675	388,204
1,033,854	559,382	171,179	171,179
1,683,925	559,481	1,708,944	559,488
15,373,863	161	14,947,477	155
301,776	25,820	773,314	203,405
-	-	-	-
-	-	-	-
-	-	-	-
15,675,639	25,981	15,720,791	203,560
17,359,564	585,462	17,429,735	763,048

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

9.4 Summary of financial position and performance of subsidiaries

March 31, 2025 (Un-audited)						
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)
Rupees in '000						
Subsidiaries						
92.90%	Pakistan	10,926,417	7,829,857	530,798	156,613	151,316
84.73%	Pakistan	3,704,905	1,490,157	204,605	103,163	103,163
75.12%	Pakistan	741,854,544	696,439,936	12,379,391	2,613,726	(1,508,790)
December 31, 2024 (Audited)						
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)
Rupees in '000						
Subsidiaries						
92.90%	Pakistan	9,283,402	6,338,158	312,522	57,597	54,889
84.73%	Pakistan	3,581,217	1,469,631	115,570	72,001	72,001
75.12%	Pakistan	737,834,025	689,524,749	11,641,676	3,215,628	2,467,416

9.5 Summary of financial position and performance of associates as per latest available financial statements is as follows:

June 30, 2023 (Un-audited)						
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)
Rupees in '000						
Associates						
9.60%	Pakistan	5,372,772	2,430,640	2,345,882	(145,624)	231,702
3.92%	Pakistan	3,771,523	3,318,137	3,185,247	(549,172)	(552,470)

Associates

Omar Jibran Engineering Industries Limited
Veda Transit Solutions Private Limited

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

10. ADVANCES		Note	Performing		Non-Performing		Total	
March 31, 2025 (Un-audited)	December 31, 2024 (Audited)		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)		
----- Rupees in '000 -----								
Loans, cash credits, running finances, etc.	182,039,684	216,440,019	21,602,973	21,327,989	203,642,657	237,768,008		
Bills discounted and purchased	12,016,574	9,946,392	-	-	12,016,574	9,946,392		
Advances - gross	194,056,258	226,386,411	21,602,973	21,327,989	215,659,231	247,714,400		
Credit loss allowance against advances								
- Stage 1	(351,058)	(249,235)	-	-	(351,058)	(249,235)		
- Stage 2	(496,634)	(445,520)	-	-	(496,634)	(445,520)		
- Stage 3	-	-	(15,646,223)	(15,083,720)	(15,646,223)	(15,083,720)		
	(847,692)	(694,755)	(15,646,223)	(15,083,720)	(16,493,915)	(15,778,475)		
10.5								
Fair value adjustment	(6,150,760)	(6,417,298)	-	-	(6,150,760)	(6,417,298)		
10.2 and 10.3								
Advances - net of credit loss allowance	187,057,806	219,274,358	5,956,750	6,244,269	193,014,556	225,518,627		
----- Rupees in '000 -----								
			(Un-audited)	(Audited)				
			March 31, 2025	December 31, 2024				
			203,628,173	235,917,966				
			12,031,058	11,796,434				
			215,659,231	247,714,400				

10.1 Particulars of advances (gross)
In local currency
In foreign currencies

10.2 This includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. Further, SBP vide BPRD Circular Letter No.16 of 2024 dated July 29, 2024 has allowed to take such fair value adjustment with effect from October 01, 2024.

10.3 This also includes fair valuation adjustment on modified loans and concessional rate loans (staff loans and TFRF loans) considered in accordance with the requirements of IFRS 9.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

10.4 Advances include Rs. 21,602.973 million (December 31, 2024: Rs. 21,327.989 million) which have been placed under Stage 3 / Non-performing status as detailed below:

Category of classification in stage 3	(Un-audited) March 31, 2025		(Audited) December 31, 2024	
	Non-Performing Loans	Credit loss allowance	Non-Performing Loans»	Credit loss allowance
----- Rupees in '000 -----				
Domestic				
Other Assets Especially Mentioned (OAEM) *	681,323	34,129	368,424	24,072
Substandard	2,401,370	784,080	2,294,802	856,265
Doubtful	3,378,208	2,037,593	4,250,239	1,922,798
Loss	15,142,072	12,790,421	14,414,524	12,280,585
Total	21,602,973	15,646,223	21,327,989	15,083,720
Overseas	-	-	-	-

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

10.5 Particulars of credit loss allowance against advances

		March 31, 2025 (un-audited)			
		Stage 3	Stage 2	Stage 1	Total
Note		----- Rupees in '000 -----			
Opening balance		15,083,720	445,520	249,235	15,778,475
Exchange rate adjustments		-	1,119	24	1,143
Charge for the period		901,180	118,358	134,761	1,154,299
Reversals for the period		(235,386)	(68,363)	(32,962)	(336,711)
	33	665,794	49,995	101,799	817,588
Amounts written off		(23,669)	-	-	(23,669)
Amounts charged off - agricultural financing		(79,622)	-	-	(79,622)
Closing balance	10.6	15,646,223	496,634	351,058	16,493,915

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

December 31, 2024 (Audited)						
	Stage 3	Stage 2	Stage 1	Specific	General	Provision under IFRS 9 (Overseas)
Note				Rupees in '000		
Operating balance	-	-	-	9,660,542	377,450	21,894
Impact of adoption of IFRS 9	10,732,593	221,043	590,032	(9,660,542)	(377,450)	(21,894)
Balance as at January 01						
after adopting IFRS 9	10,732,593	221,043	590,032	-	-	-
Exchange rate adjustments	-	23	(227)	-	-	-
						(204)
Charge for the period	6,480,899	347,002	144,965	-	-	-
Reversals for the period	(2,093,854)	(122,548)	(483,164)	-	-	-
10.5.2	4,387,045	224,454	(338,199)	-	-	-
						6,972,866
						(2,699,566)
						4,273,300
Transfer in / (out)	147,781	-	(2,371)	-	-	-
						145,410
Amounts written off	(90,400)	-	-	-	-	-
Amounts charged off - agricultural financing	(93,299)	-	-	-	-	-
						(93,299)
Closing balance	15,083,720	445,520	249,235	-	-	-
						15,778,475

10.5.1 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at March 31, 2025, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 2,662.072 million (December 31, 2024; Rs. 2,489,350 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,277.794 million (December 31, 2024; Rs. 1,145,101 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of SBP.

10.5.2 This includes reversal of Stage 3 credit loss allowance of Rs. Nil (December 31, 2024; 406.907 million) against reduction in non-performing loans of Nil (December 31, 2024; Rs. 2,189,151 million) of certain borrowers under 'Debt Property Swap' transactions.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

10.6 Advances - Particulars of credit loss allowance

	(Un-audited) March 31, 2025		
	Stage 1	Stage 2	Stage 3
	Rupees in '000		
10.6.1 Opening balance	249,235	445,520	15,083,720
New Advances	105,760	79,618	60,390
Advances derecognised or repaid	(26,842)	(35,955)	(145,879)
Transfer to stage 1	18,077	(18,077)	-
Transfer to stage 2	(5,948)	95,455	(89,507)
Transfer to stage 3	(172)	(14,331)	14,503
	90,875	106,710	(160,493)
Amounts written off / charged off	-	-	(103,291)
Changes in risk parameters (PDs/LGDs/EADs)	10,924	(56,715)	826,287
Exchange adjustments	24	1,119	-
Closing balance	351,058	496,634	15,646,223

December 31, 2024 (Audited)						
	Stage 1	Stage 2	Stage 3	General Provision	Specific Provision	Total
Opening balance	-	-	-	399,344	9,660,542	10,059,886
Impact of adoption of IFRS 9	590,032	221,043	10,732,593	(399,344)	(9,660,542)	1,483,782
Balance as at January 01 after adopting IFRS 9	590,032	221,043	10,732,593	-	-	11,543,668
New Advances	121,675	41,338	1,049,612	-	-	1,212,625
Advances derecognised or repaid	(447,471)	(67,073)	(763,182)	-	-	(1,277,726)
Transfer to stage 1	19,418	(19,418)	-	-	-	-
Transfer to stage 2	(30,245)	1,360,917	(1,330,672)	-	-	-
Transfer to stage 3	(5,448)	(36,057)	41,505	-	-	-
	(342,071)	1,279,707	(1,002,737)	-	-	(65,101)
Amounts written off / charged off	-	-	-	(183,699)	-	(183,699)
Transfer in / (out)	(2,371)	-	147,781	-	-	145,410
Changes in risk parameters (PDs/ LGDs/EADs)	3,872	(1,055,253)	5,389,782	-	-	4,338,401
Exchange adjustments	(227)	23	-	-	-	(204)
Closing balance	249,235	445,520	15,083,720	-	-	15,778,475

(Un-audited) March 31, 2025		(Audited) December 31, 2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

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

10.6.2 Advances - Category of classification

Domestic				
Performing	166,068,508	348,389	192,559,747	244,342
Under-performing	23,170,529	296,446	29,586,302	257,909
Non-performing				
OAEM	681,323	34,129	368,424	24,072
Substandard	2,401,370	784,080	2,294,802	856,265
Doubtful	3,378,208	2,037,593	4,250,239	1,922,798
Loss	15,142,072	12,790,421	14,414,524	12,280,585
	210,842,010	16,291,058	243,474,038	15,585,971
Overseas				
Performing	4,041,807	2,669	3,496,592	4,893
Under-performing	775,514	200,188	743,770	187,611
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	4,817,221	202,857	4,240,362	192,504
Total	215,659,231	16,493,915	247,714,400	15,778,475

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
11. PROPERTY AND EQUIPMENT	Note	----- Rupees in '000 -----	
Capital work-in-progress	11.1	510,051	596,439
Property and equipment		11,743,768	11,490,454
		<u>12,253,819</u>	<u>12,086,893</u>

11.1 Capital work-in-progress

Equipment	211,102	227,774
Advance to suppliers	13,135	1,152
Civil works	285,814	367,513
	<u>510,051</u>	<u>596,439</u>

		(Un-audited) Quarter ended March 31, 2025	March 31, 2024
11.2 Additions to property and equipment	Note	----- Rupees in '000 -----	

The following additions have been made to property and equipment during the period:

Capital work-in-progress	236,632	295,554
--------------------------	---------	---------

Property and equipment

Leasehold improvements	331,110	195,802
Furniture and fixture	36,434	56,216
Electrical, office and computer equipment	254,013	159,398
Vehicles	319	9,511
	<u>621,876</u>	<u>420,927</u>

Total	11.2.1	<u>858,508</u>	<u>716,481</u>
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- 11.2.1** This includes transfer from capital work in progress during the period amounting to Rs. 307.321 million (March 31, 2024: Rs. 236.971 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) Quarter ended	
		March 31, 2025	March 31, 2024
		----- Rupees in '000 -----	
11.3	Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:			
Property and equipment			
	Leasehold improvements	774	3,044
	Furniture and fixture	582	859
	Electrical, office and computer equipments	4,021	3,999
	Vehicles	810	6,469
	Total	6,187	14,371
12.	RIGHT-OF-USE ASSETS	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	At January 1	----- Rupees in '000 -----	
	Cost	8,542,327	6,819,329
	Accumulated Depreciation	(5,932,234)	(4,679,751)
	Net Carrying amount at January 01	2,610,093	2,139,578
	Additions during the period / year	375,742	1,820,891
	Deletions during the period / year	(35,343)	(32,520)
	Depreciation charge for the period / year	(368,280)	(1,343,769)
	Exchange rate adjustments	(26)	(216)
	Other adjustments	(5,369)	26,129
	Closing net carrying amount	2,576,817	2,610,093
13.	INTANGIBLE ASSETS		
	Capital work-in-progress - computer software	2,201,614	2,153,190
	Computer software	3,532,970	3,189,462
	Goodwill	1,463,624	1,463,624
		7,198,208	6,806,276

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	(Un-audited) Quarter ended	
	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Directly purchased		
Capital work-in-progress	48,424	459,728
Computer software	289	-
	48,713	459,728

- 13.2** There were no disposals of intangible assets during the periods ended March 31, 2025 and March 31, 2024.

	Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
		----- Rupees in '000 -----	
14. OTHER ASSETS			
Mark-up / return / interest accrued in local currency		12,606,165	14,390,871
Mark-up / return / interest accrued in foreign currencies		97,795	94,087
Advances, deposits, advance rent and other prepayments		5,217,142	4,964,160
Acceptances		4,170,776	3,581,183
Advance taxation (payments less provision)		1,674,319	1,506,206
Stationery and stamps in hand		18,581	18,370
Dividend receivable		1,096,421	-
Receivable in respect of home remittance		31,096	20,357
Due from State Bank of Pakistan		1,804,639	1,200,456
Fair value adjustment on advances	10.2	2,970,642	3,049,801
Non-banking assets acquired in satisfaction of claims		4,953,754	5,047,988
Mark to market gain on forward foreign exchange contracts		299,867	141,651
Mark to market gain on forward government securities transaction		23,855	26,426
Advance against investments in securities		3,679,420	792,000
Branchless banking fund settlement		-	370,945
Inter bank fund transfer settlement		-	1,025,298
Credit card settlement		-	296,903
Clearing and settlement accounts		-	526,245
Insurance claims receivable		33,097	31,111
Others		405,632	350,872
		39,083,201	37,434,930
Less: Credit loss allowance held against other assets - stage 3	14.1	(127,427)	(11,241)
Other Assets (Net of credit loss allowance)		38,955,774	37,423,689
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	539,506	549,933
Other assets - total		39,495,280	37,973,622

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
14.1 Credit loss allowance held against other assets			
Advances, deposits, advance rent and other prepayments		126,370	10,184
Others		1,057	1,057
		<u>127,427</u>	<u>11,241</u>
14.1.1 Movement in credit loss allowance held against other assets			
Opening balance		11,241	11,241
Charge for the period / year	33	116,186	-
Reversals for the period / year		-	-
		116,186	-
Amount written off		-	-
Closing balance		<u>127,427</u>	<u>11,241</u>
15. BILLS PAYABLE			
In Pakistan		5,185,566	7,765,203
Outside Pakistan		322,844	360,638
		<u>5,508,410</u>	<u>8,125,841</u>
16. BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan under:			
Export refinancing scheme		11,352,697	13,713,392
Long-term finance facility		1,389,120	1,489,495
Financing facility for storage of agricultural produce		201,660	133,137
Financing facility for renewable energy projects		999,972	1,118,670
Refinance for women entrepreneurs		144,731	136,486
Refinance facility for modernization of Small and Medium Enterprises (SMEs)		265,642	286,107
Refinance facility for combating COVID-19		55,231	74,660
Temporary economic refinance facility (TERF)		3,795,778	4,007,327
Small enterprise financing and credit guarantee scheme for special persons		582	770
Refinance facility for working capital of SMEs		145,000	75,000
Refinance facility for SME Asaan Finance (SAAF) scheme		5,026,534	5,266,032
		<u>23,376,947</u>	<u>26,301,076</u>
Fair value adjustment on TERF borrowings		(927,755)	(995,713)
Borrowing from financial institutions:			
Refinancing facility for mortgage loans		3,415,359	1,929,971
Repurchase agreement borrowings		19,303,681	384,547
Total secured		<u>45,168,232</u>	<u>27,619,881</u>
Unsecured			
Call Borrowings		7,500,000	700,000
Overdrawn nostro accounts		556,110	378,624
Total unsecured		<u>8,056,110</u>	<u>1,078,624</u>
		<u>53,224,342</u>	<u>28,698,505</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

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

16.1 Particulars of borrowings

In local currency	52,668,232	28,319,881
In foreign currencies	556,110	378,624
	53,224,342	28,698,505

17. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2025 (un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	144,613,458	7,959,526	152,572,984	158,211,393	11,029,355	169,240,748
Savings deposits	180,226,791	8,366,482	188,593,273	153,269,696	7,715,268	160,984,964
Term deposits	103,809,989	46,038,171	149,848,160	104,815,500	47,482,231	152,297,731
Margin deposits	22,961,491	175,735	23,137,226	24,136,000	6,269	24,142,269
	451,611,729	62,539,914	514,151,643	440,432,589	66,233,123	506,665,712
Financial Institutions						
Current deposits	2,608,655	1,625,870	4,234,525	4,796,717	228,865	5,025,582
Savings deposits	13,993,179	175,592	14,168,771	11,845,498	6,375	11,851,873
Term deposits	1,534,429	230,000	1,764,429	1,591,209	-	1,591,209
	18,136,263	2,031,462	20,167,725	18,233,424	235,240	18,468,664
	469,747,992	64,571,376	534,319,368	458,666,013	66,468,363	525,134,376

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

18. LEASE LIABILITIES

Outstanding amount at the start of the period / year	Note	2,788,429	2,234,115
Additions during the period / year		375,742	1,820,891
Lease payments including interest		(535,108)	(1,656,950)
Interest expense	18.2	97,760	396,228
Terminations		(41,729)	(36,842)
Exchange rate adjustments		(17)	(208)
Other adjustments		(27,057)	31,195
Outstanding amount at the end of the period / year		2,658,020	2,788,429

18.1 Outstanding liabilities

Not later than one year	188,779	134,561
Later than one year and upto five years	1,626,846	1,640,169
Over five years	842,395	1,013,699
Total at the period / year end	2,658,020	2,788,429

18.2 This carries average effective rate of 14.57% per annum (December 31, 2024: 15.73%)

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
19. SUBORDINATED DEBT			
Term Finance Certificates - Fifth Issue	19.1	3,498,600	3,498,833
Term Finance Certificates - Fourth Issue	19.2	2,497,000	2,497,000
Term Finance Certificates - Third Issue	19.3	2,500,000	2,500,000
		<u>8,495,600</u>	<u>8,495,833</u>

- 19.1** In 2023, the Bank issued Rs. 3.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	August 30, 2023.
Tenure	Up to ten years from the issue date.
Maturity date	August 30, 2033.
Rating	AA - (Double A Minus).
Security	The issue is unsecured.
Markup rate	Floating rate of return at Base Rate + 2 percent per annum. Base Rate is defined as the average three months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each three monthly period.
Markup payment frequency	Quarterly.
Redemption	The instrument is structured to redeem 0.24% of the issue amount during the first nine years after the issue date and the remaining issue amount of 99.76% in four equal quarterly installments of 24.94% each in the last year.
Subordination	The issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital.
Call option	Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.
Lock-in-clause	Principal and markup will be payable subject to compliance with MCR or CAR or Leverage Ratio set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

- 19.2** In 2021, the Bank issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	December 28, 2021.
Tenure	Up to Seven years from the issue date.
Maturity date	December 28, 2028.
Rating	AA - (Double A Minus).
Markup rate	Floating rate of return at Base Rate + 2 percent per annum. Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Markup payment frequency	Semi-annually.
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security	The issue is unsecured.
Subordination	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital.
Call option	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause	Payment of markup will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 400,647,739 shares.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

- 19.3** In 2018, the Bank issued Rs. 2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	December 31, 2018.
Maturity date	Perpetual.
Rating	A+ (Single A plus).
Markup rate	Floating rate of return at Base Rate + 2.25 percent per annum. Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Markup payment frequency	Semi-annually on a non-cumulative basis.
Redemption	Not applicable.
Security	The issue is unsecured.
Subordination	The issue is subordinated as to payment of principal and markup to all other claims except common shares.
Call option	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.

