



CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

CONTENTS

CORPORATE INFORMATION	1
DIRECTORS' REVIEW	3
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	5
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT	6
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	7
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	8
CONDENSED INTERIM CASH FLOW STATEMENT	9
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	10

CORPORATE INFORMATION
As of March 31, 2025

Board of Directors

Ikramullah Khan	Chairman / Non-Executive Director
Amer Sultan Tareen	Non-Executive Director
Abid Sattar	Independent Director
Syed Asad Ali Shah	Independent Director
Tahir Jawaidd	Independent Director
Osman Asghar Khan	Independent Director
Muhammed Shahid Sadiq	Independent Director
Natasha Jehangir Khan	Independent Director

Managing Director / CEO

Hassan Raza

Shariah Board

Mufti Muhammad Zahid	Chairman Shariah Board
Mufti Muhammad Arif Khan	Member Shariah Board
Mufti Abdul Wahab	Member Shariah Board
Qazi Abdul Samad	Resident Shariah Board Member (RSBM)

Board Audit Committee

Syed Asad Ali Shah	Chairman
Amer Sultan Tareen	Member
Abid Sattar	Member
Muhammed Shahid Sadiq	Member
Osman Asghar Khan	Member

Board Human Resource & Remuneration Committee

Abid Sattar	Chairperson
Tahir Jawaidd	Member
Osman Asghar Khan	Member
Natasha Jehangir Khan	Member

Board Risk Management Committee

Abid Sattar	Chairman
Amer Sultan Tareen	Member
Muhammed Shahid Sadiq	Member
Managing Director	Member

Board I.T Steering Committee

Osman Asghar Khan	Chairman
Tahir Jawaidd	Member
Syed Asad Ali Shah	Member
Natasha Jehangir Khan	Member
Managing Director	Member

Board Compliance Committee

Muhammed Shahid Sadiq
Amer Sultan Tareen
Natasha Jehangir Khan
Managing Director

Chairman
Member
Member
Member

Chief Financial Officer

Irfan Saleem Awan

Company Secretary

Raza Mohsin Qizilbash

Registered Office / Head Office**The Bank of Khyber**

24 – The Mall, Peshawar Cantt.

UAN# 00-92-91-111 95 95 95

URL: www.bok.com.pk

Auditors

M/s Pwc A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

M/s. Mohsin Tayebaly & Co., Karachi

Registrar and Share Registration Office

THK Associates (Pvt) Ltd.
Plot # 32 – C, Jami Commercial Street 2
D.H.A, Phase-VII,
Karachi-75500.

Directors' Review

On behalf of the Board of Directors of the Bank of Khyber (The Bank or BoK), I am pleased to present the condensed interim financial information of the Bank for the first quarter ended March 31, 2025.

Financial Highlights

The financial highlights of the Bank for the first quarter ended March 31, 2025 (Q1FY2025) are as under:

	(Rs. in Million)	
	March 31 2025	December 31 2024
Total Assets	457,754	477,564
Deposits	338,620	277,642
Advances (Gross)	81,130	159,624
Investments (Net)	330,077	282,767

	(Rs. in Million)	
	March 31 2025	March 31 2024
Operating profit before provisions	3,285	1,704
(Reversal) / charge of provision (credit loss allowance)	(118)	190
Profit before taxation	3,403	1,514
Taxation	1,800	742
Profit after tax	1,603	772
	Rupees	
Earnings Per Share	1.38	0.67

Performance Review

The Bank reported an impressive performance for Q1FY25, with its Profit After Tax (PAT) rising sharply by 108% year-on-year (YoY) to reach Rs1.6 billion, compared to Rs. 772 million same period last year.

The Bank's Net Markup/Interest Income for the first quarter surged by 45% YoY to Rs. 5.1 billion (Q1FY24: Rs. 3.5 billion) as result of robust balance sheet management and successful reduction in funding cost achieved during the period. Non-markup/interest income also recorded significant growth, rising by 64% YoY to Rs 900 million, mainly driven by gain on securities amounting to Rs. 521 million.

Operating expenses rose by 15% YoY to Rs. 2.7 billion, reflecting increase in employee and other administrative costs due to the impact of inflation and overall increase in activities of the Bank. As a result of the strenuous recovery efforts and prudent lending strategy followed by the management, the Bank achieved net reversal of provision of Rs. 118 million during the quarter under review, compared to the net provision charge of Rs.190 million during the same period last year.

The Bank registered a healthy growth in deposits whereby the deposits on March 31, 2025 stood at Rs. 338,620 million as against Rs. 277,642 million as of Dec 31, 2024. Gross Advances of the Bank at the quarter end amounted to Rs. 81,130 million while net-investments stood at Rs. 330,077 million.

To improve the non-mark income stream, special focus is being given to trade finance, investment banking and home remittances businesses. The Bank has launched its home remittance product with the brand name of BoK KoRPay* which has received a very healthy response from our overseas KPK diaspora.

During Q1FY2025, the Bank announced the initiation of the process for conversion to a full-fledged Islamic Bank and will be taking all the necessary steps towards achievement of this landmark initiative as per the plan. At the end of the quarter under review, the Bank was operating with 246 branches and 40 sub-branches throughout the country out of which 131 branches and 16 sub-branches are functioning as dedicated Islamic Banking Branches.

Future Outlook

Going forward, the Bank will continue its emphasis on sustainable profitability, asset quality improvement and diversification of portfolio through proactive management strategies.

The Bank will focus on enhancing asset quality while maintaining growth momentum. The cornerstone of the Bank's philosophy remains improvement of service quality standards and providing state-of-the-art banking services by leveraging technology and skilled human resources.

Furthermore, the Bank will prioritize increasing advances across all economic segments, i.e. Corporate, SMEs, Agriculture and Consumer financing to increase its Advance-to-Deposit Ratio. Simultaneously, we target to diversify and improve the deposits composition to further reduce the funding cost of the Bank.

Credit Rating

In June-2024, VIS Credit Rating Company Limited (VIS) had maintained the medium to long term entity rating of the Bank at "A+" (Single A Plus) and short-term rating at "A1" (Single A One). The medium to long-term rating of "A+" denotes good credit quality with adequate protection factors. Outlook on the assigned rating is "Stable".

In June-2024, The Pakistan Credit Rating Agency Limited (PACRA) had also maintained the medium to long term entity rating of the Bank at "A+" (Single A Plus) and short-term entity rating at "A-1" (Single A One). Outlook on the assigned rating is "Stable".

Acknowledgments

The Board would like to thank the Provincial Government, State Bank of Pakistan, Shareholders, regulatory authorities and all other stakeholders for their continued trust and support. We are also grateful to our valued customers for their patronage and continued confidence in the Bank.

For and on behalf of the Board of Directors



Hassan Raza
Managing Director & CEO

Peshawar: April 29, 2025

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	5	24,582,666	23,993,095
Balances with other banks	6	7,115,889	3,252,274
Lendings to financial institutions	7	1,675,710	133,574
Investments	8	330,076,524	282,766,597
Advances	9	68,462,878	146,881,971
Property and equipment	10	4,235,391	4,293,173
Right-of-use assets	11	1,914,394	2,059,970
Intangible assets	12	374,694	361,363
Deferred tax assets	13	2,121,868	1,193,562
Other assets	14	17,193,635	12,628,288
Total Assets		457,753,649	477,563,867
LIABILITIES			
Bills payable	15	1,427,670	21,951,353
Borrowings	16	75,458,663	133,531,771
Deposits and other accounts	17	338,619,983	277,641,989
Lease liabilities	18	2,033,647	2,147,700
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	19	19,706,643	20,391,835
Total Liabilities		437,246,606	455,664,648
NET ASSETS		20,507,043	21,899,219
REPRESENTED BY			
Share capital	20	11,579,360	11,579,360
Reserves		5,386,531	5,066,025
Surplus on revaluation of assets	21	649,318	1,676,698
Unappropriated profit		2,891,834	3,577,136
		20,507,043	21,899,219
CONTINGENCIES AND COMMITMENTS		22	

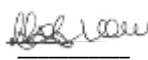
The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.



**MANAGING
DIRECTOR**



**CHIEF FINANCIAL
OFFICER**



DIRECTOR



DIRECTOR



DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		January 1 to March 31, 2025	January 1 to March 31, 2024
	Note	----- Rupees in '000 -----	
Mark-up / return / interest earned	23	13,500,282	16,955,222
Mark-up / return / interest expensed	24	8,394,671	13,438,855
Net mark-up / interest income		5,105,611	3,516,367
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	228,101	281,244
Dividend income		-	-
Foreign exchange income		72,367	227,268
Income / (loss) from derivatives		-	-
Gain on securities	26	520,715	-
Net gains on derecognition of financial assets measured at amortised cost	27	50,971	-
Share of profit of associate		2,968	4,696
Other income	28	24,783	35,332
Total non-mark-up / interest income		899,905	548,540
Total income		6,005,516	4,064,907
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	2,720,474	2,360,455
Workers Welfare Fund		-	-
Other charges	30	130	100
Total non-mark-up / interest expenses		2,720,604	2,360,555
PROFIT BEFORE CREDIT LOSS ALLOWANCE		3,284,912	1,704,352
(Reversal) / credit loss allowance and write offs - net Extra ordinary / unusual items	31	(117,989)	190,076
		-	-
PROFIT BEFORE TAXATION		3,402,901	1,514,276
Taxation	32	1,800,369	742,044
PROFIT AFTER TAXATION		1,602,532	772,232
-----Rupees -----			
Basic and diluted earnings per share	33	1.38	0.67

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.



