

هَذَا مِنْ فَضْلِ رَبِّي



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CORPORATE INFORMATION

Board of Directors	Abbas D. Habib	<i>Chairman</i>
	Adnan Afridi	
	Anwar Haji Karim	
	Farhana Mowjee Khan	
	Humayun Bashir	
	Mohammad Rafiquddin Mehkari	
	Qasim Habib	
	Qumail R. Habib	<i>Executive Director</i>
	Shahid Iqbal Baloch	
Audit Committee	Tariq Iqbal Khan	
	Mansoor Ali Khan	<i>Chief Executive</i>
	Mohammad Rafiquddin Mehkari	<i>Chairman</i>
	Adnan Afridi	Member
	Anwar Haji Karim	Member
	Farhana Mowjee Khan	Member
Human Resource & Remuneration Committee	Tariq Iqbal Khan	Member
	Abbas D. Habib	<i>Chairman</i>
	Farhana Mowjee Khan	Member
	Humayun Bashir	Member
	Shahid Iqbal Baloch	Member
Credit Risk Management Committee	Farhana Mowjee Khan	<i>Chairperson</i>
	Adnan Afridi	Member
	Mohammad Rafiquddin Mehkari	Member
	Qasim Habib	Member
	Qumail R. Habib	Member
Risk Management Committee	Adnan Afridi	<i>Chairman</i>
	Anwar Haji Karim	Member
	Mohammad Rafiquddin Mehkari	Member
	Qasim Habib	Member
	Qumail R. Habib	Member
	Shahid Iqbal Baloch	Member
IT Committee	Abbas D. Habib	<i>Chairman</i>
	Humayun Bashir	Member
	Qasim Habib	Member
	Qumail R. Habib	Member
	Mansoor Ali Khan	Member
Islamic Banking Conversion Committee	Mohammad Rafiquddin Mehkari	<i>Chairman</i>
	Farhana Mowjee Khan	Member
	Humayun Bashir	Member
	Shahid Iqbal Baloch	Member
Company Secretary	Mohammad Taqi Lakhani	



Chief Financial Officer	Ashar Husain
Statutory Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisor	LMA Ebrahim Hosain Barristers, Advocates & Corporate Legal Consultants
Registered Office	126-C, Old Bahawalpur Road, Multan
Principal Office	2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi
Share Registrar	CDC Share Registrar Services Limited CDC House 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi-74400.
Website	www.bankalhabib.com



DIRECTORS' REVIEW

It is our pleasure to present the un-audited financial statements of Bank AL Habib Limited along with the un-audited consolidated financial statements of Bank AL Habib Limited and the Bank's Subsidiaries AL Habib Capital Markets (Private) Limited, AL Habib Asset Management Limited, and AL Habib Exchange Company (Private) Limited for the quarter ended March 31, 2025.

Alhamdulillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 2.38 trillion as compared to Rs. 2.28 trillion on December 31, 2024. In the same period, advances increased to Rs. 947.2 billion from Rs. 910.9 billion, while investments increased to Rs. 1.97 trillion from Rs. 1.92 trillion. The pre-tax profit of the Bank for the quarter ended March 31, 2025, was Rs. 20.60 billion as compared to Rs. 19.23 billion during the corresponding period last year. The profit after tax for the quarter ended March 31, 2025, was Rs. 10.21 billion compared with Rs. 10.03 billion during 2024.

The Board of Directors, in its meeting held on April 24, 2025, has declared 1st interim cash dividend of Rs. 3.50 per share i.e. 35% for the quarter ended March 31, 2025.

By the Grace of Allah, the Bank now has a network of 1,242 offices, comprising 1,224 branches, 14 sub-branches, and 4 Representative Offices. Our branch network includes 293 Islamic Banking Branches and 2 Overseas Branches. Continuing with our branch expansion policy, the Bank intends to open more branches during the year 2025.

Alhamdulillah, Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long term entity and short term entity ratings at **AAA** (Triple A) and **A1+** (A One plus), respectively. This long term credit rating **AAA** (Triple A) denotes the highest credit quality with the lowest expectation of credit risk, and indicates exceptionally strong capacity for timely payment of financial commitments.

The ratings of our unsecured, subordinated Term Finance Certificates (TFCs) are **AAA** (Triple A) for TFC-2021 and TFC-2022, and **AA+** (Double A plus) for TFC-2017 (perpetual) and TFC-2022 (perpetual). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments. Further, the TFC-2022 & the TFC-2022 (perpetual) issued in 2022, were listed on Pakistan Stock Exchange (PSX) pursuant to Chapter 5C of PSX Rule Book.

We wish to thank our customers, for their continued trust and support, local & foreign correspondents for their confidence and cooperation, and the State Bank of Pakistan for their guidance. We also thank all our staff members for their sincerity, dedication, and hard work.

Mansoor Ali Khan
Chief Executive

Abbas D. Habib
Chairman
Board of Directors

Karachi: April 24, 2025



ڈائریکٹرز کا جائزہ

ہمارے لئے یہ باعث مسرت ہے کہ ہم 31 مارچ 2025 کو ختم ہونے والی سہ ماہی کے لئے بینک الحیب لمیٹڈ کے غیر آڈٹ شدہ مالی حسابات مع بینک الحیب لمیٹڈ کے غیر آڈٹ شدہ مجموعی مالیاتی حسابات بشمول بینک کی ذیلی کمپنیز الحیب کیپٹل مارکیٹس (پرائیویٹ) لمیٹڈ، الحیب ایسٹ منیجمنٹ لمیٹڈ، اور الحیب کیپیٹل منیجمنٹ (پرائیویٹ) لمیٹڈ پیش کریں۔

الحمد للہ، زیر جائزہ مدت میں بینک کی کارکردگی اطمینان بخش رہی۔ 31 مارچ 2025 کو ختم ہونے والی سہ ماہی میں ڈپازٹس بڑھ کر 2.38 ٹریلین روپے ہو گئے، جو کہ 31 دسمبر 2024 کو 2.28 ٹریلین روپے تھے۔ اسی مدت کے دوران ایڈوانسز 910.9 ملین روپے سے بڑھ کر 947.2 ملین روپے ہو گئے اور سرمایہ کاری 1.92 ٹریلین روپے سے بڑھ کر 1.97 ٹریلین روپے ہو گئی۔ 31 مارچ 2025 کو ختم ہونے والی سہ ماہی کے لئے آپ کے بینک کا قبل از ٹیکس منافع 20.60 ملین روپے رہا، جبکہ گزشتہ سال اس مدت میں یہ 19.23 ملین روپے تھا۔ بینک کا بعد از ٹیکس منافع 31 مارچ 2025 کو ختم ہونے والی مدت کے لئے 10.21 ملین روپے رہا جبکہ گزشتہ سال یہ 10.03 ملین روپے تھا۔

بورڈ آف ڈائریکٹرز نے 24 اپریل 2025ء کو منعقد ہونے والے اجلاس میں 31 مارچ 2025 کو ختم ہونے والی سہ ماہی کیلئے پہلا عبوری 35% نقد منافع منقسمہ یعنی 3.50 روپے فی شیئر کا اعلان کیا ہے۔

اللہ تعالیٰ کے فضل و کرم سے بینک کا نیٹ ورک اب 1,242 دفاتر پر مشتمل ہے، جس میں 1,224 برانچز، 14 ذیلی برانچز اور 4 نمائندہ دفاتر شامل ہیں۔ ہمارے برانچ نیٹ ورک میں اب 293 اسلامی بینکاری برانچز اور 2 بیرون ملک برانچز شامل ہیں۔ برانچز میں اضافہ کی اپنی پالیسی پر کاربند رہتے ہوئے ہم سال 2025 میں بھی مزید برانچز کھولنے کا ارادہ رکھتے ہیں۔

الحمد للہ، پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے طویل مدت کے لئے بینک کی ریٹنگ AAA (ٹرپل اے) اور مختصر مدت کے لئے A+1 (اے و ان پلس) برقرار رکھی ہیں۔ یہ طویل مدتی کریڈٹ ریٹنگ AAA (ٹرپل اے) بینک کے بہترین کریڈٹ کے معیار، کم ترین کریڈٹ رسک کی توقع اور بروقت مالی ذمہ داریوں سے عہدہ براء ہونے کی غیر معمولی صلاحیت کو ظاہر کرتی ہے۔

ہمارے انسٹیٹیوٹ، سہارڈینیڈ ٹرم فنانس سرٹیفیکیٹس کی ریٹنگ AAA (ٹرپل اے) برائے TFC-2021 اور TFC-2022 اور AA+ (ڈبل اے پلس) برائے TFC-2017 (پریچپٹل) اور TFC-2022 (پریچپٹل) ہیں۔ یہ ریٹنگز کریڈٹ رسک کی بہت کم توقع ظاہر کرتی ہیں، جس کی وجہ مالی ذمہ داریوں سے عہدہ براء ہونے کی بہت مضبوط صلاحیت ہے۔ مزید برآں TFC-2022 اور TFC-2022 (پریچپٹل) جو کہ 2022 میں ایٹو ہوئے پی ایس ایکس رول بک کے باب 5C کے مطابق پاکستان اسٹاک ایکسچینج لمیٹڈ پر لسٹڈ کئے گئے۔

ہم اپنے کسٹمرز کے مسلسل اعتماد اور تائید، مقامی و غیر ملکی مالیاتی اداروں کے بھروسے اور تعاون، اور اسٹیٹ بینک آف پاکستان کے اُن کی رہنمائی پر، بے حد مشکور ہیں۔ ہم اپنے تمام اسٹاف ممبران کا بھی ان کے خلوص، لگن اور انتھک محنت پر ان کا شکریہ ادا کرتے ہیں۔

عباس ڈی۔ حبیب
چیئر مین
بورڈ آف ڈائریکٹرز

منصور علی خان
چیف ایگزیکٹو

کراچی: ۲۴ اپریل ۲۰۲۵ء



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

		(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
	Note		
ASSETS			
Cash and balances with treasury banks	6	181,348,764	201,532,248
Balances with other banks	7	5,301,724	5,836,908
Lendings to financial institutions	8	20,916,346	38,941,542
Investments	9	1,972,940,146	1,924,732,913
Advances	10	947,180,687	910,850,199
Property and equipment	11	79,275,953	75,939,019
Right-of-use assets	12	14,873,293	13,679,198
Intangible assets	13	105,595	129,154
Deferred tax assets	14	7,486,290	4,535,942
Other assets	15	192,693,859	143,858,082
Total Assets		3,422,122,657	3,320,035,205
LIABILITIES			
Bills payable	17	32,965,481	52,263,043
Borrowings	18	699,128,219	667,043,213
Deposits and other accounts	19	2,380,422,307	2,278,956,911
Lease liabilities	20	18,077,095	16,848,698
Subordinated debt	21	25,987,400	25,988,400
Deferred tax liabilities		—	—
Other liabilities	22	112,361,482	126,946,320
Total Liabilities		3,268,941,984	3,168,046,585
NET ASSETS		153,180,673	151,988,620
REPRESENTED BY			
Share capital		11,114,254	11,114,254
Reserves		33,194,240	32,050,356
Surplus on revaluation of assets	23	19,631,942	21,604,223
Unappropriated profit		89,240,237	87,219,787
		153,180,673	151,988,620
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

	Note	Three months period ended	
		31 March 2025	31 March 2024
		(Rupees in '000)	
Mark-up / return / interest earned	26	92,887,069	119,804,290
Mark-up / return / interest expensed	27	(59,330,859)	(82,710,920)
Net mark-up / interest income		33,556,210	37,093,370
NON MARK-UP / INTEREST INCOME			
Fee and commission income	28	5,458,635	4,264,085
Dividend income		68,913	302,962
Foreign exchange income		2,108,149	2,487,925
Income / (loss) from derivatives		—	—
(Loss) / gain on securities - net	29	(244,455)	220,512
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—
Other income	30	346,286	316,473
Total non mark-up / interest income		7,737,528	7,591,957
Total income		41,293,738	44,685,327
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	31	(21,426,618)	(18,033,826)
Workers welfare fund		(420,341)	(420,948)
Other charges	32	(6,941)	(126,218)
Total non mark-up / interest expenses		(21,853,900)	(18,580,992)
Profit before credit loss allowance		19,439,838	26,104,335
Credit loss allowance and write offs - net	33	1,156,860	(6,875,132)
Extra ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		20,596,698	19,229,203
Taxation	34	(10,383,425)	(9,197,134)
PROFIT AFTER TAXATION		10,213,273	10,032,069
		(Rupees)	
Basic and diluted earnings per share	35	9.19	9.03

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

	Three months period ended	
	31 March 2025	31 March 2024
	(Rupees in '000)	
		(Restated)
Profit after taxation for the period	10,213,273	10,032,069
Other comprehensive income		
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
Effect of translation of net investment in foreign branches	122,557	(104,448)
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	(2,080,614)	919,660
	(1,958,057)	815,212
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>		
Movement in deficit on revaluation of equity investments - net of tax	(40,627)	(595,275)
Movement in surplus on revaluation of property and equipment - net of tax	124,117	-
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	741	(31,013)
	84,231	(626,288)
Total comprehensive income for the period	8,339,447	10,220,993

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

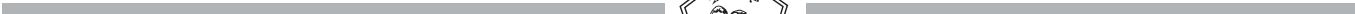
FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets		
(Rupees in '000)										
Balance as at 01 January 2024 - audited	11,114,254	22,700,012	4,818,360	126,500	540,000	1,130,027	16,433,449	200,858	72,595,629	129,659,089
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	(1,773,407)	-	-	(3,510,353)	(5,283,760)
Profit after taxation for the three months period ended 31 March 2024 - restated	-	-	-	-	-	-	-	-	10,032,069	10,032,069
Other comprehensive income for the three months period ended										
31 March 2024 - net of tax										
Effect of translation of net investment in foreign branches	-	-	(104,448)	-	-	-	-	-	-	(104,448)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	919,660	-	-	-	919,660
Movement in deficit on revaluation of investments in equity securities - net of tax	-	-	-	-	-	(595,275)	-	-	-	(595,275)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(31,013)	-	(31,013)
Total other comprehensive income - net of tax	-	-	(104,448)	-	-	324,385	-	(31,013)	-	188,924
Transfer to statutory reserve	-	1,003,207	-	-	-	-	-	-	(1,003,207)	-
Loss on sale of equity investments - FVOCI	-	-	-	-	-	826,620	-	-	(826,620)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(55,330)	(441)	55,771	-
Transaction with owners, recorded directly in equity										
Final cash dividend (Rs. 5.0 per share) - December 2023	-	-	-	-	-	-	-	-	(5,557,127)	(5,557,127)
Balance as at 31 March 2024-unaudited - restated	11,114,254	23,703,219	4,713,912	126,500	540,000	507,625	16,378,119	169,404	71,786,162	129,039,195
Profit after taxation for the nine months period ended 31 December 2024	-	-	-	-	-	-	-	-	29,830,118	29,830,118
Other comprehensive income for the nine months period ended										
31 December 2024 - net of tax										
Effect of translation of net investment in foreign branches	-	-	(16,287)	-	-	-	-	-	-	(16,287)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	5,192,872	-	-	-	5,192,872
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	168,729	-	-	-	168,729
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	61,809	61,809
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(614,568)	-	-	(614,568)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(3,281)	-	(3,281)
Total other comprehensive income - net of tax	-	-	(16,287)	-	-	5,361,601	(614,568)	(3,281)	61,809	4,789,274



ABBAS D. HABIB
Chairman



**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

	31 March 2025	31 March 2024
	(Rupees in '000)	(Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	20,596,698	19,229,203
Less: dividend income	(68,913)	(302,962)
	20,527,785	18,926,241
Adjustments:		
Net mark-up / interest income	(33,556,210)	(37,093,370)
Depreciation	1,804,382	1,239,949
Depreciation on right-of-use assets	670,405	595,938
Amortisation	23,559	52,528
Workers' welfare fund	420,341	420,948
Credit loss allowance and write-offs - net	(1,156,860)	6,875,132
Gain on sale of property and equipment - net	(309,537)	(288,099)
Gain on termination of leases and RoU - net	(28,801)	(24,961)
Unrealised loss / (gain) measured at FVPL	266,775	(171,926)
Charge for defined benefit plan	315,000	300,000
Charge for compensated absences	85,000	105,893
	(31,465,946)	(27,987,968)
(Increase) / decrease in operating assets	(10,938,161)	(9,061,727)
Lendings to financial institutions	18,027,630	(5,314,584)
Securities classified as FVPL	1,340,655	(50,079)
Advances	(36,078,188)	44,891,358
Other assets (excluding advance taxation and markup receivable)	(8,073,436)	(3,212,954)
	(24,783,339)	36,313,741
Increase / (decrease) in operating liabilities		
Bills payable	(19,297,562)	(22,073,388)
Borrowings from financial institutions	34,186,993	(14,894,768)
Deposits and other accounts	101,465,396	153,528,538
Other liabilities (excluding markup payable)	(19,481,379)	2,435,887
	96,873,448	118,996,269
	61,151,948	146,248,283
Interest received	60,053,747	72,152,363
Interest paid	(54,863,663)	(77,281,438)
Income tax paid	(18,551,062)	(7,221,977)
Net cash flow generated from operating activities	47,790,970	133,897,231
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	(1,243,308)	(576,759)
Net investments in securities classified as FVOCI	(52,142,986)	(90,852,425)
Net investments in subsidiaries	-	(1,000,000)
Dividends received	57,663	293,314
Investments in property and equipment	(5,159,109)	(3,165,466)
Proceeds from sale of property and equipment	317,775	238,918
Effect of translation of net investment in foreign branches	122,557	(104,448)
Net cash flow used in investing activities	(58,047,408)	(95,166,866)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	(1,000)	(1,000)
Dividend paid	(7,134,257)	(5,477,518)
Payments of lease obligations against right-of-use assets	(1,220,356)	(976,308)
Net cash flow used in financing activities	(8,355,613)	(6,454,826)
(Decrease) / increase in cash and cash equivalents	(18,612,051)	32,275,539
Cash and cash equivalents at beginning of the period	205,187,585	147,202,286
Cash and cash equivalents at end of the period	186,575,534	179,477,825

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

1. STATUS AND NATURE OF BUSINESS

Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,224 branches (31 December 2024: 1,207 branches), 14 sub - branches (31 December 2024: 14 sub - branches), 04 representative offices (31 December 2024: 04 representative offices) and 12 booths (31 December 2024: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2024: 02 overseas branches) and 293 Islamic Banking branches (31 December 2024: 276 Islamic Banking branches).

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 includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of the Companies Act, 2017.

2.2 Key financial information of the Islamic Banking branches is disclosed in note 40 to these unconsolidated condensed interim financial statements.

2.3 These financial statements are presented in Pak Rupees which is the Bank's functional and presentation currency and represent separate financial statements of the Bank in which investments in subsidiaries and associates are stated at cost less provision for impairment, if any and are not consolidated or accounted for by using equity method of accounting.

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

2.5 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;



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

- 2.5.2** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by SBP vide BPRD Circular No. 02, dated 09 February 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all the information required in the annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2024.
- 2.5.3** SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Also, SECP has deferred the applicability of IFRS 7, 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.5.4** SBP vide its BPRD Circular No. 04 dated 25 February 2015, has clarified that the reporting requirements of IFAS 3, 'Profit and Loss Sharing on Deposits' for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly financial statements would be notified by SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.5.5** IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 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.
- 2.5.6 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain new standards, interpretations and amendments that became effective during the period. However, these are considered either not to be relevant or not have any significant impact on the Bank's unconsolidated condensed interim financial statements except for requirements of IFRS 9 - 'Financial instruments' relating to unlisted equity securities as explained in note 4.1.



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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. These are considered not to have any significant impact on these unconsolidated condensed interim financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information related to preparation of these unconsolidated condensed interim financial statements is consistent with that applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2024 except for requirements of IFRS 9 relating to unlisted equity instruments and subsidised loans and borrowings as explained in note 4.1 and note 4.2.