Loss absorbency clause:

Pre-Specified Trigger (PST)	<p>Upon the occurrence of a PST as defined under SBP BPRD Circular No. 06 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWAs), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:</p> <ul style="list-style-type: none"> – If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWAs (if possible); – The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWAs (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and – In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer.
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Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

Point of Non-Viability (PONV)	<p>Upon the occurrence of a PONV event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:</p> <p>The PONV trigger event is the earlier of:</p> <ul style="list-style-type: none"> – A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; – The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP; – The maximum number of shares to be issued to TFC holders at the PST and / or PONV (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.
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		(Un-audited) March 31, 2025	(Audited) December 31, 2024
20. DEFERRED TAX LIABILITIES	Note	-----	Rupees in '000 -----
Deductible Temporary Differences on:			
Credit loss allowance against investments		78,813	(30,612)
Credit loss allowance against advances		(3,296,568)	(3,296,568)
Credit loss allowance - Others		(90,953)	(50,316)
Fair value adjustment		(80,597)	(80,597)
Other assets		(89,478)	(51,323)
		(3,478,783)	(3,509,416)
Taxable Temporary Differences on:			
Surplus on revaluation of property and equipment	22	743,196	748,625
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	43,646	39,318
Surplus on revaluation of investments	22	971,963	1,531,335
Accelerated tax depreciation		1,236,481	1,100,192
Goodwill		761,084	761,084
		3,756,370	4,180,554
		277,587	671,138

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note	-----	Rupees in '000 -----
21. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	6,520,098	5,343,116
Mark-up / return / interest payable in foreign currencies	679,118	388,756
Unearned income on guarantees	498,059	487,456
Accrued expenses	1,288,351	1,809,477
Acceptances	4,170,776	3,581,183
Unclaimed dividends	4,214	4,214
Mark to market loss on forward foreign exchange contracts	188,308	713,482
Mark to market loss on forward government securities transaction	23,894	-
Defined benefit obligation	318,785	270,154
Withholding taxes payable	1,057,549	1,856,153
Donation payable	54,750	120,291
Security deposits against leases, lockers and others	2,041,859	1,525,993
Workers' welfare fund	553,424	498,674
Payable in respect of home remittance	241,003	313,579
Retention money payable	82,452	92,431
Insurance payable	368,992	383,072
Payable to vendors against SBS goods	131,932	159,103
BLB settlement	346,671	-
Debit card settlement	476,524	374,348
Credit card settlement	41,522	-
Clearing and settlement accounts	1,574,897	-
Credit loss allowance against off-balance sheet obligations 21.1	178,536	190,889
Others	244,291	374,141
	21,086,005	18,486,512

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	190,889	-
Impact of adoption of IFRS 9	-	16,578
Balance as at January 01 after adopting IFRS 9	190,889	16,578
Transfer in	-	2,371
Exchange rate adjustments	39	(28)
Charge for the period / year	29,026	186,699
Reversals for the period / year	(41,418)	(14,731)
	(12,392)	171,968
Closing balance	178,536	190,889

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

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

22. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:

- Securities measured at FVOCI - debt	9.1	475,529	1,419,607
- Securities measured at FVOCI - equity	9.1	1,393,630	1,525,267
- Property and equipment		2,191,892	2,202,331
- Non-banking assets acquired in satisfaction of claims	14	539,506	549,933
		4,600,557	5,697,138

Deferred tax on surplus on revaluation of:

- Securities measured at FVOCI - debt		(247,275)	(738,196)
- Securities measured at FVOCI - equity		(724,688)	(793,139)
- Property and equipment		(743,196)	(748,625)
- Non-banking assets acquired in satisfaction of claims		(43,646)	(39,318)
		(1,758,805)	(2,319,278)
		2,841,752	3,377,860

23. CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	94,088,976	96,146,041
Commitments	23.2	222,786,713	119,260,187
Other contingencies	23.3	511,998	506,904
		317,387,687	215,913,132

23.1 Guarantees

Financial guarantees	13,244,343	10,328,381
Performance guarantees	43,866,264	45,337,554
Other guarantees	36,978,369	40,480,106
	94,088,976	96,146,041

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
23.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- Letters of credit	32,621,008	39,432,208
	Commitments in respect of:		
	- Forward foreign exchange contracts	23.2.1 87,266,486	64,279,790
	- Forward government securities transactions	23.2.2 102,689,860	14,991,654
	- Forward lending	23.2.3 51,495	51,495
	Commitments for acquisition of:		
	- Property and equipment	23.2.4 157,864	453,678
	- Intangible assets	23.2.4 -	51,362
		222,786,713	119,260,187
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	58,167,026	46,997,123
	Sale	29,099,460	17,282,667
		87,266,486	64,279,790
23.2.2	Commitments in respect of forward government securities transaction		
	Purchase	51,389,626	14,991,654
	Sale	51,300,234	-
		102,689,860	14,991,654
23.2.3	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	51,495	51,495
23.2.3.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense. Further, the bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn.		
23.2.4	This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware and network equipment, electrical equipment and computer software.		
		(Un-audited) March 31, 2025	(Audited) December 31, 2024
23.3	Other contingencies	Note	----- Rupees in '000 -----
	Claims against the Bank not acknowledged as debts	23.3.1 511,998	506,904

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

23.3.1 These mainly represent counter claims filed by borrowers for damages, claims by former employees of the Bank and other claims relating to banking transactions.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour.

23.3.2 Tax related contingencies are disclosed in note 34.1.

24. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Futures, Cross Currency Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Bank.

The Bank also enters into Foreign Currency and Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

The Bank held no derivative instruments as at March 31, 2025 (December 31, 2024: Nil).

		(Un-audited) Quarter ended	(Restated) March 31, 2024
		March 31, 2025	March 31, 2024
		----- Rupees in '000 -----	
25. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances	6,529,646	9,882,573	
Investments	14,442,581	15,718,706	
Lendings to financial institutions	149,015	291,906	
Balances with other banks	80,376	385,919	
Securities purchased under repurchase agreements	104,669	89,644	
	<u>21,306,287</u>	<u>26,368,748</u>	

25.1 Interest income recognised on:

Financial assets measured at amortised cost	5,306,730	6,315,157
Financial assets measured at FVOCI	9,021,543	10,308,301
Financial assets measured at FVPL	645,177	47,305
Financial assets measured at cost	6,332,837	9,697,985
	<u>21,306,287</u>	<u>26,368,748</u>

26. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	9,279,845	15,362,102
Borrowings	3,772,884	2,441,705
Subordinated debt	301,326	496,780
Cost of foreign currency swaps against foreign currency deposits / borrowings	423,603	887,910
Finance charges on leased assets	97,760	82,775
	<u>13,875,418</u>	<u>19,271,272</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) Quarter ended	
		March 31, 2025	(Restated) March 31, 2024
Note		----- Rupees in '000 -----	
27. FEE AND COMMISSION INCOME			
Branch banking customer fees		39,209	30,997
Finance related fees		129,302	118,284
Card related fees (debit and credit cards)		365,597	203,170
Investment banking fees		34,108	3,500
Commission on trade		319,803	294,789
Commission on guarantees		182,265	160,806
Commission on cash management		9,940	8,395
Commission on remittances including home remittances		66,132	72,246
Commission on bancassurance		14,726	25,527
Commission on distribution of mutual funds		2,899	1,513
Commission on online services		32,239	38,535
Rebate income		114,781	145,407
		1,311,001	1,103,169
28. GAIN ON SECURITIES - NET			
Realised	28.1	90,535	447,730
Unrealised - measured at FVTPL		(66,647)	(28,886)
		23,888	418,844
28.1 Realised gain / (loss) on:			
Federal government securities		165,033	575,198
Foreign securities		(74,498)	(127,468)
	28.2	90,535	447,730
28.2 Net gain / (loss) on financial assets			
measured at FVPL:			
Designated upon initial recognition		13,960	18,359
Mandatorily measured at FVPL		-	-
		13,960	18,359
measured at amortised cost			
measured at FVOCI		-	-
		76,575	429,371
		90,535	447,730
29. OTHER INCOME			
Rent income		5,618	3,642
Gain on sale of property and equipment - net		3,715	1,335
Gain on sale of non banking assets - net		20,896	-
Gain on termination of leases - net		7,153	3,318
Recoveries against charge off loans		1,199	-
Scrap sales		-	378
Charges recovered on account of internal audit services to subsidiary		-	3,200
Others		405	-
		38,986	11,873

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) Quarter ended	
		March 31, 2025	(Restated) March 31, 2024
		Rupees in '000	
30. OPERATING EXPENSES	Note		
Total compensation expense	30.1	2,764,523	2,472,195
Property expense			
Rent and taxes		8,995	23,663
Insurance		1,740	1,654
Utilities cost		182,550	170,605
Security (including guards)		124,691	99,491
Repair and maintenance (including janitorial charges)		110,702	114,544
Depreciation		123,897	82,639
Depreciation on right-of-use assets		368,280	290,970
Depreciation on non-banking assets		10,119	8,875
		930,974	792,441
Information technology expenses			
Software maintenance		464,742	340,275
Hardware maintenance		175,661	61,448
Depreciation		131,379	137,835
Amortisation		108,008	82,814
Network charges		75,243	64,863
		955,033	687,235
Other operating expenses			
Directors' fees and allowances		4,950	3,000
Legal and professional charges		86,725	36,136
Insurance		71,570	58,329
Outsourced services costs		122,608	105,190
Travelling and conveyance		100,008	70,386
NIFT clearing charges		21,831	15,050
Depreciation		109,185	100,306
Training and development		18,177	12,903
Postage and courier charges		25,217	27,368
Communication		125,767	120,406
Stationery and printing		101,815	99,665
Marketing, advertisement and publicity		530,018	649,410
Donations		54,750	75,501
Auditors' remuneration		5,640	4,921
Staff auto fuel and maintenance		150,157	165,605
Bank charges		21,533	21,095
Stamp duty		7,436	7,379
Online verification charges		23,302	28,222
Brokerage, fee and commission		12,720	20,521
Card related fees (debit and credit cards)		425,033	384,421
Consultancy fee		21,522	21,580
Deposit protection premium		51,298	47,349
Entertainment expenses		58,195	49,298
Repair and maintenance		18,082	17,314
Cash handling charges		103,463	86,536
Fee and subscription		55,959	20,518
Employees social security		2,422	2,684
Generator fuel and maintenance		48,315	57,470
Others		45,869	21,554
		2,423,567	2,330,117
		7,074,097	6,281,988

30.1 This includes impact of fair value adjustment on concessional rate staff loans amounting to Rs. 98.048 million (March 31, 2024: Rs. 67.922 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

31. WORKERS' WELFARE FUND

The Bank has made provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

32. OTHER CHARGES

Penalties imposed by State Bank of Pakistan

(Un-audited) Quarter ended	
March 31, 2025	March 31, 2024
----- Rupees in '000 -----	
265	326

33. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss allowance against cash and balances with treasury banks

497 -

Credit loss allowance against balance with other banks

(2,046) (716)

Credit loss allowance against lending to financial institutions

(270) -

Credit loss allowance for diminution in value of investments

(178,257) (35,908)

Credit loss allowance against loans and advances

817,588 732,653

Credit loss allowance against other assets

116,186 -

Credit loss allowance against off balance sheet obligations

(12,392) -

Bad debts written off directly

- 12,399

Recovery of written off / charged off bad debts

- (767)

Operational loss

2,229 3,027

743,535 710,688

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

34. TAXATION

Current

1,287,891 1,902,416

Prior years

- -

Deferred

161,058 122,837

1,448,949 2,025,253

34.1 There are no material changes in tax contingencies as disclosed in annual unconsolidated financial statements for the year ended December 31, 2024.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

35. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Quarter ended	
	March 31, 2025	(Restated) March 31, 2024
	----- Rupees in '000 -----	
Profit after taxation for the period	1,288,567	1,718,025
	----- Number of shares -----	
Weighted average number of ordinary shares	2,050,662,536	2,050,662,536
	----- Rupees -----	
Earnings per share - basic and diluted	0.63	0.84

36. CASH AND CASH EQUIVALENTS

		(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2024
		----- Rupees in '000 -----		
Cash and balances with treasury banks	6	51,836,973	43,058,132	44,335,501
Balances with other banks	7	3,139,050	3,617,293	2,994,070
Overdrawn nostro accounts	16	(556,110)	(378,624)	(1,913,315)
		54,419,913	46,296,801	45,416,256

37. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

37.1 Fair value of financial instruments

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

March 31, 2025 (Un-audited)				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	194,266,171	-	194,266,171
Shares - listed companies	4,070,091	-	-	4,070,091
Shares - unlisted companies	-	-	25,588	25,588
Non Government Debt Securities	-	1,094,394	-	1,094,394
Foreign Securities	-	15,745,323	-	15,745,323
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	122,606,553	-	122,606,553
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	58,298,392	-	58,298,392
Forward sale of foreign exchange	-	29,119,267	-	29,119,267
Forward purchase - Government securities	-	51,412,763	-	51,412,763
Forward sale - Government securities	-	51,323,410	-	51,323,410
----- Rupees in '000 -----				
December 31, 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	138,130,448	-	138,130,448
Shares	4,216,316	-	-	4,216,316
Non Government Debt Securities	-	1,398,905	-	1,398,905
Foreign Securities	-	16,214,890	-	16,214,890
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	121,590,686	-	121,590,686
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	46,351,027	-	46,351,027
Forward sale of foreign exchange	-	17,208,402	-	17,208,402
Forward agreements for lending	-	15,018,080	-	15,018,080

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

37.2 Valuation techniques

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of investments in certain unlisted equity securities are valued on net asset value as derived from latest available audited financial statements.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
Property and Equipment - Land and buildings	Land and buildings and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in unconsolidated financial statements as of December 31, 2024. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.
Non-banking assets acquired in satisfaction of claims	

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investments:

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

Description	Fair value as at March 31, 2025	Unobservable inputs	Sensitivity of inputs
-----Rupees in '000-----			
Ordinary shares - unlisted	25,588	Net asset value	Increase / (decrease) in NAV by 10% with all other variables held constant, would increase / (decrease) the fair value by Rs. 2.56 million.