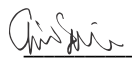
**MANAGING
DIRECTOR**



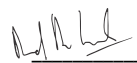
**CHIEF FINANCIAL
OFFICER**



DIRECTOR



DIRECTOR



DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	January 1 to March 31, 2025	January 1 to March 31, 2024
	Rupees in '000	

Profit after taxation for the period 1,602,532 772,232

Other comprehensive income

Items that may be reclassified to statement of profit and loss account in subsequent periods:

Movement in deficit on revaluation of debt investments through FVOCI - net of tax
Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax

(861,034)	(350,984)
(244,731)	-
(1,105,765)	(350,984)

Items that will not be reclassified to statement of profit and loss account in subsequent periods:

Movement in surplus on revaluation of equity investments - net of tax
Share of surplus on revaluation of investment in associate - net of tax
Share of remeasurement loss on defined benefit obligations of associate - net of tax

78,400	2,164
1,339	511
-	(916)
79,739	1,759

Total comprehensive income

576,506	423,007
---------	---------

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.



**MANAGING
DIRECTOR**



**CHIEF FINANCIAL
OFFICER**







DIRECTOR



DIRECTOR



DIRECTOR

			
MANAGING DIRECTOR	DIRECTOR	DIRECTOR	DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

	January 1 to March 31, 2025	January 1 to March 31, 2024
Note	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,402,901	1,514,276
Less: Dividend income	-	-
	<u>3,402,901</u>	<u>1,514,276</u>
Adjustments:		
Net mark-up / return / interest income	(5,105,611)	(3,516,367)
Depreciation - Property and equipment	29 205,041	181,775
Depreciation - Non-banking assets acquired in satisfaction of claims	29 11,178	8,765
Depreciation - Right-of-use assets	29 186,554	174,164
Amortization	29 20,955	19,909
(Reversal) / credit loss allowance and write offs	31 (117,989)	190,076
Gain on securities	26 (520,715)	-
Gain on disposal of property and equipment - net	28 (667)	(7,297)
Loss / (gain) on early culmination of lease	28 -	-
Finance charges on leased assets	24 100,460	105,105
Unwinding of deferred cost on staff loans	59,348	-
Exchange loss/ (gain) on cash and cash equivalents	-	-
Share of profit of associate	(2,968)	(4,696)
	<u>(5,164,414)</u>	<u>(2,848,566)</u>
	(1,761,513)	(1,334,290)
(Increase) / Decrease in operating assets		
Lendings to financial institutions	(1,535,164)	(697,450)
Securities classified as FVPL	(5,362)	-
Advances	78,493,716	(586,925)
Other assets (excluding mark-up receivable)	(1,133,977)	4,638,115
	<u>75,819,213</u>	<u>3,353,740</u>
(Decrease) / increase in operating liabilities		
Bills payable	(20,523,683)	(2,538,486)
Borrowings from financial institutions	(58,073,108)	(21,634,172)
Deposits	60,977,994	34,986,693
Other liabilities (excluding current taxation and mark-up payable)	858,891	2,647,599
	<u>(16,759,906)</u>	<u>13,461,634</u>
	9,999,974	13,945,708
	<u>(12,527,988)</u>	<u>(15,440,941)</u>
	(959,564)	(456,711)
Net cash flow from operating activities	<u>53,810,216</u>	<u>13,529,140</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost / held to maturity securities	891,211	(172,923)
Net investments in securities classified as FVOCI / AFS	(49,816,242)	(6,789,943)
Dividends received	-	-
Investments in property and equipment	(147,615)	(164,155)
Investments in intangible assets	(34,286)	-
Disposal of property and equipment	1,023	10,493
Net cash flow used in investing activities	<u>(49,105,909)</u>	<u>(7,116,528)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(250,739)	(242,298)
Dividend paid	3	1
Net cash flow used in financing activities	<u>(250,736)</u>	<u>(242,297)</u>
	(385)	(82)
Effects of credit loss allowance changes on cash and cash equivalents	-	-
Effects of exchange rate changes on cash and cash equivalents	4,453,186	6,170,233
Increase in cash and cash equivalents	27,245,369	27,855,805
Cash and cash equivalents at beginning of the period	31,698,555	34,026,038
Cash and cash equivalents at end of the period	<u>58,943,924</u>	<u>61,881,843</u>

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.



**MANAGING
DIRECTOR**



**CHIEF FINANCIAL
OFFICER**



DIRECTOR



DIRECTOR



DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

1 STATUS AND NATURE OF BUSINESS

The Bank of Khyber (the Bank) was established in Pakistan under The Bank of Khyber Act, 1991 and is principally engaged in the business of commercial banking and related services. The Bank acquired the status of a scheduled bank in 1994 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Bank is situated at 24-The Mall, Peshawar Cantt, Peshawar. The Bank operates 246 branches including 131 Islamic banking branches (December 31, 2024: 246 branches including 131 Islamic banking branches). The long term credit rating of the Bank assigned by VIS Credit Rating Company Limited and Pakistan Credit Rating Agency Limited (PACRA) are 'A+' and 'A+' respectively and the short-term credit ratings assigned are 'A1' (A-One) and 'A-1' (A-One) respectively. The majority shares (i.e. 70.20%) of the Bank are held by Government of Khyber Pakhtunkhwa (GoKP).

The Provincial Assembly of Khyber Pakhtunkhwa has passed the Bank of Khyber (Amendment) Act, 2022. As part of the amendments, the name of Bank has been changed from "The Bank of Khyber" to "Bank of Khyber". The Bank is in the process of seeking necessary regulatory approval for the same.

2 BASIS OF PREPARATION

- 2.1** In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under the respective arrangements (except for Murabaha financings accounted for under Islamic Financial Accounting Standard - 1 "Murabah") are not reflected in these condensed interim financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.
- 2.2** The Islamic banking branches of the Bank have complied with the requirements as set out in the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.
- 2.3** The financial results of the Islamic Banking Branches have been included in these condensed interim financial statements for reporting purposes, after eliminating the effects of inter-branch transactions and balances. Key financial figures of the Islamic Banking Branches are disclosed in note 38 to these condensed interim financial statements.
- 2.4** These condensed interim financial statements have been prepared under the historical cost convention. These financial statements have been prepared under the historical cost convention except that certain class of property and equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts; certain investments classified at fair value through profit or loss and at fair value through other comprehensive income and derivative financial instruments, if any, are stated at fair value; staff loans are measured at fair value at initial recognition; and the recognition of certain employees benefits, lease liabilities and corresponding right of use assets at present value, as disclosed in their respective notes.
- 2.5** The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these condensed interim financial statements have been prepared on a going concern basis.
- 2.6** These condensed interim financial statements have been presented in Pakistani Rupee, which is the Bank's functional and presentation currency. The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

3 STATEMENT OF COMPLIANCE

- 3.1** These 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 financial reporting comprise of:

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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 IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

3.2 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 9, 2023 and IAS 34. These condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2024.

3.3 SBP vide BSD Circular Letter No. 10, dated August 26, 2002, has deferred the applicability of International Accounting Standard (IAS) 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015, has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

**Effective date (annual
periods beginning on or
after)**

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	January 1, 2027

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Bank for the year ended December 31, 2024 except for changes in measurement methodology for unquoted equity securities mentioned in note 34.2.4.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

4.1 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as that applied in the preparation of the financial statements for the year ended December 31, 2024.

4.2 Financial risk management

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

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
5 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	5,974,937	5,968,029
Foreign currencies	209,249	186,814
	6,184,186	6,154,843
With State Bank of Pakistan in		
Local currency current accounts	15,145,387	15,258,838
Foreign currency current accounts	40,484	25,943
Foreign currency deposit accounts	279,730	257,275
	15,465,601	15,542,056
With National Bank of Pakistan in		
Local currency current accounts	2,777,644	1,294,874
Local currency deposit accounts	152,406	995,058
Foreign currency current accounts	1,715	4,436
	2,931,765	2,294,368
Prize bonds	1,144	1,854
Less: Credit loss allowance held against cash and balances with treasury banks	(30)	(26)
Cash and balances with treasury banks - net of credit loss allowance	<u>24,582,666</u>	<u>23,993,095</u>
6 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	2,415,774	900,776
In deposit accounts	348,125	551,919
	2,763,899	1,452,695
Outside Pakistan		
In current accounts	3,660,121	705,614
In deposit accounts	702,577	1,104,292
	4,362,698	1,809,906
Less: Credit loss allowance held against balances with other banks	(10,708)	(10,327)
Balances with other banks - net of credit loss allowance	<u>7,115,889</u>	<u>3,252,274</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
7 LENDINGS TO FINANCIAL INSTITUTIONS		----- Rupees in '000 -----	
Repurchase agreement Lendings (Reverse Repo)		1,542,777	-
Placements with financial institutions		<u>231,331</u>	<u>238,944</u>
		<u>1,774,108</u>	<u>238,944</u>
Less: Credit loss allowance held against lendings to financial institutions	7.1	<u>(98,398)</u>	<u>(105,370)</u>
Lendings to financial institutions - net of credit loss allowance		<u>1,675,710</u>	<u>133,574</u>