4.1 Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated July 29, 2024, SBP has relaxed the banks for the application of IFRS 9 'Financial Instruments' to measured unlisted equity securities at fair value under IFRS 13 effective from 01 January 2025. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at 01 January 2025 is shown below:

(Rupees in '000)

Increase in investments	160,148
Decrease in deferred tax assets	83,277
Increase in surplus on revaluation of assets	76,871

4.2 Subsidised Loans and Borrowings

The Bank, in accordance with the requirements of SBP's BPRD Circular Letter No. 16 dated 29 July 2024 has incorporated IFRS 9 requirements related to subsidised loans and borrowings in the last quarter of 2024. Accordingly, the unconsolidated condensed interim statement of profit and loss (un-audited) for the three month period ended March 31, 2024, has been restated to reflect the impact of these requirements. Had the restatement not been made, the profit after tax for the period would have been higher by Rs. 20.992 million, as shown below:

(Rupees in '000)

Increase in mark-up return/ interest earned	711,910
Increase in mark-up / return / interest expensed	461,860
Increase in operating expenses	208,890
Increase in taxation	20,168



5. FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		59,769,868	45,854,281
Foreign currencies		2,821,017	2,704,346
		62,590,885	48,558,627
With State Bank of Pakistan in:			
Local currency current accounts		80,494,693	117,236,148
Local currency current accounts - Islamic Banking		13,561,530	16,299,959
Foreign currency deposit accounts			
Cash reserve account		6,314,910	5,972,112
Cash reserve / special cash reserve account			
- Islamic Banking		601,794	564,899
Special cash reserve account		11,626,831	11,002,725
Local collection account		424,076	407,387
		113,023,834	151,483,230
With National Bank of Pakistan in:			
Local currency current accounts		5,616,319	1,332,163
Prize bonds		117,726	158,228
Cash and balances with treasury banks		181,348,764	201,532,248
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		52,769	211,927
In deposit accounts		9,138	8,642
		61,907	220,569
Outside Pakistan:			
In current accounts		5,171,420	5,129,043
In deposit accounts		73,974	488,243
		5,245,394	5,617,286
		5,307,301	5,837,855
Less: credit loss allowance held against balances with other banks	7.1	(5,577)	(947)
Balances with other banks - net of credit loss allowance		5,301,724	5,836,908



	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
Note		
7.1 Credit Loss Allowance		
Opening balance	947	3,612
Charge / (reversal):		
Charge for the period / year	4,726	75
Reversal for the period / year	(97)	(2,738)
	4,629	(2,663)
Foreign exchange adjustments	1	(2)
Closing balance	5,577	947
8. LENDINGS TO FINANCIAL INSTITUTIONS		
In local currency:		
Musharaka placement	–	26,000,000
Repurchase agreement lendings (Reverse Repo)	20,919,170	12,946,800
	20,919,170	38,946,800
Less: credit loss allowance held against lendings to financial institutions	8.1 (2,824)	(5,258)
Lendings to financial institutions - net of credit loss allowance	20,916,346	38,941,542
8.1 Credit Loss Allowance - Stage 1		
Opening balance	5,258	223
Charge / (reversal):		
Charge for the period / year	1,076	5,258
Reversal for the period / year	(3,510)	(223)
	(2,434)	5,035
Closing balance	2,824	5,258



9. INVESTMENTS

	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
(Rupees in '000)								
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	394,804,473	(780,661)	–	394,023,812	393,561,165	(851,234)	–	392,709,931
Others	4,481	(4,481)	–	–	4,481	(4,481)	–	–
	394,808,954	(785,142)	–	394,023,812	393,565,646	(855,715)	–	392,709,931
FVOCI								
Federal Government Securities	1,544,813,935	(2,935,460)	6,647,717	1,548,526,192	1,492,622,676	(3,312,910)	10,919,609	1,500,229,375
Non Government Debt Securities	8,640,420	(883,242)	(107,659)	7,649,519	8,703,026	(881,964)	(138,403)	7,682,659
Foreign Securities	8,735,771	(1,980,586)	786,030	7,541,215	8,682,791	(2,442,827)	1,127,593	7,367,557
	1,562,190,126	(5,799,288)	7,326,088	1,563,716,926	1,510,008,493	(6,637,701)	11,908,799	1,515,279,591
FVPL								
Federal Government Securities	1,301,887	–	–	1,301,887	2,642,542	–	–	2,642,542
Equity Instruments								
FVOCI - Non Reclassifiable								
Shares								
- Listed companies	182,690	–	476,382	659,072	182,690	–	578,915	761,605
- Unlisted companies	192,202	(50,811)	165,980	307,371	192,202	(50,811)	–	141,391
	374,892	(50,811)	642,362	966,443	374,892	(50,811)	578,915	902,996
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	4,699,950	–	(266,775)	4,433,175	4,238,097	–	461,853	4,699,950
Associates	4,614,653	–	–	4,614,653	4,614,653	–	–	4,614,653
Subsidiaries	3,883,250	–	–	3,883,250	3,883,250	–	–	3,883,250
Total Investments	<u>1,971,873,712</u>	<u>(6,635,241)</u>	<u>7,701,675</u>	<u>1,972,940,146</u>	<u>1,919,327,573</u>	<u>(7,544,227)</u>	<u>12,949,567</u>	<u>1,924,732,913</u>



	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	<u>557,380,400</u>	<u>518,019,000</u>
9.2 Credit loss allowance		
Opening balance	7,544,227	9,658,486
Charge / (reversal):		
Charge for the period / year	188,471	813,987
Reversal for the period / year	(1,136,104)	(1,782,276)
	(947,633)	(968,289)
Amounts written off	—	(1,046,371)
Foreign exchange adjustments	38,647	(99,599)
Closing Balance	<u>6,635,241</u>	<u>7,544,227</u>

9.3 Particulars of credit loss allowance against debt securities

		31 March 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance (Rupees in '000)	Outstanding amount	Credit loss allowance
Domestic					
Performing	Stage 1	4,656,015	1,151	4,718,515	766
Under performing	Stage 2	3,104,485	2,171	3,104,591	1,277
Non performing - loss	Stage 3	884,401	884,401	884,401	884,401
Overseas					
Performing	Stage 1	2,784,098	7,037	2,765,414	11,592
Under performing	Stage 2	22,286,054	3,716,120	22,190,407	4,164,145
Non performing - loss	Stage 3	5,951,678	1,973,550	5,917,378	2,431,235
Total		<u>39,666,731</u>	<u>6,584,430</u>	<u>39,580,706</u>	<u>7,493,416</u>

9.4 Under the IFRS 9 application instructions, the Bank is not required to compute expected credit loss on Government Securities and on Government guaranteed credit exposure in local currency.

9.5 The market value of securities classified as amortised cost at 31 March 2025 amounted to Rs. 396,576 million (31 December 2024: Rs. 395,391 million).



9.6 Summary of financial information of subsidiaries and associates

	Country of incorporation	Percentage of holding	31 March 2025 (Un-audited)				
			Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
			(Rupees in '000)				
Subsidiaries							
AL Habib Capital Markets (Private) Limited	Pakistan	66.67%	1,588,931	1,116,238	79,005	10,736	6,651
AL Habib Asset Management Limited	Pakistan	100%	3,548,562	181,696	659,391	323,724	323,724
AL Habib Exchange Company (Private) Limited	Pakistan	100%	3,173,859	71,686	139,359	45,894	45,894
Associates							
AL Habib Money Market Fund	Pakistan	1.59%	42,205,909	92,838	1,181,862	1,058,555	1,058,555
AL Habib Islamic Cash Fund	Pakistan	0.58%	19,088,969	64,358	420,478	378,535	378,535
AL Habib Islamic Savings Fund	Pakistan	0.41%	27,232,504	29,309	624,718	576,230	576,230
AL Habib Income Fund	Pakistan	4.40%	10,084,047	95,136	434,400	391,172	391,172
AL Habib Islamic Stock Fund	Pakistan	0.23%	7,321,791	82,440	404,922	348,039	348,039
AL Habib Cash Fund	Pakistan	3.96%	95,818,802	248,258	2,833,489	2,532,141	2,532,141
AL Habib Stock Fund	Pakistan	0.44%	3,915,145	88,315	202,032	172,003	172,003
AL Habib Islamic Income Fund	Pakistan	0.12%	23,559,037	87,266	453,884	414,167	414,167
AL Habib Asset Allocation Fund	Pakistan	13.81%	236,191	1,862	7,909	5,741	5,741

9.6.1 All of the above associate funds are managed by AL Habib Asset Management Limited (the subsidiary company). The Chief Executive of the Management Company is Mr. Kashif Rafi.

9.6.2 The above information is based on financial statements as on 31 March 2025.



10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 March	31 December	31 March	31 December	31 March	31 December
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	790,857,342	756,764,309	30,018,508	34,261,459	820,875,850	791,025,768
Islamic financing and related assets	107,082,204	105,734,671	1,335,377	860,780	108,417,581	106,595,452
Bills discounted and purchased	63,604,283	61,304,281	389,413	387,168	63,993,696	61,691,449
Advances - gross	961,543,829	923,803,261	31,743,298	35,509,407	993,287,127	959,312,668
Credit loss allowance						
- Stage 1	7,532,016	7,170,325	-	-	7,532,016	7,170,325
- Stage 2	8,662,234	8,468,402	-	-	8,662,234	8,468,402
- Stage 3	-	-	29,912,190	32,823,742	29,912,190	32,823,742
	16,194,250	15,638,727	29,912,190	32,823,742	46,106,440	48,462,669
Advances - net of credit loss allowance	945,349,579	908,164,534	1,831,108	2,685,665	947,180,687	910,850,199



	(Un-audited) 31 March 2025	(Audited) 31 December 2024
	(Rupees in '000)	
10.1 Particulars of advances (Gross)		
In local currency	872,163,159	829,484,523
In foreign currencies	121,123,968	129,828,145
	<u>993,287,127</u>	<u>959,312,668</u>

10.2 Advances include Rs. 31,743.298 million (31 December 2024: Rs. 35,509.407 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification - Stage 3	31 March 2025 (Un-audited)		31 December 2024 (Audited)	
	Non Performing loans	Credit loss allowance	Non Performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	500,074	386,873	280,847	280,847
Substandard	1,535,759	713,562	2,295,656	1,161,603
Doubtful	2,796,060	2,135,402	2,823,252	2,216,478
Loss	21,521,629	21,286,577	23,572,777	23,331,415
	<u>26,353,522</u>	<u>24,522,414</u>	<u>28,972,532</u>	<u>26,990,343</u>
Overseas				
Loss	5,389,776	5,389,776	6,536,875	5,833,399
Total	<u>31,743,298</u>	<u>29,912,190</u>	<u>35,509,407</u>	<u>32,823,742</u>



10.3 Particulars of credit loss allowance against advances

	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)								
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
Charge / (reversal) for the period / year:								
- ECL charge for the period / year	4,146,005	3,968,453	841,760	8,956,218	7,319,157	6,862,711	14,523,355	28,705,223
- ECL reversal for the period / year	(3,789,644)	(3,777,037)	(1,641,837)	(9,208,518)	(4,558,396)	(7,057,516)	(2,951,993)	(14,567,905)
	356,361	191,416	(800,077)	(252,300)	2,760,761	(194,805)	11,571,362	14,137,318
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Charged off	-	-	(2,156,744)	(2,156,744)	-	-	-	-
Foreign exchange adjustments	5,330	2,416	45,269	53,015	(1,421)	-	(99,138)	(100,559)
Closing balance	7,532,016	8,662,234	29,912,190	46,106,440	7,170,325	8,468,402	32,823,742	48,462,469

10.3.1 For the purposes of determining provision against domestic non-performing advances, the Bank has not taken into account the Forced Sales Value of pledged stock and mortgaged properties held as collateral against domestic non-performing advances.

10.4 Advances - Particulars of credit loss allowance

	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)								
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
New advances	3,071,311	3,466,999	37,685	6,575,995	3,950,335	4,441,716	3,665,689	12,057,740
Advances derecognised or repaid	(2,673,165)	(2,498,940)	(1,199,134)	(6,371,239)	(2,278,017)	(3,088,928)	(2,432,807)	(7,799,752)
Transfer to stage 1	283,192	(252,681)	(30,511)	-	2,288,707	(2,202,515)	(86,192)	-
Transfer to stage 2	(100,870)	124,781	(23,911)	-	(349,804)	365,366	(15,562)	-
Transfer to stage 3	(1,513)	(51,903)	53,416	-	(5,687)	(1,069,687)	1,075,374	-
	578,955	788,256	(1,162,455)	204,756	3,605,534	(1,554,048)	2,206,502	4,257,988
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Charged off	-	-	(2,156,744)	(2,156,744)	-	-	-	-
Changes in risk parameters	(222,594)	(596,840)	362,378	(457,056)	(844,773)	1,359,243	9,364,860	9,879,330
Foreign exchange adjustments	5,330	2,416	45,269	53,015	(1,421)	-	(99,138)	(100,559)
Closing balance	7,532,016	8,662,234	29,912,190	46,106,440	7,170,325	8,468,402	32,823,742	48,462,469



		31 March 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)					
10.5	Advances - Category of Classification				
Domestic					
Performing	Stage 1	775,535,088	7,501,197	752,504,546	7,092,623
Under performing	Stage 2	163,477,204	8,225,270	144,794,684	8,051,593
Non performing	Stage 3				
OAEM		500,074	386,873	280,847	280,847
Substandard		1,535,759	713,562	2,295,656	1,161,603
Doubtful		2,796,060	2,135,402	2,823,252	2,216,478
Loss		21,521,629	21,286,577	23,572,777	23,331,415
		965,365,814	40,248,881	926,271,762	42,134,559
Overseas					
Performing	Stage 1	14,710,675	30,819	19,107,083	77,702
Under performing	Stage 2	7,820,862	436,964	7,396,948	416,809
Non performing - loss	Stage 3	5,389,776	5,389,776	6,536,875	5,833,399
		27,921,313	5,857,559	33,040,906	6,327,910
Total		993,287,127	46,106,440	959,312,668	48,462,469

10.6 Charged-off Non Performing Loans

In compliance with SBP's BPRD Circular No. 02 of 2024 dated 22 July 2024, the Bank has charged off certain fully provisioned non-performing loans. Such charged-offs do not constitute any financial relief to the borrowers, and the Bank's rights to recover the outstanding amounts remain fully intact. The details of these charged-off loans are presented below:

		(Un-audited) 31 March 2025	
		No. of Borrowers	(Rupees in '000)
Charged-off during the period		3	2,156,744
		(Un-audited) 31 March 2025	(Audited) 31 December 2024
		Note	(Rupees in '000)
11. PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	6,324,785	4,644,267
Property and equipment		72,951,168	71,294,752
		79,275,953	75,939,019
11.1 Capital work-in-progress			
Civil works		2,404,390	1,946,354
Advance payment for purchase of equipments		375,963	494,841
Advance payment towards suppliers, contractors and property		3,500,226	2,159,615
Consultants' fee and other charges		44,206	43,457
		6,324,785	4,644,267



		(Un-audited)	
		Three months period ended	
		31 March 2025	31 March 2024
		(Rupees in '000)	
11.2 Additions to property and equipment			
The following additions have been made to property and equipment during the period:			
Capital work-in-progress - net		1,680,516	2,514,810
Property and equipment			
Leasehold land		9,550	567
Building on leasehold land		69,820	185,172
Furniture and fixture		235,414	108,145
Electrical, office and computer equipment		2,992,862	662,956
Vehicles		516,792	644,169
Improvements to leasehold building		269,919	178,818
		4,094,357	1,779,827
Total		5,774,873	4,294,637
11.3 Disposal of property and equipment			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixture		979	352
Electrical, office and computer equipment		1,028	1,093
Vehicles		2,874	312
Improvements to leasehold building		3,357	5,207
Total		8,238	6,964
		(Un-audited)	(Audited)
		31 March	31 December
		2025	2024
		(Rupees in '000)	
12. RIGHT-OF-USE ASSETS			
BUILDINGS			
At 01 January,			
Cost		21,501,002	18,288,334
Accumulated depreciation		(7,821,804)	(6,318,610)
Net carrying amount		13,679,198	11,969,724
Additions during the period / year		1,968,298	4,388,725
Deletions during the period / year		(110,999)	(230,800)
Depreciation charge for the period / year		(670,405)	(2,468,564)
Foreign exchange adjustments		429	(757)
Other adjustments / transfers		6,772	20,870
Net carrying amount at the end of the period / year		14,873,293	13,679,198
13. INTANGIBLE ASSETS			
Computer software		105,595	129,154



		(Un-audited) 31 March 2025	(Audited) 31 December 2024
	Note	(Rupees in '000)	
14. DEFERRED TAX ASSETS			
Deductible Temporary Differences on			
Credit loss allowance against the value of investments		3,447,933	3,995,990
Credit loss allowance against loans and advances, off-balance sheet, etc.		12,878,732	13,056,485
Deficit on revaluation of securities classified as FVPL		138,723	–
Workers' welfare fund		3,918,876	3,771,459
		20,384,264	20,823,934
Taxable Temporary Differences on			
Accelerated tax depreciation		(2,387,356)	(2,875,674)
Surplus on revaluation of FVOCI investments		(4,143,594)	(6,618,488)
Surplus on revaluation of securities classified as FVPL		–	(244,782)
Surplus on revaluation of property and equipment		(6,328,504)	(6,509,788)
Surplus on revaluation of non banking assets		(38,520)	(39,260)
		(12,897,974)	(16,287,992)
		7,486,290	4,535,942
15. OTHER ASSETS			
Income / mark-up accrued in local currency - net		101,266,645	68,943,770
Income / mark-up accrued in foreign currencies - net		1,538,375	1,027,928
Advances, deposits, advance rent and other prepayments		14,428,670	13,351,070
Advance taxation (payments less provisions)		12,433,230	4,616,189
Non banking assets acquired in satisfaction of claims		3,847,867	3,841,737
Mark to market gain on forward foreign exchange contracts		1,262,815	751,223
Acceptances		41,753,507	35,827,371
Stationery and stamps on hand		1,438,989	2,161,940
Branch adjustment account		–	2,038,881
Others		15,000,859	11,673,021
		192,970,957	144,233,130
Less: Credit loss allowance held against other assets	15.1	(482,354)	(580,371)
Other Assets - net of credit loss allowance		192,488,603	143,652,759
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		205,256	205,323
Other Assets - total		192,693,859	143,858,082
15.1 Credit loss allowance held against other assets			
Mark-up accrued		459,894	566,002
Modification		14,431	6,444
Others - receivable against consumer loans		8,029	7,925
	15.1.1	482,354	580,371



	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
15.1.1 Movement in credit loss allowance held against other assets		
Opening balance	580,371	472,179
Charge / reversal:		
ECL charge for the period / year	40	102,380
ECL reversal for the period / year	(106,176)	(1,663)
Modification charge	14,431	6,444
Charge for the period / year	104	2,480
Reversals for the period / year	–	(2,795)
	(91,601)	106,846
Adjustment	(6,444)	–
Amount written off	–	(206)
Foreign exchange adjustments	28	1,552
Closing balance	482,354	580,371
16. CONTINGENT ASSETS		
There were no contingent assets of the Bank as at 31 March 2025 (31 December 2024: Nil).		
	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
17. BILLS PAYABLE		
In Pakistan	32,965,481	52,263,043
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	69,938,079	72,607,266
Renewable energy	17,675,068	17,895,611
Long term financing for imported and locally manufactured plant and machinery	23,899,127	25,306,703
Modernisation of small and medium enterprises	1,230,950	1,259,381
Women entrepreneurship	108,727	86,827
Financing facility for storage of agricultural produce	737,268	795,240
Temporary economic refinance facility	25,164,814	26,107,166
Refinance facility for combating COVID-19	86,910	100,001
Repurchase agreement borrowings	542,409,600	462,964,000
	681,250,543	607,122,195
Repurchase agreement borrowings	14,995,500	54,953,000
Borrowing from other banks	2,801,645	2,785,500
Total secured	699,047,688	664,860,695
Unsecured		
Overdrawn nostro accounts	80,531	2,182,518
	699,128,219	667,043,213