The following table shows reconciliation of investment and advances fair value movement:

	March 31,
	2025
	Rupees in ' 000
Opening balance	11,000
Remeasurement recognised in OCI	14,588
Closing balance	25,588

- 37.3** The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the current period.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

38. SEGMENT INFORMATION

38.1 Segment Details with respect to Business Activities:

For the quarter ended March 31, 2025 (Un-audited)							
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International & Institutional Banking	Zindigi	Others	Total
Profit and loss	Rupees in '000						
Net mark-up / return / profit	(3,777,113)	86,368	10,761,792	535,871	(33,429)	(142,620)	7,430,869
Inter segment revenue - net	7,750,640	1,165,725	(8,397,957)	(89,297)	137,169	(566,280)	-
Non mark-up / return / interest income	597,240	508,518	674,311	210,413	44,415	1,144,397	3,179,294
Total income	4,570,767	1,760,611	3,038,146	656,987	148,155	435,497	10,610,163
Segment direct expenses	3,305,820	194,251	66,578	457,183	931,164	2,174,116	7,129,112
Inter segment expense allocation	1,102,167	259,270	62,269	64,119	189,766	(1,677,591)	-
Total expenses	4,407,987	453,521	128,847	521,302	1,120,930	496,525	7,129,112
Credit loss allowance and write offs - net	73,824	821,390	(9,930)	(158,154)	28,592	(12,187)	743,535
Profit / (loss) before tax	88,956	485,700	2,919,229	293,839	(1,001,367)	(48,841)	2,737,516
As at March 31, 2025 (Un-audited)							
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International & Institutional Banking	Zindigi	Others	Total
Balance sheet	Rupees in '000						
Cash and bank balances	13,438,825	379,770	36,589,613	1,397,015	3,167,869	-	54,973,092
Investments	-	-	318,004,318	17,320,023	-	25,223,967	360,548,308
Net inter segment lending	289,257,596	38,880,087	-	12,395,293	3,887,952	-	344,420,928
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	65,878,988	107,420,343	-	10,008,494	14,715	3,735,266	187,057,806
Advances - non-performing	3,376,691	2,483,224	-	1,500	2,886	92,449	5,956,750
Others	-	-	-	792,000	-	60,732,124	61,524,124
Total Assets	371,952,100	149,163,424	354,593,931	41,914,325	7,073,422	89,783,806	1,014,481,008
Borrowings	11,565,823	14,298,458	27,360,061	-	-	-	53,224,342
Subordinated debt	-	-	-	-	-	8,495,600	8,495,600
Deposits and other accounts	353,332,150	134,478,555	-	39,435,239	7,073,424	-	534,319,368
Net inter segment borrowing	-	-	327,233,870	-	-	17,187,058	344,420,928
Others	7,054,127	386,411	-	2,479,084	-	19,610,400	29,530,022
Total Liabilities	371,952,100	149,163,424	354,593,931	41,914,323	7,073,424	45,293,058	969,990,260
Equity	-	-	-	-	-	44,490,748	44,490,748
Total Equity and Liabilities	371,952,100	149,163,424	354,593,931	41,914,323	7,073,424	89,783,806	1,014,481,008
Contingencies and Commitments	25,548,141	101,161,843	190,007,841	-	-	669,862	317,387,687

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	For the quarter ended March 31, 2024 (Un-audited) - Restated						
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International & Institutional Banking	Zindigi	Others	Total
Profit and loss account	Rupees in '000						
Net mark-up / return / interest / (expense)	(6,081,724)	(74,361)	13,442,258	204,031	(16,280)	(376,448)	7,097,476
Inter segment revenue - net	11,278,953	2,239,177	(12,522,410)	434,046	120,729	(1,550,495)	-
Non mark-up / return / income	500,497	398,206	1,712,727	148,166	46,872	907,837	3,714,305
Total income / (loss)	5,697,726	2,563,022	2,632,575	786,243	151,321	(1,019,106)	10,811,781
Segment direct expenses	2,848,250	174,613	51,411	412,833	927,651	1,943,057	6,357,815
Inter segment expense allocation	979,683	190,631	52,551	63,787	120,966	(1,407,618)	-
Total expenses	3,827,933	365,244	103,962	476,620	1,048,617	535,439	6,357,815
Credit loss allowance and write offs - net	98,545	641,935	(36,623)	15	-	6,816	710,688
Profit / (loss) before tax	1,771,248	1,555,843	2,565,236	309,608	(897,296)	(1,561,361)	3,743,278
As at December 31, 2024 (Audited)							
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International & Institutional Banking	Zindigi	Others	Total
Balance sheet	Rupees in '000						
Cash and bank balances	12,044,527	421,951	32,972,488	1,199,620	36,839	-	46,675,425
Investments	-	-	260,209,051	17,803,843	-	24,423,708	302,436,602
Net inter segment lending	269,135,658	64,452,654	-	-	6,666,406	-	340,254,718
Lendings to financial institutions	-	-	1,999,730	-	-	-	1,999,730
Advances - performing	66,514,103	100,980,505	-	48,229,715	12,584	3,537,451	219,274,358
Advances - non-performing	2,943,758	3,218,190	-	630	25,914	55,777	6,244,269
Others	-	-	-	464,920	-	59,011,964	59,476,884
Total Assets	350,638,046	169,073,300	295,181,269	67,698,728	6,741,743	87,028,900	976,361,986
Borrowings	10,160,671	17,074,664	1,463,170	-	-	-	28,698,505
Subordinated debt	-	-	-	-	-	8,495,833	8,495,833
Deposits and other accounts	331,341,960	151,596,312	-	35,454,361	6,741,743	-	525,134,376
Net inter segment borrowing	-	-	293,718,099	30,133,918	-	16,402,701	340,254,718
Others	9,135,415	402,324	-	2,110,449	-	18,423,732	30,071,920
Total Liabilities	350,638,046	169,073,300	295,181,269	67,698,728	6,741,743	43,322,266	932,655,352
Equity	-	-	-	-	-	43,706,634	43,706,634
Total Equity and Liabilities	350,638,046	169,073,300	295,181,269	67,698,728	6,741,743	87,028,900	976,361,986
Contingencies and Commitments	21,531,623	104,827,389	78,520,444	9,970,239	-	1,063,437	215,913,132

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

39. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, directors, key management personnel, subsidiaries, associates and other related parties.

The Bank enters into transactions with related parties in the ordinary course of business and 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 balances and transactions with related parties are as follows:

	As at March 31, 2025 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	----- Rupees in '000 -----					
Lendings to financial institutions						
Opening balance	-	-	-	2,000,000	-	-
Addition during the period / year	-	-	-	22,000,000	-	-
Repaid during the period / year	-	-	-	(24,000,000)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	20,887,275	269,800	2,573,385
Investments made during the period / year	-	-	-	-	-	800,000
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-
Surplus / (Deficit) on Investments	-	-	-	-	-	(87,279)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	20,887,275	269,800	3,286,106
Credit loss allowance for diminution in value of investments	-	-	-	-	89,800	-
Advances						
Opening balance	-	-	635,459	664,841	185,733	2,557,962
Addition during the period / year	-	70	181,102	17,260	-	2,626,579
Repaid during the period / year	-	(36)	(110,433)	-	-	(2,756,996)
Transfer in / (out) - net	-	-	18,757	-	-	-
Closing balance	-	34	724,885	682,101	185,733	2,427,545
Credit loss allowance held against advances	-	14	509	201	185,733	4,502
Other assets						
Interest mark-up accrued	-	-	805	13,734	-	50,013
Receivable against bancassurance	-	-	-	-	-	5,642
Dividend Income Receivable	-	-	-	1,041,015	-	-
Advance against investment in securities	-	-	-	-	-	792,000
Mark to market gain on forward foreign exchange contracts	-	-	-	13,035	-	-
Credit loss allowance against other assets	-	-	-	-	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	As at March 31, 2025 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Deposits and other accounts						
Opening balance	112,836	9,446	56,248	2,482,318	20,592	5,268,164
Received during the period / year	1,216,057	1,201	490,754	51,945,504	75,485	64,957,992
Withdrawn during the period / year	(1,151,233)	(8,239)	(443,955)	(51,136,774)	(77,446)	(64,411,438)
Transfer in / (out) - net	-	-	(7,287)	-	-	(1)
Closing balance	177,660	2,408	95,760	3,291,048	18,631	5,814,717
Subordinated debt						
Opening balance	-	-	-	-	-	109,976
Purchased / Issued during the period / year	-	-	-	-	-	-
Redeemed during the period / year	-	-	-	-	-	(6)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	109,970
Other liabilities						
Interest / return / mark-up payable on deposits	1,369	-	444	37,734	519	117,509
Interest / return / mark-up payable on subordinated loans	-	-	-	-	-	1,816
Payable to defined benefit plan	-	-	-	-	-	318,785
Mark to market loss on forward foreign exchange contracts	-	-	-	7,738	-	-
Contingencies and commitments						
Letter of Guarantee	-	-	-	-	-	23,840
Letter of Credit	-	-	-	-	-	123,617
Commitment in respect of forward foreign exchange contracts	-	-	-	6,228,415	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

As at December 31, 2024 (Audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	141,000,000	-	-
Repaid during the year	-	-	-	(139,000,000)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	2,000,000	-	-
Investments						
Opening balance	-	-	-	20,887,275	269,800	2,637,210
Investments made during the period / year	-	-	-	-	-	1,986,306
Investment redeemed / disposed off during the period / year	-	-	-	-	-	(1,600,000)
Surplus / (Deficit) on Investments	-	-	-	-	-	(450,131)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	20,887,275	269,800	2,573,385
Credit loss allowance for diminution in value of investments	-	-	-	-	69,800	-
Advances						
Opening balance	-	247	482,029	-	185,733	1,922,929
Addition during the period / year	-	2,204	448,993	664,841	-	10,981,246
Repaid during the period / year	-	(1,885)	(178,653)	-	-	(10,142,668)
Transfer in / (out) - net	-	(566)	(116,910)	-	-	(203,545)
Closing balance	-	-	635,459	664,841	185,733	2,557,962
Credit Loss Allowance held against advances	-	-	138	143	185,733	4,060
Other assets						
Interest mark-up accrued	-	-	670	1,024	-	23,168
Receivable against bancassurance	-	-	-	-	-	9,430
Dividend Income Receivable	-	-	-	-	-	-
Advance against investment in securities	-	-	-	-	-	792,000
Mark to market gain on forward foreign exchange contracts	-	-	-	3,417	-	-
Credit loss allowance against other assets	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	80,689	369	41,934	1,004,208	16,895	5,868,930
Received during the period / year	11,025,819	20,298	871,091	314,043,171	445,341	213,787,099
Withdrawn during the period / year	(10,993,672)	(11,221)	(844,243)	(312,565,061)	(441,644)	(214,469,948)
Transfer in / (out) - net	-	-	(12,534)	-	-	82,083
Closing balance	112,836	9,446	56,248	2,482,318	20,592	5,268,164

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	As at December 31, 2024 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	----- Rupees in '000 -----					
Subordinated debts						
Opening balance	-	-	-	-	-	20,000
Purchased / Issued during the period / year	-	-	-	-	-	90,000
Redeemed during the period / year	-	-	-	-	-	(24)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	109,976
Other liabilities						
Interest / return / mark-up payable on deposits	-	-	-	-	-	1,795
Interest / return / mark-up payable on subordinated loans	-	-	-	-	-	1,173
Payable to defined benefit plan	-	-	-	-	-	270,154
Mark to market loss on forward foreign exchange contracts	-	-	-	54	-	-
Contingencies and commitments						
Letter of Guarantee	-	-	-	-	-	15,369
Letter of Credit	-	-	-	-	-	79,352
Commitment in respect of forward foreign exchange contracts	-	-	-	3,217,123	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

For the quarter ended March 31, 2025 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	-	9,307	22,760	-	82,621
Fee and commission income	-	52	438	10	-	16,037
Dividend income	-	-	-	1,041,015	-	42,497
Gain on sale of securities - Net	-	-	-	-	-	1,497
Charges recovered on account of internal audit services	-	-	-	-	-	-
Other Income	-	-	7	-	-	-
Expense						
Mark-up / return / interest expensed	666	12	264	17,642	197	49,510
Operating expenses	-	-	348,445	-	-	110,992
Compensation	-	-	-	-	-	48,631
Charge for defined contribution plans	-	-	-	-	-	3,202
Charge for defined benefit plans	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Directors' fee and allowances	-	4,950	-	-	-	28,868
Insurance	-	-	-	-	-	-
Training and development	-	-	12,709	-	-	2,228
Marketing, advertisement and publicity	-	-	-	-	-	-
Commission	-	-	-	373	-	-
Consultancy fee	-	-	-	-	-	11,870
Other expenses	-	-	-	-	-	335
Credit loss allowance on:						
Investments	-	-	-	-	-	-
Advances	-	14	379	58	-	3,978
Payments made during the period						
Insurance premium paid	-	-	-	-	-	267,757
Insurance claims settled	-	-	-	-	-	-
Donation paid	-	-	-	-	-	120,291
Other Transactions						
Sale of Government Securities	-	-	-	-	-	14,022,483
Purchase of Government Securities	-	-	-	35,204	-	3,701,015

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	For the quarter ended March 31, 2024 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	-	4,885	36,178	11,008	68,264
Fee and commission income	-	35	373	1,513	-	25,763
Dividend income	-	-	-	832,812	-	42,698
Gain on sale of securities - Net	-	-	-	-	-	-
Charges recovered on account of internal audit services	-	-	-	3,200	-	-
Other Income	-	-	-	-	-	-
Expense						
Mark-up / return / interest expensed	3,073	-	184	48,278	187	213,792
Operating expenses						
Compensation	-	-	241,294	-	-	-
Charge for defined contribution plans	-	-	-	-	-	90,354
Charge for defined benefit plans	-	-	-	-	-	38,075
Rent	-	-	-	-	-	-
Directors' fee and allowances	-	3,000	-	-	-	-
Insurance	-	-	-	-	-	20,623
Training and development	-	-	-	-	-	-
Marketing, advertisement and publicity	-	-	-	-	-	-
Commission	-	-	-	-	-	-
Consultancy fee	-	-	-	-	-	15,577
Other expenses	1,400	-	-	-	-	53
Credit loss allowance on:						
Investments	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Payments made during the period						
Insurance premium paid	-	-	-	-	-	82,377
Insurance claims settled	-	-	-	-	-	1,704
Donation paid	-	-	-	-	-	-
Other transactions						
Sale of Government Securities	-	-	2,971	-	-	15,317,459
Purchase of Government Securities	-	-	3,148	-	-	8,898,599

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----		
40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>20,506,625</u>	<u>20,506,625</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>20,035,159</u>	19,500,976
Eligible Additional Tier 1 (ADT 1) Capital	<u>2,500,000</u>	2,500,000
Total Eligible Tier 1 Capital	<u>22,535,159</u>	22,000,976
Eligible Tier 2 Capital	<u>6,946,343</u>	6,767,800
Total Eligible Capital (Tier 1 + Tier 2)	<u>29,481,502</u>	<u>28,768,776</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>160,015,944</u>	157,270,277
Market Risk	<u>6,600,997</u>	2,333,654
Operational Risk	<u>57,645,370</u>	57,613,121
Total	<u>224,262,311</u>	<u>217,217,052</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>8.93%</u>	8.98%
Tier 1 Capital Adequacy Ratio	<u>10.05%</u>	10.13%
Total Capital Adequacy Ratio	<u>13.15%</u>	13.24%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>22,535,159</u>	22,000,976
Total Exposures	<u>719,169,186</u>	728,556,636
Leverage Ratio	<u>3.13%</u>	3.02%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>230,633,950</u>	220,358,493
Total Net Cash Outflow	<u>94,635,707</u>	85,890,721
Liquidity Coverage Ratio	<u>243.71%</u>	256.56%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>497,864,655</u>	483,536,202
Total Required Stable Funding	<u>274,794,635</u>	269,567,322
Net Stable Funding Ratio	<u>181.18%</u>	179.37%

- 40.1** In order to mitigate the impact of expected credit loss (ECL) provisioning on capital, SBP has allowed transitional arrangement to absorb the impact on regulatory capital. Accordingly, transitional arrangement is applied. If Transition wasn't applied Capital Position would have been as below:

	Transition Arrangement	Full ECL Impact
CET1 to TRWAs	8.93%	8.75%
T1 Capital to TRWAs	10.05%	9.87%
Total eligible capital to TRWAs	13.15%	12.89%
Leverage	3.13%	3.07%

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

41. GENERAL

- 41.1** Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements, wherever necessary to facilitate comparison.

The Bank, in compliance with the extended timelines defined in SBP's BPRD Circular Letter No. 16 of 2024 dated July 29, 2024 and BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, incorporated certain IFRS 9 related impacts in the last quarter of 2024. Accordingly, the unconsolidated condensed interim statement of profit and loss account for the quarter ended March 31, 2024, has been restated to reflect these impacts. Had the restatement not been made for the period ended March 31, 2024, the profit after tax would have been lower by Rs. 10.004 million. The details of the restatement are provided below:

Head		Rupees in '000	Description
Mark-up / return / interest earned	increase	138,028	fair value and modification impact of subsidised advances
Mark-up / return / interest expensed	increase	48,310	fair value impact of subsidised borrowings
Operating expenses	increase	67,922	fair value impact of staff loans
Taxation	increase	11,792	tax impact of above

42. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 23, 2025.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

BUDGETING BASICS

Learn to create a monthly budget that works for you. Explore different budgeting methods like the 50/30/20 rule, which allocates 50% for needs, 30% for wants, and 20% for savings. Use expense-tracking apps to stay on top of your spending.



CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	100,090,098	84,152,368
Balances with other banks	7	6,565,875	5,075,835
Lendings to financial institutions	8	1,000,000	4,257,928
Investments	9	690,897,139	629,466,174
Advances	10	476,483,889	521,168,186
Property and equipment	11	28,694,127	28,175,404
Right-of-use assets	12	6,767,536	7,078,577
Intangible assets	13	12,566,168	12,259,952
Deferred tax assets	20	2,479,840	-
Other assets	14	74,418,645	67,408,704
Total Assets		1,399,963,317	1,359,043,128
LIABILITIES			
Bills payable	15	9,842,154	21,899,370
Borrowings	16	139,776,490	114,360,666
Deposits and other accounts	17	1,108,229,766	1,081,826,269
Lease liabilities	18	7,722,620	7,845,190
Subordinated debt	19	11,490,265	11,492,708
Deferred tax liabilities	20	-	2,452,165
Other liabilities	21	47,976,592	42,370,206
Total Liabilities		1,325,037,887	1,282,246,574
NET ASSETS		74,925,430	76,796,554
REPRESENTED BY			
Share capital		20,506,625	20,506,625
Reserves		10,280,516	9,618,250
Surplus on revaluation of assets	22	4,480,131	8,134,496
Unappropriated profit		27,935,992	26,121,333
		63,203,264	64,380,704
Non-controlling interest		11,722,166	12,415,850
		74,925,430	76,796,554
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Profit and Loss Account (Un-Audited)

For The Quarter Ended March 31, 2025

		March 31, 2025	(Restated) March 31, 2024
Note		----- Rupees in '000 -----	
	Mark-up / return / interest earned	25 41,057,434	56,147,889
	Mark-up / return / interest expensed	26 24,339,984	38,946,527
	Net mark-up / interest income	16,717,450	17,201,362
NON MARK-UP / INTEREST INCOME			
	Fee, commission and brokerage income	27 2,606,177	2,083,855
	Dividend income	197,697	157,670
	Foreign exchange income	899,317	1,663,287
	(Loss) / Income from derivatives	(1,022)	299,270
	Gain on securities - net	28 2,149,082	653,826
	Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	-
	Share of profit / (loss) from associates	29 90,530	(17,005)
	Other income	85,832	57,198
	Total non mark-up / interest income	6,027,613	4,898,101
	Total Income	22,745,063	22,099,463
NON MARK-UP / INTEREST EXPENSES			
	Operating expenses	30 14,666,218	11,515,697
	Workers' welfare fund	31 173,742	204,788
	Other charges	32 113,701	453
	Total non-mark-up / interest expenses	14,953,661	11,720,938
	Profit before credit loss allowance	7,791,402	10,378,525
	Credit loss allowance and write offs - net	33 302,693	1,018,313
	Extra ordinary / unusual items	-	-
	PROFIT BEFORE TAXATION	7,488,709	9,360,212
	Taxation	34 4,387,764	5,146,599
	PROFIT AFTER TAXATION	3,100,945	4,213,613
	Attributable to:		
	Equity holders of the Bank	2,423,896	3,405,876
	Non-controlling interest	677,049	807,737
		3,100,945	4,213,613
		----- Rupees -----	
	Earnings per share - basic and diluted	35 1.18	1.66

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Quarter Ended March 31, 2025

	March 31, 2025	(Restated) March 31, 2024
	----- Rupees in '000 -----	
Profit after taxation for the period	3,100,945	4,213,613
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branch	11,888	(22,846)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(4,585,662)	(1,524,551)
	(4,573,774)	(1,547,397)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	(53,431)	(134,019)
Total comprehensive income for the period	(1,526,260)	2,532,197
Attributable to:		
Equity holders of the Bank	(1,177,440)	1,910,741
Non-controlling interest	(348,820)	621,456
	(1,526,260)	2,532,197

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Changes in Equity

For The Quarter Ended March 31, 2025

	Attributable to equity holders of the Bank								Non-controlling interest	Total	
	Share capital	Capital reserve		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit			Sub-total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non-banking assets				
	Rupees in '000										
Balance as at December 31, 2023 (Audited) - Restated	20,506,625	2,689,217	677,028	3,923,792	2,895,613	1,496,280	498,179	17,731,217	50,407,951	9,363,919	59,768,870
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	(418,084)	-	-	312,109	(105,975)	(70,557)	(176,532)
Balance as at January 01, 2024 after adoption of IFRS 9	20,506,625	2,689,217	677,028	3,923,792	2,477,529	1,496,280	498,179	18,043,326	50,301,976	9,290,362	59,592,338
Profit after taxation (March 31, 2024)	-	-	-	-	-	-	-	3,405,676	3,405,676	807,377	4,213,053
Other comprehensive income / (loss) - net of tax	-	-	(22,848)	-	-	-	-	-	(22,848)	-	(22,848)
Effect of translation of net investment in foreign branch	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	(1,338,270)	-	-	-	(1,338,270)	(186,281)	(1,524,551)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	(1,338,270)	-	-	-	(1,338,270)	(186,281)	(1,524,551)
Transfer to statutory reserve	-	-	-	824,693	-	-	-	(824,693)	-	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	-	(44,768)	151	44,617	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend to NCI by subsidiary company @ Rs. 1.00 per share	-	-	-	-	-	-	-	-	-	(275,891)	(275,891)
Opening Balance as at April 01, 2024 (Restated)	20,506,625	2,689,217	654,182	4,748,485	1,139,259	1,441,512	498,330	20,669,126	52,346,736	9,635,927	61,982,663
Profit after taxation	-	-	-	-	-	-	-	6,903,493	6,903,493	2,242,966	9,146,459
Other comprehensive income / (loss) - net of tax	-	-	3,593	-	-	-	-	-	3,593	-	3,593
Effect of translation of net investment in foreign branch	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	4,398,840	-	-	-	4,398,840	887,093	5,285,933
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	165,259	-	-	-	165,259	752	166,011
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(84,063)	(84,063)	(94,686)	(94,686)
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	619,322	-	619,322	68,967	688,289	688,289
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	27,524	27,524	4,605	32,129	32,129
Transfer to statutory reserve	-	-	3,593	1,522,773	4,564,099	619,322	27,524	(84,063)	5,130,475	950,194	6,081,259
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	-	(148,851)	(1,970)	150,821	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(4,729)	-	-	4,729	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend to NCI by subsidiary @ Rs. 1.75 per share	-	-	-	-	-	-	-	-	-	(413,837)	(413,837)
Opening Balance as at January 1, 2025	20,506,625	2,689,217	657,775	6,271,258	5,698,629	1,911,983	823,884	26,121,333	64,380,704	12,415,850	76,796,554
Profit after taxation	-	-	-	-	-	-	-	2,423,896	2,423,896	677,049	3,100,945
Other comprehensive income / (loss) - net of tax	-	-	11,888	-	-	-	-	-	11,888	-	11,888
Effect of translation of net investment in foreign branch	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	(3,557,323)	-	-	-	(3,557,323)	(1,028,339)	(4,585,662)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	(55,901)	-	-	-	(55,901)	2,470	(53,431)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	11,888	650,378	(3,613,224)	-	-	(650,378)	(3,601,336)	(1,025,869)	(4,627,205)
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	-	(26,338)	(14,805)	41,141	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend to NCI by subsidiary @ Rs. 1.25 per share	-	-	-	-	-	-	-	-	-	(344,864)	(344,864)
Balance as at March 31, 2025 (Un-audited)	20,506,625	2,689,217	669,663	6,921,636	2,085,405	1,885,847	909,079	27,935,992	63,203,264	11,722,166	74,925,430

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Consolidated Condensed Interim Cash Flow Statement (Un-Audited)

For The Quarter Ended March 31, 2025

	Note	March 31, 2025	(Restated) March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,488,709	9,360,212
Less:			
Dividend income		(197,697)	(157,670)
Share of (profit) / loss from associates		(90,530)	17,005
		7,200,482	9,219,547
Adjustments:			
Net mark-up / interest income		(16,717,450)	(17,545,391)
Depreciation on property and equipment	30	854,177	716,570
Depreciation on non-banking assets	30	10,702	9,455
Depreciation on right-of-use assets	30	775,487	683,996
Amortisation	30	227,178	138,655
Finance charges on leased assets	26	410,812	344,029
Charge for defined benefit plan		171,083	105,178
Unrealised (gain) / loss on revaluation of investments measured at FVTPL - net	28	41,359	(653,826)
Credit loss allowance / provisions and write offs - net	33	302,693	1,018,313
Provision for workers' welfare fund	31	173,742	204,788
Gain on sale of fixed assets - net	29	(15,578)	(1,396)
Gain on sale of non-banking assets	29	(20,896)	-
Gain on termination of Islamic financing	29	(22,194)	(37,164)
Gain on termination of leases - net	29	(7,153)	(3,318)
		(13,816,038)	(15,020,111)
		(6,615,556)	(5,800,564)
(Increase) / decrease in operating assets			
Lendings to financial institutions		3,259,008	290,322
Securities measured at FVTPL		(88,130,242)	(16,156,148)
Advances		44,438,607	(19,371,012)
Others assets		(7,608,938)	2,440,720
		(48,041,565)	(32,796,118)
Increase / (decrease) in operating liabilities			
Bills payable		(12,057,216)	(2,678,312)
Borrowings		25,823,192	70,223,219
Deposits and other accounts		26,403,497	1,755,928
Other liabilities		5,423,925	(2,187,234)
		45,593,398	67,113,601
		(9,063,723)	28,516,919
Gratuity paid		(33,973)	-
Mark-up / return / interest received		40,961,425	45,230,909
Mark-up / return / interest paid		(24,499,105)	(36,295,122)
Income tax paid		(8,411,771)	(3,190,830)
Net cash flows generated from / (used in) operating activities		(1,047,147)	34,261,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities measured at FVOCI		23,763,975	(35,099,576)
Net investments in securities measured at amortised cost		(1,803,180)	(1,715,935)
Net investments in associates		15,659	-
Dividend received		95,983	74,782
Investments in property and equipment		(1,379,772)	(1,635,337)
Investments in intangible assets		(533,394)	(723,472)
Proceeds from sale of property and equipment		22,450	15,767
Effect of translation of net investment in foreign branch		11,888	(22,846)
Net cash flows (used in) / generated from investing activities		20,193,609	(39,106,667)
CASH FLOW FROMS FINANCING ACTIVITIES			
Payments of leased obligations against right-of-use assets		(965,471)	(804,372)
Repayment of subordinated debt		(2,443)	(234)
Issuance of subordinated debt		-	150,000
Dividend paid to NCI		(344,864)	(275,891)
Net cash flows used in financing activities		(1,312,778)	(930,497)
(Decrease) / Increase in cash and cash equivalents		17,833,684	(5,775,288)
Cash and cash equivalents at beginning of the period		88,269,697	86,935,131
Cash and cash equivalents at end of the period	36	106,103,381	81,159,843

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

Holding Company: JS Bank Limited

JS Bank Limited (the Bank / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui & Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 316 (December 31, 2024: 314) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2024: 1). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA (Double A) whereas short-term rating is maintained at A1+ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

1.2 Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01, 1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL, in their respective extra-ordinary general meetings held on July 31, 2006, approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

The ultimate parent of the Group is Jahangir Siddiqui & Co. Ltd. which holds 71.21% (December 31, 2024: 71.21%) shares of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

1.3 Composition of the Group

	Effective Holding	
	March 31, 2025	December 31, 2024
Subsidiaries		
JS Global Capital Limited	92.90%	92.90%
JS Investments Limited	84.73%	84.73%
BankIslami Pakistan Limited	75.12%	75.12%
My Solutions Corporation Limited	75.12%	75.12%

1.4 Composition of the associated companies

Associates of the Bank

Omar Jibran Engineering Industries Limited	9.60%	9.60%
Veda Transit Solutions (Private) Limited	3.92%	3.92%
Intercity Touring Company (Private) Limited	9.12%	9.12%

1.4.1 In addition to the above, funds managed by JS Investments Limited (JSIL) are also treated as associates of the group by virtue of the controlling interest of the holding company in JSIL. The names and holding percentages are disclosed in note 9.4.1 respectively of these consolidated condensed interim financial statements.

1.4.2 At the time of the acquisition, there were investments in associates recorded in BIPL's books. However, since these investments were fully provided for as of the acquisition date, they are not included in this note.

2. BASIS OF PRESENTATION

These consolidated condensed interim financial statements include financial statements of JS Bank Limited and its subsidiary companies, and share of the profit / reserves of associates. The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 02 dated February 09, 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

These consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

These consolidated condensed interim financial statements have been presented in Pakistani Rupees (PKR), which is the currency of the primary economic environment in which the Group operates and functional currency of the Group. The amounts are rounded to nearest thousand except as stated otherwise.

The Group believes that there is no significant doubt on the Group's ability to continue

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

as a going concern. Therefore, the consolidated condensed interim financial statements continue to be prepared on the going concern basis.

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities & Exchange Commission of Pakistan (SECP) from time to time.

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements', was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.2 Basis of Consolidation

The Group

- The consolidated condensed interim financial statements include the financial

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

statements of the Bank and its subsidiary companies together - the Group.

- Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect those return through its power over the investee, except investment in mutual funds established under trust structure where International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements' is not applicable.
- These consolidated condensed interim financial statements incorporate the financial statements of subsidiaries from the date that control commences until the date that control ceases.
- The financial statements of the subsidiary companies are prepared for the same reporting year as the holding company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Non-controlling interests are that part of the net results of operations and of net assets of subsidiaries attributable to interest which are not owned by the Bank.
- Material intra-group balances and transactions are eliminated.

2.3 Standards, interpretations of and amendments to approved accounting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on January 01, 2025 but are considered not to be relevant or do not have any significant effect on the Group's operations.

Standards and Amendments

Effective date (annual periods beginning on or after)

IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

Not yet finalised

Standard

IASB effective date (accounting periods beginning on or after)

IFRS 1 – First-time Adoption of International Financial Reporting Standards

January 01, 2004

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2024 except for fair valuation of unlisted equity securities.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	26,772,833	23,331,748
Foreign currencies	<u>2,127,667</u>	<u>2,228,158</u>
	28,900,500	25,559,906
With State Bank of Pakistan in		
Local currency current accounts	54,520,144	46,532,559
Foreign currency current accounts	2,171,276	2,395,530
Foreign currency deposit accounts	8,233,874	8,020,479
US dollar clearing account	62,044	10,999
	<u>64,987,338</u>	<u>56,959,567</u>
With National Bank of Pakistan in local currency current accounts	6,195,572	1,622,507
Prize Bonds	8,417	11,620
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	<u>(1,729)</u>	<u>(1,232)</u>
Cash and balances with treasury banks - net of credit loss allowance	<u>100,090,098</u>	<u>84,152,368</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	24,869	6,275
In deposit accounts	<u>324,249</u>	<u>475,539</u>
	349,118	481,814
Outside Pakistan		
In current accounts	5,812,222	4,282,102
In deposit accounts	<u>406,324</u>	<u>315,659</u>
	6,218,546	4,597,761
Less: Credit loss allowance held against balances with other banks (stage 1)	<u>(1,789)</u>	<u>(3,740)</u>
Balances with other banks - net of credit loss allowance	<u>6,565,875</u>	<u>5,075,835</u>

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

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

8. LENDINGS TO FINANCIAL INSTITUTIONS

Unsecured

Musharkah Placement	1,000,000	-
Bai Muajjal receivable		4,257,928
- with other Financial Institutions	-	14,580
Other placements	13,770	4,272,508
	<u>1,013,770</u>	
Less: Credit loss allowance held against lendings		
to financial institutions (stage 1)	(13,770)	(14,580)
Lending to financial institutions - net of credit loss allowance	<u>1,000,000</u>	<u>4,257,928</u>

8.1 Lending to FIs - Particulars of credit loss allowance

Category of classification		(Un-audited) March 31, 2025		(Audited) December 31, 2024	
		lending	Credit loss allowance held	lending	Credit loss allowance held
----- Rupees in '000 -----					
Domestic					
Performing	Stage 1	1,000,000	-	4,257,928	-
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		13,770	(13,770)	14,580	(14,580)
Total		<u>1,013,770</u>	<u>(13,770)</u>	<u>4,272,508</u>	<u>(14,580)</u>

For The Quarter Ended March 31, 2025

9.1.1 The market value of securities classified as measured at amortised cost as at March 31, 2025 amounted to Rs. 122,606.553 million (December 31, 2024: Rs. 121,590.686 million).