		(Un-audited) March 31, 2025		(Audited) December 31, 2024
7.1 Lendings to financial institutions - particulars of credit loss allowance				
	Note	Lending	Credit loss allowance held	Lending
				Credit loss allowance held
		----- Rupees in '000 -----		
Domestic				
Performing	Stage 1	1,542,777	487	-
Under performing	Stage 2	-	-	-
Non-performing	Stage 3			
Substandard		-	-	-
Doubtful		-	-	-
Loss		-	-	-
	7.2	<u>231,331</u>	<u>97,911</u>	<u>238,944</u>
		<u>231,331</u>	<u>98,398</u>	<u>238,944</u>
Total		<u>1,774,108</u>	<u>98,398</u>	<u>238,944</u>
		<u>1,774,108</u>	<u>98,398</u>	<u>238,944</u>
Overseas				
		-	-	-
Total		-	-	-

- 7.2** The credit loss allowance as of March 31, 2025 includes the forced sales value benefit amounting to Rs. 133 million (December 31, 2024: Rs. 133.57), availed by the Bank equivalent to the market value of the Pakistan Investment Bonds received by the Bank as part of the settlement agreement against a non performing lending of the Bank. The resulting increase in the unappropriated profit (net of tax) amounting to Rs. 62.51 million (December 31, 2024: Rs. 61.44 million) is not available for the distribution of cash or stock dividend to shareholders or bonus to employees.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

8 INVESTMENTS

8.1 Investments by type:

	(Un-audited) March 31, 2025		
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)
	-----Rupees in '000-----		
			Carrying value

Fair value through profit or loss (FVPL)

Non-Government Debt Securities

1,064,760 - (13,809) 1,050,951

Fair value through other comprehensive

income (FVOCI)

Federal Government Securities

Shares

Non-Government Debt Securities

	305,672,185	-	366,447	306,038,632
	652,080	-	(299,803)	352,277
	5,457,345	(154,057)	(103,094)	5,200,194
	311,781,610	(154,057)	(36,450)	311,591,103

Amortised cost (AC)

Federal Government Securities

17,326,362 - - 17,326,362

Associate

108,108 - - 108,108

Total investments

	330,280,840	(154,057)	(50,259)	330,076,524
--	-------------	-----------	----------	-------------

	(Audited) December 31, 2024		
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)
	-----Rupees in '000-----		
			Carrying value

Fair value through profit or loss (FVPL)

Federal Government Securities

Non-Government Debt Securities

	5,367	-	(5)	5,362
	1,064,760	-	(13,809)	1,050,951
	1,070,127	-	(13,814)	1,056,313

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

Fair value through other comprehensive

income (FVOCI)

Federal Government Securities	255,339,267	-	2,659,286	257,998,553
Shares	677,081	-	(463,139)	213,942
Non-Government Debt Securities	5,428,308	(158,189)	(92,254)	5,177,865
	261,444,656	(158,189)	2,103,893	263,390,360

Amortised cost (AC)

Federal Government Securities	18,217,573	-	-	18,217,573
-------------------------------	------------	---	---	------------

Associate

	102,351	-	-	102,351
--	---------	---	---	---------

Total investments

	280,834,707	(158,189)	2,090,079	282,766,597
--	-------------	-----------	-----------	-------------

8.2 Investments given as collateral

		Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
			----- Rupees in '000 -----	
Market Treasury Bills			1,900,138	3,692,167
Pakistan Investment Bonds	8.2.1		63,195,945	109,498,432
Ijara Sukuks			-	4,057,905
			65,096,083	117,248,504

8.2.1 These represent the market values of securities at reporting date.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

8.3 Credit loss allowance for diminution in value of investments

Opening balance	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Impact of adoption of IFRS 9		
Balance as at January 1, 2024 after adoption of IFRS 9	158,189	799,132
	-	(633,983)
	158,189	799,239
Charge / (reversals)		
Charge for the period / year	-	-
Reversal for the period / year	(4,132)	(6,960)
Reversal on disposals / repayment during the period / year	(4,132)	(6,960)
Closing balance	154,057	158,189

8.4 Particulars of credit loss allowance against debt securities

Category of classification

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Outstanding amount	Outstanding amount
	Credit loss allowance held	Credit loss allowance held
	Rupees in '000	Rupees in '000
Domestic		
Performing	5,046,137	-
Underperforming	-	5,019,711
Non-performing	-	35
Substandard	-	-
Doubtful	-	-
Loss	-	-
Total	154,057	158,154
	154,057	158,154
	5,200,196	5,177,985
Overseas	-	-
Total	-	-

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

8.5 Summarised financial information of associate

8.5.1 Investment in associate - unlisted

Taurus Securities Limited
Taurus Securities Limited

Period / year ended	Number of shares	Percentage of holding	Country of incorporation	Cost Rupees in '000
March 31, 2025 (Un-audited)	4,050,374	30%	Pakistan	40,504
December 31, 2024 (Audited)	4,050,374	30%	Pakistan	40,504

8.5.2 Summary of financial information of associate

Based on financial statements:

- October 1, 2024 to December 31, 2024
- October 1, 2023 to September 30, 2024

8.6 The market value of securities classified as amortised cost as at March 31, 2025 amounted to Rs. 17,295.95 million (December 31, 2024: Rs. 18,157.60 million).

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

Assets	Liabilities	Equity	Revenue	Profit after taxation	Total comprehensive income
1,499,202	1,138,845	360,356	91,782	9,893	19,189
1,109,700	768,533	341,170	230,721	37,273	40,470

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

ADVANCES						
Note	Performing		Non performing		Total	
	(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024
-----Rupees in '000-----						
Loans, cash credits, running finances, etc.	51,675,023	128,245,818	9,589,252	9,756,779	61,264,275	138,002,597
Islamic financing and related assets	18,192,423	19,920,768	2,052,687	2,002,824	20,245,110	21,923,592
Bills discounted and purchased	53,120	155,174	1,541,365	1,541,365	1,594,485	1,696,539
	69,920,566	148,321,760	13,183,304	13,300,968	83,103,870	161,622,728
Impact of fair valuation of advances	(1,973,983)	(1,999,125)	-	-	(1,973,983)	(1,999,125)
Advances - gross	67,946,583	146,322,635	13,183,304	13,300,968	81,129,887	159,623,603
Credit loss allowance against advances	9.3					
- Stage 1	746,900	731,140	-	-	746,900	731,140
- Stage 2	501,955	584,619	-	-	501,955	584,619
- Stage 3	-	-	11,418,154	11,425,873	11,418,154	11,425,873
	1,248,855	1,315,759	11,418,154	11,425,873	12,667,009	12,741,632
Advances - net of credit loss allowance	66,697,728	145,006,876	1,765,150	1,875,095	68,462,878	146,881,971
----- Rupees in '000 -----						
		(Un-audited)	(Audited)		(Un-audited)	
		March 31,	December 31,		December 31,	
		2025	2024		2024	
Particulars of advances (gross)						
In local currency		81,129,887		159,623,603		
In foreign currencies		-		-		
		81,129,887		159,623,603		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

9.2 Advances include Rs. 13,183.30 million (December 31, 2024: Rs. 13,300.97 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	214,724	144,245	57,738	30,741
Other assets especially mentioned (OAEI)	412,514	266,769	510,351	330,039
Substandard	540,212	367,292	566,182	372,070
Doubtful	12,015,854	10,639,848	12,166,697	10,693,023
Loss	13,183,304	11,418,154	13,300,968	11,425,873
Overseas	-	-	-	-
Total	13,183,304	11,418,154	13,300,968	11,425,873

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

9.3 Particulars of credit loss allowance against advances

	(Un-audited) March 31, 2025			(Audited) December 31, 2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1 & 2	Stage 3
Rupees in '000						
Opening balance	731,140	584,619	11,425,873	12,741,632	96,130	8,019,353
Impact of adoption of IFRS 9	-	-	-	-	1,658,090	3,220,756
Balance as at January 1, 2024, after adoption of IFRS 9	731,140	584,619	11,425,873	12,741,632	1,754,220	11,240,109
Charge for the period / year	75,398	125,453	412,699	613,550	686,114	722,758
Reversals for the period / year	(59,638)	(208,117)	(420,418)	(688,173)	(1,124,575)	(536,994)
Amounts written off	15,760	(82,664)	(7,719)	(74,623)	(438,461)	185,764
Closing balance	746,900	501,955	11,418,154	12,667,009	1,315,759	11,425,873

9.4 Advances - Particulars of credit loss allowance

	(Un-audited) March 31, 2025			(Audited) December 31, 2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2
Rupees in '000						
Opening balance	731,140	584,619	11,425,873	12,741,632	-	96,130
Impact of adoption of IFRS 9	-	-	-	-	851,989	806,101
Balance as at January 1, 2024, after adoption of IFRS 9	731,140	584,619	11,425,873	12,741,632	851,989	902,231
New advances	112,710	60,115	168,531	341,356	334,097	104,833
Advances derecognised or repaid	(88,625)	(37,106)	(133,153)	(258,884)	(156,308)	(106,921)
Transfer to stage 1	101,617	(97,261)	(4,349)	-	101,680	(96,239)
Transfer to stage 2	(51,707)	65,834	(14,127)	-	(71,330)	145,504
Transfer to stage 3	(4,798)	(35,951)	40,749	-	(24,057)	(154,469)
Changes in risk parameters	69,197	(44,375)	57,651	82,472	184,082	(107,292)
Closing balance	(53,437)	(38,298)	(65,700)	(157,095)	(304,931)	(210,320)
	746,900	501,955	11,418,154	12,667,009	731,140	584,619

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		(Un-audited) March 31, 2025		(Audited) December 31, 2024	
9.4.2 Advances - Category of classification		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----					
Domestic					
Performing	Stage 1	37,687,270	746,900	117,398,894	731,140
Underperforming	Stage 2	30,259,313	501,955	28,923,741	584,619
Non-performing	Stage 3				
Other assets especially mentioned (OAEM)		214,724	144,245	57,738	30,741
Substandard		412,514	266,769	510,351	330,039
Doubtful		540,212	367,292	566,182	372,070
Loss		12,015,854	10,639,848	12,166,697	10,693,023
		13,183,304	11,418,154	13,300,968	11,425,873
Total		81,129,887	12,667,009	159,623,603	12,741,632
Overseas		-	-	-	-
		-	-	-	-
Total		-	-	-	-

9.4.3 State Bank of Pakistan (SBP) through BSD Circular No.1 dated October 21, 2011 has allowed benefit of the forced sales value (FSV) of plant & machinery under charge, pledged stocks & 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.