19. DEPOSITS AND OTHER ACCOUNTS

	31 March 2025 (Un-audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total (Rupees in '000)	In local currency	In foreign currencies	Total
Customers						
Current deposits	778,529,750	53,964,689	832,494,439	705,137,306	57,423,924	762,561,230
Savings deposits	931,028,682	47,417,485	978,446,167	876,689,075	45,898,830	922,587,905
Term deposits	180,737,474	63,917,259	244,654,733	200,255,916	61,604,086	261,860,002
Current deposits - remunerative	213,816,061	5,902,367	219,718,428	204,592,225	4,207,345	208,799,570
Others	17,610,065	19,612,927	37,222,992	21,169,067	20,343,029	41,512,096
	2,121,722,032	190,814,727	2,312,536,759	2,007,843,589	189,477,214	2,197,320,803
Financial institutions						
Current deposits	19,541,144	2,107,532	21,648,676	16,114,493	2,175,247	18,289,740
Savings deposits	4,117,149	-	4,117,149	22,803,962	-	22,803,962
Term deposits	697,000	547,722	1,244,722	793,000	526,460	1,319,460
Current deposits - remunerative	36,545,905	4,291,086	40,836,991	37,231,817	1,953,119	39,184,936
Others	38,010	-	38,010	38,010	-	38,010
	60,939,208	6,946,340	67,885,548	76,981,282	4,654,826	81,636,108
	2,182,661,240	197,761,067	2,380,422,307	2,084,824,871	194,132,040	2,278,956,911

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

20. LEASE LIABILITIES

Opening balance	16,848,698	14,441,482
Additions during the period / year	1,968,298	4,388,725
Lease payments including interest	(1,220,356)	(3,780,564)
Finance charges on leased assets	613,137	2,101,060
Deletions during the period / year	(139,800)	(322,083)
Foreign exchange adjustments	346	(792)
Other adjustment	6,772	20,870
Closing balance	18,077,095	16,848,698

20.1 Liabilities outstanding

Short-term lease liabilities - within one year	1,283,736	1,264,331
Long-term lease liabilities		
- 1 to 5 years	7,051,815	6,852,173
- 5 to 10 years	7,326,454	6,753,025
- More than 10 years	2,415,090	1,979,169
Total	18,077,095	16,848,698

21. SUBORDINATED DEBT - Unsecured

Term Finance Certificates (TFCs)-VI	21.1	7,000,000	7,000,000
Term Finance Certificates (TFCs)-VIII	21.2	4,993,000	4,994,000
Term Finance Certificates (TFCs)-IX	21.3	7,000,000	7,000,000
Term Finance Certificates (TFCs)-X	21.4	6,994,400	6,994,400
		25,987,400	25,988,400



21.1 Term Finance Certificates - VI

Issue amount	Rupees 7,000 million
Issue date	December 2017
Maturity date	Perpetual
Rating	AA+
Profit payment frequency	semi-annually
Redemption	No fixed or final redemption date.
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.50% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.2 Term Finance Certificates-VIII

Issue amount	Rupees 5,000 million
Issue date	September 2021
Maturity date	September 2031
Rating	AAA
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 0.75% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).



21.3 Term Finance Certificates-IX

Issue amount	Rupees 7,000 million
Issue date	April 2022
Maturity date	Perpetual
Rating	AA+
Profit payment frequency	semi-annually
Redemption	No fixed or final redemption date.
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.65% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.4 Term Finance Certificates-X

Issue amount	Rupees 7,000 million
Issue date	December 2022
Maturity date	December 2032
Rating	AAA
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 1.35% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).



	(Un-audited) 31 March 2025	(Audited) 31 December 2024
Note	(Rupees in '000)	
22. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	10,655,165	6,938,590
Mark-up / return / interest payable in foreign currencies	1,071,511	934,027
Unearned commission income	3,179,743	3,030,064
Accrued expenses	5,409,093	5,296,438
Acceptances	41,753,507	35,827,371
Unclaimed / dividend payable	1,229,505	1,139,497
Mark to market loss on forward foreign exchange contracts	149,277	2,069,960
Payable to defined benefit plan	2,380,714	2,065,715
Charity payable	97,098	83,726
Credit loss allowance against off-balance sheet obligations	22.1 4,876,992	4,742,981
Security deposits against leases / ijarah	672,773	653,582
Provision for compensated absences	2,046,805	1,960,780
Other security deposits	13,658,081	12,056,630
Workers' welfare fund	7,536,296	7,115,960
Payable to SBP / NBP	6,376,431	12,326,744
Insurance payable	530,115	480,521
Branch adjustment account	1,211,893	—
ATM switch, clearing and settlement account	5,159,274	26,422,784
Others	4,367,209	3,800,950
	<u>112,361,482</u>	<u>126,946,320</u>
22.1 Credit loss allowance against off - balance sheet obligations		
Opening balance	4,742,981	3,130,550
ECL charge for the period / year	662,765	1,644,514
ECL reversal for the period / year	(530,286)	(31,866)
	132,479	1,612,648
Foreign exchange adjustment	1,532	(217)
Closing balance	<u>4,876,992</u>	<u>4,742,981</u>



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

23. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:

- Securities measured at FVOCI - debt	9.1	7,326,088	11,908,799
- Securities measured at FVOCI - equity	9.1	642,362	578,915
- Property and equipment		22,039,230	22,149,099
- Non-banking assets acquired in satisfaction of claims		205,256	205,323
		30,212,936	34,842,136

Deferred tax on surplus on revaluation of:

- Securities measured at FVOCI - debt		3,809,566	6,311,663
- Securities measured at FVOCI - equity		334,028	306,825
- Property and equipment		6,398,916	6,580,165
- Non-banking assets acquired in satisfaction of claims		38,484	39,260
		10,580,994	13,237,913
		19,631,942	21,604,223

24. CONTINGENCIES AND COMMITMENTS

Guarantees	24.1	230,227,043	217,554,372
Commitments	24.2	496,309,734	542,967,594
Other contingent liabilities	24.3	3,705,814	3,504,960
		730,242,591	764,026,926

24.1 Guarantees:

Financial guarantees		34,930,831	32,113,828
Performance guarantees		195,296,212	185,440,544
		230,227,043	217,554,372

24.2 Commitments:

Documentary credits and short term trade-related transactions			
- letters of credit		326,848,336	291,149,845
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	164,152,352	245,803,016
- forward lendings	24.2.2	2,416,099	3,217,813
Commitments for acquisition of:			
- property and equipment		2,892,947	2,796,920
		496,309,734	542,967,594



	(Un-audited) 31 March 2025	(Audited) 31 December 2024
(Rupees in '000)		
24.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	107,668,041	145,237,825
Sale	56,484,311	100,565,191
	<u>164,152,352</u>	<u>245,803,016</u>

The maturities of above contracts are spread over the periods upto one year.

24.2.2 Commitments in respect of forward lending	<u>2,416,099</u>	<u>3,217,813</u>
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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.

24.3 Other contingent liabilities

	(Un-audited) 31 March 2025	(Audited) 31 December 2024
(Rupees in '000)		
24.3.1 Claims against the Bank not acknowledged as debts	<u>3,705,814</u>	<u>3,504,960</u>

24.3.2 Taxation

There is no material change in Bank's tax contingencies as disclosed in note 24.4 to the annual financial statements for the year ended 31 December 2024 except for following:

- Additional Commissioner Inland Revenue (ACIR) has finalized order for Tax Year 2024 (Accounting Year 2023) by disallowing certain expense resulting in an impact of Rs. 1,738.875 million. The Bank has filed an appeal before Appellate Tribunal Inland Revenue against the above mentioned order.
- Commissioner Inland Revenue (Appeal), Mirpur AJ&K has passed an appellate order against Assistant Commissioner Inland Revenue, Mirpur AJ&K for Tax Year 2019, 2020, 2021 & 2022 by allowing certain expenses. This resulted an allowable amount of Rs. 60.396 million. The resulted aggregate net tax impact stands at Rs. 58.358 million. The Bank has filed an appeal before Income Tax Appellate Tribunal (ITAT), Mirpur AJ&K against the above mentioned orders.
- Deputy Commissioner, Sindh Revenue Board (SRB) has passed Sindh sales tax on services order for the Year 2016 and 2017. This resulted a Sindh sales tax demand of Rs. 43.400 million. The Bank has filed an appeal before Commissioner Appeals, Sindh Revenue Board (SRB).

The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters.



25. DERIVATIVE INSTRUMENTS

25.1 Product Analysis

Counter Parties	31 March 2025 (Un-audited)					
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	23,314,089	4,257	51,666,065	526,412	74,980,154	530,669
Other Entities						
Hedging	89,172,198	582,869	–	–	89,172,198	582,869
Total						
Hedging	<u>112,486,287</u>	<u>587,126</u>	<u>51,666,065</u>	<u>526,412</u>	<u>164,152,352</u>	<u>1,113,538</u>
	31 December 2024 (Audited)					
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	57,237,928	281,713	61,257,172	(309,505)	118,495,100	(27,792)
Other Entities						
Hedging	127,307,916	(1,290,945)	–	–	127,307,916	(1,290,945)
Total						
Hedging	<u>184,545,844</u>	<u>(1,009,232)</u>	<u>61,257,172</u>	<u>(309,505)</u>	<u>245,803,016</u>	<u>(1,318,737)</u>



25.2 Maturity Analysis

	Number of contracts	Notional Principal	31 March 2025 (Un-audited)		
			Mark to Market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	322	59,704,650	(81,724)	266,411	184,687
1 to 3 months	611	55,306,559	(64,031)	557,639	493,608
3 to 6 months	715	43,075,025	(3,201)	386,215	383,014
Over 6 months to 1 year	57	6,066,118	(321)	52,550	52,229
	1,705	164,152,352	(149,277)	1,262,815	1,113,538

31 December 2024 (Audited)					
Upto 1 month	488	92,288,053	(633,480)	264,498	(368,982)
1 to 3 months	681	84,488,275	(1,031,294)	220,396	(810,898)
3 to 6 months	690	59,912,062	(386,925)	178,113	(208,812)
Over 6 months to 1 year	54	9,114,626	(18,261)	88,216	69,955
	1,913	245,803,016	(2,069,960)	751,223	(1,318,737)

	(Un-audited)	
	Three months period ended	
	31 March 2025	31 March 2024
	(Rupees in '000)	
	(Restated)	

26. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	25,812,328	34,554,258
Investments	66,765,684	84,992,237
Lendings to financial institutions	112,669	—
Deposits with financial institutions	128,066	196,860
Securities purchased under resale agreements	68,322	60,935
	92,887,069	119,804,290

26.1 Interest income recognised on:

Financial assets measured at amortised cost	15,717,752	20,847,041
Financial assets measured at FVOCI	52,909,453	66,025,489
	68,627,205	86,872,530

26.2 Interest income recognised on:

Financial assets measured at FVPL	40,635	75,311
Financial assets measured at cost	24,219,229	32,856,449
	24,259,864	32,931,760



		(Un-audited) Three months period ended	
Note		31 March 2025	31 March 2024
		(Rupees in '000)	(Restated)
27. MARK-UP / RETURN / INTEREST EXPENSED			
	Deposits	38,556,705	60,476,872
	Borrowings	1,913,098	3,411,483
	Subordinated debt	931,003	1,724,275
	Cost of foreign currency swaps against deposits / borrowings	986,811	1,556,356
	Repurchase agreement borrowings	16,330,105	15,063,410
	Finance charges on leased liabilities	613,137	478,524
		<u>59,330,859</u>	<u>82,710,920</u>
28. FEE AND COMMISSION INCOME			
	Branch banking customer fees	698,939	574,420
	Investment banking fees	19,316	7,794
	Consumer finance related fees	16,049	12,531
	Card related fees (debit and credit cards)	1,527,642	786,837
	Credit related fees	76,887	127,714
	Commission on trade	1,825,772	1,968,222
	Commission on guarantees	280,656	261,971
	Commission on cash management	66,049	67,629
	Commission on home remittances	939,476	451,493
	Others	7,849	5,474
		<u>5,458,635</u>	<u>4,264,085</u>
29. (LOSS) / GAIN ON SECURITIES - NET			
	Realised	29.1 22,320	48,586
	Unrealised (loss) / gain - measured at FVPL	9.1 (266,775)	171,926
		<u>(244,455)</u>	<u>220,512</u>
29.1 Realised gain on:			
	Federal Government Securities	22,320	79
	Units of Mutual Funds	-	48,507
		<u>22,320</u>	<u>48,586</u>
29.2 Net (loss) / gain on financial assets:			
	Net (loss) / gain on investments in securities mandatorily measured at FVPL	(266,775)	220,433
	Net gain on financial assets measured at FVOCI	22,320	79
		<u>(244,455)</u>	<u>220,512</u>
30. OTHER INCOME			
	Rent on property	7,948	3,413
	Gain on sale of property and equipment - net	309,537	288,099
	Gain on termination of leases and RoU - net	28,801	24,961
		<u>346,286</u>	<u>316,473</u>



			(Un-audited)	
			Three months period ended	
			31 March	31 March
			2025	2024
			(Rupees in '000)	
			(Restated)	
31. OPERATING EXPENSES				
Total compensation expenses	10,315,246	8,980,710		
Property expenses				
Rent and taxes	54,151	50,904		
Insurance	669	3,447		
Utilities cost	618,520	629,687		
Security (including guards)	669,207	539,526		
Repair and maintenance (including janitorial charges)	222,680	118,374		
Depreciation	463,076	373,253		
Depreciation - right of use assets	670,405	595,938		
	2,698,708	2,311,129		
Information technology expenses				
Software maintenance	804,324	831,606		
Hardware maintenance	218,236	158,999		
Depreciation	441,324	264,851		
Amortisation	23,559	52,528		
Network charges	147,063	277,280		
	1,634,506	1,585,264		
Other operating expenses				
Directors' fees and allowances	12,130	9,880		
Fees and allowances to shariah board	10,756	7,952		
Insurance	228,988	163,308		
Legal and professional charges	108,966	140,106		
Outsourced services costs	938,402	961,055		
Travelling and conveyance	176,789	149,053		
NIFT and other clearing charges	78,510	50,076		
Depreciation	899,982	601,845		
Repair and maintenance	766,249	340,363		
Training and development	44,536	20,015		
Postage and courier charges	109,768	104,554		
Communication	785,796	793,751		
Stationery and printing	605,977	371,778		
Marketing, advertisement and publicity	477,878	217,177		
Donations	87,400	134,750		
Auditors remuneration	5,036	5,673		
Commission and brokerage	541,962	331,967		
Entertainment and staff refreshment	202,942	169,463		
Vehicle running expenses	44,760	53,344		
Subscriptions and publications	82,194	72,292		
CNIC verification charges	115,108	63,823		
Security charges	258,732	246,128		
Others	195,297	148,370		
	6,778,158	5,156,723		
	21,426,618	18,033,826		



		(Un-audited)	
		Three months period ended	
		31 March	31 March
		2025	2024
		(Rupees in '000)	
		(Restated)	
		Note	
32. OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		6,941	126,218
33. CREDIT LOSS ALLOWANCE AND WRITE OFFS-NET			
Charge / (reversal) on credit loss allowance against balances with other banks - net	7.1	4,629	(788)
(Reversal) / charge of credit loss allowance against lendings to financial institutions - net	8.1	(2,434)	719
Reversal of credit loss allowance against investments - net	9.2	(947,633)	(486,943)
(Reversal) / charge of credit loss allowance against loans and advances - net	10.3	(252,300)	6,934,678
(Reversal) / charge of credit loss allowance against other assets - net	15.1.1	(91,601)	151,252
Charge of credit loss allowance against off-balance sheet obligations - net	22.1	132,479	276,214
		(1,156,860)	6,875,132
34. TAXATION			
Current		10,734,021	10,127,127
Deferred		(350,596)	(929,993)
		10,383,425	9,197,134
35. BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		10,213,273	10,032,069
		(Number)	
Weighted average number of ordinary shares		1,111,425,416	1,111,425,416
		(Rupees)	
Basic and diluted earnings per share		9.19	9.03
36. FAIR VALUE MEASUREMENTS			
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.			
36.1 Fair value of financial assets			
The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:			
Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.			



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

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

There were no transfers between levels 1 and 2 during the period / year.

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:

31 March 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	–	1,549,828,079	–	1,549,828,079
Shares - listed	659,072	–	–	659,072
Shares - unlisted	–	307,371	–	307,371
Non-Government Debt Securities	4,139,811	3,509,708	–	7,649,519
Foreign Securities	–	7,541,215	–	7,541,215
Units of Mutual Funds	–	4,433,175	–	4,433,175
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	396,575,595	–	396,575,595
Off - balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	108,784,730	–	108,784,730
Forward sale of foreign exchange contracts	–	56,481,160	–	56,481,160
31 December 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	–	1,502,871,917	–	1,502,871,917
Shares - listed	761,605	–	–	761,605
Non-Government Debt Securities	4,240,451	3,442,208	–	7,682,659
Foreign Securities	–	7,367,557	–	7,367,557
Units of Mutual Funds	–	4,699,950	–	4,699,950
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	395,391,462	–	395,391,462
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	143,574,254	–	143,574,254
Forward sale of foreign exchange contracts	–	100,910,025	–	100,910,025



36.2 Valuation techniques used in determination of fair values within level 2

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs) at fixed rate and floating rate. The fair value of fixed rates PIBs are derived from PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair value of Government Ijarah Sukuks are revalued using PKISRV rates.	<ul style="list-style-type: none"> - PKRV Rates - PKFRV Rates - PKISRV Rates
Non-Government Debt Securities	Investments in Non-Government Debt Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP.	<ul style="list-style-type: none"> - Fair value as per MUFAP
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC.	<ul style="list-style-type: none"> - Market price as per Mashreq Bank PSC
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 (PSX).	<ul style="list-style-type: none"> - Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	<ul style="list-style-type: none"> - Net Assets Value as per MUFAP
Ordinary shares - unlisted	The fair value of investments in certain unlisted equity securities are valued on the basis of income and market approach.	<ul style="list-style-type: none"> - Risk free rate (10 years PIB weighted average yield) - Market return (10 years average return of PSX) - Average unlevered beta of the financial services and asset management sector - Growth rate - Share price on valuation date - Break value as of valuation date
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan (SBP).	<ul style="list-style-type: none"> - FX revaluation rates announced by SBP
Property and Equipment - Land and Building	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, comparable or similar properties.	<ul style="list-style-type: none"> - Prices and other relevant information generated by market transactions involving identical, comparable or similar properties
Non - Banking Assets acquired in Satisfaction of Claims		



37. SEGMENT INFORMATION

The segment analysis with respect to business activity is as follows:

Three months period ended 31 March 2025 (Un-audited)				
	Commercial banking	Retail banking	Islamic Banking	Total
	(Rupees in '000)			
Profit and loss account				
Mark-up / return / profit	73,416,597	6,922,859	12,547,613	92,887,069
Inter segment revenue - net	—	22,059,010	—	22,059,010
Non mark-up / return / interest income	1,117,828	6,054,252	565,448	7,737,528
Total income	74,534,425	35,036,121	13,113,061	122,683,607
Segment direct expenses	(48,795,591)	(23,798,472)	(8,590,696)	(81,184,759)
Inter segment expense allocation	(22,059,010)	—	—	(22,059,010)
Total expenses	(70,854,601)	(23,798,472)	(8,590,696)	(103,243,769)
Credit loss allowance and write-offs-net	1,582,237	104	(425,481)	1,156,860
Profit before tax	5,262,061	11,237,753	4,096,884	20,596,698
As at 31 March 2025 (Un-audited)				
	Commercial banking	Retail banking	Islamic Banking	Total
	(Rupees in '000)			
Statement of financial position				
Cash and bank balances	135,850,555	25,390,177	25,409,756	186,650,488
Investments	1,670,709,383	—	302,230,763	1,972,940,146
Net inter segment lending	—	1,350,687,908	—	1,350,687,908
Lendings to financial institutions	20,916,346	—	—	20,916,346
Advances - performing - net	796,185,775	44,217,727	104,946,077	945,349,579
- non-performing - net	1,799,509	30,264	1,335	1,831,108
Others	223,590,433	41,907,737	28,936,820	294,434,990
Total assets	2,849,052,001	1,462,233,813	461,524,751	4,772,810,565
Borrowings	668,982,962	—	30,145,257	699,128,219
Subordinated debt	25,987,400	—	—	25,987,400
Deposits and other accounts	676,357,165	1,366,876,593	337,188,549	2,380,422,307
Net inter segment borrowing	1,350,687,908	—	—	1,350,687,908
Others	47,752,717	90,313,414	25,337,927	163,404,058
Total liabilities	2,769,768,152	1,457,190,007	392,671,733	4,619,629,892
Equity	79,283,849	5,043,806	68,853,018	153,180,673
Total equity and liabilities	2,849,052,001	1,462,233,813	461,524,751	4,772,810,565
Contingencies and commitments	488,555,014	185,664	68,334,701	557,075,379