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

9.2 Investments given as collateral

Federal Government Securities

Market Treasury Bills
Pakistan Investment Bonds
Government of Pakistan Ijarah Sukuks

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

2,703,466	2,726,975	375,757	384,678
16,564,788	16,578,100	-	-
70,814,000	70,814,000	57,565,700	57,565,700
<u>90,082,254</u>	<u>90,119,075</u>	<u>57,941,457</u>	<u>57,950,378</u>

9.3 Credit loss allowance for diminution in value of investments

Note

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

Opening balance - provision for diminution other than associates
Opening balance - provision for diminution on associates

1,162,369	3,154,380
1,102,111	1,102,111
<u>2,264,480</u>	<u>4,256,491</u>

Impact of adoption of IFRS 9

-	(1,880,282)
---	-------------

Exchange rate adjustments

671	(3,701)
-----	---------

Charge for the period / year other than associates
Provision for diminution on associates for the period / year
Reversals for the period / year

33

364	356,751
-	18,922
(228,741)	(483,701)
<u>(228,377)</u>	<u>(108,028)</u>

Closing balance

<u>2,036,774</u>	<u>2,264,480</u>
------------------	------------------

9.3.1 Particulars of credit loss allowance against debt securities

Category of classification

Domestic

Performing Stage 1
Under-performing Stage 2
Non-performing Stage 3
Substandard
Doubtful
Loss

(Un-audited) March 31, 2025		(Audited) December 31, 2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----			

341,619,358	102	332,448,251	108
-	-	-	-
-	-	-	-
-	-	862,675	388,204
1,659,303	908,580	557,917	570,497
<u>343,278,661</u>	<u>908,682</u>	<u>333,868,843</u>	<u>958,809</u>

Overseas

Performing Stage 1
Under-performing Stage 2
Non-performing Stage 3
Substandard
Doubtful
Loss

15,373,863	161	14,947,477	155
301,776	25,820	773,314	203,405
-	-	-	-
-	-	-	-
556,682	187,199	-	-
<u>16,232,321</u>	<u>213,180</u>	<u>15,720,791</u>	<u>203,560</u>
<u>359,510,982</u>	<u>1,121,862</u>	<u>349,589,634</u>	<u>1,162,369</u>

Total

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

9.4 Investment in associates

9.4.1 Movement of investment in associates

	Country of incorporation	Holding (%)	March 31, 2025 (Un-audited)					Share of Profit / (loss)	Dividend received	Share of other comprehensive income	Investment at the end of the year
			Investment at the beginning of the year	Reclassified during the year	Investment / (redemption) during the year						
Rupees in '000											
Omar Jilbran Engineering Industries Limited	Pakistan	9.60%	184,354	-	-	(1,034)	-	-	-	-	183,320
Veda Transit Solutions Private Limited	Pakistan	3.92%	-	-	-	-	-	-	-	-	-
JS Motion Picture Fund	Pakistan	100.00%	81,920	-	-	1,750	-	-	-	-	83,670
JS KPK Islamic Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	-	-	500
JS KPK Islamic Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	-	-	500
JS KPK Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	-	-	500
JS Microfinance Sector Fund	Pakistan	1.71%	-	-	195,183	8,563	-	-	-	-	203,746
JS Government Securities Fund	Pakistan	0.00%	-	-	(2,698)	2,698	-	-	-	-	-
JS Cash Fund	Pakistan	3.04%	1,550,943	-	(914,500)	16,904	-	-	-	-	653,347
JS KPK Islamic Pension Fund - MM Sub Fund	Pakistan	34.97%	37,124	-	-	819	-	-	-	-	37,943
JS KPK Pension Fund - MM Sub Fund	Pakistan	71.65%	37,274	-	-	954	-	-	-	-	38,228
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	-	-	500
JS KPK Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	-	-	500
JS Fund of Funds	Pakistan	0.00%	423,005	-	(418,358)	(4,647)	-	-	-	-	-
JS Islamic Money Market Fund (Formerly: JS Islamic Daily Dividend Fund)	Pakistan	0.00%	-	-	(999)	999	-	-	-	-	-
JS Growth Fund	Pakistan	10.15%	127,317	-	247,000	20,148	-	-	-	-	394,465
Unit Trust of Pakistan	Pakistan	26.08%	-	-	683,689	21,486	-	-	-	-	705,175
JS Income Fund	Pakistan	0.00%	-	-	(3,030)	3,030	-	-	-	-	-
JS Islamic Fund	Pakistan	6.25%	-	-	25,000	862	-	-	-	-	25,862
JS Fixed Term Mureafa Plan-10	Pakistan	2.06%	301,890	-	-	10,470	-	-	-	-	312,360
HBL Investment Fund	Pakistan	100.00%	-	-	547	-	-	-	-	-	547
JS Momentum Factor Exchange Traded Fund	Pakistan	12.14%	-	-	40,650	2,877	-	-	-	-	43,527
JS Large Cap Fund	Pakistan	5.70%	-	-	131,855	4,652	-	-	-	-	136,507
			2,746,827	-	(15,661)	90,531	-	-	-	-	2,821,697

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

December 31, 2024 (Audited)									
	Country of incorporation	Holding (%)	Investment at the beginning of the year	Reclassified during the year	Investment / (redemption) during the year	Share of Profit / (loss)	Dividend received	Share of other comprehen- sive income	Investment at the end of the year

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

9.4.2 Summary of financial position and performance of associates as per latest available financial statements is as follows:

	As at	March 31, 2025 (Un-audited)				December 31, 2024 (Audited)			
		Assets	Liabilities	Revenue	Profit / (loss)	Assets	Liabilities	Revenue	Profit / (loss)
		Rupees in '000							
Omar Ubran Engineering Industries Limited	Jun 30, 2023	5,372,772	2,430,640	2,345,882	(145,624)	5,372,772	2,430,640	2,345,882	(145,624)
Veda Trans Solutions Private Limited	Jun 30, 2023	3,771,523	3,318,137	3,185,247	(549,172)	3,771,523	3,318,137	3,185,247	(549,172)
Shakarganj Food Products Limited	Dec 31, 2024	9,883,669	6,723,952	2,640,239	(226,663)	10,335,484	6,782,556	15,068,704	166,682
KASB Funds Limited	Dec 31, 2015	46,465	32,465	23,640	(66,241)	48,485	32,465	23,640	(66,241)
JS Motion Picture Fund	Dec 31, 2024	81,920	-	-	-	81,920	-	-	-
JS KPK Islamic Pension Fund - Equity Sub Fund	Mar 31, 2025	635	135	-	-	635	135	-	-
JS KPK Islamic Pension Fund - Equity Index Sub Fund	Mar 31, 2025	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Equity Sub Fund	Mar 31, 2025	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Equity Index Sub Fund	Mar 31, 2025	635	135	-	-	635	135	-	-
JS Cash Fund	Mar 31, 2025	21,516,993	51,636	576,447	517,440	22,760,510	52,689	1,857,180	1,720,809
JS KPK Islamic Pension Fund - MM Sub Fund	Mar 31, 2025	108,972	503	8,682	8,550	89,317	416	6,439	6,361
JS KPK Pension Fund - MM Sub Fund	Mar 31, 2025	53,840	487	3,665	3,611	50,124	407	4,059	4,004
JS KPK Islamic Pension Fund - Debt Sub Fund	Mar 31, 2025	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Debt Sub Fund	Mar 31, 2025	635	135	-	-	635	135	-	-
JS Fund of Funds	Mar 31, 2025	2,206,716	13,362	21,055	19,668	458,909	2,902	208,765	204,121
JS Growth Fund	Mar 31, 2025	4,124,301	238,601	242,577	200,663	3,844,785	235,124	1,000,164	932,083
JS Fixed Term Munafat Plan-10	Dec 31, 2024	14,643,608	6,206	98,012	91,238	14,643,608	6,206	98,012	91,238
JS Money Market Fund	Mar 31, 2025	998,630	7,558	23,823	18,761	-	-	-	-
JS Government Securities Fund	Mar 31, 2025	6,999,078	47,333	349,860	284,569	-	-	-	-
JS Micro Finance Sector Fund	Mar 31, 2025	11,963,489	53,918	466,604	404,431	-	-	-	-
JS Islamic Income Fund	Mar 31, 2025	1,982,964	7,468	51,578	45,122	-	-	-	-
JS Income Fund	Mar 31, 2025	7,117,978	8,869	215,470	203,195	-	-	-	-
Unit Trust of Pakistan	Mar 31, 2025	2,823,891	119,549	148,357	115,312	-	-	-	-
JS Islamic Fund	Mar 31, 2025	424,696	11,281	13,552	8,712	-	-	-	-
KASB Capital Limited*	Dec 31, 2016	\$652.86	\$135.43	-	\$(34.08)	\$652.86	\$135.43	-	\$(34.08)

USD in '000

* This represents USD amount in thousands as the company is incorporated in Mauritius.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	Performing		Non-Performing		Total	
	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
	Rupees in '000 -----					
Loans, cash credits, running finances, etc.	182,819,921	217,306,072	26,134,241	25,872,505	208,954,162	243,178,577
Islamic financing and related assets	290,685,325	301,683,052	17,564,085	19,037,947	308,249,410	320,720,999
Bills discounted and purchased	12,016,574	9,946,392	684,295	684,295	12,700,869	10,630,687
Advances - gross	485,521,820	528,935,516	44,382,621	45,594,747	529,904,441	574,530,263
Credit loss allowance against advances						
- Stage 1	(2,744,188)	(3,042,692)	-	-	(2,744,188)	(3,042,692)
- Stage 2	(1,598,466)	(960,812)	-	-	(1,598,466)	(960,812)
- Stage 3	-	-	(37,101,957)	(37,330,232)	(37,101,957)	(37,330,232)
	(4,342,654)	(4,003,504)	(37,101,957)	(37,330,232)	(41,444,611)	(41,333,736)
Modification loss due to IFRS 9	(60,406)	(94,079)	-	-	(60,406)	(94,079)
Fair value adjustment	(11,915,535)	(11,934,262)	-	-	(11,915,535)	(11,934,262)
Advances - net of credit loss allowance	469,203,225	512,903,671	7,280,664	8,264,515	476,483,889	521,168,186
	(Un-audited) (Audited)					
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
	----- Rupees in '000 -----					
	512,657,820	558,426,848	17,246,621	16,103,415	529,904,441	574,530,263
	17,246,621	16,103,415	529,904,441	574,530,263		

10.1 Particulars of advances (gross)

In local currency
In foreign currencies

10.2 This includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. Further, SBP vide BPRD Circular Letter No.16 of 2024 dated July 29, 2024 has allowed to take such fair value adjustment with effect from October 01, 2024.

10.3 This also includes fair valuation adjustment on modified loans and concessional rate loans (staff loans and TEF loans) considered in accordance with the requirements of IFRS 9.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	March 31, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Rupees in '000						
10.4 Islamic financing and related assets						
Running Musharakah	96,846,474	1,444,955	98,291,429	77,460,146	1,444,955	78,905,101
Diminishing Musharakah financing and related assets - Others	61,816,326	6,082,005	67,898,331	57,762,978	5,863,442	63,626,420
Diminishing Musharakah - Housing	20,370,782	2,018,325	22,389,107	20,731,082	2,120,603	22,851,685
Istisna financing and related assets	31,162,992	2,570,970	33,733,962	27,767,369	3,663,174	31,430,543
Diminishing Musharakah financing and related assets - Auto	18,218,693	626,640	18,845,333	16,734,243	642,621	17,376,864
Murabahah financing and related assets	44,112,026	1,118,829	45,230,855	85,092,279	753,869	85,846,148
Musawamah financing and related assets / Tijarah	8,582,985	3,097,390	11,680,375	7,894,372	3,945,758	11,840,130
Investment Agency Wakalah	5,437,142	-	5,437,142	4,273,450	-	4,273,450
Murabahah against Bills	1,322,356	191,156	1,513,512	285,574	192,062	477,636
Ijarah financing under IFAS 2 and related assets	442,005	122,811	564,816	590,135	53,902	644,037
Financing against Bills	2,066,871	-	2,066,871	2,694,138	-	2,694,138
Qardh-e-Hasana	25,687	123,918	149,605	27,577	123,378	150,955
Musharakah financing	-	160,000	160,000	-	160,000	160,000
Past Due Acceptance	58,264	-	58,264	164,607	27,128	191,735
Net investment in Ijarah financing in Pakistan	62,719	-	62,719	28,055	39,969	68,024
Housing finance portfolio - others	-	7,086	7,086	-	7,086	7,086
Salam	160,003	-	160,003	177,047	-	177,047
Islamic financing and related assets - gross	290,685,325	17,564,085	308,249,410	301,683,052	19,037,947	320,720,999
Credit loss allowance against Islamic financing and related assets						
- Stage 1	(2,393,316)	-	(2,393,316)	(2,793,600)	-	(2,793,600)
- Stage 2	(1,101,832)	-	(1,101,832)	(515,292)	-	(515,292)
- Stage 3	-	(16,299,128)	(16,299,128)	-	(17,076,658)	(17,076,658)
	(3,495,148)	(16,299,128)	(19,794,276)	(3,308,892)	(17,076,658)	(20,385,550)
Modification loss due to IFRS 9	(60,406)	-	(60,406)	(94,079)	-	(94,079)
Fair value adjustment	(5,764,775)	-	(5,764,775)	(5,516,964)	-	(5,516,964)
Islamic financing and related assets - net of credit loss allowance	281,364,996	1,264,957	282,629,953	292,763,117	1,961,289	294,724,406

10.5 Advances include Rs. 44,382.621 million (December 31, 2024: Rs. 45,594.747 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) March 31, 2025		(Audited) December 31, 2024	
	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
Rupees in '000				
Category of classification in stage 3				
Domestic				
Other Assets Especially Mentioned*	919,424	64,404	633,357	71,555
Substandard	2,854,389	970,268	4,061,864	1,837,633
Doubtful	4,228,875	2,535,988	5,161,315	2,396,965
Loss	36,379,933	33,531,297	35,738,211	33,024,079
Total	44,382,621	37,101,957	45,594,747	37,330,232

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

10.6 Particulars of credit loss allowance against advances

		March 31, 2025 (Un-audited)			
		Stage 3	Stage 2	Stage 1	Total
Note		Rupees in '000			
Opening balance		37,330,232	960,812	3,042,835	41,333,879
Exchange rate adjustments		-	1,119	24	1,143
Charge for the period		1,025,685	844,823	136,818	2,007,326
Reversals for the period		(1,150,669)	(208,288)	(435,489)	(1,794,446)
33		(124,984)	636,535	(298,671)	212,880
Amount written off		(23,669)	-	-	(23,669)
Amounts charged off - agricultural financing		(79,622)	-	-	(79,622)
Closing balance	10.7	37,101,957	1,598,466	2,744,188	41,444,611

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	December 31, 2024 (Audited)					Provision under IFRS 9 (Overseas)	Total
	Stage 3	Stage 2	Stage 1	Specific	General		
Note	Rupees in '000						
Opening balance	-	-	-	29,109,710	4,768,909	21,894	33,900,513
Impact of adoption of IFRS 9	32,192,381	1,660,345	2,067,969	(29,109,710)	(4,768,909)	(21,894)	2,020,182
Balance as at January 01, 2024 after adopting IFRS 9	32,192,381	1,660,345	2,067,969	-	-	-	35,920,695
Exchange rate adjustments	-	23	(227)	-	-	-	(204)
Charge for the period	8,288,055	388,833	1,750,314	-	-	-	10,427,202
Reversals for the period	(3,114,286)	(1,088,389)	(772,993)	-	-	-	(4,975,668)
10.6.2	5,173,769	(699,556)	977,321	-	-	-	5,451,534
Transfer in / (out)	147,781	-	(2,371)	-	-	-	145,410
Amounts written off	(90,400)	-	-	-	-	-	(90,400)
Amounts charged off - agricultural financing	(93,299)	-	-	-	-	-	(93,299)
Closing balance	37,330,232	960,812	3,042,692	-	-	-	41,333,736

10.6.1 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at March 31, 2025, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 2,765,057 million (December 31, 2024: Rs. 2,841,257 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,322,078 million (December 31, 2024: Rs. 1,306,978 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of SBP.