The Bank has adopted IFRS 9 with effect from January 1, 2024. In accordance with the SBP's IFRS 9 Application Instructions (together with BPRD Circular Letter No.16 of 2024 dated July 29, 2024), credit loss allowance / provision against NPLs has been taken at higher of the i) provision as required under SBP's Prudential Regulations; or ii) credit loss allowance computed in accordance with the requirements of the Application Instructions. This has effectively reduced the cumulative FSV benefit availed by the Bank as on period end. As at March 31, 2025, the Bank has availed cumulative benefit of forced sales value of Rs. 812.72 million (December 31, 2024: Rs. 1,235.09 million). Increase in unappropriated profit amounting to Rs. 381.98 million (December 31, 2024: Rs. 586.14 million) is not available for the distribution of cash or stock dividend to shareholders or bonus to employees.

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
10	PROPERTY AND EQUIPMENT	Note	----- Rupees in '000 -----
	Capital work-in-progress	10.1	101,951 81,214
	Property and equipment		4,133,440 4,211,959
			4,235,391 4,293,173
10.1	Capital work-in-progress		
	Civil works		63,786 2,264
	Equipment		38,156 42,711
	Furniture and fixtures		9 10,132
	Advances to suppliers		- 26,107
			101,951 81,214

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

10.2 Additions to property and equipment

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

	(Un-audited) For the three months ended	
	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
Capital work-in-progress - net additions / (transfers)	20,737	23,870
Property and equipment		
Furniture and fixtures	27,977	14,460
Electrical, office and computer equipment	44,597	25,561
Vehicles	26,701	-
Leasehold improvements	27,603	91,205
Total	126,878	131,226
	147,615	155,096

10.3 Disposal of property and equipment

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

Furniture and fixtures	7	2,163
Electrical, office and computer equipment	349	21
Leasehold improvements	-	1,012
Total	356	3,196

11 RIGHT-OF-USE ASSETS

Buildings

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
At January 1		
Cost	4,965,179	4,663,099
Accumulated depreciation	(2,905,209)	(2,113,858)
Net carrying amount at January 1	2,059,970	2,549,241
Additions during the period / year	40,978	351,947
Terminations during the period / year - at cost	-	(49,867)
Accumulated depreciation on termination	-	755
	-	(49,112)
Depreciation charge for the period / year	(186,554)	(792,106)
Net carrying amount at the period / year end	1,914,394	2,059,970

12 INTANGIBLE ASSETS

Capital work in progress	69,707	36,884
Licenses and computer softwares	304,987	324,479
	374,694	361,363

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		(Un-audited)	
		For the three months ended	
		March 31,	March 31,
		2025	2024
		----- Rupees in '000 -----	
12.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period:		
	Directly purchased - intangible assets	-	-
	Capital work in progress - net	1,463	990
	Total	1,463	990
12.2	Disposals of intangible assets		
	No intangible assets were disposed off during the periods ended March 31, 2025 and March 31, 2024.		
13	DEFERRED TAX ASSETS	(Un-audited) March 31, 2025	(Audited) December 31, 2024
		----- Rupees in '000 -----	
	Deductible temporary differences on		
	Accelerated accounting depreciation	387,630	340,581
	Credit loss allowance against investments	23,617	23,617
	Unrealised loss on FVPL investments	7,183	7,183
	Credit loss allowance against advances and off balance sheet obligations	1,928,081	2,038,063
	Credit loss allowance against cash and balances with treasury banks	16	14
	Credit loss allowance against balances with other banks	5,568	5,370
	Credit loss allowance against other assets	23,058	23,884
	Deficit on revaluation of equity securities	-	-
	Islamic pool management reserves	49,667	159,665
		2,424,820	2,598,377
	Taxable temporary differences on		
	Share of profit of associate	(30,863)	(32,160)
	Surplus on revaluation of FVOCI investments - net	(240,808)	(1,353,785)
	Surplus on revaluation of non-banking asset	(27,362)	(28,828)
	Staff loans	(65,930)	(35,663)
	Others	62,011	45,621
		(302,952)	(1,404,815)
	Deferred tax assets - net	2,121,868	1,193,562

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
14 OTHER ASSETS			
Income / mark-up accrued in local currency		12,582,117	9,081,809
Advances, deposits, advance rent and other prepayments		315,420	327,764
Non-banking assets acquired in satisfaction of claims		251,537	259,895
Mark to market gain on forward foreign exchange contracts		7,055	6,771
Acceptances		395,084	18,892
Pre-IPO investment		100,000	100,000
Stationary and stamps on hand		197,909	213,914
Employees benefits		138,250	166,498
Clearing and settlement accounts		736,418	-
Receivable from the State Bank of Pakistan		412,257	343,085
Deferred cost on staff loans		1,989,471	2,067,708
Others		204,266	176,869
		<u>17,329,784</u>	<u>12,763,205</u>
Less: Credit loss allowance held against other assets	14.1	<u>(188,769)</u>	<u>(190,357)</u>
Other assets - net of credit loss allowance		<u>17,141,015</u>	<u>12,572,848</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	<u>52,620</u>	<u>55,440</u>
Other assets - total		<u><u>17,193,635</u></u>	<u><u>12,628,288</u></u>
14.1 Credit loss allowance held against other assets			
Income / mark-up accrued in local currency		1,273	2,861
Pre-IPO investment		100,000	100,000
Others		87,496	87,496
		<u>188,769</u>	<u>190,357</u>
14.1.1 Movement in credit loss allowance held against other assets			
Opening balance		190,357	222,656
Impact of adoption of IFRS 9		-	3,251
Balance as at January 1, 2024 after adoption of IFRS 9		<u>190,357</u>	<u>225,907</u>
Charge for the period / year		-	-
Reversal for the period / year		<u>(1,588)</u>	<u>(35,550)</u>
		<u>(1,588)</u>	<u>(35,550)</u>
Closing balance		<u><u>188,769</u></u>	<u><u>190,357</u></u>
15 BILLS PAYABLE			
In Pakistan		1,427,670	21,951,353
Outside Pakistan		-	-
		<u>1,427,670</u>	<u>21,951,353</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

16

BORROWINGS

(Un-audited)

March 31,

2025

(Audited)

December 31,

2024

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

Secured

Borrowings from State Bank of Pakistan (SBP) under:

- Export refinance scheme

- Long term financing facility

- Refinance and credit guarantee scheme for women entrepreneurs

- Financing facility for renewable energy

- Refinance facility for modernization of Small and Medium Enterprises (SMEs)

- Refinance facility for combating COVID-19

- SME Asaan Scheme (SAAF)

- Financing facility for storage of agriculture produce

- Repurchase agreement borrowings

- Acceptance mudarbah

Repurchase agreement borrowings

Call borrowings

Total secured

Unsecured

Call borrowings

Bai Muajjal borrowings

Total

3,053,700

2,876,186

53,420

250,781

50,422

355,490

649,612

83,923

53,366,315

-

60,739,849

11,718,814

-

11,718,814

72,458,663

3,000,000

-

75,458,663

3,552,700

3,038,577

54,981

265,478

53,976

428,627

799,615

89,384

91,064,600

4,057,905

103,405,843

22,125,999

-

22,125,999

125,531,842

6,000,000

1,999,929

133,531,771

17

DEPOSITS AND OTHER ACCOUNTS

(Un-audited)

March 31, 2025

(Audited)

December 31, 2024

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

Customers

Current deposits

Saving deposits

Term deposits

Others

Financial Institutions

Current deposits

Saving deposits

58,773,731

166,109,445

94,193,702

16,019,886

335,096,764

1,141,818

676,446

1,818,264

336,915,028

684,464

223,024

766,354

-

1,673,842

31,113

-

31,113

1,704,955

59,458,195

166,332,469

94,960,056

16,019,886

336,770,606

1,172,931

676,446

1,849,377

338,619,983

53,734,250

134,403,110

68,749,355

17,183,317

274,070,032

539,360

1,350,589

1,889,949

275,959,981

595,131

326,537

729,110

-

1,650,778

31,230

-

31,230

1,682,008

54,329,381

134,729,647

69,478,465

17,183,317

275,720,810

570,590

1,350,589

1,921,179

277,641,989

18

LEASE LIABILITIES

(Un-audited)

March 31,

2025

(Audited)

December 31,

2024

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

Outstanding amount at the start of the period / year

Additions during the period / year

Lease payments including interest during the period / year

Finance charges

Termination / modifications during the period / year

Outstanding amount at the end of the period / year

2,147,700

36,226

(250,739)

100,460

-

2,033,647

2,407,066

351,947

(1,012,610)

446,916

(45,619)

2,147,700

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
18.1 Liabilities outstanding		
Not later than one year	699,143	666,438
Later than one year and up to five years	1,334,504	1,481,262
Total at the period / year end	<u>2,033,647</u>	<u>2,147,700</u>

- 18.2** The Bank mainly has lease contracts for real estate that are used in its operations including branches and other offices. Generally, the Bank is restricted from assigning and subleasing the lease assets. As a practical expedient, management does not separate lease and non-lease components, wherever applicable. The additions to lease obligations during the period have been discounted at rates ranging between 12.07% to 13.27% (December 31, 2024: 13.47% to 22.09%) per annum; being the relevant incremental borrowing rate of the Bank.

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
19 OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	11,886,427	16,002,810
Mark-up / return / interest payable in foreign currencies	6,119	23,053
Unearned commission and income on bills discounted	150,093	154,067
Accrued expenses and supplier payables	1,486,536	1,339,154
Current taxation (provisions less payments)	2,117,690	1,450,667
Acceptances	395,084	18,892
Unclaimed dividends	76,294	76,302
Dividends payable	1,968,693	-
Mark to market loss on forward foreign exchange contracts	564	9,786
Deferred income on government schemes	1,487	1,487
Deferred income on Islamic financing	278,432	239,724
Islamic pool management reserves	95,513	307,049
Share subscription money refund	1,091	1,091
Retention money	34,651	22,889
Bills payment system over the counter (BPS-OTC)	482,438	14,107
Charity fund balance	40,298	40,298
Branch adjustment account	84,098	4,114
Security deposits against ijarah	40,360	45,483
Clearing and settlement accounts	-	106,470
Levies and other taxes payable	196,713	34,219
Credit loss allowance against off-balance sheet obligations	13,039	44,098
Others	351,023	456,075
	<u>19,706,643</u>	<u>20,391,835</u>

19.1 Credit loss allowance against off-balance sheet obligations

Opening balance	44,098	-
Impact of adoption of IFRS 9	-	40,892
Balance as at January 1, 2024 after adoption of IFRS 9	44,098	40,892
Charge for the period / year	-	20,428
Reversal for the period / year	(31,059)	(17,222)
	(31,059)	3,206
Closing balance	<u>13,039</u>	<u>44,098</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

20 SHARE CAPITAL

20.1 Authorized capital

(Un-audited) March 31, 2025	(Audited) December 31, 2024		(Un-audited) March 31, 2025	(Audited) December 31, 2024
Number of shares			----- Rupees in '000 -----	
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

20.2 Issued, subscribed and paid up

(Un-audited) March 31, 2025	(Audited) December 31, 2024		(Un-audited) March 31, 2025	(Audited) December 31, 2024
Number of shares			----- Rupees in '000 -----	
		Ordinary shares of Rs. 10 each		
722,698,448	722,698,448	Fully paid in cash	7,226,984	7,226,984

Issued as fully paid bonus shares:

435,237,541	380,092,081	Opening balance	4,352,376	3,800,921
-	55,145,460	Issued during the period / year (Note 20.3)	-	551,455
435,237,541	435,237,541	Closing balance	4,352,376	4,352,376
1,157,935,989	1,157,935,989		11,579,360	11,579,360

20.3 No bonus shares were issued for the year ended December 31, 2024 (55,140,460 shares were issued as fully paid bonus shares in respect of the year ended December 31, 2023).

20.4 The Bank has only one class of shares and at reporting date, the Government of Khyber Pakhtunkhwa and Ismail Industries Limited held 812,893,804 (December 31, 2024: 812,893,804) and 282,852,969 (December 31, 2024: 282,852,969) ordinary shares respectively. Moreover, the Bank has no reserved shares under options.

21 SURPLUS ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of:

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity
- Property and equipment
- Non-banking assets acquired in satisfaction of claims
- Investment of associate

(Un-audited) March 31, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----	
263,353	2,567,032
(299,803)	(463,139)
900,120	900,120
52,620	55,440
2,495	(295)
918,785	3,059,158

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

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity
- Non-banking assets acquired in satisfaction of claims
- Investment of associate

(Un-audited) March 31, 2025	(Audited) December 31, 2024
(136,944)	(1,334,857)
(103,864)	(18,928)
(27,362)	(28,828)
(1,297)	153
(269,467)	(1,382,460)
649,318	1,676,698

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
22	CONTINGENCIES AND COMMITMENTS		
Guarantees	22.1	40,935,351	39,768,236
Commitments	22.2	17,115,410	13,262,517
		58,050,761	53,030,753
22.1	Guarantees:		
Financial guarantees		300,000	300,000
Performance guarantees		40,629,269	39,462,154
Other guarantees		6,082	6,082
		40,935,351	39,768,236
22.2	Commitments:		
Documentary credits and short-term trade-related transactions - Letters of credit		13,690,462	9,990,326
Commitments in respect of: - Forward foreign exchange contracts	22.2.1	3,268,074	2,869,232
Commitments for acquisition of: - Property and equipment - Intangible assets		3,012 153,862	326,857 76,102
Other commitments		-	-
		17,115,410	13,262,517
22.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		180,674	1,102,151
Sale		3,087,400	1,767,081
		3,268,074	2,869,232
Commitments for outstanding forward foreign exchange contracts are disclosed in these condensed interim financial statements at contracted rates.			
22.3	Other contingent liabilities		
22.3.1	There are certain claims which have not been acknowledged as debts. These mainly represent counter claims by the borrowers, claims filed by the former employees of the Bank and certain other claims. Based on legal advice and/or internal assessments management is optimistic that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these financial statements for the same.		
22.3.2	The Bank is contesting a case filed by an employee in the Peshawar High Court regarding changes in post retirement benefit plans made by the Bank w.e.f. January 1, 2019. The management based on a legal opinion is of the view that such changes were lawfully made as per Bank's policy and is optimistic about the favourable outcome of the case. Hence, no provision in this respect is recognised in these financial statements. Considering the complexity and uncertainty in nature, the financial impact cannot be reasonably ascertained.		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

22.3.3 The matters arising from income tax assessments of the Bank up to Tax Year 2024 are detailed below:

- i) In respect of Tax Year 2014, the Commissioner Inland Revenue, Appeals (CIRA), issued an order dated November 24, 2021 under section 129 of the Income Tax Ordinance, 2001 in which he remanded back certain matters to Commissioner Inland Revenue (CIR) for reassessment and also upheld few matters. Being aggrieved, the Bank filed an appeal with Appellate Tribunal Inland Revenue (ATIR) on February 23, 2022, which is currently pending.

The remand back proceedings were also completed by CIR, and order was issued, creating a total demand of Rs. 231 million (2023: Rs. 231 million) in respect of remand back proceedings and for matter upheld by CIRA and mainly included disallowances on account of provision for doubtful debt, depreciation and workers welfare fund. The Bank filed correction application with CIR as well as appeal with CIRA, on May 18, 2022 which is currently pending.

- ii) In respect of Tax Year 2015, Deputy Commissioner Inland Revenue issued an order dated February 23, 2023 creating an additional tax demand along with default surcharge of Rs. 645 million (2023: Rs. 645 million) under section 161 of Income Tax Ordinance, 2001, mainly on account of non-deduction of withholding taxes on profit on debt, salaries and wages, advertisement and professional charges etc. Being aggrieved, the Bank filed an appeal before CIRA on March 22, 2023 which is currently pending.
- iii) In respect of Tax Year 2016, Additional Commissioner Inland Revenue issued an order dated June 21, 2022 creating a demand of Rs. 188 million (2023: Rs. 188 million) on account of provision for non-performing loans and advances. Being aggrieved the Bank filed an appeal with CIRA on July 22, 2022 which is currently pending.
- iv) In respect of Tax Year 2017, Additional Commissioner Inland Revenue issued an order dated May 29, 2023 creating a demand of Rs. 130 million (2023: Rs. 130 million) on account of provision for non-performing loans and advances. Being aggrieved the Bank filed an appeal with CIRA on July 4, 2023 which is currently pending.

Pursuant to Tax Law (Amendment) Act, 2024, appeal cases pending before Commissioner (Appeals) have now been transferred to Appellate Tribunal Inland Revenue, as per the pecuniary limits prescribed under section 126(A) of the Income Tax Ordinance, 2001.