Three months period ended 31 March 2024 (Un-audited) - restated

	Commercial banking	Retail banking (Rupees in '000)	Islamic Banking	Total
Profit and loss account				
Mark-up / return / profit	100,343,672	4,796,662	14,663,956	119,804,290
Inter segment revenue - net	—	37,489,935	—	37,489,935
Non mark-up / return / interest income	1,824,562	5,290,845	476,550	7,591,957
Total income	102,168,234	47,577,442	15,140,506	164,886,182
Segment direct expenses	(51,598,353)	(40,430,428)	(9,263,131)	(101,291,912)
Inter segment expense allocation	(37,489,935)	—	—	(37,489,935)
Total expenses	(89,088,288)	(40,430,428)	(9,263,131)	(138,781,847)
Credit loss allowance and write - offs - net	(6,712,050)	(575)	(162,507)	(6,875,132)
Profit before tax	6,367,896	7,146,439	5,714,868	19,229,203

As at 31 December 2024 (Audited)

	Commercial banking	Retail banking (Rupees in '000)	Islamic Banking	Total
Statement of financial position				
Cash and bank balances	173,567,233	9,695,495	24,106,428	207,369,156
Investments	1,668,391,709	—	256,341,204	1,924,732,913
Net inter segment lending	—	1,355,459,875	—	1,355,459,875
Lendings to financial institutions	12,945,052	—	25,996,490	38,941,542
Advances - performing - net	761,877,058	42,705,903	103,581,573	908,164,534
- non-performing - net	2,641,855	38,287	5,523	2,685,665
Others	194,393,122	11,031,008	32,717,265	238,141,395
Total assets	2,813,816,029	1,418,930,568	442,748,483	4,675,495,080
Borrowings	636,481,967	—	30,561,246	667,043,213
Subordinated debt	25,988,400	—	—	25,988,400
Deposits and other accounts	649,870,383	1,311,490,784	317,595,744	2,278,956,911
Net inter segment borrowing	1,355,459,875	—	—	1,355,459,875
Others	63,894,713	105,090,753	27,072,595	196,058,061
Total liabilities	2,731,695,338	1,416,581,537	375,229,585	4,523,506,460
Equity	82,120,691	2,349,031	67,518,898	151,988,620
Total equity and liabilities	2,813,816,029	1,418,930,568	442,748,483	4,675,495,080
Contingencies and commitments	455,344,714	144,204	53,215,299	508,704,217

38. RELATED PARTY TRANSACTIONS

Related parties of the Bank comprise subsidiaries, associates, directors, key management personnel and other related parties.

Transactions with related parties of the Bank are carried out on substantially the same terms as for comparable transactions with others. The transactions with employees of the Bank are carried out in accordance with the terms of their employment.



Transactions for the period / year and balances outstanding as at the period / year end with related parties are summarised as follows:

	31 March 2025 (Un-audited)					31 December 2024 (Audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	3,883,250	4,614,653	811,604	-	-	883,250	4,614,653	654,086
Investment made during the period / year	-	-	-	-	-	-	-	3,000,000	-	130,000
Investment redeemed / adjusted during the period / year	-	-	-	-	(182,690)	-	-	-	-	-
Surplus on revaluation	-	-	-	-	(578,915)	-	-	-	-	157,518
Credit loss allowance	-	-	-	-	-	-	-	-	-	(130,000)
Closing balance	-	-	3,883,250	4,614,653	49,999	-	-	3,883,250	4,614,653	811,604
Advances										
Opening balance	1,674	391,567	550,336	-	1,109,581	4,048	345,035	588,969	-	1,680,782
Addition during the period / year	8,611	131,500	15,992,482	-	6,665,476	16,933	440,830	45,578,331	-	32,611,576
Repaid during the period / year	(9,807)	(101,083)	(16,112,462)	-	(6,680,315)	(19,277)	(394,084)	(45,596,934)	-	(33,100,534)
Credit loss allowance	1	(952)	6,509	-	38,795	(30)	(214)	(20,030)	-	(82,243)
Closing balance	479	421,032	436,865	-	1,133,537	1,674	391,567	550,336	-	1,109,581
Right - of - use assets	-	-	-	-	-	-	-	-	-	1,022
Other assets										
Interest / mark-up accrued	-	191	13,327	-	14,507	-	454	17,301	-	14,716
Credit loss allowance on accrued mark-up	-	5	277	-	539	-	2	314	-	521
Other receivable	-	-	-	-	-	-	-	447	-	-
Subordinated debt										
Opening balance	-	-	-	-	244,000	-	-	-	-	194,000
Issued / purchased during the period / year	-	-	-	-	-	-	-	-	-	50,000
Closing balance	-	-	-	-	244,000	-	-	-	-	244,000
Deposits and other accounts										
Opening balance	1,106,745	854,460	1,020,652	11,795,080	15,445,734	771,493	794,349	1,316,547	19,349,124	9,409,202
Received during the period / year	1,761,003	1,854,630	43,428,936	118,297,887	103,508,780	8,344,579	6,474,665	74,687,462	582,838,891	405,964,086
Withdrawn during the period / year	(2,219,185)	(1,861,828)	(43,782,880)	(125,289,030)	(115,963,006)	(8,009,327)	(6,414,554)	(74,983,357)	(590,392,935)	(399,927,554)
Closing balance	648,563	847,262	666,708	4,803,937	2,991,508	1,106,745	854,460	1,020,652	11,795,080	15,445,734
Other liabilities										
Interest / mark-up payable	846	4,594	37	3,163	18,789	156	669	-	-	13,995
Credit loss allowance on off balance sheet transactions	-	-	-	-	39,435	-	-	-	-	33,009
Payable to staff retirement fund	-	-	-	-	2,380,714	-	-	-	-	2,065,715
Other liabilities	-	53	2,848	-	-	-	75	2,570	-	-
Contingencies and commitments	-	-	-	-	2,179,124	-	-	-	-	1,617,658
Other Transactions - Investor Portfolio Securities										
Opening balance	-	-	45,000	-	24,182,000	-	-	45,000	-	18,863,500
Increased during the period / year	-	-	-	-	2,722,000	-	-	-	-	7,398,000
Decreased during the period / year	-	-	-	-	(1,265,500)	-	-	-	-	(2,079,500)
Closing balance	-	-	45,000	-	25,638,500	-	-	45,000	-	24,182,000



38.1 RELATED PARTY TRANSACTIONS

	31 March 2025 (Un-audited)					31 March 2024 (Un-audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties (Rupees in '000)	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Income										
Mark-up / return / interest earned	–	5,723	13,327	–	23,937	–	5,373	28,136	–	47,232
Fee and commission income	13	219	111	27	3,150	39	118	21	49	1,353
Dividend income	–	–	–	–	–	–	–	–	217,426	56,492
Rental income	–	–	7,948	–	–	–	–	3,413	–	–
Other income	–	–	191	–	30	–	–	419	–	82
Expense										
Mark-up / return / interest expensed	11,945	19,421	19,473	85,917	89,621	25,905	36,352	61,310	974,124	478,679
Operating expenses	–	–	–	–	347,498	–	–	–	–	1,085
Brokerage and commission	–	–	5,042	–	–	–	–	3,452	–	–
Salaries and allowances	–	351,293	–	–	–	–	282,082	–	–	–
Bonus	–	71,106	–	–	–	–	119,142	–	–	–
Contribution to defined contribution plan	–	10,548	–	–	–	–	12,199	–	–	–
Contribution to defined benefit plan	–	7,142	–	–	–	–	8,766	–	–	–
Staff provident fund	–	–	–	–	306,436	–	–	–	–	264,495
Staff gratuity fund	–	–	–	–	315,000	–	–	–	–	300,000
Directors' fees	11,630	–	–	–	–	9,380	–	–	–	–
Donation	–	–	–	–	–	–	–	–	–	6,000
Insurance premium paid	–	–	–	–	9,552	–	–	–	–	103,505
Insurance claims settled	–	–	–	–	36,484	–	–	–	–	52,403



39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
Minimum Capital Requirement (MCR):		
Paid-up capital	11,114,254	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	140,057,522	138,304,943
Eligible Additional Tier 1 (ADT 1) Capital	13,025,338	13,085,236
Total Eligible Tier 1 Capital	153,082,860	151,390,179
Eligible Tier 2 Capital	41,907,090	43,326,725
Total Eligible Capital (Tier 1 + Tier 2)	194,989,950	194,716,904
Risk Weighted Assets (RWAs):		
Credit Risk	837,521,104	794,269,649
Market Risk	26,562,806	26,015,518
Operational Risk	267,347,656	267,347,656
Total	1,131,431,566	1,087,632,823
Common Equity Tier 1 Capital Adequacy ratio	12.379%	12.716%
Tier 1 Capital Adequacy Ratio	13.530%	13.919%
Total Capital Adequacy Ratio	17.234%	17.903%
Leverage Ratio (LR):		
Eligible Tier 1 Capital	153,082,860	151,390,179
Total Exposures	3,949,219,528	3,781,832,541
Leverage Ratio	3.876%	4.003%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,211,124,054	1,240,825,598
Total Net Cash Outflow	448,499,371	455,977,522
Liquidity Coverage Ratio	270.039%	272.124%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,443,786,259	2,345,924,658
Total Required Stable Funding	1,331,802,637	1,268,607,420
Net Stable Funding Ratio	183.495%	184.921%



40. ISLAMIC BANKING BUSINESS

The Bank is operating with 293 (31 December 2024: 276) Islamic banking branches and 10 (31 December 2024: 10) Islamic banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION		(Un-audited)	(Audited)
		31 March 2025	31 December 2024
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		25,400,620	24,097,793
Balances with other banks		9,136	8,635
Due from financial institutions		—	25,996,490
Investments	40.1	302,230,763	256,341,204
Islamic financing and related assets - net	40.2	104,947,412	103,587,096
Property and equipment		2,929,545	2,571,153
Right-of-use assets		5,362,512	4,411,645
Intangible assets		—	—
Due from Head Office		—	—
Other assets		20,644,763	25,734,467
Total Assets		461,524,751	442,748,483
LIABILITIES			
Bills payable		660,700	848,638
Due to financial institutions		30,145,257	30,561,246
Deposits and other accounts	40.3	337,188,549	317,595,744
Due to Head Office		3,705,735	6,016,955
Lease liabilities		6,432,735	5,386,354
Subordinated debt		—	—
Other liabilities		14,538,757	14,820,648
		392,671,733	375,229,585
NET ASSETS		68,853,018	67,518,898
REPRESENTED BY			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		—	—
Surplus on revaluation of assets		3,089,982	5,852,746
Unappropriated profit	40.4	58,163,036	54,066,152
		68,853,018	67,518,898
CONTINGENCIES AND COMMITMENTS	40.5		



PROFIT AND LOSS ACCOUNT		(Un-audited)	
		Three months period ended	
	Note	31 March 2025	31 March 2024
		(Rupees in '000)	
		(Restated)	
Profit / return earned	40.6	12,547,613	14,663,956
Profit / return expensed	40.7	(5,983,769)	(7,256,126)
Net Profit / return		6,563,844	7,407,830
Other income			
Fee and commission income		508,991	389,755
Dividend income		-	23,496
Foreign exchange income		49,207	63,789
Gain / (loss) on securities - net		7,250	(490)
Other income		-	-
Total other income		565,448	476,550
Total income		7,129,292	7,884,380
Other expenses			
Operating expenses		(2,606,528)	(2,006,995)
Other charges		(399)	(10)
Total other expenses		(2,606,927)	(2,007,005)
Profit before credit loss allowance		4,522,365	5,877,375
Credit loss allowance and write offs - net		(425,481)	(162,507)
Profit for the period		4,096,884	5,714,868



	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
40.1 Investments by segments:								
FVPL								
Units of mutual funds	273,129	-	7,250	280,379	252,242	-	20,887	273,129
Federal Government Securities								
- Islamic Naya Pakistan Certificates	1,301,887	-	-	1,301,887	2,642,542	-	-	2,642,542
	1,575,016	-	7,250	1,582,266	2,894,784	-	20,887	2,915,671
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	271,976,618	-	2,684,882	274,661,500	221,990,413	-	5,664,287	227,654,700
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	866,250	-	5,639	871,889	866,250	-	8,840	875,090
- Pakistan Energy Sukuk - Listed	21,101,789	-	399,111	21,500,900	21,101,875	-	209,125	21,311,000
Non Government debt Securities								
- Listed	1,122,000	(680,361)	-	441,639	1,122,000	(680,000)	534	442,534
- Unlisted	2,973,000	(781)	350	2,972,569	2,973,000	(751)	(30,040)	2,942,209
	298,039,657	(681,142)	3,089,982	300,448,497	248,053,538	(680,751)	5,852,746	253,225,533
Associates								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
Total Investments	<u>299,814,673</u>	<u>(681,142)</u>	<u>3,097,232</u>	<u>302,230,763</u>	<u>251,148,322</u>	<u>(680,751)</u>	<u>5,873,633</u>	<u>256,341,204</u>

40.1.1 Particulars of credit loss allowance

	31 March 2025 (un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government debt securities	573	569	680,000	681,142
	31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government debt securities	384	367	680,000	680,751



	(Un-audited) 31 March 2025	(Audited) 31 December 2024
	(Rupees in '000)	
40.2 Islamic financing and related assets		
Ijarah	3,316,461	3,296,372
Murabaha	19,711,073	21,393,302
Diminishing Musharaka	16,923,358	14,901,120
Istisna	3,675,454	4,744,263
Islamic Long Term Financing Facility (ILTFF)	4,109,526	4,343,370
Islamic Refinance for Renewable Energy (IFRE)	3,069,694	3,177,094
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	5,056,711	5,217,018
Islamic Refinance Facility for Modernization of SMEs (IRFSME)	160,914	166,650
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	125,691	127,131
Islamic Export Refinance - Istisna (IERF)	-	70,000
Musawamah	2,380,204	4,188,383
Running Musharaka	2,889,902	2,844,245
Islamic Export Refinance - Running Musharaka	9,403,641	8,903,641
Financing against Bills - Musawamah	3,889,568	3,823,394
Export Finance Scheme (EFS) - Discounting	7,941,791	8,207,289
Staff Financing	1,453,506	1,098,884
Musawamah Inventory	4,534,381	2,673,423
Advance against Istisna	15,945,171	14,364,368
Advance against Istisna - IERF	1,266,500	818,500
Advance against Ijarah	256,453	250,250
Advance against Diminishing Musharaka	2,042,710	1,788,091
Advance against IFRE	198,162	198,663
Advance against ITERF	66,710	-
Gross Islamic financing and related assets	108,417,581	106,595,451
Less: Credit loss allowance against Islamic financings		
- Stage 1	(1,240,582)	(1,071,897)
- Stage 2	(997,408)	(1,061,392)
- Stage 3	(1,232,179)	(875,066)
	(3,470,169)	(3,008,355)
Islamic financing and related assets - net of credit loss allowance	104,947,412	103,587,096



	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
40.3 Deposits and Other Accounts		
Customers		
Current deposits	130,495,742	116,937,121
Savings deposits	182,872,093	158,666,856
Term deposits	19,814,448	20,269,782
	<u>333,182,283</u>	<u>295,873,759</u>
Financial institutions		
Current deposits	105,782	48,799
Savings deposits	3,900,484	21,673,186
	<u>4,006,266</u>	<u>21,721,985</u>
	<u>337,188,549</u>	<u>317,595,744</u>
40.4 Islamic Banking Business Unappropriated Profit		
Opening balance	54,066,152	30,550,755
Add: Islamic Banking profit for the period / year	4,096,884	23,523,465
Loss on sale of equity investment - FVOCI	—	(8,068)
Closing balance	<u>58,163,036</u>	<u>54,066,152</u>
40.5 Contingencies and Commitments		
Guarantees	21,501,956	19,198,384
Commitments	46,832,745	34,016,915
	<u>68,334,701</u>	<u>53,215,299</u>
	(Un-audited) Three months period ended 31 March 2025 (Rupees in '000)	31 March 2024 (Restated)
40.6 Profit / Return Earned on Financing, Investments and Placement		
Profit earned on:		
Financing	2,752,892	4,343,995
Investments	9,681,962	10,319,703
Placements	112,759	258
	<u>12,547,613</u>	<u>14,663,956</u>
40.7 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	5,072,546	5,967,286
Due to Financial Institutions	657,373	700,699
Due to Head Office	45,064	444,277
Lease liability against right-of-use assets	208,786	143,864
	<u>5,983,769</u>	<u>7,256,126</u>



40.8 Profit and Loss Distribution and Pool Management

40.8.1 The number and nature of pools maintained by the Islamic Banking Branches along with their key features and risk and reward characteristics

General Pool PKR (Mudaraba)

Deposits which assume minimal risk of loss due to diversified assets being tagged thereto are parked in the general pool. In case of loss in general pool, the loss will be borne by the general pool members. The Bank as Mudarib in general pool is responsible for administrative costs and cost of operating fixed assets, which are financed from equity.

Special Pool(s) PKR (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a special pool the loss will be borne by the special pool members.

General Pool FCY (Mudaraba)

In FCY pool, all FCY deposits and investments are parked to share the return among the FCY deposit holders. In case of loss in a FCY general pool, the loss will be borne by the FCY general pool members.

Special Pool(s) FCY (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a special pool the loss will be borne by the special pool members.

Islamic Export Refinance Scheme (IERS) Pool PKR (Musharaka)

IERS pool is required by SBP to facilitate the exporters under Islamic Export Refinance Scheme.

Equity Pool

Investments with relatively higher risks such as investment in shares and mutual funds are tagged to the equity pool in order to safeguard the interest of depositors. Furthermore, subsidized financing to employees are also financed from equity as per SBP guidelines.

Special Mudaraba Financing Facility (SMFF) Pool - Open Market Operations (OMO) Injections

Special Mudaraba Financing Facility (SMFF) Pool for Open Market Operations (OMO) Injection is created to invest the funds exclusively raised from SBP through Islamic Open Market Operations (OMO) in High Quality Assets including securities that are eligible as approved securities for maintaining Statutory Liquidity Requirement (SLR).

Parameters associated with risk and rewards:

Following are the key considerations attached with risk and reward of the pool:

- Period, return, safety, security and liquidity of investment.
- Maturities of funds obtained from Principal Office, Islamic Banking Institutions and Shariah compliant organisations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules and Shariah clearance.



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

The Mudarba based funds have been deployed in the following avenues / sectors / businesses:

- Chemical and pharmaceuticals
- Agribusiness
- Textile
- Sugar
- Shoes and leather garments
- Investment in sukuk
- Production and transmission of energy
- Food and allied except sugar
- Cement
- Financial
- Wheat
- Individuals
- Others (domestic whole sale, engineering goods, plastic product, etc.)