10.6.2 This includes reversal of Stage 3 credit loss allowance of Rs. Nil (December 31, 2024: 406,907 million) against reduction in non-performing loans of Nil (December 31, 2024: Rs. 2,189,151 million) of certain borrowers under 'Debt Property Swap' transactions.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

10.7 Advances - Particulars of credit loss allowance

	(Un-audited) March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
Opening balance	3,042,835	960,812	37,330,232	41,333,879
Impact of adoption of IFRS 9	-	-	-	-
Balance as at January 01, 2025 after adopting IFRS 9	3,042,835	960,812	37,330,232	41,333,879
New Advances	375,129	80,784	66,575	522,488
Advances derecognised / repaid	(105,052)	(58,282)	(183,878)	(347,212)
Transfer to stage 1	206,903	(95,950)	(110,953)	-
Transfer to stage 2	(53,585)	1,064,875	(1,011,290)	-
Transfer to stage 3	(11,495)	(115,665)	127,160	-
	411,900	875,762	(1,112,386)	175,276
Amounts written off / charged off	-	-	(103,291)	(103,291)
Transfer in / (out)	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(710,571)	(239,227)	987,402	37,604
Exchange adjustments	24	1,119	-	1,143
Closing balance	2,744,188	1,598,466	37,101,957	41,444,611

	December 31, 2024 (Audited)					
	Stage 1	Stage 2	Stage 3	General Provision	Specific Provision	Total
Opening balance	-	-	-	4,790,803	29,109,710	33,900,513
Impact of adoption of IFRS 9	2,067,969	1,660,345	32,192,381	(4,790,803)	(29,109,710)	2,020,182
Balance as at January 01, 2024 after adopting IFRS 9	2,067,969	1,660,345	32,192,381	-	-	35,920,695
New Advances	1,164,078	75,882	1,069,606	-	-	2,309,566
Advances derecognised or repaid	(988,268)	(877,405)	(5,126,397)	-	-	(6,992,070)
Transfer to stage 1	495,506	(487,852)	(7,654)	-	-	-
Transfer to stage 2	(290,488)	1,631,542	(1,341,054)	-	-	-
Transfer to stage 3	(939,419)	(2,116,328)	3,055,747	-	-	-
	(558,591)	(1,774,161)	(2,349,752)	-	-	(4,682,504)
Amounts written off / charged off	-	-	(183,699)	-	-	(183,699)
Transfer in / (out)	(2,371)	-	147,781	-	-	145,410
Changes in risk parameters (PDs/LGDs/EADs)	1,535,912	1,074,605	7,523,521	-	-	10,134,038
Exchange adjustments	(227)	23	-	-	-	(204)
Closing balance	3,042,692	960,812	37,330,232	-	-	41,333,736

(Un-audited) March 31, 2025		(Audited) December 31, 2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

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

10.8 Advances - Category of classification

Domestic				
Performing	457,534,070	3,843,351	485,884,373	3,037,799
Under-performing	23,170,529	296,446	38,810,781	773,201
Non-performing				
OAEI	919,424	64,404	633,357	71,555
Substandard	2,854,389	970,268	4,061,864	1,837,633
Doubtful	4,228,875	2,535,988	5,161,315	2,396,965
Loss	36,379,933	33,531,297	35,738,211	33,024,079
	525,087,220	41,241,754	570,289,901	41,141,232
Overseas				
Performing	4,041,807	2,669	3,496,592	4,893
Under-performing	775,414	200,188	743,770	187,611
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	4,817,221	202,857	4,240,362	192,504
Total	529,904,441	41,444,611	574,530,263	41,333,736

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
11. PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	2,436,192	2,288,894
Property and equipment		26,257,935	25,886,510
		28,694,127	28,175,404
11.1 Capital work-in-progress			
Civil works		354,751	367,513
Advance to supplier		679,616	502,884
Advance for acquiring properties and office premises		1,190,723	1,190,723
Equipment		211,102	227,774
		2,436,192	2,288,894
		(Un-audited) Quarter ended	
		March 31, 2025	March 31, 2024
11.2 Additions to property and equipment	Note	----- Rupees in '000 -----	
The following additions have been made to property and equipment during the period:			
Capital work-in-progress		475,758	295,554
Property and equipment			
Leasehold improvements		331,110	196,805
Furniture and fixture		229,486	246,457
Electrical, office and computer equipment		633,147	469,531
Vehicles		36,659	28,482
		1,230,402	941,275
Total	11.2.1	1,706,160	1,236,829
11.2.1	This includes transfer from capital work in progress during the period of Rs. 332.363 million (March 31, 2024: Rs. 367.163 million).		

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

11.3 Disposal of property and equipment

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

Property and equipment

	(Un-audited) Quarter ended March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
Leasehold improvements	774	3,044
Furniture and fixture	1,107	859
Electrical, office and computer equipments	4,181	3,999
Vehicles	810	6,469
Total	6,872	14,371

12. RIGHT-OF-USE ASSETS

At January 1

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
Buildings	Buildings	
Cost	18,625,759	14,799,906
Accumulated Depreciation	(11,547,182)	(8,951,626)
Net Carrying amount at January 01,	7,078,577	5,848,280

Additions / renewals during the period / year	505,184	4,216,562
Terminations / Deletions during the period / year	(35,343)	(298,252)
Depreciation charge for the period / year	(775,487)	(2,713,926)
Exchange rate adjustments	(26)	(216)
Other adjustments	(5,369)	26,129
Closing net carrying amount	6,767,536	7,078,577

13. INTANGIBLE ASSETS

Capital work-in-progress - Computer software	2,202,864	2,153,190
Computer software	4,538,662	4,236,584
Goodwill	4,407,921	4,407,921
Core Deposits Intangible on Acquisition	1,374,307	1,396,646
Others	42,414	65,611
	12,566,168	12,259,952

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) Quarter ended	
		March 31, 2025	March 31, 2024
		----- Rupees in '000 -----	
13.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Directly purchased			
Capital work-in-progress - net		48,424	459,728
Computer software		34,283	263,744
		<u>82,707</u>	<u>723,472</u>
13.2 Disposal of intangible assets			
The net book value of intangible assets disposed off during the period is as follows:			
Membership and Subscription		<u>1,789</u>	<u>-</u>
14. OTHER ASSETS	Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----			
Mark-up / return / interest accrued in local currency		32,184,213	32,044,168
Mark-up / return / interest accrued in foreign currencies		147,685	125,569
Advances, deposits, advance rent and other prepayments		10,749,190	10,915,600
Acceptances		6,587,471	5,229,956
Advance taxation (payments less provision)		1,716,805	92,185
Dividend receivable		104,896	3,182
Stationery and stamps on hand		18,581	18,370
Receivable in respect of home remittance		31,096	20,357
Due from State Bank of Pakistan		1,804,639	1,200,456
Fair value adjustment on advances	10.2	2,970,642	3,049,801
Non-banking assets acquired in satisfaction of claims		6,403,699	6,565,986
Mark to market gain on forward foreign exchange contracts		385,499	181,485
Mark to market gain on forward government securities transaction		23,855	26,426
Advance against investments in securities		3,679,420	792,000
Branchless banking fund settlement		-	370,945
Clearing and settlement accounts		2,522,000	1,715,925
Inter bank fund transfer settlement		-	1,025,298
Credit card settlement		-	296,903
Insurance claims receivable		632,820	66,416
Trade receivable from brokerage and advisory business - net		3,542,999	2,442,753
Balances due from funds under management		218,046	251,204
Others		1,702,159	1,914,871
		<u>75,425,715</u>	<u>68,349,856</u>
Less: Credit loss allowance held against other assets	14.1	(1,616,468)	(1,493,507)
Other Assets - net of credit loss allowance		<u>73,809,247</u>	<u>66,856,349</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	609,398	552,355
Other assets - total		<u>74,418,645</u>	<u>67,408,704</u>

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

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

14.1 Credit loss allowance held against other assets

Advances, deposits, advance rent and other prepayments	177,212	61,026
Trade receivable from brokerage and advisory business - net	451,063	444,288
Non-banking assets acquired in satisfaction of claims	305,762	305,762
Others	682,431	682,431
	<u>1,616,468</u>	<u>1,493,507</u>

14.1.1 Movement in credit loss allowance held against other assets

Opening balance	1,493,507	1,362,792
Impact of adoption of IFRS 9	-	21,166
Charge during the period / year	122,959	177,716
Reversals during the period / year	-	(67,667)
	122,959	110,049
Amount written off	-	(500)
Closing balance	<u>1,616,466</u>	<u>1,493,507</u>

15. BILLS PAYABLE

In Pakistan	9,519,310	21,538,732
Outside Pakistan	322,844	360,638
	<u>9,842,154</u>	<u>21,899,370</u>

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

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

16. BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:		
Export refinancing scheme	16,013,352	13,713,392
Long-term finance facility	2,284,578	2,391,966
Financing facility for storage of agricultural produce	272,240	209,921
Financing facility for renewable energy projects	1,532,838	1,674,570
Refinance for women entrepreneurs	258,376	248,243
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	323,163	349,293
Refinance facility for combating COVID-19	155,231	191,327
Temporary economic refinance facility (TERF)	10,529,003	10,922,250
Small enterprise financing and credit guarantee scheme for special persons	582	770
Refinance facility for working capital of SMEs	145,000	75,000
Refinance facility for SME Asaan Finance (SAAF) scheme	5,026,534	5,266,032
Acceptances from SBP under Mudaraba	64,263,324	21,096,917
Islamic Export Finance Scheme - Rupee based discounting	-	5,210,889
Acceptances under Islamic Export Refinance Scheme	400,000	1,053,000
Acceptances for financial assistance	4,938,582	4,827,290
	106,142,803	67,230,860
Fair value adjustment on TERF borrowings	(2,461,469)	(2,639,656)

Borrowing from financial institutions:

Repurchase agreement borrowings	19,303,681	384,547
Musharakah Acceptance	-	31,085,000
Refinancing facility for mortgage loans	3,415,359	1,929,971
Refinance facility for Islamic mortgage	3,320,006	3,340,466
	26,039,046	36,739,984

Total secured

129,720,380 101,331,188

Unsecured

Call borrowings	7,500,000	700,000
Overdrawn nostro accounts	556,110	963,478
Others	-	16,000
Musharakah Acceptance	2,000,000	11,350,000
	10,056,110	13,029,478

Total unsecured

139,776,490 114,360,666

16.1 Particulars of borrowings

In local currency	139,220,380	113,397,188
In foreign currencies	556,110	963,478
	139,776,490	114,360,666

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

17. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2025 (un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	343,962,269	17,540,811	361,503,080	356,712,911	19,668,955	376,381,866
Savings deposits	326,464,042	12,078,660	338,542,702	300,536,324	11,461,574	311,997,898
Term deposits	293,340,331	62,324,935	355,665,266	280,672,496	62,827,696	343,500,192
Margin deposits	29,225,101	272,029	29,497,130	29,340,744	101,259	29,442,003
	992,991,743	92,216,435	1,085,208,178	967,262,475	94,059,484	1,061,321,959
Financial Institutions						
Current deposits	3,361,261	1,642,752	5,004,013	4,235,504	242,644	4,478,148
Savings deposits	15,847,408	175,592	16,023,000	13,791,990	6,375	13,798,365
Term deposits	1,764,429	230,000	1,994,429	2,227,651	-	2,227,651
Margin deposits	146	-	146	146	-	146
	20,973,244	2,048,344	23,021,588	20,255,291	249,019	20,504,310
	1,013,964,987	94,264,779	1,108,229,766	987,517,766	94,308,503	1,081,826,269

18. LEASE LIABILITIES	Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
		----- Rupees in '000 -----	
Opening balance		7,845,190	6,686,639
Additions / renewals during the period / year		505,184	4,216,562
Lease payments including interest		(966,238)	(4,023,522)
Interest expense	18.2	410,812	1,237,692
Terminations during the period / year		(41,729)	(303,168)
Exchange difference		(17)	(208)
Other adjustments		(30,582)	31,195
Outstanding amount at the end of the period / year		7,722,620	7,845,190
18.1 Outstanding liabilities			
Not later than one year		552,993	525,631
Later than one year and upto five years		6,327,232	6,305,860
Over five years		842,395	1,013,699
Total		7,722,620	7,845,190

18.2 This carries average effective rate ranges between 11.43% to 17.5% per annum (December 31, 2024: 11.43% to 17.5%)

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
		----- Rupees in '000 -----	
19. SUBORDINATED DEBT			
Term Finance Certificates - Fifth Issue	19.1	3,498,600	3,498,833
Term Finance Certificates - Fourth Issue	19.2	2,497,000	2,497,000
Term Finance Certificates - Third Issue	19.3	2,500,000	2,500,000
ADT-1 Sukuk Issue I	19.4.1	1,996,880	1,998,904
ADT-1 Sukuk Issue II	19.4.2	997,785	997,971
		<u>11,490,265</u>	<u>11,492,708</u>

- 19.1** In 2023, the holding company issued Rs. 3.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the holding company's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the holding company's business operations as permitted by its Memorandum and Articles of Association.
Issue date:	August 30, 2023
Tenure	Up to ten years from the issue date.
Maturity date:	August 30, 2033
Rating:	AA - (Double A Minus)
Security:	The Issue is unsecured
Markup rate:	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average three months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each three monthly period.
Profit payment frequency:	Quarterly
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first nine years after the issue date and the remaining Issue amount of 99.76% in four equal quarterly installments of 24.94% each in the last year.
Subordination:	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital.
Call option:	Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR or Leverage Ratio set by SBP.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

Loss absorbercy clause:	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the holding company and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.
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- 19.2** In 2021, the holding company issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose:	To contribute towards the holding company's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the holding company's business operations as permitted by its Memorandum and Articles of Association.
Issue date	December 28, 2021
Tenure	Up to Seven years from the issue date.
Maturity date	December 28, 2028
Rating	AA - (Double A Minus)
Profit rate	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment frequency:	Semi-annual
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security	The Issue is unsecured
Subordination	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital.
Call option	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

Loss absorbency clause	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the holding company and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 400,647,739 shares.
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- 19.3** In 2018, the holding company issued Rs. 2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the holding company's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the holding company's business operations as permitted by its Memorandum and Articles of Association.
Issue date:	December 31, 2018
Maturity date:	Perpetual
Rating:	A + (Single A Plus)
Profit rate:	Floating rate of return at Base Rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment frequency:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured
Subordination:	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

Loss absorbency clause:

Pre-Specified Trigger (PST)	<p>Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013 which stipulates that if an issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The holding company will be able to exercise this discretion subject to:</p> <ul style="list-style-type: none"> - If and when holding company's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and - In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the issuer.
Point of Non-Viability (PONV)	<p>Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:</p> <p>The PONV trigger event is the earlier of:</p> <ul style="list-style-type: none"> - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP. - The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

- 19.4** BIPL has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

19.4.1 Salient features of the ADT-1 sukuk issue I are as follows:

Amount	Rs. 2,000 million.
Issue date	April 21, 2020
Tenure	Perpetual (i.e. no fixed or final redemption date)
Rating	PACRA has rated this Sukuk at 'A'
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Profit payment frequency:	Profit shall be payable monthly in arrears, on a non-cumulative basis
Security:	The Issue is unsecured
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first nine years after the issue date and the remaining Issue amount of 99.76% in four equal quarterly installments of 24.94% each in the last year.
Call option:	BIPL may, at its sole discretion, call the Sukuk, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in-clause:	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause:	The Sukuk shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

19.4.2 Salient features of the ADT-1 sukuk issue II are as follows:

Amount:	Rs. 1,000 million.
Issue date:	February 21, 2024
Tenure:	Perpetual (i.e. no fixed or final redemption date)
Rating:	PACRA has rated this Sukuk at 'A'
Security:	The Issue is unsecured
Profit payment frequency:	Profit shall be payable monthly in arrears, on a non-cumulative basis.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the BIPL inline with SBP's guidelines of pool management.
Call option:	BIPL may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in-clause:	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause:	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

20. DEFERRED TAX ASSEST / (LIABILITIES)

Deductible Temporary Differences on:

Credit loss allowance against investments
Credit loss allowance against advances
Credit loss allowance - Others
Fair value adjustment
Other assets
Ijarah financing and related assets
Accumulated tax losses

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

92,844	8,700
8,516,204	3,849,466
915,529	913,688
80,775	98,285
870,246	868,274
44,061	-
102,693	107,860
10,622,352	5,846,273

Taxable Temporary Differences on:

Surplus on revaluation of property and equipment
Surplus on revaluation of non-banking assets acquired in satisfaction of claims
Surplus on revaluation of investments classified as measure at FVOCI
Surplus on revaluation of investments classified as measured at FVTPL
Accelerated tax depreciation
Goodwill
Fair value adjustment on amalgamation
Fair value adjustment upon acquisition

(1,758,037)	(327,385)
(61,498)	(24,079)
(2,841,466)	(7,689,567)
(56,242)	(54,709)
(1,784,702)	(1,709,460)
(761,084)	(761,084)
(177,344)	136,023
(702,139)	2,131,823
(8,142,512)	(8,298,438)
2,479,840	(2,452,165)

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note	----- Rupees in '000 -----	
21. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	12,692,018	12,964,140
Mark-up / return / interest payable in foreign currencies	798,995	685,994
Unearned income on guarantees	498,059	487,456
Accrued expenses	4,868,906	5,361,419
Current taxation (payments less provision)	1,247,588	-
Acceptances	6,587,471	5,229,956
Unclaimed dividends	12,446	12,446
Mark to market loss on derivative instruments	983	1,489
Mark to market loss on forward government securities transaction	23,894	-
Mark to market loss on forward foreign exchange contracts	180,570	713,428
Defined benefit obligation - net	937,415	800,305
Payable to defined contribution plan	88,344	54,371
Withholding taxes payable	2,055,361	2,312,036
Donation payable	60,712	143,281
Security deposits against leases, lockers and others	2,452,120	1,989,062
Workers' welfare fund	2,053,640	1,879,900
Payable in respect of home remittance	241,003	313,579
Retention money payable	168,383	176,421
Insurance payable	370,845	383,072
Payable to vendors against SBS goods	131,932	159,103
BLB fund settlement	346,671	-
Debit card settlement	476,524	374,348
Credit card settlement	41,522	-
Clearing and settlement accounts	1,574,897	-
Trade payable from brokerage and advisory business - net	5,565,051	4,512,756
Dividend payable	378,439	33,979
Deferred Murabahah income financing and IERS	686,871	643,923
Sundry Creditors	1,105,644	903,578
Credit loss allowance against off-balance sheet obligations	21.1 795,686	571,959
Charity payable	119,575	95,696
Others	1,415,027	1,566,509
	47,976,592	42,370,206