22.3.4 The Bank's share of contingencies of its associated company i.e. Taurus Securities Limited amounts to Rs. 8.62 million (December 31, 2024: Rs. 8.62 million)

Management is confident of a favourable outcome of the above matters. Hence, no provision has been recognised for the same in these condensed interim financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		(Un-audited)	
		For the three months ended	
		March 31, 2025	March 31, 2024
		----- Rupees in '000 -----	
23	MARK-UP / RETURN / INTEREST EARNED	Note	
	Loans and advances	3,399,400	4,899,740
	Investments	6,727,635	8,948,416
	Lendings to financial institutions	131,852	160,780
	Balances with banks	40,067	48,968
	Sukuk bonds	3,201,328	2,897,318
		<u>13,500,282</u>	<u>16,955,222</u>
23.1	Interest income recognized on:		
	Financial assets measured at amortized cost / held to maturity	4,080,229	5,163,601
	Financial assets measured at FVOCI / available for sale	9,307,122	11,791,621
	Financial assets measured at FVPL / held for trading	112,931	-
		<u>13,500,282</u>	<u>16,955,222</u>
24	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	6,266,760	11,741,555
	Borrowings	2,027,451	1,592,195
	Lease liability	100,460	105,105
		<u>8,394,671</u>	<u>13,438,855</u>
25	FEE AND COMMISSION INCOME		
	Branch banking customer fees	5,520	7,079
	Consumer finance related fees	375	250
	Card related fees (Debit cards)	104,704	149,255
	Commission on trade	41,162	31,234
	Commission on guarantees	60,070	56,550
	Commission on remittances including home remittances	2,805	22,003
	Rebate from financial institutions	9,573	8,912
	Others	3,892	5,961
		<u>228,101</u>	<u>281,244</u>
26	GAIN / (LOSS) ON SECURITIES		
	Realised gain / (loss)	520,715	-
	Unrealised gain - measured at FVPL	-	-
		<u>520,715</u>	<u>-</u>
26.1	Realised gain on:		
	Federal government securities	520,715	-
		<u>520,715</u>	<u>-</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		(Un-audited) For the three months ended	
		March 31, 2025	March 31, 2024
		----- Rupees in '000 -----	
27	NET GAIN / (LOSS) ON FINANCIAL ASSETS MEASURED AT AMORTIZED COST		
	Gain on derecognition of financial assets measured at amortized cost	51,333	-
	Loss on derecognition of financial assets measured at amortized cost	(362)	-
		50,971	-
28	OTHER INCOME		
	Rent on property	866	1,658
	Gain on sale of property and equipment - net	667	7,297
	Postal, swift and other services	23,250	26,298
	(Loss) / gain on early culmination of lease	-	-
	Service income on Government schemes	-	79
		24,783	35,332
		(Un-audited) For the three months ended	
		March 31,	March 31,
		2025	2024
		-----Rupees in '000-----	
29	OPERATING EXPENSES		
	Total compensation expense	1,260,414	1,130,425
	Property expense		
	Rent and taxes	3,766	400
	Utilities cost	98,818	99,792
	Security (including guards)	95,132	79,878
	Repair and maintenance (including janitorial charges)	7,980	6,376
	Depreciation - Right of use assets	186,554	174,164
	Depreciation - Non banking assets acquired in satisfaction of claims	11,178	8,765
	Depreciation - Property and equipment	98,897	88,731
		502,325	458,106
	Information technology expenses		
	Software maintenance	114,114	88,812
	Hardware maintenance	34,767	29,525
	Depreciation - Property and equipment	82,051	70,583
	Amortization	20,955	19,909
	Network charges	2,097	7,598
	Connectivity charges	98,702	76,543
	ATM charges	84,582	72,966
		437,268	365,936

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

Other operating expenses

Directors' fees and allowances	11,209	16,965
Fees and allowances to Shariah Board	3,858	3,484
Legal and professional charges	13,572	12,547
Outsourced service cost	102,753	80,188
Travelling and conveyance	26,087	21,269
NIFT clearing charges	9,475	6,390
Depreciation - Property and equipment	24,093	22,461
Training and development	6,662	4,502
Postage and courier charges	13,138	876
Communication	42,303	53,423
Stationery and printing	30,271	26,465
Marketing, advertisement and publicity	77,213	12,991
Auditors' remuneration	6,748	5,030
Entertainment	13,934	13,839
Newspapers and periodicals	685	597
Brokerage and commission	8,198	6,938
Rent and taxes	288	214
Cash carriage charges	32,075	26,460
Repair and maintenance	24,066	21,219
Utilities cost	2,840	10,274
Insurance	14,760	12,366
Fees and subscriptions	2,489	1,624
Deposit protection premium	32,346	26,217
Others	21,404	19,649
	520,467	405,988
	2,720,474	2,360,455

30 OTHER CHARGES

Penalties imposed by State Bank of Pakistan	130	100
---	------------	-----

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

		(Un-audited)	
		For the three months ended	
		March 31, 2025	March 31, 2024
		----- Rupees in '000 -----	
31	CREDIT LOSS ALLOWANCE / (REVERSAL) AND WRITE OFFS - NET	Note	
	Credit loss allowance held against cash and and balances with treasury banks and balances with other banks	5 & 6	385
	Reversal of credit loss allowance against Lendings to financial institutions	7	(6,972)
	Reversal of credit loss allowance for diminution in value of investments	8.3	(4,132)
	Reversal of credit loss allowance against advances	9.3	(74,623)
	Reversal of credit loss allowance against other assets (Reversal) / credit loss allowance against off balance sheet obligations	14.1.1	(1,588)
		19.1	(31,059)
			211,396
			(117,989)
			190,076
32	TAXATION		
	Current	1,626,586	803,484
	Deferred	173,783	(61,440)
		1,800,369	742,044
		(Un-audited)	
		For the three months ended	
		March 31, 2025	March 31, 2024
33	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit for the period	1,602,532	772,232
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	1,157,935,989	1,157,935,989
		----- (Rupees) -----	
	Basic and diluted earnings per share	1.38	0.67

33.1 There were no dilutive potential ordinary shares outstanding as at March 31, 2025 and March 31, 2024.

34 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect / held to maturity, is based on quoted market price. Quoted securities classified under held to collect / held to maturity are carried at amortised cost. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of fair value of these investments as per note 34.2.4.

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

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits, are frequently re-priced.

34.1 Fair value of financial assets

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

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

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

Level 3: Fair value measurements using inputs that are not based on observable market data (i.e. unobservable inputs).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

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

	(Un-audited) March 31, 2025				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
		----- Rupees in '000 -----			
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	306,038,632	-	306,038,632	-	306,038,632
Shares	352,277	123,002	229,275	-	352,277
Non-Government Debt Securities	6,251,145	-	6,251,145	-	6,251,145
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	17,326,362	-	17,295,950	-	17,295,950
Associate	108,108	-	108,108	-	108,108
Off-balance sheet financial instruments - measured at fair value					
Forward exchange contracts purchase	180,674	-	564	-	564
Forward exchange contracts sale	3,087,400	-	7,055	-	7,055
(Audited)					
December 31, 2024					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
		----- Rupees in '000 -----			
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	258,003,915	42,986,600	215,017,315	-	258,003,915
Shares	213,942	124,640	89,302	-	213,942
Non-Government Debt Securities	6,228,816	-	6,228,816	-	6,228,816
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	18,217,573	-	18,157,598	-	18,157,598
Associate	102,351	-	102,351	-	102,351
Off-balance sheet financial instruments - measured at fair value					
Forward exchange contracts purchase	1,102,151	-	9,786	-	9,786
Forward exchange contracts sale	1,767,081	-	6,771	-	6,771

34.2 The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Bank's policy is to recognize 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 level 1 and 2 during the period.

34.2.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of unquoted equity securities, Sukuk bonds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance Certificates and forward exchange contracts.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

34.2.2 Fair value of non - financial assets

Certain categories of property and equipment (leasehold land) of Rs. 1,016.28 million (December 31, 2024: Rs. 1,016.28 million) and non banking assets acquired in satisfaction of claims of Rs. 304.15 million (December 31, 2024: Rs. 315.33 million) are carried at revalued amounts (level 3 measurements) determined by professional valuers based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by Bank which are also on panel of State Bank of Pakistan.

34.2.3 Valuation techniques and inputs used in determination of fair values within level 1

Fully paid-up ordinary shares

Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

34.2.4 Valuation techniques and inputs used in determination of fair values within level 2

Pakistan Investment Bonds / Market Treasury Bills

Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates for fixed rate securities and PKFRV rates for floating rate PIB's (Reuters page).

Government of Pakistan (GoP) - Ijarah Sukuks

Fair values of GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.

Term Finance, Bonds and Sukuk certificates

Investments in debt securities (comprising term finance certificates, bonds, Sukuk certificates 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 Securities and Exchange Commission of Pakistan. In the determination of the rates, the MUFAP takes into account the holding pattern of these securities and categorizes these as traded, thinly traded and non-traded securities. However, fair values of investments in unquoted debt securities are valued on the basis of present value technique based on market interest rates.

Unquoted equity securities

In line with the BPRD circular letter no. 16 dated July 29, 2024, the Bank has adopted the fair value model for measurement of carrying value of its unquoted equity securities effective January 01, 2025. Accordingly, the Bank has used the Embedded Valuation Model for measuring the fair value of the unquoted equity securities held by the Bank in a takaful company (note: 36.1). Uptil December 31, 2024, the carrying value of these securities was determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

Valuation techniques and inputs used in determination of fair values within level 3

Operating fixed assets (Leasehold land) and non-banking assets acquired in satisfaction of claims

These assets are revalued on regular basis using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

35 SEGMENT INFORMATION

35.1 Segment details with respect to business activities

	For the three months ended March 31, 2025 (Un-audited)				Total
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	
	----- Rupees in 000 -----				
Profit and loss					
Net mark-up / return / profit	(2,706,544)	7,863,470	(1,110,960)	1,059,645	5,105,611
Inter segment revenue - net	3,248,944	(4,930,112)	1,404,869	276,299	-
Non mark-up / return / interest income	1,276	644,341	156,674	97,614	899,905
Total income	543,676	3,577,699	450,583	1,433,558	6,005,516
Segment direct expenses	232,955	(3,121,415)	96,296	71,560	(2,720,604)
Inter segment expense allocation	(479,238)	1,500,731	(300,408)	(721,085)	-
Total expenses	(246,283)	(1,620,684)	(204,112)	(649,525)	(2,720,604)
Credit loss allowance	-	11,101	(62,397)	169,285	117,989
Profit before tax	297,393	1,968,116	184,074	953,318	3,402,901
	----- Rupees in 000 -----				
	As at March 31, 2025 (Un-audited)				Total
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	
	----- Rupees in 000 -----				
Balance sheet					
Cash and bank balances	2,763,047	24,353,032	642,206	3,940,270	31,698,555
Investments	17,326,362	312,642,054	-	108,108	330,076,524
Net inter segment lending	171,035,115	(260,613,819)	75,478,126	14,100,578	-
Lendings to financial institutions	-	1,675,710	-	-	1,675,710
Advances - performing	18,320,751	-	6,314,803	42,062,174	66,697,728
Advances - non performing	-	-	197,417	1,567,733	1,765,150
Others	2,730,268	14,132,363	1,387,014	7,590,337	25,839,982
Total assets	212,175,543	92,189,340	84,019,566	69,369,200	457,753,649
	----- Rupees in 000 -----				
Borrowings	7,373,534	65,085,129	-	3,000,000	75,458,663
Deposits and other accounts	193,320,225	5,894,982	79,912,304	59,492,472	338,619,983
Net inter segment borrowing	(171,035,114)	260,613,818	(75,478,127)	(14,100,577)	-
Others	9,638,723	5,403,894	3,724,612	4,400,731	23,167,960
Total liabilities	39,297,368	336,997,823	8,158,789	52,792,626	437,246,606
Equity	172,878,175	(244,808,483)	75,860,777	16,576,574	20,507,043
Total equity and liabilities	212,175,543	92,189,340	84,019,566	69,369,200	457,753,649
	----- Rupees in 000 -----				
Contingencies and commitments	37,324,972	3,356,101	12,929,249	4,440,439	58,050,761

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	For the three months ended March 31, 2024 (Un-audited)				
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Total
	Rupees in 000				
Profit and loss					
Net mark-up / return / profit	(4,220,382)	9,488,528	(1,823,698)	71,919	3,516,367
Inter segment revenue - net	4,630,519	(7,311,723)	1,986,096	695,108	-
Non mark-up / return / interest income	4,520	262,954	150,206	130,860	548,540
Total Income	414,657	2,439,759	312,604	897,887	4,064,907
Segment direct expenses and allocation	(240,787)	(1,416,746)	(181,526)	(521,496)	(2,360,555)
Total expenses	(240,787)	(1,416,746)	(181,526)	(521,496)	(2,360,555)
Credit loss allowance	-	-	(28,900)	(161,176)	(190,076)
Profit / (loss) before tax	173,870	1,023,013	102,178	215,215	1,514,276

	As at December 31, 2024 (Audited)				
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Total
	Rupees in 000				
Balance sheet					
Cash and bank balances	2,200,814	16,168,609	519,373	8,356,573	27,245,369
Investments	18,217,573	264,446,673	-	102,351	282,766,597
Net inter segment lending	142,908,088	(156,635,911)	76,975,885	(63,248,062)	-
Lendings to financial institutions	-	133,574	-	-	133,574
Advances - performing	17,796,165	-	8,469,009	118,741,702	145,006,876
Advances - non performing	-	-	204,541	1,670,554	1,875,095
Others	2,180,730	7,727,299	2,672,354	7,955,973	20,536,356
Total assets	183,303,370	131,840,244	88,841,162	73,579,091	477,563,867
Borrowings	12,341,243	113,190,599	-	7,999,929	133,531,771
Deposits and other accounts	148,960,714	-	78,144,607	50,536,668	277,641,989
Net inter segment borrowing	(142,908,088)	156,635,911	(76,975,885)	63,248,062	-
Others	20,149,043	5,421,253	10,152,461	8,768,131	44,490,888
Total liabilities	38,542,912	275,247,763	11,321,183	130,552,790	455,664,648
Equity	144,760,458	(143,407,519)	77,519,979	(56,973,699)	21,899,219
Total equity and liabilities	183,303,370	131,840,244	88,841,162	73,579,091	477,563,867
Contingencies and commitments	13,565,317	3,118,387	13,703,012	22,644,037	53,030,753

35.2 Geographical segment

Segment details with respect to geographical locations are not presented in these condensed interim financial statements as geographically the Bank conducts all its operations in Pakistan only.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

36 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its majority shareholders (Government of Khyber Pakhtunkhwa and Ismail Industries Limited), associate, directors, key management personnel, staff retirement benefit plan and other related parties.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives are determined in accordance with terms of their appointments. Further, the Bank acts as a custodian for securities held in Investor Portfolio Securities (IPS) account maintained on behalf of Government of Khyber Pakhtunkhwa having face value of Rs. 125,347.63 million (December 31, 2024: Rs. 108,659.2 million).

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

	(Un-audited) As at March 31, 2025				(Audited) As at December 31, 2024			
	Directors	Key management personnel	Associate	Employee funds	Directors	Key management personnel	Associate	Employee funds
	----- Rupees in '000 -----							
Advances								
Opening balance	-	181,425	-	-	-	179,490	-	-
Addition during the period / year	-	4,500	-	-	-	49,690	-	-
Repaid during the period / year	-	6,255	-	-	-	26,209	-	-
Transfer (out) / in - net	-	24,477	-	-	-	(21,546)	-	-
Closing balance	-	204,147	-	-	-	181,425	-	-
Credit loss allowance / provision held against advances	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	148	8,423	95,829	3,016,225	13,956	6,467	44,580	3,301,627
Received during the period / year	5,185	40,028	103,382	206,283	18,408	161,951	249,512	4,830,897
Withdrawn during the period / year	6,099	47,065	127,423	100,220	16,723	159,755	198,263	5,116,299
Transfer (out) / in - net	1,508	(25)	-	-	(15,493)	(240)	-	-
Closing balance	742	1,361	71,788	3,122,288	148	8,423	95,829	3,016,225
Other liabilities								
Interest / mark-up payable	-	-	-	250,874	28	1,024	6,747	256,848
	----- Rupees in '000 -----							
	(Un-audited) For the three months ended March 31, 2025				(Un-audited) For the three months ended March 31, 2024			
	Directors	Key management personnel	Associate	Employee funds	Directors	Key management personnel	Associate	Employee funds
	----- Rupees in '000 -----							
Income								
Mark-up / return / interest earned	-	984	-	-	79	780	-	-
Expense								
Mark-up / return / interest expensed	52	1,032	6,747	101,071	-	2	-	120,420
Operating expenses - Compensation	25,650	64,411	-	-	18,349	59,028	-	-

36.1 As of March 31, 2025, the Bank has an equity investment having cost of Rs. 112.50 million (December 31, 2024: Rs. 112.50 million) and carrying value of Rs. 229.27 million (December 31, 2024: Rs. 89.29 million) in Dawood Family Takaful Limited, a related party.

36.2 Government of Khyber Pakhtunkhwa (GoKP) holds 70.20% shareholding in the Bank and therefore, entities which are owned and / or controlled by the GoKP, or where the GoKP may exercise significant influence, are also related parties of the Bank. The Bank in the ordinary course of its business enters into transaction with various departments of the GoKP and its related entities. Such transactions include advances to, deposits from and provision for other banking services to Government related entities.

Detailed related party disclosure for being government entity is disclosed as required under IAS-24 "Related Party Disclosures". Relevant details are referred in the following notes:

Particulars	Note
Investments	8.1
Shareholding	20

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	---- Rupees in '000 ----	
37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,579,360	11,579,360
Capital Adequacy Ratio (CAR):		
Eligible common equity tier 1 (CET 1) capital	19,902,647	19,861,157
Eligible additional tier 1 (ADT 1) capital	-	-
Total eligible tier 1 capital	19,902,647	19,861,157
Eligible tier 2 capital	1,571,973	2,714,195
Total eligible capital (Tier 1 + Tier 2)	21,474,620	22,575,352
Risk weighted assets (RWAs):		
Credit risk	75,833,039	85,128,759
Market risk	13,030,006	14,947,185
Operational risk	26,704,795	26,704,795
Total	115,567,840	126,780,739
Common equity tier 1 capital adequacy ratio	17.22%	15.67%
Tier 1 capital adequacy ratio	17.22%	15.67%
Total capital adequacy ratio	18.58%	17.81%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
ADT-1 minimum ratio	1.50%	1.50%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital conservation buffer (CCB- consisting of CET1 only)	1.50%	1.50%
Total capital plus CCB	11.50%	11.50%
Leverage Ratio (LR):		
Eligible tier 1 capital	19,902,647	19,861,157
Total exposures	512,937,037	553,214,970
Leverage ratio	3.88%	3.59%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	257,984,965	210,120,866
Total net cash outflow	98,934,237	100,596,138
Liquidity coverage ratio	260.76%	208.88%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	236,432,799	204,889,233
Total required stable funding	98,685,603	138,223,557
Net stable funding ratio	239.58%	148.23%

- 37.1** The SBP in its application instructions for IFRS 9 has permitted the banks to adopt a transitional approach to phase in the initial impact of ECL for stage 1 and 2 financial assets over a period of five years. Had this relaxation not been availed, the Bank's CAR and Leverage Ratio would have been lower by 0.68% and 0.12% respectively.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

ISLAMIC BANKING BUSINESS

38 The Bank is operating 131 (December 31, 2024: 131) Islamic banking branches as at March 31, 2025.

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
		---- Rupees in '000 ----	
STATEMENT OF FINANCIAL POSITION	Note		
ASSETS			
Cash and balances with treasury banks		11,811,935	9,578,634
Balances with other banks		1,579,054	469,552
Due from financial institutions	38.1	-	-
Investments	38.2	106,976,123	87,035,748
Islamic financing and related assets - net	38.3	17,511,520	19,381,209
Property and equipment		698,917	729,247
Right-of-use assets		659,123	679,308
Intangible assets		-	-
Due from head office		59,923	-
Other assets		5,008,741	3,458,220
Total Assets		144,305,336	121,331,918
LIABILITIES			
Bills payable		475,579	3,493,761
Due to financial institutions		1,212,814	10,022,769
Deposits and other accounts	38.4	127,300,149	90,129,385
Due to head office		-	339,861
Lease liabilities		640,969	647,456
Sub-ordinated debt		-	-
Other liabilities		7,724,373	6,578,534
Total Liabilities		137,353,884	111,211,766
NET ASSETS		6,951,452	10,120,152
REPRESENTED BY			
Islamic banking fund		1,000,000	1,000,000
Reserves		6,660	113,438
Surplus on revaluation of assets		313,199	1,770,518
Unappropriated profit	38.8	5,631,593	7,236,196
		6,951,452	10,120,152
CONTINGENCIES AND COMMITMENTS	38.5		

The profit and loss account of the Bank's Islamic banking branches including windows for the three months ended March 31, 2025 is as follows:

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

		(Un-audited) For the three months ended	
		March 31, 2025	March 31, 2024
		---- Rupees in '000 ----	
PROFIT AND LOSS ACCOUNT	Note		
Profit / return earned	38.6	3,636,648	4,551,567
Profit / return expensed	38.7	1,342,576	2,156,921
Net profit / return		2,294,072	2,394,646
Other income			
Fee and commission income		88,255	116,664
Dividend income		-	-
Foreign exchange income		28,676	63,555
Gain on securities		-	-
Net Gain on derecognition of financial assets measured at amortized cost		9,063	-
Other income		15,553	16,276
Total other income		141,547	196,495
Total income		2,435,619	2,591,141
Other expenses			
Operating expenses		1,341,197	1,059,460
Workers Welfare Fund		-	-
Other charges		20	-
Total other expenses		1,341,217	1,059,460
Profit before credit loss allowance		1,094,402	1,531,681
Credit loss allowance / (reversal) and write offs - net		126,078	(12,795)
Profit before taxation		968,324	1,544,476
Taxation		513,212	756,793
Profit after taxation		455,112	787,683

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	(Un-audited) March 31, 2025			(Audited) December 31, 2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
38.1 Due from financial institutions	Rupees in '000					
Unsecured						
Placement with other banks	-	-	-	-	-	-
Less: Credit loss allowance / provision						
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Due from financial institutions - net of credit loss allowance	-	-	-	-	-	-
38.2 Investments by segments	(Un-audited) March 31, 2025					
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying value		
	Rupees in '000					
Debt Instruments						
Classified / measured at amortised cost						
Federal Government securities						
- GoP Ijarah sukuks		5,021,944	-	-		5,021,944
Classified / measured at fair value through other comprehensive income (FVOCI)						
Federal Government securities						
- GoP Ijarah sukuks	98,761,013	-	268,681	99,029,694		
Non - government debt securities	2,880,000	(33)	44,518	2,924,485		
	101,641,013	(33)	313,199	101,954,179		
Classified / measured at fair value through profit or loss (FVPL)						
Non - government debt securities	-	-	-	-		
Total investments	106,662,957	(33)	313,199	106,976,123		

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	(Audited) December 31, 2024			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
	----- Rupees in '000 -----			
Debt Instruments				
Classified / measured at amortised cost				
Federal Government securities				
- GoP ijarah sukuks	5,024,765	-	-	5,024,765
Classified / measured at fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- GoP ijarah sukuks	77,335,498	-	1,737,901	79,073,399
Non - government debt securities	2,905,000	(33)	32,617	2,937,584
	80,240,498	(33)	1,770,518	82,010,983
Classified / measured at fair value through profit or loss (FVPL)				
Non - government debt securities	-	-	-	-
Total investments	85,265,263	(33)	1,770,518	87,035,748

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED))
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025**

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
38.3 Islamic financing and related assets		
Ijarah	114,325	118,959
Murabaha	3,258,026	2,154,176
Diminishing musharaka	7,121,231	7,781,849
Running musharaka	5,305,800	6,100,000
Istisna	4,445,692	5,768,519
Qarze Hasna	36	89
Gross Islamic financing and related assets	20,245,110	21,923,592
Impact of fair valuation of Islamic financing and related assets	(560,599)	(495,531)
	19,684,511	21,428,061
Less: Credit loss allowance against Islamic financing		
- Stage 1	238,690	168,696
- Stage 2	143,694	184,050
- Stage 3	1,790,607	1,694,106
- Specific	-	-
- General	-	-
	2,172,991	2,046,852
Islamic financing and related assets - net of credit loss allowance	17,511,520	19,381,209
38.4 Deposits		
Customers		
Current deposits	30,584,538	24,186,803
Savings deposits	86,297,260	55,440,319
Term deposits	6,681,755	7,032,252
Others	3,372,800	3,307,949
	126,936,353	89,967,323
Financial Institutions		
Current Deposits	208,514	12,335
Savings deposits	155,282	149,727
	363,796	162,062
	127,300,149	90,129,385
38.5 Contingencies and commitments		
Guarantees	9,320,482	9,248,623
Commitments	5,752,028	2,669,203
	15,072,510	11,917,826
38.6 Profit / return earned on financing, investments and placements		
	(Un-audited) For the three months ended March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
Profit earned on:		
Financing	442,550	1,589,640
Investments	3,183,013	2,867,055
Placements	8,037	92,686
Balances with banks	3,048	2,186
	3,636,648	4,551,567

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

	(Un-audited) For the three months ended	
	March 31, 2025	March 31, 2024
38.7 Profit on deposits and other dues expensed	----- Rupees in '000 -----	
Deposits and other accounts	1,284,942	2,028,149
Due to financial institutions	20,040	93,607
Finance charge on lease liability	37,594	35,165
	1,342,576	2,156,921
38.8 Islamic banking business unappropriated profit	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
Opening balance	7,236,196	7,457,308
Impact of adoption of IFRS 9	-	(610,932)
Balance as at January 1, 2024 after adoption of IFRS 9	7,236,196	6,846,376
Add: Islamic banking profit before taxation for the period / year	968,324	5,472,279
Less: Taxation	(513,212)	(2,955,032)
Less: Transferred to head office	(2,059,715)	(2,127,427)
Closing balance	5,631,593	7,236,196

38.9 Profit equalization reserve

The profit equalization reserves amounting to Rs. 13.32 million (December 31, 2024: Rs. 113.44 million) classified in other liabilities, which has been presented as reserves in note 19.

38.10 Pool management

During the period, one special pool namely Special Pool FCY (US Dollar), has been created

All Special Pools are created as separate entities wherein depositors bear the risk of all direct losses and expenses of the pool. All indirect expenses of the pools are borne by the Bank as Mudarib. There are a number of risks associated to the pool(s) like credit risk, market risk, equity risk, Shariah non-compliant risk and rate of return risk.

As per policy of the Bank, no gift (Hiba) is given in favour of any particular customer. However, the Bank reduced its own share of the **Profit** additional profit ratio. Out of distributable income, an amount of Rs. 897.147 million (40.79%) has been charged as Mudarabah Fee. The total Hiba amount of Rs. 78.555 million (8.11%) has been distributed during the period.

39 GENERAL

39.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison. The following reclassification has been made in the condensed interim statement of profit and loss account.

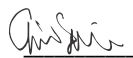
Description of item	From	To	(Rupees in '000)
		Fee and commission income	
Rebate from financial institutions	Other income		8,912

40 DATE OF AUTHORIZATION FOR ISSUE

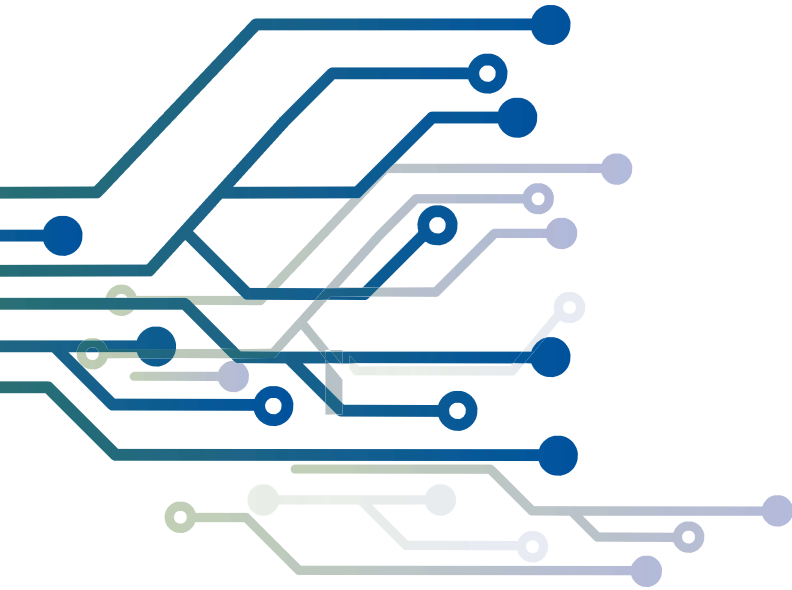
These condensed interim financial statements were authorized for issue in the Board of Directors meeting of the Bank held on April 29, 2025.


**MANAGING
DIRECTOR**

**CHIEF FINANCIAL
OFFICER**

DIRECTOR

DIRECTOR

DIRECTOR



📍 24, The Mall, Peshawar Cantt.

☎ +92-91-111 265 265

✉ customercare@bok.com.pk

🌐 www.bok.com.pk

📘 📷 ✂ 🌐 📺 /bankofkhyber