40.8.3 Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components

The Bank's Islamic Banking Division (IBD) is accepting Term Deposits and Saving Deposits under Mudaraba arrangements, wherein the Bank is Mudarib and depositors are Rab-ul-Maal. The Bank with the prior approval of Depositors also commingles its funds with those of depositors.

The funds so generated are invested by the Bank in Shariah compliant modes of financing and investments such as Murabaha, Ijarah, Istisna, Diminishing Musharaka, Running Musharaka, Musawama, Shares, Mutual Funds and Sukuks etc.

The Bank calculates the profit of the pool every month. Profit is distributed at the Net Income level. Net Income is calculated after deducting direct costs such as cost of Murabaha, cost of Takaful, Depreciation on Ijarah Assets, and amortization of premium on sukuk and loss of investments directly incurred in deriving that Income.

The Net income / loss is being allocated between the Bank's equity and the depositors' fund in proportion to their respective share in pool.

The Bank's profit sharing ratio during the quarter was 50% (31 December 2024: 50%) of Net Income and the depositors' profit sharing ratio was 50% (31 December 2024: 50%) of net income.

After the allocation of Income between Mudarib (Bank) and Depositors (Rab ul Maal) the profit is distributed among the depositors on the basis of predetermined weightages, announced by the Bank at the beginning of the month based on their respective category / tiers. In case of loss, Rab-ul-Maal has to bear the loss in the ratio of its investment.

In case of provisioning, the general and specific provisions created against non-performing financing, credit loss allowance under IFRS-9 and diminution in the value of investments as under prudential regulations and other SBP directives shall be borne by the IBIs as Mudarib. However, write-offs of financings and loss on sale of investments shall be charged to the pool along with other direct expenses.



40.8.4 Mudarib share and HIBA distributed to depositor's pool and specific pool

31 March 2025 (Un-audited)					
	Distributable Income (Rupees in '000)	Mudarib Share (Rupees in '000)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	7,097,662	3,357,082	47.30%	1,589,882	47.36%
FCY Pool	94,680	73,095	77.20%	13,442	18.39%
31 March 2024 (Un-audited)					
LCY Pool	8,126,945	3,163,296	38.92%	1,376,145	43.50%
FCY Pool	109,691	91,460	83.38%	13,207	14.44%

40.8.5 Profit rate earned vs. profit rate distributed to the depositors during the period

(Un-audited)		
Three months period ended		
	31 March 2025	31 March 2024
	(Percentage)	
Profit rate earned	12.47%	19.25%
Profit rate distributed	6.50%	10.56%

41. GENERAL

41.1 Captions, in respect of which there are no amounts, have not been reproduced in these unconsolidated condensed interim financial statements, except for captions of the statement of financial position and statement of profit and loss account.

41.2 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

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

41.4 The Board of Directors, in its meeting held on 24 April 2025, has announced an interim cash dividend of Rs. 3.50 per share (31 March 2024: Rs. 3.50 per share). These unconsolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

42. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 24 April 2025.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



Consolidated Financial Statements

Bank AL Habib Limited

and

Subsidiary Companies



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Note	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
ASSETS			
Cash and balances with treasury banks	6	181,828,036	201,935,630
Balances with other banks	7	5,620,964	5,887,584
Lendings to financial institutions	8	20,916,346	38,941,542
Investments	9	1,974,730,629	1,926,109,064
Advances	10	946,729,263	910,279,117
Property and equipment	11	79,392,159	76,057,034
Right-of-use assets	12	14,921,585	13,731,222
Intangible assets	13	210,520	237,024
Deferred tax assets	14	7,483,632	4,529,802
Other assets	15	194,217,075	145,422,433
Total Assets		3,426,050,209	3,323,130,452
LIABILITIES			
Bills payable	17	32,965,481	52,263,043
Borrowings	18	699,128,219	667,043,213
Deposits and other accounts	19	2,379,748,594	2,277,961,527
Lease liabilities	20	18,123,744	16,897,021
Subordinated debt	21	25,987,400	25,988,400
Deferred tax liabilities		—	—
Other liabilities	22	113,194,508	127,773,646
Total Liabilities		3,269,147,946	3,167,926,850
NET ASSETS		156,902,263	155,203,602
REPRESENTED BY			
Share capital		11,114,254	11,114,254
Reserves		33,194,240	32,050,356
Surplus on revaluation of assets	23	19,649,356	21,624,360
Unappropriated profit		92,786,843	90,259,109
Equity attributable to the equity holders of the Holding company		156,744,693	155,048,079
Non-controlling interest	24	157,570	155,523
Total equity		156,902,263	155,203,602
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

		Three months period ended	
	Note	31 March 2025	31 March 2024
		(Rupees in '000)	
		(Restated)	
Mark-up / return / interest earned	27	92,970,508	119,784,286
Mark-up / return / interest expensed	28	(59,325,588)	(82,657,077)
Net mark-up / interest income		33,644,920	37,127,209
NON MARK-UP / INTEREST INCOME			
Fee and commission income	29	6,059,886	4,591,876
Dividend income		68,913	85,536
Foreign exchange income		2,168,689	2,487,925
Income / (loss) from derivatives		—	—
(Loss) / gain on securities - net	30	(244,455)	220,512
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—
Share of profit from associates		212,182	307,880
Other income	31	338,365	313,060
Total non mark-up / interest income		8,603,580	8,006,789
Total income		42,248,500	45,133,998
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	(21,631,268)	(18,142,701)
Workers welfare fund		(431,459)	(427,090)
Other charges	33	(6,941)	(126,218)
Total non mark-up / interest expenses		(22,069,668)	(18,696,009)
Profit before credit loss allowance		20,178,832	26,437,989
Credit loss allowance and write offs - net	34	1,156,860	(6,874,369)
Extra ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		21,335,692	19,563,620
Taxation	35	(10,611,725)	(9,310,554)
PROFIT AFTER TAXATION		10,723,967	10,253,066
Attributable to:			
Equity holders of the Holding Company		10,720,557	10,251,690
Non-controlling interest		3,410	1,376
		10,723,967	10,253,066
		(Rupees)	
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	36	9.65	9.22

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

	Three months period ended	
	31 March 2025	31 March 2024
	(Rupees in '000)	
		(Restated)
Profit after taxation for the period	10,723,967	10,253,066
Other comprehensive income		
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
Effect of translation of net investment in foreign branches	122,557	(104,448)
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	(2,070,507)	919,561
	(1,947,950)	815,113
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>		
Movement in deficit on revaluation of equity investments - net of tax	(54,820)	(597,635)
Movement in surplus on revaluation of property and equipment - net of tax	124,117	—
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	741	(31,013)
	70,038	(628,648)
Total comprehensive income for the period	8,846,055	10,439,531
Attributable to:		
Equity holders of the Holding Company	8,844,008	10,438,975
Non-controlling interest	2,047	556
	8,846,055	10,439,531

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Sub - total	Non-controlling interest	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets				
						(Rupees in '000)						
Balance as at 01 January 2024 - audited	11,114,254	22,700,012	4,818,360	126,500	540,000	1,124,652	16,433,449	200,858	73,595,373	130,653,458	125,536	130,778,994
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	(1,773,407)	-	-	(3,510,353)	(5,283,760)	-	(5,283,760)
Profit after taxation for the three months period ended 31 March 2024 - restated	-	-	-	-	-	-	-	-	10,251,690	10,251,690	1,376	10,253,066
Other comprehensive income for the three months period ended 31 March 2024 - net of tax												
Effect of translation of net investment in foreign branches	-	-	(104,448)	-	-	-	-	-	-	(104,448)	-	(104,448)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	919,594	-	-	-	919,594	(33)	919,561
Movement in deficit on revaluation of investments in equity securities - net of tax	-	-	-	-	-	(596,848)	-	-	-	(596,848)	(787)	(597,635)
Movement in deficit on revaluation of non - banking assets - net of tax	-	-	-	-	-	-	-	(31,013)	-	(31,013)	-	(31,013)
Total other comprehensive income - net of tax	-	-	(104,448)	-	-	322,746	-	(31,013)	-	187,285	(820)	186,465
Transfer to statutory reserve	-	1,003,207	-	-	-	-	-	-	(1,003,207)	-	-	-
Loss on sale of equity investments - FVOCI	-	-	-	-	-	826,620	-	-	(826,620)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(55,330)	(441)	55,771	-	-	-
Transaction with owners, recorded directly in equity												
Final cash dividend (Rs. 5.0 per share) - December 2023	-	-	-	-	-	-	-	-	(5,557,127)	(5,557,127)	-	(5,557,127)
Balance as at 31 March 2024 - unaudited - restated	11,114,254	23,703,219	4,713,912	126,500	540,000	500,611	16,378,119	169,404	73,005,527	130,251,546	126,092	130,377,638
Profit after taxation for the nine months period ended 31 December 2024	-	-	-	-	-	-	-	-	31,650,075	31,650,075	14,254	31,664,329
Other comprehensive income for the nine months period ended 31 December 2024 - net of tax												
Effect of translation of net investment in foreign branches	-	-	(16,287)	-	-	-	-	-	-	(16,287)	-	(16,287)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	5,193,013	-	-	-	5,193,013	71	5,193,084
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	195,739	-	-	-	195,739	15,106	210,845
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	61,809	61,809	-	61,809
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(614,568)	-	-	(614,568)	-	(614,568)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(3,281)	-	(3,281)	-	(3,281)
Total other comprehensive income - net of tax	-	-	(16,287)	-	-	5,388,752	(614,568)	(3,281)	61,809	4,816,425	15,177	4,831,602
Transfer to statutory reserve	-	2,983,012	-	-	-	-	-	-	(2,983,012)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(194,617)	(60)	194,677	-	-	-
Transaction with owners, recorded directly in equity												
Interim cash dividend (Rs. 3.5 per share) - March 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - September 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
	-	-	-	-	-	-	-	-	(11,669,967)	(11,669,967)	-	(11,669,967)
Balance as at 31 December 2024 - audited	11,114,254	26,686,231	4,697,625	126,500	540,000	5,889,363	15,568,934	166,063	90,259,109	155,048,079	155,523	155,203,602



**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

	31 March 2025	31 March 2024
	(Rupees in '000)	(Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	21,335,692	19,563,620
Less: dividend income	(68,913)	(85,536)
	21,266,779	19,478,084
Adjustments:		
Net mark-up / interest income	(33,644,920)	(37,127,209)
Depreciation	1,812,194	1,241,898
Depreciation on right-of-use assets	674,135	599,749
Amortisation	26,864	53,346
Workers' welfare fund	431,459	427,090
Credit loss allowance and write-offs - net	(1,156,860)	6,874,369
Gain on sale of property and equipment - net	(309,564)	(288,099)
Gain on termination of leases and RoU - net	(28,801)	(24,961)
Unrealised loss / (gain) measured at FVPL	266,775	(171,926)
Charge for defined benefit plan	315,000	300,000
Charge for compensated absences	85,000	105,893
Share of profit from associates	(212,182)	(307,880)
	(31,740,900)	(28,317,730)
(Increase) / decrease in operating assets	(10,474,121)	(8,839,646)
Lendings to financial institutions	18,027,630	(5,314,584)
Securities classified as FVPL	1,340,655	(50,079)
Advances	(36,197,846)	44,648,450
Other assets (excluding advance taxation and markup receivable)	(7,974,654)	(3,500,605)
	(24,804,215)	35,783,182
Increase / (decrease) in operating liabilities		
Bills payable	(19,297,562)	(22,073,388)
Borrowings from financial institutions	34,186,993	(14,894,768)
Deposits and other accounts	101,787,067	152,823,028
Other liabilities (excluding markup payable)	(19,488,697)	2,934,363
	97,187,801	118,789,235
	61,909,465	145,732,771
Interest received	60,078,839	72,136,361
Interest paid	(54,854,576)	(77,242,702)
Income tax paid	(18,791,422)	(7,294,236)
Net cash flow generated from operating activities	48,342,306	133,332,194
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	(1,263,046)	(576,759)
Net investments in securities classified as FVOCI	(52,143,979)	(90,853,430)
Net investments in associates	(185,505)	55,358
Dividends received	57,663	75,888
Investments in property and equipment	(5,155,801)	(3,200,560)
Proceeds from sale of property and equipment	317,838	239,141
Effect of translation of net investment in foreign branches	122,557	(104,448)
Net cash flow used in investing activities	(58,250,273)	(94,364,810)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	(1,000)	(1,000)
Dividend paid	(7,134,257)	(5,477,518)
Payments of lease obligations against right-of-use assets	(1,224,373)	(992,050)
Net cash flow used in financing activities	(8,359,630)	(6,470,568)
(Decrease) / increase in cash and cash equivalents	(18,267,597)	32,496,816
Cash and cash equivalents at beginning of the period	205,641,643	147,284,561
Cash and cash equivalents at end of the period	187,374,046	179,781,377

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

1. STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of:

Holding Company

- Bank AL Habib Limited

Subsidiaries

- AL Habib Capital Markets (Private) Limited
- AL Habib Asset Management Limited
- AL Habib Exchange Company (Private) Limited

1.2 Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,224 branches (31 December 2024: 1,207 branches), 14 sub - branches (31 December 2024: 14 sub - branches), 04 representative offices (31 December 2024: 04 representative offices) and 12 booths (31 December 2024: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2024: 02 overseas branches) and 293 Islamic Banking branches (31 December 2024: 276 Islamic Banking branches).

1.3 The Bank has invested in 66.67% shares of AL Habib Capital Markets (Private) Limited. The Company was incorporated in Pakistan on 23 August 2005 as a private limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a corporate member of the Pakistan Stock Exchange Limited and is engaged in equity, money market and foreign exchange brokerage services, equity research, corporate financial advisory and consultancy services.

1.4 The Bank has invested in 100% shares of AL Habib Asset Management Limited. The Company was incorporated in Pakistan on 30 September 2005 as an unquoted public limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company has been issued a license by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services as a Non-Banking Finance Company. The principal business of the Company is to provide Investment Advisory Services and Asset Management Services.

1.4.1 The Company is managing following mutual funds:

Conventional Funds

- AL Habib Asset Allocation Fund
- AL Habib Cash Fund
- AL Habib Fixed Return Fund
- AL Habib GOKP Pension Fund
- AL Habib Government Securities Fund
- AL Habib Income Fund
- AL Habib Money Market Fund
- AL Habib Pension Fund
- AL Habib Stock Fund



Islamic Funds

- AL Habib Islamic Cash Fund
- AL Habib Islamic GOKP Fund
- AL Habib Islamic Income Fund
- AL Habib Islamic Munafa Fund
- AL Habib Islamic Pension Fund
- AL Habib Islamic Savings Fund
- AL Habib Islamic Stock Fund

- 1.5** The Bank has invested in 100% shares of AL Habib Exchange Company (Private) Limited. The Company was incorporated in Pakistan on 24 November 2023 as a private limited company under Companies Act, 2017. The Company has been issued a license by the State Bank of Pakistan (SBP) to undertake currency exchange services. The principal business of the Company is to provide foreign exchange services.

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, SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of the Companies Act, 2017.
- 2.2** Key financial information of the Islamic Banking branches is disclosed in note 41 to these consolidated condensed interim financial statements.
- 2.3** These financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.
- 2.4** The Group believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, these consolidated condensed interim financial statements continue to be prepared on the going concern basis.

2.5 Statement of compliance

- 2.5.1** These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;



- IFAS issued by ICAP, as are 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 SBP and SECP.

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

2.5.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by SBP vide BPRD Circular No. 02, dated 09 February 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all the information required in the annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024.

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

2.5.4 SBP vide its BPRD Circular No. 04 dated 25 February 2015, has clarified that the reporting requirements of IFAS 3, 'Profit and Loss Sharing on Deposits' for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly financial statements would be notified by SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in the preparation of these consolidated condensed interim financial statements.

2.5.5 IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 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.

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

There are certain new standards, interpretations and amendments that became effective during the period. However, these are considered either not to be relevant or not have any significant impact on the Group's consolidated condensed interim financial statements except for requirements of IFRS 9 - 'Financial instruments' relating to unlisted equity securities as explained in note 4.1.



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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. These are considered not to have any significant impact on these consolidated condensed interim financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 December 2024.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information related to preparation of these consolidated condensed interim financial statements is consistent with that applied in the preparation of the annual financial statements of the Group for the year ended 31 December 2024 except for requirements of IFRS 9 relating to unlisted equity instruments and subsidised loans and borrowings as explained in note 4.1 and note 4.2.

4.1 Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated July 29, 2024, SBP has relaxed the banks for the application of IFRS 9 'Financial Instruments' to measured unlisted equity securities at fair value under IFRS 13 effective from 01 January 2025. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at 01 January 2025 is shown below:

	(Rupees in '000)
- Increase in investments	160,148
- Decrease in deferred tax assets	83,277
- Increase in surplus on revaluation of assets	243,425

4.2 Subsidised Loans and Borrowings

The Bank, in accordance with the requirements of SBP's BPRD Circular Letter No. 16 dated 29 July 2024 has incorporated IFRS 9 requirements related to subsidised loans and borrowings in the last quarter of 2024. Accordingly, the consolidated condensed interim statement of profit and loss (un-audited) for the three month period ended March 31, 2024, has been restated to reflect the impact of these requirements. Had the restatement not been made, the profit after tax for the period would have been higher by Rs. 20.992 million, as shown below:



(Rupees in '000)

- Increase in mark-up return/ interest earned	711,910
- Increase in mark-up / return / interest expensed	461,860
- Increase in operating expenses	208,890
- Increase in taxation	20,168

5. FINANCIAL RISK MANAGEMENT

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

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

6. CASH AND BALANCES WITH TREASURY BANKS

In hand:

Local currency	59,791,739	45,870,590
Foreign currencies	3,278,418	3,091,419
	63,070,157	48,962,009

With State Bank of Pakistan in:

Local currency current accounts	80,494,693	117,236,148
Local currency current accounts - Islamic Banking	13,561,530	16,299,959
Foreign currency deposit accounts		
Cash reserve account	6,314,910	5,972,112
Cash reserve / special cash reserve account		
- Islamic Banking	601,794	564,899
Special cash reserve account	11,626,831	11,002,725
Local collection account	424,076	407,387
	113,023,834	151,483,230

With National Bank of Pakistan in:

Local currency current accounts	5,616,319	1,332,163
Prize bonds	117,726	158,228
Cash and balances with treasury banks	181,828,036	201,935,630



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

7. BALANCES WITH OTHER BANKS

In Pakistan:		
In current accounts	242,585	252,439
In deposit accounts	138,562	18,806
	381,147	271,245
Outside Pakistan:		
In current accounts	5,171,420	5,129,043
In deposit accounts	73,974	488,243
	5,245,394	5,617,286
	5,626,541	5,888,531
Less: credit loss allowance held against balances with other banks	7.1 (5,577)	(947)
Balances with other banks - net of credit loss allowance	5,620,964	5,887,584

7.1 Credit Loss Allowance

Opening balance	947	3,612
Charge / (reversal):		
Charge for the period / year	4,726	75
Reversal for the period / year	(97)	(2,738)
	4,629	(2,663)
Foreign exchange adjustments	1	(2)
Closing balance	5,577	947

8. LENDINGS TO FINANCIAL INSTITUTIONS

In local currency:		
Musharaka placement	—	26,000,000
Repurchase agreement lendings (Reverse Repo)	20,919,170	12,946,800
	20,919,170	38,946,800
Less: credit loss allowance held against lendings to financial institutions	8.1 (2,824)	(5,258)
Lendings to financial institutions - net of credit loss allowance	20,916,346	38,941,542

8.1 Credit Loss Allowance - Stage 1

Opening balance	5,258	223
Charge / (reversal):		
Charge for the period / year	1,076	5,258
Reversal for the period / year	(3,510)	(223)
	(2,434)	5,035
Closing balance	2,824	5,258



9. INVESTMENTS

	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
(Rupees in '000)								
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	396,723,883	(780,661)	–	395,943,222	395,460,837	(851,234)	–	394,609,603
Others	4,481	(4,481)	–	–	4,481	(4,481)	–	–
	396,728,364	(785,142)	–	395,943,222	395,465,318	(855,715)	–	394,609,603
FVOCI								
Federal Government Securities	1,544,910,583	(2,935,460)	6,647,825	1,548,622,948	1,492,727,676	(3,312,910)	10,909,607	1,500,324,373
Non Government Debt Securities	8,640,420	(883,242)	(107,659)	7,649,519	8,703,026	(881,964)	(138,403)	7,682,659
Foreign Securities	8,735,771	(1,980,586)	786,030	7,541,215	8,682,791	(2,442,827)	1,127,593	7,367,557
	1,562,286,774	(5,799,288)	7,326,196	1,563,813,682	1,510,113,493	(6,637,701)	11,898,797	1,515,374,589
FVPL								
Federal Government Securities	1,301,887	–	–	1,301,887	2,642,542	–	–	2,642,542
Equity Instruments								
FVOCI - Non Reclassifiable								
Shares								
- Listed companies	196,403	–	502,401	698,804	187,060	–	619,128	806,188
- Unlisted companies	192,467	(50,811)	165,980	307,636	192,467	(50,811)	–	141,656
	388,870	(50,811)	668,381	1,006,440	379,527	(50,811)	619,128	947,844
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	4,699,950	–	(266,775)	4,433,175	4,238,097	–	461,853	4,699,950
Associates	8,232,223	–	–	8,232,223	7,834,536	–	–	7,834,536
Total Investments	<u>1,973,638,068</u>	<u>(6,635,241)</u>	<u>7,727,802</u>	<u>1,974,730,629</u>	<u>1,920,673,513</u>	<u>(7,544,227)</u>	<u>12,979,778</u>	<u>1,926,109,064</u>



	(Un-audited) 31 March 2025	(Audited) 31 December 2024
	(Rupees in '000)	
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	557,380,400	518,019,000
9.2 Credit loss allowance		
Opening balance	7,544,227	9,658,486
Charge / (reversal):		
Charge for the period / year	188,471	813,987
Reversal for the period / year	(1,136,104)	(1,782,276)
	(947,633)	(968,289)
Amounts written off	—	(1,046,371)
Foreign exchange adjustments	38,647	(99,599)
Closing balance	6,635,241	7,544,227

9.3 Particulars of credit loss allowance against debt securities

		31 March 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)					
Domestic					
Performing	Stage 1	4,656,015	1,151	4,718,515	766
Under performing	Stage 2	3,104,485	2,171	3,104,591	1,277
Non performing					
- loss	Stage 3	884,401	884,401	884,401	884,401
Overseas					
Performing	Stage 1	2,784,098	7,037	2,765,414	11,592
Under performing	Stage 2	22,286,054	3,716,120	22,190,407	4,164,145
Non performing					
- loss	Stage 3	5,951,678	1,973,550	5,917,378	2,431,235
Total		39,666,731	6,584,430	39,580,706	7,493,416

9.4 Under the IFRS 9 Application instructions, the Group is not required to compute expected credit loss on Government Securities and on Government guaranteed credit exposure in local currency.