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	571,959	85,975
Impact of adoption of IFRS 9	-	149,877
	571,959	235,852
Transfer (out) / in	(2,961)	2,371
Exchange impact	39	(28)
	302,536	348,495
Charge for the period / year	(75,887)	(14,731)
Reversals for the period / year	226,649	333,764
	795,686	571,959
Closing balance		

(Un-audited)

(Audited)

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

22. SURPLUS ON REVALUATION OF ASSETS

		(Un-audited)			(Audited)		
		March 31, 2025			December 31, 2024		
		Attributable to		Total	Attributable to		Total
		Equity Holders	Non - Controlling Interest		Equity Holders	Non - Controlling Interest	
Note		----- Rupees in '000 -----					
Surplus / (deficit) on revaluation of:							
- Securities measured at FVOCI - debt	9.1	3,139,954	882,668	4,022,622	10,656,704	3,025,036	13,681,740
- Securities measured at FVOCI - equity	9.1	1,183,974	(77,138)	1,106,836	1,199,538	(81,917)	1,117,621
- Property and equipment		2,295,028	(122,715)	2,172,313	2,344,190	(111,840)	2,232,350
- Non-banking assets acquired in satisfaction of claims	14	541,278	584	541,862	551,755	600	552,355
		7,160,234	683,399	7,843,633	14,752,187	2,831,879	17,584,066

Deferred tax on surplus / (deficit) on revaluation of:

- Securities measured at FVOCI - debt	(1,497,318)	(414,110)	(1,911,428)	(5,406,027)	(1,528,143)	(6,934,170)
- Securities measured at FVOCI - equity	(741,205)	(6,121)	(747,326)	(751,586)	(3,811)	(755,397)
- Available-for-sale	-	-	-	-	-	-
- Property and equipment	(409,381)	110,585	(298,796)	(432,206)	104,821	(327,385)
- Non-banking assets acquired in satisfaction of claims	(32,199)	3,793	(28,406)	(27,872)	3,793	(24,079)
	(2,680,103)	(305,853)	(2,985,956)	(6,617,691)	(1,423,340)	(8,041,031)
	4,480,131	377,546	4,857,677	8,134,496	1,408,539	9,543,035

March 31, 2025 December 31, 2024
Note ----- Rupees in '000 -----

23. CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	110,644,538	112,329,055
Commitments	23.2	529,484,494	598,559,028
Other contingencies	23.3	1,232,591	508,708
		641,361,623	711,396,791

23.1 Guarantees

Financial guarantees	13,244,343	10,328,381
Performance guarantees	54,481,483	55,460,190
Other guarantees	42,918,712	46,540,484
	110,644,538	112,329,055

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
23.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- Letters of credit	67,393,860	63,186,812
	Commitments in respect of:		
	- Forward foreign exchange contracts	23.2.1 219,660,056	238,740,942
	- Derivative instruments	23.2.2 1,022,820	42,185
	- Forward government securities transactions	23.2.3 102,689,860	14,991,654
	- Forward lending	23.2.4 136,514,702	280,305,359
	Commitments for acquisition of:		
	- Property and equipment	23.2.5 1,771,590	1,162,105
	- Intangible assets	23.2.5 431,606	129,971
		529,484,494	598,559,028
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	132,568,736	142,022,681
	Sale	87,091,320	96,718,261
		219,660,056	238,740,942
23.2.2	Commitments in respect of derivative instruments		
	Forward securities contract		
	Purchase	-	-
	Sale	1,022,820	42,185
		1,022,820	42,185
23.2.3	Commitments in respect of forward government securities transactions		
	Purchase	51,389,626	-
	Sale	51,300,234	14,991,654
		102,689,860	14,991,654
23.2.4	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.4.1 136,514,702	280,305,359
23.2.4.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the holding company and BIPL without the risk of incurring significant penalty or expense.		
23.2.5	This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware & network equipment, electrical equipment and computer software.		

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
23.3 Other contingencies	Note	----- Rupees in '000 -----	-----
Claims against the Bank not acknowledged as debts	23.3.1	513,802	508,708
Other contingencies		718,789	-
		<u>1,232,591</u>	<u>508,708</u>

23.3.1 These mainly represent counter claims filed by borrowers for damages, claims by former employees of the holding company and BIPL and other claims relating to banking transactions.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the holding company and BIPL's favour and the possibility of any outcome against the holding company and BIPL is remote and accordingly no provision has been made in these consolidated financial statements.

23.3.2 Tax related contingencies are disclosed in note 34.1.

24. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Forward Exchange Contracts, Cross Currency Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Group.

The Group has entered into a Cross Currency Swap transaction with its customer on back-to-back basis with an Authorized Derivative Dealer (ADD) without carrying any open position in its books. Specific approvals for the transactions have been granted by State Bank of Pakistan. Policies in line with SBP instructions have been formulated and are operative.

The holding company has also entered into Foreign Currency & Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

These transactions cover the aspects of both market making and hedging.

		March 31, 2025 (Un-audited)					
		Cross currency swaps		Options and Accumulators		Forward securities	
		Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
24.1 Product Analysis		----- Rupees in '000 -----					
With Banks							
Hedging		-	-	-	-	-	-
Market making		-	-	-	-	1,022,820	(983)
		-	-	-	-	1,022,820	(983)
With FIs other than banks							
Hedging		-	-	-	-	-	-
Market making		-	-	-	-	-	-
		-	-	-	-	-	-
Total							
Hedging		-	-	-	-	-	-
Market making		-	-	-	-	1,022,820	(983)
		-	-	-	-	1,022,820	(983)

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

December 31, 2024 (Audited)					
Cross currency swaps		Options and Accumulators		Forward securities	
Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
----- Rupees in '000 -----					
With Banks					
Hedging	-	-	-	-	-
Market making	-	-	-	42,185	1,489
	-	-	-	42,185	1,489
With FIs other than banks					
Hedging	-	-	-	-	-
Market making	-	-	-	-	-
	-	-	-	-	-
Total					
Hedging	-	-	-	-	-
Market making	-	-	-	42,185	1,489
	-	-	-	42,185	1,489

(Un-audited)

Quarter ended

March 31, 2025	(Restated) March 31, 2024
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25. MARK-UP / RETURN / INTEREST / PROFIT EARNED

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

Loans and advances	15,024,316	22,008,153
Investments	25,425,214	32,671,316
Lendings to financial institutions	260,649	935,523
Securities purchased under resale agreements	80,376	385,919
Balances with other banks	266,879	146,978
	<u>41,057,434</u>	<u>56,147,889</u>

25.1 Interest income recognised on:

Financial assets measured at amortised cost	5,842,838	7,057,180
Financial assets measured at FVOCI	20,002,433	27,258,025
Financial assets measured at FVTPL	646,920	50,191
Financial assets measured at cost	14,565,243	21,782,493
	<u>41,057,434</u>	<u>56,147,889</u>

26. MARK-UP / RETURN / INTEREST PROFIT / EXPENSED

Deposits	17,171,733	29,415,331
Borrowings	5,752,738	7,274,779
Subordinated debt	412,567	672,041
Cost of foreign currency swaps against foreign currency deposits / borrowings	592,134	1,240,347
Finance charges on leased assets	410,812	344,029
	<u>24,339,984</u>	<u>38,946,527</u>

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) Quarter ended	
	Note	March 31, 2025	(Restated) March 31, 2024
----- Rupees in '000 -----			
27. FEE AND COMMISSION INCOME			
Branch banking customer fees		60,210	70,165
Finance related fees		179,534	149,546
Card related fees (debit and credit cards)		737,716	535,147
Investment banking fees		78,158	60,640
Commission on trade		472,495	424,010
Commission on guarantees		222,584	176,715
Commission on cash management		15,871	14,411
Commission on remittances including home remittances		79,278	85,527
Commission on bancassurance / bancatakaful		54,629	34,199
Commission on distribution of mutual funds		2,899	1,513
Commission on online services		32,239	38,535
Rebate income		114,781	145,407
Brokerage income		354,216	240,373
Management fee		199,884	107,667
Others		1,683	-
		<u>2,606,177</u>	<u>2,083,855</u>
28. GAIN / (LOSS) ON SECURITIES - NET			
Realised	28.1	2,190,441	409,421
Unrealised - measured at FVTPL		(41,359)	244,405
		<u>2,149,082</u>	<u>653,826</u>
28.1 Realised gain / (loss) on:			
Federal government securities		2,130,169	577,396
Shares - Listed companies		114,515	(60,990)
Non Government Debt Securities		14,847	5,627
Mutual fund units		5,408	14,856
Foreign currency bonds		(74,498)	(127,468)
		<u>2,190,441</u>	<u>409,421</u>
28.2 Net gain / (loss) on financial assets			
measured at FVPL:			
Designated upon initial recognition		15,695	(19,950)
Mandatorily measured at FVPL		(6,010)	-
		9,685	(19,950)
measured at amortised cost		-	-
measured at FVOCI		2,180,756	429,371
		<u>2,190,441</u>	<u>409,421</u>

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

29. OTHER INCOME

	(Un-audited) Quarter ended	
	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
Rent income	12,152	3,642
Gain on sale of property and equipment - net	15,578	1,396
Gain on sale of non banking assets - net	20,896	-
Gain on termination of leases - net	7,153	3,318
Recoveries against charge off loans	1,199	-
Gain on termination of Islamic financing	22,194	37,164
Charges recovered on account of internal audit services to subsidiary	-	378
Scrap sales	-	3,200
Recoveries against previously expensed items	5,636	3,622
Others	1,024	4,478
	<u>85,832</u>	<u>57,198</u>

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

		(Un-audited) Quarter ended	
		March 31, 2025	(Restated) March 31, 2024
		Rupees in '000	
30. OPERATING EXPENSES	Note		
Total compensation expense	30.1	6,386,028	4,668,613
Property expense			
Rent and taxes		32,933	145,696
Insurance		1,740	-
Utilities cost		466,757	416,075
Security (including guards)		389,233	324,873
Repair and maintenance (including janitorial charges)		270,835	232,288
Depreciation		307,951	272,324
Depreciation on right-of-use assets		775,487	683,996
Depreciation on non-banking assets		10,702	9,455
Other		321	-
		2,255,959	2,084,707
Information technology expenses			
Software maintenance		869,825	487,943
Hardware maintenance		265,288	122,399
Depreciation		274,974	237,750
Amortisation		183,431	136,943
Network charges		214,064	157,001
		1,807,582	1,142,036
Other operating expenses			
Directors' fees and allowances		12,313	12,513
Fee and allowances to Shariah Board		9,442	7,776
Legal and professional charges		192,631	90,763
Insurance / Takaful, tracker and other charges on car			
Ijarah - net of income		138,662	215,274
Outsourced services costs		128,861	109,425
Travelling and conveyance		199,873	158,641
NIFT clearing charges		39,739	26,325
Depreciation		271,252	206,496
Amortisation		43,747	1,712
Training and development		38,996	27,627
Postage and courier charges		55,747	41,673
Communication		236,671	205,148
Stationery and printing		270,929	211,245
Marketing, advertisement and publicity		833,099	723,657
Donations		92,171	121,445
Auditors' remuneration		15,885	14,031
Staff auto fuel and maintenance		312,718	165,704
Bank charges		21,654	20,893
Stamp duty		31,723	23,743
Online verification charges		23,302	28,222
Brokerage, fee and commission		21,263	29,179
Card related fees (debit and credit cards)		425,033	384,421
CDC and other charges		31,725	19,502
Consultancy fee		22,947	23,005
Deposit protection premium		51,298	47,349
Entertainment expenses		135,247	112,144
Repair and maintenance		99,526	207,323
Cash handling charges		103,463	86,536
Fee and subscription		283,891	255,347
Employees social security		2,962	3,200
Generator fuel and maintenance		48,327	57,479
Royalty		12,663	8,750
Others		100,187	34,290
		4,307,947	3,680,838
		14,757,516	11,576,194
Less: Reimbursement of selling and distribution expenses		(91,298)	(60,497)
		14,666,218	11,515,697

30.1. This includes impact of fair value adjustment on concessional rate staff loans amounting to Rs. 580.956 million (March 31, 2024: Rs. 67.922 million).

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

31. WORKERS' WELFARE FUND

The Group has made provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

	(Un-audited) Quarter ended	
	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
32. OTHER CHARGES		
Penalties imposed by State Bank of Pakistan	113,701	453

33. CREDIT LOSS ALLOWANCE / PROVISION AND WRITE OFFS - NET

Credit loss allowance against cash and balances with treasury banks	497	-
Credit loss allowance against balance with other banks	(2,046)	(716)
Credit loss allowance against lending to financial institutions	(1,080)	72
Credit loss allowance for diminution in value of investments	(228,377)	(48,440)
Credit loss allowance against loans and advances	212,880	1,043,749
Credit loss allowance against other assets	116,186	-
Credit loss allowance against off balance sheet obligations	226,649	-
Modification loss	(33,673)	-
Fair value loss recognized	9,428	-
Operational loss and other write offs	2,229	23,648
	302,693	1,018,313

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

34. TAXATION

Current	4,307,311	5,279,008
Prior years	-	-
Deferred	80,453	(132,409)
	4,387,764	5,146,599

- 34.1 There are no material changes in tax contingencies as disclosed in annual consolidated financial statements for the year ended December 31, 2024.

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

35. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Quarter ended	(Restated) March 31, 2024
	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	----- Rupees in '000 -----
Profit after taxation attributable to ordinary equity holders of the Bank	2,423,896	3,405,876
	----- Number of shares -----	----- Number of shares -----
Weighted average number of ordinary shares	2,050,662,536	2,050,662,536
	----- Rupees -----	----- Rupees -----
Earnings per share - basic and diluted	1.18	1.66

		(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2024
		----- Rupees in '000 -----	----- Rupees in '000 -----	----- Rupees in '000 -----
36. CASH AND CASH EQUIVALENTS	Note			
Cash and balances with treasury banks	6	100,091,827	84,153,600	77,960,229
Balances with other banks - gross	7	6,567,664	5,079,575	5,812,929
Overdrawn nostro accounts	16	(556,110)	(963,478)	(2,613,315)
		106,103,381	88,269,697	81,159,843

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

37.1 Fair value of financial instruments

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

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

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:

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	March 31, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	194,266,171	-	194,266,171
Federal Government Shariah Compliant Securities		311,418,105	-	311,418,105
Shares - listed companies	7,832,952	-	-	7,832,952
Shares - unlisted companies	-	-	31,812	31,812
Non Government Debt Securities	-	1,499,341	-	1,499,341
Non-Government Shariah Compliant Securities	-	33,247,858	-	33,247,858
Foreign Securities	-	15,745,323	-	15,745,323
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	122,606,553	-	122,606,553
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	132,637,193	-	132,637,193
Forward sale of foreign exchange	-	87,135,343	-	87,135,343
Forward agreements for lending	-	51,412,764	-	51,412,764
Forward sale of securities contract	-	51,277,058	-	51,277,058

	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	138,130,448	-	138,130,448
Federal Government Shariah Compliant Securities		311,025,501	-	311,025,501
Shares	5,226,656	-	-	5,226,656
Non Government Debt Securities	-	1,525,593	-	1,525,593
Non-Government Shariah Compliant Securities		33,180,407	-	33,180,407
Foreign Securities	-	16,214,890	-	16,214,890
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	121,590,686	-	121,590,686
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	142,967,019	-	142,967,019
Forward sale of foreign exchange	-	95,241,980	-	95,241,980
Forward agreements for lending	-	15,018,080	-	15,018,080
Forward sale of securities contract	-	43,674	-	43,674

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

37.2 Valuation techniques

Item	Valuation approach and input used
Mutual fund units	Fair values of investments in mutual fund units are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks	Fair values of Pakistan Investment Bonds, Market Treasury Bills and GoP Sukuks are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a corporate body for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas & Euro Bonds are valued on the basis of price available on Bloomberg.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of investments in certain unlisted equity securities are valued on net asset value.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in consolidated financial statements as of December 31, 2024. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.
Non-banking assets acquired in satisfaction of claims	

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investments:

Description	Fair value as at March 31, 2025	Unobservable inputs	Sensitivity of inputs
Ordinary shares - unlisted	25,588	Net asset value	Increase / (decrease) in NAV by 10% with all other variables held constant, would increase / (decrease) the fair value by Rs. 2.56 million.

The following table shows reconciliation of investment and advances fair value movement:

	March 31, 2025
	Rupees in ' 000
Opening balance	11,000
Remeasurement recognised in OCI	14,588
Closing balance	<u>25,588</u>

- 37.3** The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the period.

For The Quarter Ended March 31, 2025

38.1 Segment Details with respect to Business Activities:

108

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	As at March 31, 2025 (Un-audited)									
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindgi	Islamic Banking	Brokerage	Asset Management	Others	Total
Rupees in '000										
Statement of financial position										
Cash and bank balances	13,438,826	379,770	36,589,612	1,397,015	3,167,869	51,339,325	322,748	20,808	-	106,655,973
Lendings to financial institutions	-	-	-	-	-	1,000,000	-	-	-	1,000,000
Investments	-	-	318,004,318	17,320,023	-	347,258,704	1,214,111	2,765,332	4,334,651	690,897,139
Net inter segment lending	289,257,596	38,880,087	1,999,730	13,070,821	3,887,952	-	-	-	-	53,960,991
Advances - performing	65,878,988	107,420,943	-	9,326,579	14,715	281,364,996	1,453,406	8,932	3,735,266	469,203,225
Advances - non-performing	3,376,691	2,483,224	-	1,500	2,886	1,323,914	-	-	92,449	7,280,684
Others	-	-	-	792,000	-	58,916,932	4,939,845	884,508	59,393,030	124,926,315
Total Assets	371,952,101	149,163,424	356,593,660	41,907,738	7,073,422	741,203,871	7,930,110	3,679,590	121,516,387	1,801,020,293
Borrowings	11,565,823	14,298,458	27,360,061	-	-	86,552,148	-	-	-	139,776,490
Deposits and other accounts	350,611,725	134,478,555	-	39,435,239	7,073,424	576,630,823	-	-	-	1,108,229,766
Subordinated debt	-	-	-	-	-	2,994,665	-	-	8,495,600	11,490,265
Net inter segment borrowing	2,482,919	-	327,233,869	-	-	49,721,240	1,474,989	2,957,503	17,187,057	401,056,977
Others	7,054,128	386,411	-	2,479,084	-	29,192,686	6,551,728	593,564	19,283,765	65,541,366
Total Liabilities	371,713,995	149,163,424	354,593,930	41,914,323	7,073,424	745,091,562	8,026,717	3,551,067	44,966,422	1,726,094,864
Equity	-	-	-	-	-	-	-	-	63,203,264	63,203,264
Non-controlling interest	-	-	-	-	-	-	-	-	11,722,165	11,722,165
Total Equity and Liabilities	371,713,995	149,163,424	354,593,930	41,914,323	7,073,424	745,091,562	8,026,717	3,551,067	119,891,851	1,801,020,293
Contingencies and Commitments	25,548,141	101,161,843	190,007,841	-	-	322,951,116	1,022,820	-	669,882	641,361,623

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	For the quarter ended March 31, 2024 (Un-audited) - Restated									
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
	Rupees in '000									
Profit and loss account										
Net mark-up / return / interest / profit (expense)	(6,041,829)	(74,361)	13,442,258	204,031	(16,280)	10,022,303	41,422	266	(376,448)	17,201,362
Inter segment revenue - net	11,278,953	2,239,177	(12,522,410)	434,046	120,729	-	-	-	(1,550,495)	-
Non mark-up / return / income	500,497	396,255	1,712,727	148,166	46,872	1,589,375	269,988	176,191	58,020	4,898,101
Total Income / (loss)	5,737,621	2,561,071	2,632,575	786,243	151,321	11,611,678	311,420	176,457	(1,868,923)	22,099,463
Segment direct expenses	2,848,250	174,613	51,411	412,833	927,651	5,014,469	251,736	96,918	1,943,057	11,720,338
Inter segment expense allocation	979,683	190,631	52,551	63,787	120,966	-	-	-	(1,407,618)	-
Total expenses	3,827,933	365,244	103,962	476,620	1,048,617	5,014,469	251,736	96,918	535,439	11,720,938
Credit loss allowances and write offs - net	98,545	641,935	(36,623)	15	-	320,155	(12,530)	-	6,816	1,018,313
Profit / (loss) before tax	1,811,143	1,553,892	2,565,236	309,608	(897,296)	6,277,054	72,214	79,539	(2,411,178)	9,360,212

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	As at December 31, 2024 (Audited)									
	Retail Banking	Corporate / Commercial Banking	Treasury	Investment, International and Institutional Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
	Rupees in '000									
Statement of financial position										
Cash and bank balances	12,044,528	421,951	32,972,487	1,199,620	36,839	42,076,616	448,996	27,166	-	89,228,203
Lendings to financial institutions	-	-	-	-	-	4,257,928	-	-	-	4,257,928
Investments	-	-	260,209,051	17,803,843	-	345,051,553	174,665	2,689,425	3,537,637	629,466,174
Net inter segment lending	269,135,658	64,452,654	1,999,730	675,328	6,666,406	-	-	-	53,960,991	396,890,767
Advances - performing	66,514,103	100,960,505	-	47,554,387	12,584	292,763,117	1,532,724	8,800	3,537,451	512,903,671
Advances - non-performing - net	2,943,758	3,218,190	-	630	25,914	2,020,246	-	-	55,777	8,264,515
Others	-	-	-	464,920	-	50,276,290	4,508,931	649,670	59,022,826	114,922,637
Total Assets	350,638,047	169,073,300	295,181,268	67,698,728	6,741,743	736,445,750	6,665,316	3,375,061	120,114,682	1,755,933,895
Borrowings	10,160,671	17,074,664	1,463,170	-	-	85,662,161	-	-	-	114,360,666
Deposits and other accounts	328,859,641	151,596,312	-	35,454,361	6,741,743	559,174,212	-	-	-	1,081,826,269
Subordinated debt	-	-	-	-	-	2,996,875	-	-	8,495,833	11,492,708
Net inter segment borrowing	2,482,319	-	293,718,098	30,133,918	-	49,721,240	1,474,989	2,957,503	16,402,700	396,890,767
Others	9,135,416	402,324	-	2,110,449	-	38,891,262	5,190,327	417,558	18,419,595	74,566,931
Total Liabilities	350,638,047	169,073,300	295,181,268	67,698,728	6,741,743	736,445,750	6,665,316	3,375,061	43,318,128	1,679,137,341
Equity	-	-	-	-	-	-	-	-	64,380,704	64,380,704
Non-controlling interest	-	-	-	-	-	-	-	-	12,415,850	12,415,850
Total Equity and Liabilities	350,638,047	169,073,300	295,181,268	67,698,728	6,741,743	736,445,750	6,665,316	3,375,061	120,114,682	1,755,933,895
Contingencies and Commitments	21,531,623	104,827,389	78,520,444	9,970,239	-	495,441,474	42,185	-	1,063,437	711,396,791

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

39. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, directors, key management personnel, associates and other related parties.

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

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

	As at March 31, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Statement of financial position					
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the period	-	-	-	-	-
Repaid during the period	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	-	-	-	1,371,911	(24,156)
Investment made during the period	-	-	-	-	4,726,666
Investment redeemed / disposed off during the period	-	-	-	-	(3,942,874)
Deficit on investments	-	-	-	-	(87,279)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	1,371,911	672,357
Credit loss allowance for diminution in value of investments	-	-	-	1,102,111	-
Advances					
Opening balance	-	-	635,459	665,920	4,473,281
Addition during the period	-	70	181,102	-	2,677,647
Repaid during the period	-	(36)	(110,433)	(187)	(2,783,876)
Transfer in / (out) - net	-	-	18,757	-	(273,884)
Closing balance	-	34	724,885	665,733	4,093,168
Credit Loss Allowance held against advances	-	14	509	665,920	4,502
Other assets					
Mark-up / return / interest accrued	-	-	805	-	91,569
Receivable against bancassurance / bancatakal	-	-	-	-	5,642
Trade Receivable from brokerage and advisory business	1,615	-	-	-	55,231
Advance against investment in securities	-	-	-	-	792,000
Other receivable	-	-	-	-	2,961

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	As at March 31, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the period	-	-	-	-	-
Settled during the period	-	-	-	-	-
Closing balance	-	-	-	-	-
Deposits and other accounts					
Opening balance	112,836	9,446	56,248	21,675	6,865,671
Received during the period	1,216,057	1,201	490,754	416,148	76,486,921
Withdrawn during the period	(1,151,233)	(8,239)	(443,955)	(412,444)	(75,669,579)
Transfer in / (out) - net	-	-	(7,287)	-	(26,070)
Closing balance	177,660	2,408	95,760	25,379	7,656,943
Subordinated debt					
Opening balance	-	-	-	-	253,925
Issued during the period	-	-	-	-	2,185
Redeemed during the period	-	-	-	-	(6)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	256,104
Other liabilities					
Mark-up / return / interest payable on deposits	1,369	-	444	520	130,177
Mark-up / return / interest payable on subordinated debt	-	-	-	-	1,816
Dividend Payable	-	-	-	-	183,929
Trade payable from brokerage and advisory business	-	-	-	-	21,805
Payable to defined benefit plan	-	-	-	-	318,785
Others payable	-	-	-	-	3,642
Contingencies and commitments					
Letter of guarantee	-	-	-	-	23,840
Letter of credit	-	-	-	-	123,617

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	As at December 31, 2024 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Statement of financial position					
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	-
Repaid during the year	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	7,595	-	-	1,371,911	6,508,867
Investment made during the year	-	-	-	-	8,305,942
Investment redeemed / disposed off during the year	-	-	-	-	(14,388,834)
Deficit on investments	-	-	-	-	(450,131)
Transfer in / (out) - net	(7,595)	-	-	-	-
Closing balance	-	-	-	1,371,911	(24,156)
Provision for diminution in value of investments	-	-	-	1,102,111	-
Advances					
Opening balance	-	247	919,926	665,920	2,006,365
Addition during the year	-	2,204	448,993	618,721	13,077,017
Repaid during the year	-	(1,885)	(178,653)	(618,721)	(10,785,517)
Transfer in / (out) - net	-	(566)	(554,807)	-	175,416
Closing balance	-	-	635,459	665,920	4,473,281
Credit Loss Allowance held against advances	-	-	138	665,920	4,060
Other assets					
Mark-up / return / interest accrued	-	-	670	-	46,915
Receivable against bancassurance / bancatakaful	-	-	-	-	9,430
Prepaid insurance	-	-	-	-	-
Trade receivable from brokerage and advisory business	1,615	-	-	-	31,691
Advance against investment in securities	-	-	-	-	792,000
Other receivable	-	-	-	-	2,961
Credit Loss Allowance against other assets	-	-	-	-	-
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the year	-	-	-	-	-
Settled during the year	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

As at December 31, 2024 (Audited)

	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Deposits and other accounts					
Opening balance	80,689	369	41,934	46,398	12,110,023
Received during the year	11,025,819	20,298	871,091	2,565,724	271,222,852
Withdrawn during the year	(10,993,672)	(11,221)	(844,243)	(2,590,447)	(276,503,188)
Transfer in / (out) - net	-	-	(12,534)	-	35,984
Closing balance	112,836	9,446	56,248	21,675	6,865,671
Subordinated debts					
Opening balance	2,500	-	485	-	21,119
Issued during the year	-	-	-	-	233,585
Redeemed during the year	(2,500)	-	-	-	(1,264)
Transfer in / (out) - net	-	-	(485)	-	485
Closing balance	-	-	-	-	253,925
Other liabilities					
Mark-up / return / interest payable on deposits	-	-	-	2	15,576
Mark-up / return / interest payable on borrowings	-	-	-	-	-
Mark-up / return / interest payable on subordinated debts	-	-	-	-	1,173
Dividend payable	-	-	-	-	-
Trade payable	-	-	-	-	13,779
Defined benefit obligation - net	-	-	-	-	800,305
Others payable	-	-	-	-	33,588
Contingencies and commitments					
Letters of guarantee	-	-	-	-	15,369
Letters of credit	-	-	-	-	79,352

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	For the quarter ended March 31, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	----- Rupees in '000 -----				
Income					
Mark-up / return / interest / profit earned	-	-	9,307	-	144,609
Fee, commission and brokerage income	1,583	52	438	-	30,869
Dividend income	-	-	-	-	42,497
Gain / (loss) on sale of securities - net	-	-	-	-	3,437
Rental income	-	-	-	-	3,734
Other income	-	-	7	-	33,509
Expense					
Mark-up / return / interest paid	666	12	264	267	87,324
Operating expenses					
Compensation	-	-	348,445	-	564,206
Charge for defined contribution plans	-	-	-	-	217,307
Charge for defined benefit plans	-	-	-	-	137,110
Rent	1,214	-	-	-	3,202
Directors' fee & allowances	-	4,950	-	-	7,363
Insurance	-	-	-	-	41,015
Training & Development	-	-	12,709	-	-
Marketing, advertisement & publicity	-	-	-	-	2,228
Commission	-	-	-	-	-
Consultancy fee	-	-	-	-	12,215
Advisory fee	20,500	-	-	-	-
Royalty	-	-	-	-	6,250
Other expenses	1,906	-	-	-	25,347
Creit loss allowance on:					
Advances	-	14	379	-	3,978
Payments made during the period					
Insurance premium paid	-	-	-	-	267,757
Insurance claims settled	-	-	-	-	-
Donation paid	-	-	-	-	139,382
Other Transactions					
Sale of Government Securities	-	-	-	-	14,538,483
Purchase of Government Securities	-	-	-	-	3,701,015

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	For the quarter ended March 31, 2024 (Un-audited) - Restated				
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Profit and loss account					
Income					
Mark-up / return / interest / profit earned	-	-	11,834	40,371	118,510
Fee, commission and brokerage income	238	35	480	-	133,344
Dividend income	-	-	-	-	42,698
Gain on sale of securities - net	-	-	-	-	5,552
Rental income	-	-	-	-	-
Other income	-	-	16	22	-
Credit loss allowance and write offs - net					
Credit loss allowance for diminution in value of investments - net	-	-	-	-	-
Expense					
Mark-up / return / interest expensed	3,073	-	675	238	398,836
Operating expenses					
Compensation	-	-	510,898	-	-
Charge for defined contribution plans	-	-	-	-	165,458
Charge for defined benefit plans	-	-	-	-	105,178
Rent	1,409	-	-	-	14,757
Directors' fee & allowances	-	3,000	-	-	9,512
Insurance	-	-	-	-	24,794
Training & Development	-	-	-	-	-
Marketing, advertisement & publicity	-	-	-	-	-
Commission	-	-	-	-	-
Consultancy fee	-	-	-	-	15,577
Advisory fee	3,750	-	-	-	-
Royalty	-	-	-	-	11,250
Other expenses	1,400	-	8,601	-	55,113
Payments made during the period					
Insurance premium paid	-	-	-	-	82,487
Insurance claims settled	-	-	-	-	1,704
Other transactions					
Sale of Government Securities	-	-	2,971	-	15,317,459
Purchase of Government Securities	-	-	3,148	-	8,898,599

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----		
40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>20,506,625</u>	<u>20,506,625</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>55,588,148</u>	<u>54,060,081</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>5,952,444</u>	<u>5,506,643</u>
Total Eligible Tier 1 Capital	<u>61,540,592</u>	<u>59,566,724</u>
Eligible Tier 2 Capital	<u>16,420,229</u>	<u>19,780,113</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>77,960,821</u>	<u>79,346,837</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>289,121,983</u>	<u>299,924,033</u>
Market Risk	<u>12,441,041</u>	<u>6,122,020</u>
Operational Risk	<u>133,173,428</u>	<u>133,141,179</u>
Total	<u>434,736,452</u>	<u>439,187,232</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>12.79%</u>	<u>12.31%</u>
Tier 1 Capital Adequacy Ratio	<u>14.16%</u>	<u>13.56%</u>
Total Capital Adequacy Ratio	<u>17.93%</u>	<u>18.07%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>61,540,592</u>	<u>59,566,724</u>
Total Exposures	<u>1,668,483,659</u>	<u>1,607,832,690</u>
Leverage Ratio	<u>3.69%</u>	<u>3.70%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>565,050,390</u>	<u>517,736,180</u>
Total Net Cash Outflow	<u>208,176,398</u>	<u>201,355,659</u>
Liquidity Coverage Ratio	<u>271.43%</u>	<u>257.13%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>1,067,320,592</u>	<u>1,060,751,693</u>
Total Required Stable Funding	<u>565,072,420</u>	<u>528,102,996</u>
Net Stable Funding Ratio	<u>188.88%</u>	<u>200.86%</u>

Notes to the Consolidated Condensed Interim Financial Statements

For The Quarter Ended March 31, 2025

41. GENERAL

- 41.1** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

The Holding Company, in compliance with the extended timelines defined in SBP's BPRD Circular Letter No. 16 of 2024 dated July 29, 2024 and BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, incorporated certain IFRS 9 related impacts in the last quarter of 2024. Accordingly, the consolidated condensed interim statement of profit and loss account for the quarter ended March 31, 2024, has been restated to reflect these impacts. Had the restatement not been made for the period ended March 31, 2024, the profit after tax would have been lower by Rs. 10.004 million. The details of the restatement are provided below:

Head		Rupees in '000	Description
Mark-up / return / interest earned	increase	138,028	fair value and modification impact of subsidised advances
Mark-up / return / interest expensed	increase	48,310	fair value impact of subsidised borrowings
Operating expenses	increase	67,922	fair value impact of staff loans
Taxation	increase	11,792	tax impact of above

42. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 23, 2025.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director



Registered office

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