9.5 The market value of securities classified as amortised cost at 31 March 2025 amounted to Rs. 398,498 million (31 December 2024: Rs. 397,393 million).



9.6 Summary of financial information of associates

			31 March 2025 (Un-audited)				
	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total Comprehensive income
(Rupees in '000)							
AL Habib Money Market Fund	Pakistan	1.59%	42,205,909	92,838	1,181,862	1,058,555	1,058,555
AL Habib Islamic Cash Fund	Pakistan	1.40%	19,088,969	64,358	420,478	378,535	378,535
AL Habib Islamic Savings Fund	Pakistan	1.53%	27,232,504	29,309	624,718	576,230	576,230
AL Habib Income Fund	Pakistan	4.40%	10,084,047	95,136	434,400	391,172	391,172
AL Habib Islamic Stock Fund	Pakistan	0.28%	7,321,791	82,440	404,922	348,039	348,039
AL Habib Cash Fund	Pakistan	3.96%	95,818,802	248,258	2,833,489	2,532,141	2,532,141
AL Habib Stock Fund	Pakistan	2.66%	3,915,145	88,315	202,032	172,003	172,003
AL Habib Islamic Income Fund	Pakistan	7.69%	23,559,037	87,266	453,884	414,167	414,167
AL Habib Asset Allocation Fund	Pakistan	88.62%	236,191	1,862	7,909	5,741	5,741
AL Habib Government Securities Fund	Pakistan	0.01%	30,657,828	174,992	1,050,021	950,822	950,822
Al Habib Fixed Return Fund Plan 15	Pakistan	1.95%	547,641	457	15,011	14,650	14,650
Al Habib Fixed Return Fund Plan 16	Pakistan	0.06%	9,059,126	19,539	251,017	245,021	245,021
Al Habib Fixed Return Fund Plan 18	Pakistan	0.05%	9,418,355	3,400	71,049	67,655	67,655
Al Habib Fixed Return Fund Plan 19	Pakistan	7.33%	68,456	42	253	210	210
Al Habib Fixed Return Fund Plan 20	Pakistan	0.29%	1,710,770	400	5,612	5,212	5,212
Al Habib Fixed Return Fund Plan 21	Pakistan	0.81%	618,189	129	3,166	3,038	3,038
AL Habib Islamic GOKP Pension Fund	Pakistan	82.12%	44,503	153	953	869	869
AL Habib GOKP Pension Fund	Pakistan	83.21%	44,763	159	1,203	1,118	1,118
AL Habib Pension Fund Equity Sub Fund	Pakistan	28.86%	390,323	1,236	15,013	13,592	13,592
AL Habib Pension Fund Debt Sub Fund	Pakistan	19.20%	257,514	452	6,548	5,761	5,761
AL Habib Pension Fund Money Market Sub Fund	Pakistan	15.83%	305,499	609	8,733	7,674	7,674
AL Habib Islamic Pension Fund Equity Sub Fund	Pakistan	50.96%	218,761	1,693	10,787	9,785	9,785
AL Habib Islamic Pension Fund Debt Sub Fund	Pakistan	26.02%	178,530	2,151	2,788	2,187	2,187
AL Habib Islamic Pension Fund Money Market Sub Fund	Pakistan	25.14%	181,000	1,273	3,081	3,223	3,223



9.6.1 All of the above associate funds are managed by AL Habib Asset Management Limited (the subsidiary company). The Chief Executive of the Management Company is Mr. Kashif Rafi.

9.6.2 The above information is based on financial statements as on 31 March 2025.

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 March	31 December	31 March	31 December	31 March	31 December
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	790,405,918	756,193,227	30,018,508	34,261,459	820,424,426	790,454,686
Islamic financing and related assets	107,082,204	105,734,671	1,335,377	860,780	108,417,581	106,595,451
Bills discounted and purchased	63,604,283	61,304,281	389,413	387,168	63,993,696	61,691,449
Advances - gross	961,092,405	923,232,179	31,743,298	35,509,407	992,835,703	958,741,586
Credit loss allowance						
- Stage 1	7,532,016	7,170,325	-	-	7,532,016	7,170,325
- Stage 2	8,662,234	8,468,402	-	-	8,662,234	8,468,402
- Stage 3	-	-	29,912,190	32,823,742	29,912,190	32,823,742
	16,194,250	15,638,727	29,912,190	32,823,742	46,106,440	48,462,469
Advances - net of credit loss allowance	944,898,155	907,593,452	1,831,108	2,685,665	946,729,263	910,279,117



	(Un-audited) 31 March 2025	(Audited) 31 December 2024
	(Rupees in '000)	
10.1 Particulars of advances (Gross)		
In local currency	871,711,735	828,913,441
In foreign currencies	121,123,968	129,828,145
	<u>992,835,703</u>	<u>958,741,586</u>

10.2 Advances include Rs. 31,743.298 million (31 December 2024: Rs. 35,509.407 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification - Stage 3	31 March 2025 (Un-audited)		31 December 2024 (Audited)	
	Non Performing loans	Credit loss allowance	Non Performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	500,074	386,873	280,847	280,847
Substandard	1,535,759	713,562	2,295,656	1,161,603
Doubtful	2,796,060	2,135,402	2,823,252	2,216,478
Loss	21,521,629	21,286,577	23,572,777	23,331,415
	<u>26,353,522</u>	<u>24,522,414</u>	<u>28,972,532</u>	<u>26,990,343</u>
Overseas				
Loss	5,389,776	5,389,776	6,536,875	5,833,399
Total	<u>31,743,298</u>	<u>29,912,190</u>	<u>35,509,407</u>	<u>32,823,742</u>



10.3 Particulars of credit loss allowance against advances

	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
Charge / (reversal) for the period / year:								
- ECL charge for the period / year	4,146,005	3,968,453	841,760	8,956,218	7,319,157	6,862,711	14,523,355	28,705,223
- ECL reversal for the period / year	(3,789,644)	(3,777,037)	(1,641,837)	(9,208,518)	(4,558,396)	(7,057,516)	(2,951,993)	(14,567,905)
	356,361	191,416	(800,077)	(252,300)	2,760,761	(194,805)	11,571,362	14,137,318
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Charged off	-	-	(2,156,744)	(2,156,744)	-	-	-	-
Foreign exchange adjustments	5,330	2,416	45,269	53,015	(1,421)	-	(99,138)	(100,559)
Closing balance	7,532,016	8,662,234	29,912,190	46,106,440	7,170,325	8,468,402	32,823,742	48,462,469

10.3.1 For the purposes of determining provision against domestic non-performing advances, the Bank has not taken into account the Forced Sales Value of pledged stock and mortgaged properties held as collateral against domestic non - performing advances.

10.4 Advances - Particulars of credit loss allowance

	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
New advances	3,071,311	3,466,999	37,685	6,575,995	3,950,335	4,441,716	3,665,689	12,057,740
Advances derecognised or repaid	(2,673,165)	(2,498,940)	(1,199,134)	(6,371,239)	(2,278,017)	(3,088,928)	(2,432,807)	(7,799,752)
Transfer to stage 1	283,192	(252,681)	(30,511)	-	2,288,707	(2,202,515)	(86,192)	-
Transfer to stage 2	(100,870)	124,781	(23,911)	-	(349,804)	365,366	(15,562)	-
Transfer to stage 3	(1,513)	(51,903)	53,416	-	(5,687)	(1,069,687)	1,075,374	-
	578,955	788,256	(1,162,455)	204,756	3,605,534	(1,554,048)	2,206,502	4,257,988
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Charged off	-	-	(2,156,744)	(2,156,744)	-	-	-	-
Changes in risk parameters	(222,594)	(596,840)	362,378	(457,056)	(844,773)	1,359,243	9,364,860	9,879,330
Foreign exchange adjustment	5,330	2,416	45,269	53,015	(1,421)	-	(99,138)	(100,559)
Closing balance	7,532,016	8,662,234	29,912,190	46,106,440	7,170,325	8,468,402	32,823,742	48,462,469



		31 March 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
10.5	Advances - Category of Classification				
Domestic					
Performing	Stage 1	775,083,664	7,501,197	751,933,464	7,092,623
Under performing	Stage 2	163,477,204	8,225,270	144,794,684	8,051,593
Non-performing	Stage 3				
OAEM		500,074	386,873	280,847	280,847
Substandard		1,535,759	713,562	2,295,656	1,161,603
Doubtful		2,796,060	2,135,402	2,823,252	2,216,478
Loss		21,521,629	21,286,577	23,572,777	23,331,415
		964,914,390	40,248,881	925,700,680	42,134,559
Overseas					
Performing	Stage 1	14,710,675	30,819	19,107,083	77,702
Under performing	Stage 2	7,820,862	436,964	7,396,948	416,809
Non-performing - loss	Stage 3	5,389,776	5,389,776	6,536,875	5,833,399
		27,921,313	5,857,559	33,040,906	6,327,910
Total		992,835,703	46,106,440	958,741,586	48,462,469

10.6 Charged-off Non Performing Loans

In compliance with SBP's BPRD Circular No. 02 of 2024 dated 22 July 2024, the Bank has charged off certain fully provisioned non-performing loans. Such charged-offs do not constitute any financial relief to the borrowers, and the Bank's rights to recover the outstanding amounts remain fully intact. The details of these charged-off loans are presented below:

		(Un-audited) 31 March 2025	
		No. of Borrowers	(Rupees in '000)
Charged-off during the period		<u>3</u>	<u>2,156,744</u>
		(Un-audited) 31 March 2025	(Audited) 31 December 2024
		(Rupees in '000)	
11.	PROPERTY AND EQUIPMENT		
	Capital work-in-progress	11.1 6,324,785	4,644,267
	Property and equipment	73,067,374	71,412,767
		<u>79,392,159</u>	<u>76,057,034</u>
11.1	Capital work-in-progress		
	Civil works	2,404,390	1,946,354
	Advance payment for purchase of equipments	375,963	494,841
	Advance payment towards suppliers, contractors and property	3,500,226	2,159,615
	Consultants' fee and other charges	44,206	43,457
		<u>6,324,785</u>	<u>4,644,267</u>



		(Un-audited)	
		Three months period ended	
		31 March 2025	31 March 2024
		(Rupees in '000)	
11.2 Additions to property and equipment			
The following additions have been made to property and equipment during the period:			
Capital work-in-progress - net		1,680,516	2,520,772
Property and equipment			
Leasehold land		9,550	567
Building on leasehold land		69,820	185,172
Furniture and fixture		239,557	112,150
Electrical, office and computer equipment		2,994,048	674,249
Vehicles		517,081	644,169
Improvements to leasehold building		270,338	192,652
		4,100,394	1,808,959
Total		5,780,910	4,329,731
11.3 Disposal of property and equipment			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixture		979	352
Electrical, office and computer equipment		1,028	1,316
Vehicles		2,910	312
Improvements to leasehold building		3,357	5,207
Total		8,274	7,187
		(Un-audited)	(Audited)
		31 March	31 December
		2025	2024
		(Rupees in '000)	
12. RIGHT-OF-USE ASSETS			
Buildings	12.1	14,916,158	13,724,709
Vehicles	12.2	5,427	6,513
		14,921,585	13,731,222
12.1 BUILDINGS			
At 01 January,			
Cost		21,557,775	18,288,334
Accumulated depreciation		(7,833,066)	(6,318,610)
Net carrying amount		13,724,709	11,969,724
Additions during the period / year		1,968,298	4,445,498
Deletions during the period / year		(110,999)	(230,800)
Depreciation charge for the period / year		(673,049)	(2,479,826)
Foreign exchange adjustments		429	(757)
Other adjustments / transfers		6,770	20,870
Net carrying amount at the end of the period / year		14,916,158	13,724,709



	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
12.2 Vehicles		
At 01 January,		
Cost	21,710	21,710
Accumulated depreciation	(15,197)	(10,855)
Net carrying amount	6,513	10,855
Depreciation charge for the period / year	(1,086)	(4,342)
Net carrying amount at the end of the period / year	5,427	6,513
13. INTANGIBLE ASSETS		
Computer software	127,350	153,854
TRE certificates	2,500	2,500
Management rights	80,670	80,670
	210,520	237,024
	(Un-audited)	
	Three months period ended	
	31 March	31 March
	2025	2024
	(Rupees in '000)	
13.1 Additions to intangible assets		
Computer software - directly purchased	360	—
	(Un-audited)	(Audited)
	31 March	31 December
	2025	2024
	(Rupees in '000)	
14. DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Credit loss allowance against the value of investments	3,447,933	3,995,990
Credit loss allowance against loans and advances, off-balance sheet, etc.	12,878,732	13,056,485
Deficit on revaluation of securities classified as FVPL	138,723	—
Workers' welfare fund	3,917,791	3,790,454
Others	8,154	—
	20,391,333	20,842,929
Taxable Temporary Differences on		
Accelerated tax depreciation	(2,390,151)	(2,883,358)
Surplus on revaluation of FVOCI investments	(4,143,594)	(6,618,488)
Surplus on revaluation of securities classified as FVPL	—	(227,386)
Surplus on revaluation of property and equipment	(6,328,504)	(6,509,788)
Surplus on revaluation of non - banking assets	(38,520)	(39,260)
Others	(6,932)	(34,847)
	(12,907,701)	(16,313,127)
	7,483,632	4,529,802



	Note	(Un-audited) 31 March 2025	(Audited) 31 December 2024
		(Rupees in '000)	
15. OTHER ASSETS			
Income / mark-up accrued in local currency - net		101,347,208	68,965,986
Income / mark-up accrued in foreign currencies - net		1,538,375	1,027,928
Advances, deposits, advance rent and other prepayments		14,491,252	13,388,608
Advance taxation (payments less provisions)		12,452,838	4,627,218
Non-banking assets acquired in satisfaction of claims		3,847,867	3,841,737
Mark to market gain on forward foreign exchange contracts		1,262,815	751,223
Acceptances		41,753,507	35,827,371
Stationery and stamps on hand		1,438,989	2,161,940
Branch adjustment account		–	2,038,881
Others		16,361,322	13,166,589
		<u>194,494,173</u>	<u>145,797,481</u>
Less: Credit loss allowance held against other assets	15.1	(482,354)	(580,371)
Other Assets - net of credit loss allowance		<u>194,011,819</u>	<u>145,217,110</u>
Surplus on revaluation of non - banking assets acquired in satisfaction of claims		205,256	205,323
Other Assets - total		<u>194,217,075</u>	<u>145,422,433</u>
15.1 Credit loss allowance held against other assets			
Mark-up accrued		459,894	566,002
Modification		14,431	6,444
Other - receivable against consumer loans		8,029	7,925
	15.1.1	<u>482,354</u>	<u>580,371</u>
15.1.1 Movement in credit loss allowance held against other assets			
Opening balance		580,371	472,179
Charge / (reversal):			
ECL charge for the period / year		40	102,380
ECL reversal for the period / year		(106,176)	(1,663)
Modification charge		14,431	6,444
Charge for the period / year		104	2,480
Reversals for the period / year		–	(2,795)
		<u>(91,601)</u>	<u>106,846</u>
Adjustments		(6,444)	–
Amount written off		–	(206)
Foreign exchange adjustments		28	1,552
Closing balance		<u>482,354</u>	<u>580,371</u>
16. CONTINGENT ASSETS			
There were no contingent assets of the Group as at 31 March 2025 (31 December 2024: Nil).			



	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
17. BILLS PAYABLE		
In Pakistan	<u>32,965,481</u>	<u>52,263,043</u>
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	69,938,079	72,607,266
Renewable energy	17,675,068	17,895,611
Long term financing for imported and locally manufactured plant and machinery	23,899,127	25,306,703
Modernisation of small and medium enterprises	1,230,950	1,259,381
Women entrepreneurship	108,727	86,827
Financing facility for storage of agricultural produce	737,268	795,240
Temporary economic refinance facility	25,164,814	26,107,166
Refinance facility for combating COVID-19	86,910	100,001
Repurchase agreement borrowings	542,409,600	462,964,000
	681,250,543	607,122,195
Repurchase agreement borrowings	14,995,500	54,953,000
Borrowing from financial institutions	2,801,645	2,785,500
Total secured	699,047,688	664,860,695
Unsecured		
Overdrawn nostro accounts	80,531	2,182,518
	<u>699,128,219</u>	<u>667,043,213</u>

19. DEPOSITS AND OTHER ACCOUNTS

	31 March 2025 (Un-audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	778,529,750	53,964,689	832,494,439	705,137,306	57,423,924	762,561,230
Savings deposits	931,028,682	47,417,485	978,446,167	876,689,075	45,898,830	922,587,905
Term deposits	180,737,474	63,917,259	244,654,733	200,255,916	61,604,086	261,860,002
Current deposits-remunerative	213,816,061	5,902,367	219,718,428	204,592,225	4,207,345	208,799,570
Others	17,610,065	19,612,927	37,222,992	21,169,067	20,343,029	41,512,096
	2,121,722,032	190,814,727	2,312,536,759	2,007,843,589	189,477,214	2,197,320,803
Financial institutions						
Current deposits	19,351,218	2,107,532	21,458,750	16,114,492	2,063,466	18,177,958
Savings deposits	3,824,512	-	3,824,512	22,246,047	-	22,246,047
Term deposits	697,000	547,722	1,244,722	793,000	526,460	1,319,460
Current deposits-remunerative	36,537,450	4,108,391	40,645,841	36,906,130	1,953,119	38,859,249
Others	38,010	-	38,010	38,010	-	38,010
	60,448,190	6,763,645	67,211,835	76,097,679	4,543,045	80,640,724
	<u>2,182,170,222</u>	<u>197,578,372</u>	<u>2,379,748,594</u>	<u>2,083,941,268</u>	<u>194,020,259</u>	<u>2,277,961,527</u>



	Note	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
20. LEASE LIABILITIES			
Opening balance		16,897,021	14,441,482
Additions during the period / year		1,968,298	4,455,838
Lease payments including interest		(1,224,373)	(3,815,117)
Finance charges on leased assets		615,453	2,116,823
Deletions during the period / year		(139,800)	(322,083)
Foreign exchange adjustments		346	(792)
Other adjustment		6,799	20,870
Closing balance		18,123,744	16,897,021
20.1 Liabilities outstanding			
Short-term lease liabilities - within one year		1,292,081	1,272,772
Long-term lease liabilities			
- 1 to 5 years		7,090,119	6,891,969
- 5 to 10 years		7,326,454	6,753,111
- More than 10 years		2,415,090	1,979,169
Total		18,123,744	16,897,021
21. SUBORDINATED DEBT - Unsecured			
Term Finance Certificates (TFCs) - VI	21.1	7,000,000	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	4,993,000	4,994,000
Term Finance Certificates (TFCs) - IX	21.3	7,000,000	7,000,000
Term Finance Certificates (TFCs) - X	21.4	6,994,400	6,994,400
		25,987,400	25,988,400
21.1 Term Finance Certificates - VI			
Issue amount		Rupees 7,000 million	
Issue date		December 2017	
Maturity date		Perpetual	
Rating		AA+	
Profit payment frequency		semi-annually	
Redemption		No fixed or final redemption date.	
Mark-up		Payable six monthly at six months KIBOR (ask side) plus 1.50% without any floor or cap.	
		The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.	
Call option		On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.	
Lock-in-clause		No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").	
Loss absorbency clause		The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).	



21.2 Term Finance Certificates-VIII

Issue amount	Rupees 5,000 million
Issue date	September 2021
Maturity date	September 2031
Rating	AAA
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 0.75% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.3 Term Finance Certificates-IX

Issue amount	Rupees 7,000 million
Issue date	April 2022
Maturity date	Perpetual
Rating	AA+
Profit payment frequency	semi-annually
Redemption	No fixed or final redemption date.
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.65% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).



21.4 Term Finance Certificates-X

Issue amount	Rupees 7,000 million
Issue date	December 2022
Maturity date	December 2032
Rating	AAA
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 1.35% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).



	(Un-audited) 31 March Note 2025	(Audited) 31 December 2024
	(Rupees in '000)	
22. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	10,656,665	6,938,590
Mark-up / return / interest payable in foreign currencies	1,071,511	934,027
Unearned commission income	3,179,743	3,030,064
Accrued expenses	5,535,738	5,334,307
Acceptances	41,753,507	35,827,371
Unclaimed / dividend payable	1,229,505	1,139,497
Mark to market loss on forward foreign exchange contracts	149,277	2,069,960
Payable to defined benefit plan	2,380,714	2,065,715
Charity payable	97,098	83,726
Credit loss allowance against off		
- balance sheet obligations	22.1 4,876,992	4,742,981
Security deposits against leases / ijarah	672,773	653,582
Provision for compensated absences	2,046,805	1,960,780
Other security deposits	13,658,081	12,056,630
Workers' welfare fund	7,600,477	7,168,876
Payable to SBP / NBP	6,376,431	12,326,744
Insurance payable	530,115	480,521
Branch adjustment account	1,211,893	-
Payable against purchase of marketable securities on behalf of customers	526,387	653,161
ATM switch, clearing and settlement account	5,159,274	26,422,784
Others	4,481,522	3,884,330
	<u>113,194,508</u>	<u>127,773,646</u>
22.1 Credit loss allowance against off-balance sheet obligations		
Opening balance	4,742,981	3,130,550
ECL charge for the period / year	662,765	1,644,514
ECL reversal for the period / year	(530,286)	(31,866)
	132,479	1,612,648
Foreign exchange adjustments	1,532	(217)
Closing balance	<u>4,876,992</u>	<u>4,742,981</u>



		(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
	Note		
23. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	23.1.1	7,326,160	11,902,128
- Securities measured at FVOCI - equity	23.1.2	659,704	605,723
- Property and equipment		22,039,230	22,149,099
- Non-banking assets acquired in satisfaction of claims		205,256	205,323
		30,230,350	34,862,273
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI - debt		3,809,566	6,311,663
- Securities measured at FVOCI - equity		334,028	306,825
- Property and equipment		6,398,916	6,580,165
- Non-banking assets acquired in satisfaction of claims		38,484	39,260
		10,580,994	13,237,913
		19,649,356	21,624,360
23.1 Investments			
23.1.1 Securities measured at FVOCI - debt		7,326,196	11,898,797
Non - controlling interest - (gain) / loss		(36)	3,331
		7,326,160	11,902,128
Less: related deferred tax		3,809,566	6,311,663
		3,516,594	5,590,465
23.1.2 Securities measured at FVOCI - equity		668,381	619,128
Non - controlling interest - gain		(8,677)	(13,405)
		659,704	605,723
Less: related deferred tax		334,028	306,825
		325,678	298,898
24. NON-CONTROLLING INTEREST			
Opening balance		155,523	125,536
Profit attributable to non-controlling interest		3,410	15,630
Movement in surplus / (deficit) on revaluation of:			
- debt investments through FVOCI - net of tax		3,367	38
- equity investments through FVOCI - net of tax		(4,730)	14,319
Closing balance		157,570	155,523
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	230,227,043	217,554,372
Commitments	25.2	496,309,734	542,967,594
Other contingent liabilities	25.3	3,705,814	3,504,960
		730,242,591	764,026,926
25.1 Guarantees:			
Financial guarantees		34,930,831	32,113,828
Performance guarantees		195,296,212	185,440,544
		230,227,043	217,554,372



	Note	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
25.2 Commitments:			
Documentary credits and short term trade-related transactions			
- letters of credit		326,848,336	291,149,845
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	164,152,352	245,803,016
- forward lendings	25.2.2	2,416,099	3,217,813
Commitments for acquisition of:			
- property and equipment		2,892,947	2,796,920
		496,309,734	542,967,594
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		107,668,041	145,237,825
Sale		56,484,311	100,565,191
		164,152,352	245,803,016
The maturities of above contracts are spread over the periods upto one year.			
25.2.2 Commitments in respect of forward lending		2,416,099	3,217,813
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.			
25.3 Other contingent liabilities			
		(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
25.3.1 Claims against the Bank not acknowledged as debts		3,705,814	3,504,960
25.3.2 Taxation			
There is no material change in Bank's tax contingencies as disclosed in note 25.4 to the annual financial statements for the year ended 31 December 2024 except for following:			
<ul style="list-style-type: none"> - Additional Commissioner Inland Revenue (ACIR) has finalized order for Tax Year 2024 (Accounting Year 2023) by disallowing certain expense resulting in an impact of Rs. 1,738.875 million. The Bank has filed an appeal before Appellate Tribunal Inland Revenue against the above mentioned order. - Commissioner Inland Revenue (Appeal), Mirpur AJ&K has passed an appellate order against Assistant Commissioner Inland Revenue, Mirpur AJ&K for Tax Year 2019, 2020, 2021 & 2022 by allowing certain expenses. This resulted an allowable amount of Rs. 60.396 million. The resulted aggregate net tax impact stands at Rs. 58.358 million. The Bank has filed an appeal before Income Tax Appellate Tribunal (ITAT), Mirpur AJ&K against the above mentioned orders. - Deputy Commissioner, Sindh Revenue Board (SRB) has passed Sindh sales tax on services order for the Year 2016 and 2017. This resulted a Sindh sales tax demand of Rs. 43.400 million. The Bank has filed an appeal before Commissioner Appeals, Sindh Revenue Board (SRB). 			
The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters.			



26. DERIVATIVE INSTRUMENTS

26.1 Product Analysis

Counter Parties	31 March 2025 (Un-audited)					
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	23,314,089	4,257	51,666,065	526,412	74,980,154	530,669
Other Entities						
Hedging	89,172,198	582,869	—	—	89,172,198	582,869
Total						
Hedging	<u>112,486,287</u>	<u>587,126</u>	<u>51,666,065</u>	<u>526,412</u>	<u>164,152,352</u>	<u>1,113,538</u>
	31 December 2024 (Audited)					
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	57,237,928	281,713	61,257,172	(309,505)	118,495,100	(27,792)
Other Entities						
Hedging	127,307,916	(1,290,945)	—	—	127,307,916	(1,290,945)
Total						
Hedging	<u>184,545,844</u>	<u>(1,009,232)</u>	<u>61,257,172</u>	<u>(309,505)</u>	<u>245,803,016</u>	<u>(1,318,737)</u>



26.2 Maturity Analysis

	Number of contracts	Notional Principal	31 March 2025 (Un-audited)		
			Mark to Market		
			Negative (Rupees in '000)	Positive	Net
Upto 1 month	322	59,704,650	(81,724)	266,411	184,687
1 to 3 months	611	55,306,559	(64,031)	557,639	493,608
3 to 6 months	715	43,075,025	(3,201)	386,215	383,014
Over 6 months to 1 year	57	6,066,118	(321)	52,550	52,229
	1,705	164,152,352	(149,277)	1,262,815	1,113,538
31 December 2024 (Audited)					
Upto 1 month	488	92,288,053	(633,480)	264,498	(368,982)
1 to 3 months	681	84,488,275	(1,031,294)	220,396	(810,898)
3 to 6 months	690	59,912,062	(386,925)	178,113	(208,812)
Over 6 months to 1 year	54	9,114,626	(18,261)	88,216	69,955
	1,913	245,803,016	(2,069,960)	751,223	(1,318,737)

	31 March 2025 (Un-audited)	
	Three months period ended	
	31 March 2025	31 March 2024
	(Rupees in '000)	
	(Restated)	
27. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	25,818,335	34,527,144
Investments	66,840,786	84,995,203
Lendings to financial institutions	112,669	—
Deposits with financial institutions	130,396	201,004
Securities purchased under resale agreements	68,322	60,935
	92,970,508	119,784,286
27.1 Interest income recognised on:		
Financial assets measured at amortised cost	15,717,752	20,854,151
Financial assets measured at FVOCI	52,912,386	66,025,489
	68,630,138	86,879,640
27.2 Interest income recognised on:		
Financial assets measured at FVPL	40,635	75,311
Financial assets measured at cost	24,299,735	32,829,335
	24,340,370	32,904,646
28. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	38,547,618	60,422,140
Borrowings	1,914,598	3,411,483
Subordinated debt	931,003	1,724,275
Cost of foreign currency swaps against deposits / borrowings	986,811	1,556,356
Repurchase agreement borrowings	16,330,105	15,063,410
Finance charges on leased liabilities	615,453	479,413
	59,325,588	82,657,077



		(Un-audited)	
		Three months period ended	
	Note	31 March 2025	31 March 2024
		(Rupees in '000)	
29. FEE AND COMMISSION INCOME			
Branch banking customer fees		698,856	574,420
Investment banking fees		19,316	7,794
Consumer finance related fees		16,049	12,531
Card related fees (debit and credit cards)		1,527,642	786,837
Credit related fees		76,887	127,714
Commission on trade		1,825,772	1,968,222
Commission on guarantees		280,656	261,971
Commission on cash management		66,049	67,629
Commission on home remittances		939,476	451,493
Management fee		550,660	270,524
Brokerage income		43,150	46,844
Income on margin financing		1,356	6,225
Profit on PSX exposure		6,168	6,095
Others		7,849	3,577
		<u>6,059,886</u>	<u>4,591,876</u>
30. (LOSS) / GAIN ON SECURITIES - NET			
Realised	30.1	22,320	48,586
Unrealised (loss) / gain - measured at FVPL	9.1	(266,775)	171,926
		<u>(244,455)</u>	<u>220,512</u>
30.1 Realised gain on:			
Federal Government Securities		22,320	79
Units of Mutual Funds		–	48,507
		<u>22,320</u>	<u>48,586</u>
30.2 Net (loss) / gain on financial assets:			
Net (loss) / gain on investment in securities designated at FVPL		(266,775)	220,433
Net gain on financial assets measured at FVOCI		22,320	79
		<u>(244,455)</u>	<u>220,512</u>
31. OTHER INCOME			
Gain on sale of property and equipment - net		309,564	288,099
Gain on termination of leases and RoU - net		28,801	24,961
		<u>338,365</u>	<u>313,060</u>



		(Un-audited)	
		Three months period ended	
		31 March 2025	31 March 2024
		(Rupees in '000)	
		(Restated)	
32. OPERATING EXPENSES			
Total compensation expenses	10,469,187	9,062,910	
Property expenses			
Rent and taxes	55,535	51,510	
Insurance	672	3,447	
Utilities cost	620,376	630,871	
Security (including guards)	671,029	539,964	
Repair and maintenance (including janitorial charges)	222,875	120,357	
Depreciation	463,076	373,666	
Depreciation - right of use assets	674,135	599,749	
	2,707,698	2,319,564	
Information technology expenses			
Software maintenance	804,324	831,606	
Hardware maintenance	218,953	159,658	
Depreciation	441,324	265,995	
Amortisation	26,864	53,346	
Network charges	147,063	278,609	
	1,638,528	1,589,214	
Other operating expenses			
Directors' fees and allowances	12,305	10,055	
Fees and allowances to shariah board	10,756	7,952	
Insurance	232,576	164,458	
Legal and professional charges	111,886	146,597	
Outsourced services costs	938,402	961,055	
Travelling and conveyance	178,011	149,083	
NIFT and other clearing charges	83,458	52,874	
Depreciation	907,794	602,237	
Repair and maintenance	768,970	340,838	
Training and development	44,536	20,415	
Postage and courier charges	109,768	104,661	
Communication	794,472	796,518	
Stationery and printing	607,251	372,280	
Marketing, advertisement and publicity	480,527	218,014	
Donations	87,400	134,750	
Auditors remuneration	6,314	6,069	
Commission and brokerage	543,650	332,795	
Entertainment and staff refreshment	204,119	169,942	
Vehicle running expenses	54,877	59,915	
Subscriptions and publications	85,046	82,948	
CNIC verification charges	115,108	63,823	
Security charges	268,978	246,128	
Others	169,651	127,606	
	6,815,855	5,171,013	
	21,631,268	18,142,701	



		(Un-audited)	
		Three months period ended	
		31 March	31 March
		2025	2024
		(Rupees in '000)	
		(Restated)	
Note			
33. OTHER CHARGES			
	Penalties imposed by the State Bank of Pakistan	<u>6,941</u>	<u>126,218</u>
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
	Charge / (reversal) on credit loss allowance against balances with other banks - net	7.1 <u>4,629</u>	(788)
	(Reversal) / charge of credit loss allowance against lendings to financial institutions - net	8.1 <u>(2,434)</u>	719
	Reversal of credit loss allowance against investments - net	9.2 <u>(947,633)</u>	(487,706)
	(Reversal) / charge of credit loss allowance against loans and advances - net	10.3 <u>(252,300)</u>	6,934,678
	(Reversal) / charge of credit loss allowance against other assets - net	15.1.1 <u>(91,601)</u>	151,252
	Charge of credit loss allowance against off - balance sheet obligations - net	22.1 <u>132,479</u>	276,214
		<u>(1,156,860)</u>	<u>6,874,369</u>
35. TAXATION			
	Current	<u>10,965,802</u>	10,234,614
	Deferred	<u>(354,077)</u>	(924,060)
		<u>10,611,725</u>	<u>9,310,554</u>
36. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY			
	Profit for the period attributable to equity holders of the Holding Company	<u>10,720,557</u>	<u>10,251,690</u>
		(Number)	
	Weighted average number of ordinary shares	<u>1,111,425,416</u>	<u>1,111,425,416</u>
		(Rupees)	
	Basic and diluted earnings per share	<u>9.65</u>	<u>9.22</u>
37. FAIR VALUE MEASUREMENTS			
	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.		
37.1 Fair value of financial assets			
	The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:		



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

There were no transfers between levels 1 and 2 during the period / year.

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:

31 March 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	–	1,549,924,835	–	1,549,924,835
Shares - listed	698,804	–	–	698,804
Shares - unlisted	–	307,371	–	370,371
Non-Government Debt Securities	4,139,811	3,509,708	–	7,649,519
Foreign Securities	–	7,541,215	–	7,541,215
Units of Mutual Funds	–	4,433,175	–	4,433,175
Financial assets-disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	398,498,097	–	398,498,097
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	108,784,730	–	108,784,730
Forward sale of foreign exchange contracts	–	56,481,160	–	56,481,160
31 December 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	–	1,502,966,915	–	1,502,966,915
Shares	806,188	–	–	806,188
Non-Government Debt Securities	4,240,451	3,442,208	–	7,682,659
Foreign Securities	–	7,367,557	–	7,367,557
Units of Mutual Funds	–	4,699,950	–	4,699,950
Financial assets-disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	397,392,944	–	397,392,944
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	143,574,254	–	143,574,254
Forward sale of foreign exchange contracts	–	100,910,025	–	100,910,025



37.2 Valuation techniques used in determination of fair values at level 2

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs) at fixed rate and floating rate. The fair value of fixed rates PIBs are derived from PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair value of Government Ijarah Sukuks are revalued using PKISRV rates.	<ul style="list-style-type: none"> - PKRV Rates - PKFRV Rates - PKISRV Rates
Non-Government Debt Securities	Investments in Non-Government Debt Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP.	<ul style="list-style-type: none"> - Fair value as per MUFAP
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC.	<ul style="list-style-type: none"> - Market price as per Mashreq Bank PSC
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 (PSX).	<ul style="list-style-type: none"> - Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the MUFAP as at the close of the business days.	<ul style="list-style-type: none"> - Net Assets Value as per MUFAP
Ordinary shares - unlisted	The fair value of investments In certain unlisted equity securities are valued on the basis of income approach, market approach and cost approach.	<ul style="list-style-type: none"> - Risk free rate (10 years PIB weighted average yield) - Market return (10 years average return of PSX) - Average unlevered beta of the financial services and asset management sector - Growth rate - Share price on valuation date - Break value as of valuation date
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan (SBP).	<ul style="list-style-type: none"> - FX revaluation rates announced by SBP
Property and Equipment - Land and Building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties.	<ul style="list-style-type: none"> - Prices and other relevant information generated by market transactions involving identical, comparable or similar properties
Non - Banking Assets acquired in Satisfaction of Claims	The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.	



Three months period ended 31 March 2025 (Un-audited)						
Commercial banking	Retail banking	Islamic Banking	Retail brokerage	Asset management	Currency exchange	Total
(Rupees in '000)						
73,394,184	6,922,859	12,547,613	28,299	1,128	76,425	92,970,508
63,351	22,059,010	-	-	-	-	22,122,361
1,239,908	6,054,252	565,448	50,705	630,333	62,934	8,603,580
74,697,443	35,036,121	13,113,061	79,004	631,461	139,359	123,696,449
(48,764,407)	(23,798,472)	(8,590,696)	(61,956)	(103,871)	(75,854)	(81,395,256)
(22,059,010)	-	-	(2,318)	(12,207)	(48,826)	(22,122,361)
(70,823,417)	(23,798,472)	(8,590,696)	(64,274)	(116,078)	(124,680)	(103,517,617)
1,582,237	104	(425,481)	-	-	-	1,156,860
5,456,263	11,237,753	4,096,884	14,730	515,383	14,679	21,335,692
As at 31 March 2025 (Un-audited)						
135,176,842	25,390,177	25,409,756	427,852	7,269	1,037,104	187,449,000
1,667,408,571	-	302,230,763	144,711	3,022,917	1,923,667	1,974,730,629
3,892,428	1,350,687,908	-	-	-	-	1,354,580,336
20,916,346	-	-	-	-	-	20,916,346
795,734,351	44,217,727	104,946,077	-	-	-	944,898,155
1,799,509	30,264	1,335	-	-	-	1,831,108
223,637,558	41,907,737	28,936,820	1,016,367	513,401	213,088	296,224,971
2,848,565,605	1,462,233,813	461,524,751	1,588,930	3,543,587	3,173,859	4,780,630,545
668,531,538	-	30,145,257	451,424	-	-	699,128,219
25,987,400	-	-	-	-	-	25,987,400
675,683,452	1,366,876,593	337,188,549	-	-	-	2,379,748,594
1,350,687,908	-	-	142,428	750,000	3,000,000	1,354,580,336
47,719,170	90,313,414	25,337,927	664,815	176,720	71,687	164,283,733
2,768,609,468	1,457,190,007	392,671,733	1,258,667	926,720	3,071,687	4,623,728,282
79,956,137	5,043,806	68,853,018	330,263	2,616,867	102,172	156,902,263
2,848,565,605	1,462,233,813	461,524,751	1,588,930	3,543,587	3,173,859	4,780,630,545
488,555,014	185,664	68,334,701	-	-	-	557,075,379

Profit and loss account

Segment direct expenses
Inter segment expense allocation

Statement of financial position



39. RELATED PARTY TRANSACTIONS

Related parties of the Group comprise associates, directors, key management personnel and other related parties.

Transactions with related parties of the Group are carried out on substantially the same terms as for comparable transactions with others. The transactions with employees of the Group are carried out in accordance with the terms of their employment.

Transactions for the period / year and balances outstanding as at the period / year end with related parties are summarised as follows:

	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Directors	Key management personnel	Associates	Other related parties (Rupees in '000)	Directors	Key management personnel	Associates	Other related parties
Investments								
Opening balance	-	-	7,834,536	811,604	-	-	5,998,107	654,086
Investment made during the period / year	-	-	4,905,864	-	-	-	10,760,249	130,000
Investment redeemed / adjusted during the period / year	-	-	(4,508,177)	(182,690)	-	-	(8,923,820)	-
Surplus on revaluation	-	-	-	(578,915)	-	-	-	157,518
Credit loss allowance	-	-	-	-	-	-	-	(130,000)
Closing balance	-	-	8,232,223	49,999	-	-	7,834,536	811,604
Advances								
Opening balance	1,674	391,567	-	1,109,581	4,048	345,035	-	1,680,782
Addition during the period / year	8,611	131,500	-	6,665,476	16,933	440,830	-	32,611,576
Repaid during the period / year	(9,807)	(101,083)	-	(6,680,315)	(19,277)	(394,084)	-	(33,100,534)
Credit loss allowance	1	(952)	-	38,795	(30)	(214)	-	(82,243)
Closing balance	479	421,032	-	1,133,537	1,674	391,567	-	1,109,581
Right - of - use assets	-	-	-	-	-	-	-	1,022
Other assets								
Interest / mark-up accrued	-	191	-	14,507	-	454	-	14,716
Credit loss allowance on accrued mark-up	-	5	-	539	-	2	-	521
Remuneration receivable from funds	-	-	402,240	-	-	-	-	-
Subordinated debt								
Opening balance	-	-	-	244,000	-	-	-	194,000
issued / purchased during the period / year	-	-	-	-	-	-	-	50,000
Closing balance	-	-	-	244,000	-	-	-	244,000
Deposits and other accounts								
Opening balance	1,106,745	854,460	11,795,080	15,445,734	771,493	794,349	19,349,124	9,409,202
Received during the period / year	1,761,003	1,854,630	118,297,887	103,508,780	8,344,579	6,474,665	582,838,891	405,964,086
Withdrawn during the period / year	(2,219,185)	(1,861,828)	(125,289,030)	(115,963,006)	(8,009,327)	(6,414,554)	(590,392,935)	(399,927,554)
Closing balance	648,563	847,262	4,803,937	2,991,508	1,106,745	854,460	11,795,080	15,445,734
Other liabilities								
Interest / mark-up payable	846	4,594	3,163	18,789	156	669	-	-
Credit loss allowance on accrued mark-up	-	-	-	39,435	-	-	-	33,009
Payable to staff retirement fund	-	-	-	2,380,714	-	-	-	2,065,715
Other liabilities	-	53	-	-	-	75	-	-
Contingencies and commitments	-	-	-	2,179,124	-	-	-	1,617,658
Other Transactions - Investor Portfolio Securities								
Opening balance	-	-	-	24,182,000	-	-	-	18,863,500
Increased during the period / year	-	-	-	2,722,000	-	-	-	7,398,000
Decreased during the period / year	-	-	-	(1,265,500)	-	-	-	(2,079,500)
Closing balance	-	-	-	25,638,500	-	-	-	24,182,000



39.1 RELATED PARTY TRANSACTIONS

	31 March 2025 (Un-audited)				31 March 2024 (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	—	5,723	—	23,937	—	5,373	—	47,232
Fee and commission income	13	286	554,323	3,150	39	118	270,862	1,766
Share of profit from associates	—	—	212,182	—	—	—	307,880	—
Dividend income	—	—	—	—	—	—	—	56,492
Other income	—	—	—	30	—	—	—	82
Expense								
Mark-up / return / interest expensed	11,945	19,421	85,917	89,621	25,905	36,352	974,124	478,679
Operating expenses	—	—	—	347,498	—	—	—	1,085
Salaries and allowances	—	367,093	—	—	—	294,460	—	—
Bonus	—	71,106	—	—	—	121,809	—	—
Contribution to defined contribution plan	—	10,548	—	—	—	12,954	—	267,804
Contribution to defined benefit plan	—	7,142	—	—	—	8,766	—	300,000
Staff provident fund	—	—	—	306,447	—	—	—	—
Staff gratuity fund	—	—	—	315,000	—	—	—	—
Directors' fees	11,630	—	—	—	9,455	—	—	—
Donation	—	—	—	—	—	—	—	6,000
Insurance premium paid	—	—	474	9,552	—	—	—	103,993
Insurance claims settled	—	—	64	36,484	—	—	—	52,403



40. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
Minimum Capital Requirement (MCR):		
Paid-up capital	11,114,254	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	143,499,203	141,233,030
Eligible Additional Tier 1 (ADT 1) Capital	12,922,844	13,125,227
Total Eligible Tier 1 Capital	156,422,047	154,358,257
Eligible Tier 2 Capital	41,830,290	43,252,754
Total Eligible Capital (Tier 1 + Tier 2)	198,252,337	197,611,011
Risk Weighted Assets (RWAs):		
Credit Risk	829,126,886	785,765,223
Market Risk	27,981,853	26,766,888
Operational Risk	269,789,564	270,525,524
Total	1,126,898,303	1,083,057,635
Common Equity Tier 1 Capital Adequacy ratio	12.734%	13.040%
Tier 1 Capital Adequacy Ratio	13.881%	14.252%
Total Capital Adequacy Ratio	17.593%	18.246%
Leverage Ratio (LR):		
Eligible Tier - 1 Capital	156,422,047	154,358,257
Total Exposures	3,956,805,083	3,784,495,954
Leverage Ratio	3.953%	4.079%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,211,725,724	1,242,902,496
Total Net Cash Outflow	447,735,800	455,961,129
Liquidity Coverage Ratio	270.634%	272.590%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,446,128,249	2,347,965,230
Total Required Stable Funding	1,333,170,766	1,269,603,113
Net Stable Funding Ratio	183.482%	184.937%



41. ISLAMIC BANKING BUSINESS

The Bank is operating with 293 (31 December 2024: 276) Islamic banking branches and 10 (31 December 2024: 10) Islamic banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION		(Un-audited)	(Audited)
		31 March 2025	31 December 2024
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		25,400,620	24,097,793
Balances with other banks		9,136	8,635
Due from financial institutions		—	25,996,490
Investments	41.1	302,230,763	256,341,204
Islamic financing and related assets - net	41.2	104,947,412	103,587,096
Property and equipment		2,929,545	2,571,153
Right-of-use assets		5,362,512	4,411,645
Intangible assets		—	—
Due from Head Office		—	—
Other assets		20,644,763	25,734,467
Total Assets		461,524,751	442,748,483
LIABILITIES			
Bills payable		660,700	848,638
Due to financial institutions		30,145,257	30,561,246
Deposits and other accounts	41.3	337,188,549	317,595,744
Due to Head Office		3,705,735	6,016,955
Lease liabilities		6,432,735	5,386,354
Subordinated debt		—	—
Other liabilities		14,538,757	14,820,648
		392,671,733	375,229,585
NET ASSETS		68,853,018	67,518,898
REPRESENTED BY			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		—	—
Surplus on revaluation of assets		3,089,982	5,852,746
Unappropriated profit	41.4	58,163,036	54,066,152
		68,853,018	67,518,898
CONTINGENCIES AND COMMITMENTS	41.5		



PROFIT AND LOSS ACCOUNT		(Un-audited)	
		Three months period ended	
	Note	31 March 2025	31 March 2024
		(Rupees in '000)	
		(Restated)	
Profit / return earned	41.6	12,547,613	14,663,956
Profit / return expensed	41.7	(5,983,769)	(7,256,126)
Net Profit / return		6,563,844	7,407,830
Other income			
Fee and commission income		508,991	389,755
Dividend income		-	23,496
Foreign exchange income		49,207	63,789
Gain / (loss) on securities - net		7,250	(490)
Other income		-	-
Total other income		565,448	476,550
Total income		7,129,292	7,884,380
Other expenses			
Operating expenses		(2,606,528)	(2,006,995)
Other charges		(399)	(10)
Total other expenses		(2,606,927)	(2,007,005)
Profit before credit loss allowance		4,522,365	5,877,375
Credit loss allowance and write offs - net		(425,481)	(162,507)
Profit for the period		4,096,884	5,714,868



	31 March 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
41.1 Investments by segments:								
FVPL								
Units of mutual funds	273,129	-	7,250	280,379	252,242	-	20,887	273,129
Federal Government Securities								
- Islamic Naya Pakistan Certificates	1,301,887	-	-	1,301,887	2,642,542	-	-	2,642,542
	1,575,016	-	7,250	1,582,266	2,894,784	-	20,887	2,915,671
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	271,976,618	-	2,684,882	274,661,500	221,990,413	-	5,664,287	227,654,700
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	866,250	-	5,639	871,889	866,250	-	8,840	875,090
- Pakistan Energy Sukuk - Listed	21,101,789	-	399,111	21,500,900	21,101,875	-	209,125	21,311,000
Non Government debt Securities								
- Listed	1,122,000	(680,361)	-	441,639	1,122,000	(680,000)	534	442,534
- Unlisted	2,973,000	(781)	350	2,972,569	2,973,000	(751)	(30,040)	2,942,209
	298,039,657	(681,142)	3,089,982	300,448,497	248,053,538	(680,751)	5,852,746	253,225,533
Associates								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
Total Investments	<u>299,814,673</u>	<u>(681,142)</u>	<u>3,097,232</u>	<u>302,230,763</u>	<u>251,148,322</u>	<u>(680,751)</u>	<u>5,873,633</u>	<u>256,341,204</u>

41.1.1 Particulars of credit loss allowance

	31 March 2025 (un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government debt securities	573	569	680,000	681,142
	31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government debt securities	384	367	680,000	680,751



	(Un-audited) 31 March 2025	(Audited) 31 December 2024
	(Rupees in '000)	
41.2 Islamic financing and related assets		
Ijarah	3,316,461	3,296,372
Murabaha	19,711,073	21,393,302
Diminishing Musharaka	16,923,358	14,901,120
Istisna	3,675,454	4,744,263
Islamic Long Term Financing Facility (ILTFF)	4,109,526	4,343,370
Islamic Refinance for Renewable Energy (IFRE)	3,069,694	3,177,094
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	5,056,711	5,217,018
Islamic Refinance Facility for Modernization of SMEs (IRFSME)	160,914	166,650
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	125,691	127,131
Islamic Export Refinance - Istisna (IERF)	—	70,000
Musawamah	2,380,204	4,188,383
Running Musharaka	2,889,902	2,844,245
Islamic Export Refinance - Running Musharaka	9,403,641	8,903,641
Financing against Bills - Musawamah	3,889,568	3,823,394
Export Finance Scheme (EFS) - Discounting	7,941,791	8,207,289
Staff Financing	1,453,506	1,098,884
Musawamah Inventory	4,534,381	2,673,423
Advance against Istisna	15,945,171	14,364,368
Advance against Istisna - IERF	1,266,500	818,500
Advance against Ijarah	256,453	250,250
Advance against Diminishing Musharaka	2,042,710	1,788,091
Advance against IFRE	198,162	198,663
Advance against ITERF	66,710	—
Gross Islamic financing and related assets	108,417,581	106,595,451
Less: Credit loss allowance against Islamic financings		
- Stage 1	(1,240,582)	(1,071,897)
- Stage 2	(997,408)	(1,061,392)
- Stage 3	(1,232,179)	(875,066)
	(3,470,169)	(3,008,355)
Islamic financing and related assets - net of credit loss allowance	104,947,412	103,587,096



	(Un-audited) 31 March 2025 (Rupees in '000)	(Audited) 31 December 2024
41.3 Deposits and Other Accounts		
Customers		
Current deposits	130,495,742	116,937,121
Savings deposits	182,872,093	158,666,856
Term deposits	19,814,448	20,269,782
	<u>333,182,283</u>	<u>295,873,759</u>
Financial institutions		
Current deposits	105,782	48,799
Savings deposits	3,900,484	21,673,186
	<u>4,006,266</u>	<u>21,721,985</u>
	<u>337,188,549</u>	<u>317,595,744</u>
41.4 Islamic Banking Business Unappropriated Profit		
Opening balance	54,066,152	30,550,755
Add: Islamic Banking profit for the period / year	4,096,884	23,523,465
Loss on sale of equity investment - FVOCI	—	(8,068)
Closing balance	<u>58,163,036</u>	<u>54,066,152</u>
41.5 Contingencies and Commitments		
Guarantees	21,501,956	19,198,384
Commitments	46,832,745	34,016,915
	<u>68,334,701</u>	<u>53,215,299</u>
41.6 Profit / Return Earned on Financing, Investments and Placement		
Profit earned on:		
Financing	2,752,892	4,343,995
Investments	9,681,962	10,319,703
Placements	112,759	258
	<u>12,547,613</u>	<u>14,663,956</u>
41.7 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	5,072,546	5,967,286
Due to Financial Institutions	657,373	700,699
Due to Head Office	45,064	444,277
Lease liability against right-of-use assets	208,786	143,864
	<u>5,983,769</u>	<u>7,256,126</u>



41.8 Profit and Loss Distribution and Pool Management

41.8.1 The number and nature of pools maintained by the Islamic Banking Branches along with their key features and risk and reward characteristics

General Pool PKR (Mudaraba)

Deposits which assume minimal risk of loss due to diversified assets being tagged thereto are parked in the general pool. In case of loss in general pool, the loss will be borne by the general pool members. The Bank as Mudarib in general pool is responsible for administrative costs and cost of operating fixed assets, which are financed from equity.

Special Pool(s) PKR (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a special pool the loss will be borne by the special pool members.

General Pool FCY (Mudaraba)

In FCY pool, all FCY deposits and investments are parked to share the return among the FCY deposit holders. In case of loss in a FCY general pool, the loss will be borne by the FCY general pool members.

Special Pool(s) FCY (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a special pool the loss will be borne by the special pool members.

Islamic Export Refinance Scheme (IERS) Pool PKR (Musharaka)

IERS pool is required by SBP to facilitate the exporters under Islamic Export Refinance Scheme.

Equity Pool

Investments with relatively higher risks such as investment in shares and mutual funds are tagged to the equity pool in order to safeguard the interest of depositors. Furthermore, subsidized financing to employees are also financed from equity as per SBP guidelines.

Special Mudaraba Financing Facility (SMFF) Pool - Open Market Operations (OMO) Injections

Special Mudaraba Financing Facility (SMFF) Pool for Open Market Operations (OMO) Injection is created to invest the funds exclusively raised from SBP through Islamic Open Market Operations (OMO) in High Quality Assets including securities that are eligible as approved securities for maintaining Statutory Liquidity Requirement (SLR).

Parameters associated with risk and rewards:

Following are the key considerations attached with risk and reward of the pool:

- Period, return, safety, security and liquidity of investment.
- Maturities of funds obtained from Principal Office, Islamic Banking Institutions and Shariah compliant organisations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules and Shariah clearance.



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

The Mudarba based funds have been deployed in the following avenues / sectors / businesses:

- Chemical and pharmaceuticals
- Agribusiness
- Textile
- Sugar
- Shoes and leather garments
- Investment in sukuk
- Production and transmission of energy
- Food and allied except sugar
- Cement
- Financial
- Wheat
- Individuals
- Others (domestic whole sale, engineering goods, plastic product, etc.)

41.8.3 Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components

The Bank's Islamic Banking Division (IBD) is accepting Term Deposits and Saving Deposits under Mudaraba arrangements, wherein the Bank is Mudarib and depositors are Rab-ul-Maal. The Bank with the prior approval of Depositors also commingles its funds with those of depositors.

The funds so generated are invested by the Bank in Shariah compliant modes of financing and investments such as Murabaha, Ijarah, Istisna, Diminishing Musharaka, Running Musharaka, Musawama, Shares, Mutual Funds and Sukuks etc.

The Bank calculates the profit of the pool every month. Profit is distributed at the Net Income level. Net Income is calculated after deducting direct costs such as cost of Murabaha, cost of Takaful, Depreciation on Ijarah Assets, and amortization of premium on sukuk and loss of investments directly incurred in deriving that Income.

The Net income / loss is being allocated between the Bank's equity and the depositors' fund in proportion to their respective share in pool.

The Bank's profit sharing ratio during the quarter was 50% (31 December 2024: 50%) of Net Income and the depositors' profit sharing ratio was 50% (31 December 2024: 50%) of net income.

After the allocation of Income between Mudarib (Bank) and Depositors (Rab ul Maal) the profit is distributed among the depositors on the basis of predetermined weightages, announced by the Bank at the beginning of the month based on their respective category / tiers. In case of loss, Rab-ul-Maal has to bear the loss in the ratio of its investment.

In case of provisioning, the general and specific provisions created against non-performing financing, credit loss allowance under IFRS-9 and diminution in the value of investments as under prudential regulations and other SBP directives shall be borne by the IBIs as Mudarib. However, write-offs of financings and loss on sale of investments shall be charged to the pool along with other direct expenses.



41.8.4 Mudarib share and HIBA distributed to depositor's pool and specific pool

31 March 2025 (Un-audited)					
	Distributable Income (Rupees in '000)	Mudarib Share (Rupees in '000)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	7,097,662	3,357,082	47.30%	1,589,882	47.36%
FCY Pool	94,680	73,095	77.20%	13,442	18.39%
31 March 2024 (Un-audited)					
LCY Pool	8,126,945	3,163,296	38.92%	1,376,145	43.50%
FCY Pool	109,691	91,460	83.38%	13,207	14.44%

41.8.5 Profit rate earned vs. profit rate distributed to the depositors during the period

(Un-audited)		
Three months period ended		
	31 March 2025	31 March 2024
	(Percentage)	
Profit rate earned	12.47%	19.25%
Profit rate distributed	6.50%	10.56%

42. GENERAL

42.1 Captions, in respect of which there are no amounts, have not been reproduced in these consolidated condensed interim financial statements, except for captions of the statement of financial position and statement of profit and loss account.

42.2 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

42.3 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

42.4 The Board of Directors, in its meeting held on 24 April 2025, has announced an interim cash dividend of Rs. 3.50 per share (31 March 2024: Rs. 3.50 per share). These consolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

43. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 24 April 2025.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman