

# BankIslami

## SAVING HUMANITY FROM RIBA

آئیں انسانیت کو سود سے بچائیں!



**2025**  
QUARTERLY REPORT MARCH  
**2025**



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## Corporate Information

### Board of Directors

Mr. Suleman Lalani	Chairman (Non-Executive Director)
Mr. Rizwan Ata	President & Chief Executive Officer
Mr. Akhtar Abbas	Independent Director
Mr. Ali Hussain	Non-Executive Director
Dr. Shamshad Akhtar *	Independent Director
Mr. Haider Ali Hilaly	Independent Director
Mr. Sulaiman Sadruddin Mehdi	Independent Director
Mr. Syed Ali Hasham	Non-Executive Director

### Shariah Supervisory Board

Dr. Mufti Irshad Ahmad Aijaz	Chairperson
Mufti Javed Ahmad	Resident Shariah Board Member
Mufti Muhammad Husain Khaleel Khail	Member
Mufti Syed Hussain Ahmed	Member

### Board Audit Committee

Mr. Haider Ali Hilaly	Chairperson
Dr. Shamshad Akhtar *	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member

### Board Risk Management Committee

Dr. Shamshad Akhtar *	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

### Board Human Resource & Remuneration Committee

Mr. Akhtar Abbas	Chairperson
Mr. Sulaiman Sadruddin Mehdi **	Member
Mr. Suleman Lalani	Member
Mr. Syed Ali Hasham	Member

### Board Information Technology Committee

Mr. Haider Ali Hilaly	Chairperson
Mr. Akhtar Abbas	Member
Mr. Suleman Lalani	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

\* Dr. Shamshad Akhtar has been appointed as an Independent Director on March 14, 2025 in place of Ms. Iffat Zehra Mankani.

\*\* Mr. Sulaiman Sadruddin Mehdi has been appointed as a member on April 22, 2025 in place of Ms. Iffat Zehra Mankani.

## Company Secretary

Mr. Hasan Shahid

## Chief Financial Officer/Chief Operations Officer

Mr. Sohail Sikandar

## Auditors

KPMG Taseer Hadi & Co.,  
Chartered Accountants

## Legal Advisers

Haidermota & Co.  
Mohsin Tayebaly & Co.

## Management (in alphabetical order)

Rizwan Ata	President & Chief Executive Officer
Imran Haleem Shaikh	DY Chief Executive Officer
Asila Khandwala	Group Head Human Resource
Faisal Anwar	Group Head Treasury & Financial Institutions
Hasan Saeed Akbar	Head Marketing and Strategy
Hassan Shahid	Company Secretary
Masood Muhammad Khan	Head of Compliance
Muhammad Amin	Group Head - Information Technology
Muhammad Irfan Ahmed	Head Shariah Compliance
Muhammad Uzair Sipra	Head of Legal
Muzammil Aslam	Head of Operations
Ram Pal Punshi	Principal Credit Advisor
Sajjad Hussain Qureshi	Chief Risk Officer
Sohail Sikandar	Chief Financial Officer / Chief Operations Officer
Usman Shahid	Group Head Whole Sale Banking
Wajid Hussain Junejo	Group Head - Administration
Zaheer Elahi Babar	Group Head Credit
Zulfiqar Ali Lehri	Group Head Retail Banking

## Registered Office

11th Floor, Executive Tower, Dolmen City, Marine Drive, Block-4, Clifton, Karachi.  
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Email: [info@bankislami.bipl.io](mailto:info@bankislami.bipl.io)

## Share Registrar

CDC Share Registrar Services Limited  
Head Office: CDC House, 99 – B, Block 'B',  
S.M.C.H.S., Main Shahr-e-Faisal Karachi- 74400.  
Tel: (92) 0800-23275 Fax: (92-21) 34326053  
URL: [www.cdcsrsl.com](http://www.cdcsrsl.com)  
Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

## Website

[www.bankislami.com.pk](http://www.bankislami.com.pk)

## Directors' Report to the Member

### Dear Members,

On behalf of the Board of Directors, we are pleased to present the Condensed Interim Un-audited Financial Statements of BankIslami Pakistan Limited ('the Bank' or 'BankIslami') along with the consolidated Financial Statements for the first quarter ended March 31, 2025.

### Economy Snapshot

Pakistan's economy continued on a gradual recovery path as real GDP grew by 1.34% and 1.73% over first and second quarters of FY2024-25 respectively. Although agriculture, Large Scale Manufacturing (LSM), and construction posted decline, however, services and livestock sectors led the growth in real GDP. Outlook remains steady for FY2024-25 i.e., GDP is expected in the range of 2.5 – 3.5% (FY2023-24: 2.5%), as predicted rainfalls are likely to uplift agricultural output, while any reduction in policy rate would improve LSM growth.

Disinflation trend continues where headline CPI inflation continues to slide with March 2025 reading standing at 0.7%. This figure is significantly lower than the 1.5% recorded in February 2025 and the 20.7% recorded in March 2024. Significant decline in headline CPI inflation is primarily attributed to a favorable base effect as food inflation reported a decline of 5.1% on year on year basis while increasing by 1.9% on month on month basis.

The Monetary Policy Committee (MPC) of SBP kept the policy rate unchanged at 12% in its meeting in March 2025. Although February 2025 inflation came in lower than expected, mainly due to a drop in food and energy prices however, the Committee noted that the volatility in these prices could disrupt the downward inflation trend. Core inflation still remains high, and any increase in food or energy prices could push inflation up. Economic activity is gaining momentum, but external pressures are building due to rising imports and relatively weak financial inflows. Overall, the MPC believes the current real interest rate is adequately positive to maintain macroeconomic stability.

The external account remained strong with a Current Account surplus of USD 691 million during the first eight months of FY2024-25, compared to a deficit of USD 1,730 million in the same period last year. However, a deficit of USD 411 million was recorded in January and February 2025, mainly due to a higher trade deficit. The combined balance of goods and services for July-Feb FY25 showed a deficit of USD 18.7 billion, up from USD 15.8 billion last year. On a positive note, remittances increased by 32.5%, reaching to USD 24 billion during the first eight months of FY2024-25 providing necessary respite to current account balance.

SBP's foreign exchange reserves decreased to USD 10.7 billion by the first week of April 2025, down from USD 11.7 billion in December 2024. On March 10, 2025, the Pakistani rupee saw a minor decline of 0.04%, depreciating by Re 0.10 against the US dollar, closing at over 280 in the inter-bank market for the first time in more than a year. Despite this, SBP anticipates an increase of USD 14 billion in reserves by the end of June 2025, which is expected to have a positive impact.

Moreover, during March 2025, the International Monetary Fund (IMF) successfully completed its first review of Pakistan's USD 7 billion, 37-month Extended Fund Facility (EFF). The resulting Staff-Level Agreement (SLA) also includes a USD 1.3 billion Resilience and Sustainability Facility (RSF) for climate change. Following approval by the IMF Executive Board, Pakistan is expected to receive USD 2 billion in Q2 CY2025, split between USD 1 billion from the IMF-EFF and USD 1 billion from the IMF-RSF.

Pakistan's current macroeconomic landscape specifies gradual stabilization with improved external account, low inflation, and subdued real growth. Long-term moderate growth depends upon implementation of structural reforms particularly in the energy sector, disciplined fiscal management, meaningful governance reforms, privatization of state owned entities, and expansion in industrial investments. Similarly, key risks include further expansion in energy sector circular debt, unmet external financing requirements, volatile international trade dynamics, and evolving climate-related challenges.

(Source: SBP Monetary Policy Statement and News Reports)

## Overview of Financial Performance

Following are the key financial highlights for the first quarter ended March 31, 2025:

Key Balance Sheet Numbers	March 2025	December 2024	March 2024	March 2025 vs December 2024	March 2025 vs March 2024
		-----Rupees in '000 -----			%
Deposits	576,632,018	559,177,932	496,522,527	3.12%	16.13%
Due to FI	86,552,148	87,662,161	131,013,757	-1.27%	-33.94%
Financing & related assets - net	283,923,910	296,018,363	253,560,430	-4.09%	11.97%
Investments – net	347,258,704	345,051,553	332,257,292	0.64%	4.51%
Net Assets	45,414,608	48,309,276	37,547,005	-5.99%	20.95%

Key Income and Expense Numbers	March 2025	March 2024	Change
	-----Rupees in '000 -----		%
Profit / return earned	19,665,159	29,751,745	-33.90%
Profit / return expensed	10,434,380	19,699,444	-47.03%
Net Spread Earned	9,230,779	10,052,301	-8.17%
Fee, Commission and other Income	3,148,612	1,589,375	98.10%
Total Income	12,379,391	11,641,676	6.34%
Operating expenses	7,053,329	4,888,236	44.29%
Operating Profit before credit loss allowance	5,100,563	6,627,207	-23.04%
Profit before taxation	5,491,099	6,307,052	-12.94%
Profit after taxation	2,613,726	3,215,628	-18.72%
Earnings per share (in Rupees)	2.3575	2.9004	-18.72%
Transfer to Statutory Reserve	522,745	-	-

Alhamdulillah! the Bank continues to build on its growth trajectory. As of March 31, 2025, the Bank achieved a 16.1% increase in its deposit portfolio compared to March 31, 2024 mainly contributed by Current and Saving Accounts that grew by 52.3% and 40.4% respectively. As compared to December 2024, the deposit portfolio witnessed growth of 3.1%. Further, the Bank's strategic focus on expanding its CASA (Current Account and Savings Account) deposit mix through initiatives like focusing trade finance, employee banking, and cash management services are yielding positive results. The Bank has maintained a stable and resilient CASA of over 60% for the past three years. This not only reflects customer confidence but also highlights the Bank's commitment to maintaining a balanced and sustainable funding structure.

During the current period, the Bank's gross financing portfolio declined by 3.8%, primarily due to the settlement of large financings, while ADR decreased from 58.5% in December 2024 to 54.6% in March 2025. Going forward, the Bank will strategically focus on selective large corporate, commercial and SME clients, leveraging current financing opportunities and exploring new investment avenues.

On the risk management front, the Bank's focused strategies aligned with its growth momentum have yielded positive results. The infection ratio improved slightly, decreasing from 7.4% at the end of December 2024 to 7.2% despite the reduction in the financing portfolio. In absolute terms, the delinquent financing portfolio decreased by Rs. 1.49 billion during the current period. The Bank continues to maintain a robust provision against its non-performing financing portfolio, resulting in a coverage ratio of 109.5% as of March 2025. The Bank's specialized recovery team is actively working to recover delinquent assets, with the goal of further reducing the infection ratio over time.

The Bank strategically deployed surplus liquidity into investments, resulting in an increase in the investment portfolio to Rs. 347.26 billion as of March 2025, compared to Rs. 345.05 billion as of December 2024. The primary investments were made in GoP Ijarah Sukuk, while also strategically increasing the equity portfolio.

A strong capital foundation is crucial for sustaining a robust asset portfolio. As of March 31, 2025, the Bank's Capital Adequacy Ratio (CAR) stands at 22.89%, reflecting a modest decline from 24.11% as of December 31, 2024. This slight reduction in CAR is primarily attributable to a decrease in the financing portfolio and a reduction in surplus related to GoP Ijarah Sukuk, following a decline in policy rates.

Alhamdulillah! the Bank's total income grew by 6.3%, showcasing its resilience in navigating the challenges posed by the decline in policy rates, which has dropped by 1,000 basis points since March 2024. Operating expenses rose by 44%, increasing from Rs. 4.89 billion in March 2024 to Rs. 7.05 billion in the current period. This increase is mainly attributed to inflationary pressures, as well as the Bank's strategic expansion efforts, including the opening of new branches and investments in technology to support sustainable growth. Owing to above, pre-tax profit declined by Rs. 816 million as compared to March 2024. Nonetheless, the Bank remains committed to its efforts during challenging times and witnessed growth by leveraging on opportunities in both financing and investments, alongside a strategic focus on areas such as Digital Delivery Channels, Cash Management, Home Remittance, Investment Banking, and Trade.

## Group Results

For the quarter ended March 31, 2025, the Group recorded a modest growth of 0.5% in total assets compared to December 31, 2024. This growth was primarily driven by the expansion of the investments portfolio, particularly in GoP Ijarah Sukuks and listed equity instruments of blue chip companies. However, the financing portfolio witnessed a decline of 3.8% during the period. The Group achieved a pre-tax profit of Rs. 5.5 billion, reflecting a decrease of 12.94% compared to the same period last year. This decline was largely attributable to a significant reduction in the policy rate, persistent inflationary pressures, and the continued expansion of the Group's business operations.



## Acknowledgements

The Board wishes to formally express its profound gratitude to the State Bank of Pakistan for their invaluable assistance and guidance. Additionally, we extend our appreciation to the Securities and Exchange Commission of Pakistan and other regulatory bodies for their unwavering support towards the Bank's endeavors. Our sincere gratitude goes out to our esteemed customers, valued business partners, and shareholders for their continuous loyalty and trust.

Furthermore, we would like to recognize the exceptional dedication, commitment, and tireless efforts exhibited by our management team and employees. Their contributions have been instrumental in propelling BankIslami to a prominent position within the broader banking sector and particularly in the Islamic Banking industry.

On behalf of the Board,

**Rizwan Ata**

President & Chief Executive Officer

**Suleman Lalani**

Chairman of the Board of Directors

April 22, 2025

Karachi

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بنیادی وجہ پالیسی ریس میں نمایاں کمی، افراط زر کا مسلسل دباؤ اور گروپ کی کاروباری سرگرمیوں میں مسلسل توسیع شامل ہیں۔

اعلیٰ ہارٹھک

بورڈ، اسٹیٹ بینک آف پاکستان کو معاونت اور رہنمائی فراہم کرنے پر باخدا ایل طور پر خراج تحسین پیش کرنا چاہتا ہے۔ بورڈ سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان اور دیگر انضباطی حکام کی جانب سے تائید کئے جانے پر بھی تہ دل سے مشکور ہیں۔ ہم اپنے گراں قدر صارفین، کاروباری شراکت داروں اور حصص یافتگان کے، ان کی جانب سے کی جانے والی سرپرستی کے لئے بھی بے حد مشکور ہیں۔

مزید یہ کہ ہم اپنی انتظامی ٹیم اور ملازمین کی لگن، عزم اور سخت محنت کو بھی قدر نگاہ سے دیکھتے ہیں۔ جس نے بینک اسلامی کو نہ صرف بینکاری کی صنعت میں بلکہ خاص طور پر اسلامی بینکاری کی صنعت میں اہم مقام دیا ہے۔

مثنیٰ ب وحسب الحکم بورڈ

سلیمان لالانی

چیئر مین آف بورڈ آف ڈائریکٹرز

رضوان عطاء

صدر اور چیف ایگزیکٹو آفیسر

22 اپریل، 2025

الحمد للہ! بینک اپنی ترقی کی راہ پر گامزن ہے۔ 31 مارچ، 2025 تک بینک نے گزشتہ سال کی اسی مدت کے مقابلے میں ڈیپازٹ پورٹ فولیو میں 16.1 فیصد کا اضافہ حاصل کیا جس کی بنیادی وجوہات کرنٹ اور سیوگ اکاؤنٹس میں ہالتر تیب 52.3 اور 40.4 فیصد کا اضافہ ہے۔ دسمبر 2024 کے مقابلے میں ڈیپازٹ پورٹ فولیو میں 3.1 فیصد اضافہ ہوا۔ بینک انتظامیہ ریٹیننس برنس، ایسپلانی بینکنگ اور کیش منجمنٹ کے ذریعے کرنٹ اور سیوگ اکاؤنٹس (CASA) میں اپنی پوزیشن بحال کرنے کیلئے توجہ مرکوز کئے ہوئے ہے جس کے مثبت نتائج حاصل ہو رہے ہیں۔ بینک نے گزشتہ تین سال سے 60 فیصد سے زائد کا مضبوط CASA برقرار رکھا جو نہ صرف صارفین کے بینک پر اعتماد کو ظاہر کرتا ہے بلکہ بینک کی طرف سے متوازن اور پائیدار فنڈنگ سٹرکچر کو برقرار رکھنے کے عزم کو بھی اجاگر کرتا ہے۔

موجودہ مدت کے دوران بینک کے مجموعی فنانسنگ پورٹ فولیو میں 3.8 فیصد کمی ہوئی جس کی بنیادی وجہ بڑی فنانسنگ کی ادائیگی ہے جبکہ ایڈوانسز اور ڈیپازٹ کے درمیان مجموعی تناسب (ADR) دسمبر 2024 میں 58.5 فیصد سے کم ہو کر مارچ 2025 میں 54.6 فیصد رہا۔ مستقبل کے لئے بینک موجودہ فنانسنگ مواقع سے استفادہ کرتے ہوئے سرمایہ کاری کے نئے شعبوں کی تلاش کرے گا اور مخصوص بڑے کاروباری اداروں، تجارتی اداروں اور ایس ایم ایس صارفین پر توجہ مرکوز کرے گا۔

ریسک منجمنٹ کے حوالے سے بینک کی ترقی کی رفتار سے ہم آہنگ مرکز حکمت عملی سے مثبت نتائج برآمد ہوئے۔ فنانسنگ پورٹ فولیو میں کمی کے باوجود انٹیکشن ریشو بہتر ہوا جو کہ دسمبر 2024 میں 7.4 فیصد کے مقابلے میں کم ہو کر 7.2 فیصد ہو گیا۔ موجودہ مدت کے دوران غیر ادا شدہ فنانسنگ پورٹ فولیو میں 1.49 بلین روپے کی کمی واقع ہوئی ہے۔ بینک اپنے غیر فعال فنانسنگ پورٹ فولیو کے خلاف مضبوط پروویژن برقرار رکھے ہوئے ہے جس کے نتیجے میں مارچ 2025 تک کوریج ریشو 109.5 فیصد رہا۔ بینک کی خصوصی ریکوری ٹیم بھرپور انداز سے واجب الادا اثاثوں کی وصولی پر کام کر رہی ہے تاکہ وقت کے ساتھ ساتھ انٹیکشن ریشو میں مزید کمی لائی جاسکے۔

بینک نے سرمایہ کاری میں اضافی ٹیکو پیلے بنائے ہیں۔ نتیجتاً بینک سرمایہ کاری پورٹ فولیو دسمبر 2024 کے 345.05 بلین روپے سے بڑھ کر مارچ 2025 میں 347.26 بلین روپے ہو گیا۔ بنیادی سرمایہ کاری حکومتی اجارہ وصولیوں میں کی ہیں۔

ایک مضبوط سرمایہ بنیاد ایک مضبوط اور بڑھتے ہوئے اثاثہ جات کی معاونت کے لیے اہم ہے۔ 31 مارچ، 2025 تک بینک کا موزوں سرمائے کا تناسب (CAR) 22.89 فیصد ریکارڈ کیا گیا جو 31 دسمبر، 2024 میں 24.11 فیصد کے تناسب میں معمولی کمی ظاہر کرتا ہے۔ CAR میں یہ معمولی کمی بنیادی طور پر فنانسنگ پورٹ فولیو اور پالیسی ریش میں کمی کے بعد حکومتی اجارہ وصولیوں سے متعلق سرپلس میں کمی کی وجہ سے ہے۔

الحمد للہ! بینک کی کل آمدنی میں 6.3 فیصد کا اضافہ ہوا، جو مارچ 2024 سے پالیسی ریش میں 1,000 پیسہ پوائنٹس کی کمی سے پیدا ہونے والی مشکلات کا مقابلہ کرنے میں بینک کی چلک دکھایا کرتا ہے۔ آپریٹنگ اخراجات میں 44 فیصد اضافہ ہوا جو مارچ 2024 میں 4.89 ارب روپے سے بڑھ کر موجودہ مدت میں 7.05 ارب روپے ہو گئے۔ اس اضافے کی بنیادی وجہ افراط زر کے ہاؤس کے ساتھ ساتھ بینک کی اسٹرٹیجک توسیع کو پیش ہیں جن میں نیٹو انچارج کا قیام اور پائیدار ترقی کے لیے ٹیکنالوجی میں سرمایہ کاری شامل ہے۔ مذکورہ بالا عوامل کے نتیجے میں بینک کی مارچ 2024 کے مقابلے میں قبل از محمول آمدنی میں کمی ہوئی۔ اس کے باوجود بینک مشکل حالات کے دوران بھی اپنی کوششوں کیلئے پرامر اور فنانسنگ اور سرمایہ کاری دونوں میں مواقعوں سے استفادہ کے ساتھ ساتھ ڈیجیٹل ڈیپویریٹمنٹ، کیش منجمنٹ، ہوم برینٹیس، انویسٹمنٹ بینکنگ اور ریٹیننس شعبوں پر اسٹرٹیجک توجہ مرکوز رکھی ہے۔

## گروپ کے نتائج

31 مارچ، 2025 کو ختم ہونے والی سرمایہ کیلئے گروپ کے مجموعی اثاثوں میں دسمبر 2024 کے مقابلے میں 0.5 فیصد کا معمولی اضافہ ہوا جس کی بنیادی وجوہات میں مخصوص حکومتی اجارہ وصولی اور ملٹی پل ٹیکسٹل کمپنیوں میں سرمایہ کاری پورٹ فولیو میں توسیع شامل ہے۔ تاہم مدت کے دوران فنانسنگ پورٹ فولیو میں 3.8 فیصد کمی کی دیکھنے کو ملی۔ گروپ نے 15.5 ارب روپے کا قبل از محمول منافع حاصل کیا جو گزشتہ سال کی اسی مدت کے مقابلے میں 12.94 فیصد کمی کی دکھایا کرتا ہے جس کی

## مالیاتی کارکردگی کا جائزہ

31 مارچ، 2025 کو ختم ہونے والی مالی سال کے اہم مالیاتی نکات درج ذیل ہیں:

مارچ 2025 بمقابلہ مارچ 2024	مارچ 2025 بمقابلہ دسمبر 2024	مارچ 2024	دسمبر 2024	مارچ 2025	تینٹس شیٹ کے اہم اعداد و شمار
فیصد	فیصد	روپے ہزار میں	روپے ہزار میں	روپے ہزار میں	
16.13 فیصد	3.12 فیصد	496,522,527	559,177,932	576,632,018	ڈیپازٹس
-33.94 فیصد	-1.27 فیصد	131,013,757	87,662,161	86,552,148	ایف آئی (FIs) کو واجب الادا
11.97 فیصد	-4.09 فیصد	253,560,430	296,018,363	283,923,910	فنانسنگ اور متعلقہ اثاثہ جات - صافی
4.51 فیصد	0.64 فیصد	332,257,292	345,051,553	347,258,704	سرما پکائی - صافی
20.95 فیصد	-5.99 فیصد	37,547,005	48,309,276	45,414,608	صافی اثاثہ جات

فیصدی تبدیلی	مارچ 2024 روپے ہزار میں	مارچ 2025 روپے ہزار میں	منافع اور اخراجات کے اہم اعداد و شمار
-33.90 فیصد	29,751,745	19,665,159	حاصل کردہ منافع / آمدن
-47.03 فیصد	19,699,444	10,434,380	خرچ کردہ منافع / آمدن
-8.17 فیصد	10,052,301	9,230,779	حاصل کردہ صافی آمدن
98.10 فیصد	1,589,375	3,148,612	فیس اور کمیشن سے حاصل آمدن
6.34 فیصد	11,641,676	12,379,391	کل آمدن
44.29 فیصد	4,888,236	7,053,329	آپریٹنگ اخراجات
-23.04 فیصد	6,627,207	5,100,563	کریڈٹ نقصان / اوٹس سے قبل آپریٹنگ منافع
-12.94 فیصد	6,307,052	5,491,099	قبل از محصول منافع
-18.72 فیصد	3,215,628	2,613,726	بعد از محصول منافع
-18.72 فیصد	2,9004	2,3575	فی حصص آمدن (روپے میں)
-	-	522,745	قانونی ریزرو میں منتقلی

کے ساتھ مکمل کیا۔ نتیجتاً اسٹاف لیول ایگریمنٹ (SLA) میں موسمیاتی تبدیلی سے نمٹنے کیلئے 1.3 بلین ڈالر کا نیا پروگرام (RSF) بھی شامل ہو گیا۔ آئی ایم ایف ایگریمنٹوں پر ڈی کی طرف سے منظوری کے بعد پاکستان کو مالی سال 2025 کی دوسری سرمایہ میں 2 بلین ڈالر ملنے کی توقع ہے جس میں آئی ایم ایف۔ ای ایف ایف۔ ایف سے ایک بلین ڈالر جبکہ آئی ایم ایف۔ آراینس ایف کی طرف سے ایک بلین ڈالر شامل ہیں۔

پاکستان کا موجودہ میکرو اکنامک منظر نامہ بہتر بیرونی اکاؤنٹ، کم افراط زر اور حقیقی نمو کے ساتھ مسلسل استحکام ظاہر کر رہا ہے۔ طویل المدت درمیانی ترقی کا انحصار مخصوص توانائی کے شعبہ میں ڈھانچہ جاتی اصلاحات، منظم مالی انتظام و انصرام، باہمی گورنس ریٹائرمنٹ سرکاری اداروں کی نجکاری اور صنعتی سرمایہ کاری میں توسیع پر ہے۔ اسی طرح اہم خطرات میں توانائی کے شعبے کے گردش قرضوں میں مزید اضافہ، بیرونی مالیاتی تقاضوں کی عدم تعمیل، بین الاقوامی تجارت کی متغیر صورتحال اور ماحولیاتی تبدیلی سے متعلق مسائل شامل ہیں۔

(ماخذ: ایس بی بی مانیٹری پالیسی بیان اور تیزور پورٹس)

## ڈائریکٹرز کی رپورٹ

### معزز اراکین

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ، 2025 کو مکمل ہونے والی پہلی سرمایہ بینک اسلامی پاکستان (بینک یا بینک اسلامی) کے مختصر عبوری غیر پڑتال شدہ مالی گوشواروں کے ہمراہ مربوط مالی گوشواروں کو پیش کرنے میں خوشی محسوس کر رہے ہیں۔

### معاشی جائزہ

پاکستان کی معیشت کی تدریج بحالی کی راہ پر گامزن رہی کیونکہ مالی سال 2024-25 کی پہلی اور دوسری سرمایہ میں جی ڈی پی کی شرح نمو میں بالترتیب 1.34 اور 1.73 فیصد اضافہ ہوا۔ تاہم زراعت، بڑے پیمانے پر میڈیٹیشنرنگ (LSM) صنعتوں اور تعمیرات کے شعبوں میں منفی کارکردگی دکھائی دی جبکہ خدمات اور لائیو سٹاک کے شعبے حقیقی جی ڈی پی کی نمو کا باعث بنے۔ مالی سال 2024-25 کے لیے معاشی صورتحال مطمئن رہنے کی توقع ہے یعنی جی ڈی پی 2.5 سے 3.5 فیصد کے درمیان رہنے کی پیش گوئی کی گئی ہے (مالی سال 2023-24 میں 2.5 فیصد) کیونکہ متوقع بارشیں زریعی پیداوار کو بہتر بنائیں ہیں جبکہ پالیسی ریٹ میں کمی بھی کی سے بڑے پیمانے کی صنعتوں کی ترقی میں بہتری آئے گی۔

افراط زر میں کمی کا سلسلہ جاری ہے جبکہ قیمتوں کے اشاریے کے لحاظ سے افراط زر میں مسلسل کمی ہو رہی ہے جو مارچ 2025 میں 0.7 فیصد ریکارڈ کیا گیا۔ یہ کمی فروری 2025 میں 1.5 فیصد اور مارچ 2024 میں 20.7 فیصد سے نمایاں طور پر کم ہے۔ سی پی آئی افراط زر میں نمایاں کمی کی بنیادی وجوہات میں موزوں بنیادی اثرات ہیں جیسا کہ نقدانی افراط زر میں سالانہ بنیادوں پر 5.1 فیصد کی جبکہ ماہانہ بنیادوں پر 1.9 فیصد اضافہ ریکارڈ کیا گیا۔

اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے مارچ 2025 کو اپنے اجلاس میں پالیسی ریٹ 12 فیصد پر برقرار رکھا۔ تاہم فروری 2025 کے افراط زر کی شرح توقع سے زیادہ کم ہوئی جس کی بنیادی وجہ خوراک اور توانائی کی قیمتوں میں کمی ہے تاہم کمیٹی نے یہ بات نوٹ کی کہ ان قیمتوں میں اتار چڑھاؤ افراط زر کی کمی کے رجحان میں خلل ڈال سکتا ہے۔ بنیادی افراط زر اب بھی زیادہ ہے اور خوراک یا توانائی کی قیمتوں میں کوئی بھی اضافہ افراط زر کو بڑھا سکتا ہے۔ ملک میں معاشی سرگرمیوں میں تیزی آ رہی ہیں لیکن بڑھتی ہوئی درآمدات اور کمزور مالی آمدن کے باعث بیرونی دباؤ بڑھ رہا ہے۔ مجموعی طور پر مانیٹری پالیسی کمیٹی کے نزدیک معاشی استحکام کو برقرار رکھنے کے لئے موجودہ پالیسی ریٹ خاطر خواہ حد تک مثبت ہے۔

مالی سال 2024-25 کے پہلے آٹھ ماہ کے دوران کرنٹ اکاؤنٹ 691 ملین ڈالر سرپلس رہا جو کہ گزشتہ سال کی اسی مدت میں 1,730 ملین ڈالر کے خسارے میں تھا اور بیرونی قرضات و مقبوضات رہے۔ تاہم جنوری اور فروری 2025 میں 411 ملین ڈالر کا خسارہ ریکارڈ کیا گیا جس کی بنیادی وجہ بلند تجارتی خسارہ تھا۔ مالی سال 2025 کی جولائی تا فروری کی مدت کیلئے ایشیا، اوروپا اور خدمات کے مشترکہ بیلنس کا خسارہ 18.7 ملین ڈالر رہا جو گزشتہ سال کے 15.8 ملین سے زیادہ ہے۔ دوسری طرف ترسیلات زر میں 32.5 فیصد اضافہ ہوا جو مالی سال 2024-25 کے پہلے آٹھ ماہ کے دوران 24 ملین ڈالر تک پہنچ گئے جس نے کرنٹ اکاؤنٹ بیلنس کو سہارا دیا۔

اسٹیٹ بینک آف پاکستان کے زمرہ ماہلہ کے ذخائر اپریل 2025 کے پہلے ہفتے میں کم ہو کر 110.7 ارب ڈالر رہ گئے جبکہ دسمبر 2024 میں یہ ذخائر 117.7 ارب ڈالر تھے۔ 10 مارچ 2025 کو پاکستانی روپے کی قدر میں 0.04 فیصد کمی معمولی کی ہوئی اور امریکی ڈالر کے مقابلے میں 10 پیسے کی معمولی کمی کے ساتھ ایک سال سے زائد عرصہ میں پہلی مرتبہ انٹر بینک مارکیٹ میں امریکی ڈالر 280 روپے ماہاس کے باوجود اسٹیٹ بینک کو توقع ہے کہ جون 2025 کے اختتام تک ذخائر 14 ملین ڈالر ہو جائیں گے جو ایک مثبت پیش رفت بھی جارہی ہے۔

مزید برآں مارچ 2025 کے دوران عالمی مالیاتی بینک (IMF) نے پاکستان کیلئے 7 بلین ڈالر کے 37 ماہ کے توسیعی فنڈ ہولت (EFF) کا پہلا جائزہ کامیابی

# UNCONSOLIDATED FINANCIAL STATEMENTS

## GUARDING SOCIETY AGAINST RIBA

Islam teaches that Riba undermines justice and equality. By rejecting exploitative financial practices, we honor the values of fairness, compassion, and social well-being in society.





BankIslami



## Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note		----- Rupees in '000 -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	48,254,296	41,093,952
Balances with other banks	7	3,085,029	982,664
Due from financial institutions	8	1,000,000	4,257,928
Investments	9	347,258,704	345,051,553
Islamic financing, related assets and advances	10	283,923,910	296,018,363
Property and equipment	11	15,438,660	15,102,917
Right-of-use assets	12	4,038,027	4,314,535
Intangible assets	13	4,003,658	4,050,161
Deferred tax assets	14	3,138,640	-
Other assets	15	31,713,620	26,961,952
<b>Total Assets</b>		<b>741,854,544</b>	<b>737,834,025</b>

### LIABILITIES

Bills payable	16	4,333,744	13,773,529
Due to financial institutions	17	86,552,148	87,662,161
Deposits and other accounts	18	576,632,018	559,177,932
Lease liabilities	19	4,834,248	4,839,747
Subordinated sukuk	20	3,000,000	3,000,000
Deferred tax liabilities	14	-	1,384,914
Other liabilities	21	21,087,778	19,686,466
<b>Total Liabilities</b>		<b>696,439,936</b>	<b>689,524,749</b>

### NET ASSETS

<b>45,414,608</b>	<b>48,309,276</b>
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### REPRESENTED BY

Share capital - net		11,007,991	11,007,991
Reserves		7,689,564	7,166,819
Surplus on revaluation of assets	22	3,252,948	7,396,069
Unappropriated profit		23,464,105	22,738,397
		<b>45,414,608</b>	<b>48,309,276</b>

### CONTINGENCIES AND COMMITMENTS

23

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

## Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the Quarter Ended March 31, 2025

	Note	March 31, 2025 ----- Rupees in '000 -----	March 31, 2024
Profit / return earned	24	19,665,159	29,751,745
Profit / return expensed	25	10,434,380	19,699,444
Net Profit / return		<u>9,230,779</u>	<u>10,052,301</u>
<b>OTHER INCOME</b>			
Fee and commission income	26	735,048	628,811
Dividend income		26,306	-
Foreign exchange income		132,890	400,011
Income from shariah compliant alternative of forward foreign exchange contracts		106,405	301,971
Gain on securities - net	27	2,107,651	216,248
Net gains on derecognition of financial assets measured at amortised cost		-	-
Other income	28	40,312	42,334
Total other income		<u>3,148,612</u>	<u>1,589,375</u>
Total Income		<u>12,379,391</u>	<u>11,641,676</u>
<b>OTHER EXPENSES</b>			
Operating expenses	29	7,053,329	4,888,236
Workers welfare fund		112,063	126,106
Other charges	30	113,436	127
Total other expenses		<u>7,278,828</u>	<u>5,014,469</u>
<b>Profit before credit loss allowance</b>		<u>5,100,563</u>	<u>6,627,207</u>
Credit loss allowance and write offs - net	31	(390,536)	320,155
Extra ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<u>5,491,099</u>	<u>6,307,052</u>
Taxation	32	2,877,373	3,091,424
<b>PROFIT AFTER TAXATION</b>		<u>2,613,726</u>	<u>3,215,628</u>
----- Rupees -----			
<b>Basic and Diluted earnings per share</b>	33	<u>2.3575</u>	<u>2.9004</u>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the Quarter Ended March 31, 2025

	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
Profit after taxation for the period	2,613,726	3,215,628
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(4,132,504)	(748,212)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of equity investments - net of tax	9,988	-
Total comprehensive income	<u>(1,508,790)</u>	<u>2,467,416</u>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

# Condensed Interim Unconsolidated Statement of Changes In Equity

For the Quarter Ended March 31, 2025

	Share capital	Discount on issue of shares	Statutory reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
				Investments	Property & Equipment / Non Banking Assets		
Rupees in '000							
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,111	3,206,282	1,455,808	15,995,726	36,465,918
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(166,708)	-	(113,670)	(280,378)
Opening Balance as at January 01, 2024 (As restated)	11,087,033	(79,042)	4,800,111	3,039,574	1,455,808	15,882,056	36,185,540
Profit after taxation for the quarter ended March 31, 2024	-	-	-	-	-	3,215,628	3,215,628
Other comprehensive income for the quarter ended March 31, 2024	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(748,212)	-	-	(748,212)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(44,920)	44,920	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(34)	34
Transactions with owners, recorded directly in equity							
Final Cash dividend to shareholders for the year 2023 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)
Opening Balance as at April 01, 2024	11,087,033	(79,042)	4,800,111	2,291,362	1,410,854	18,033,935	37,544,253
Profit after taxation for the period from April 01, 2024 to December 31, 2024	-	-	-	-	-	8,617,914	8,617,914
Other comprehensive income for the period from April 01, 2024 to December 31, 2024	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	3,554,177	-	-	3,554,177
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	3,020	-	-	3,020
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(42,689)	(42,689)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	277,152	277,152	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	18,505	18,505	18,505
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	3,557,197	295,657	(42,689)	3,810,165
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(157,796)	157,796	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(1,205)	1,205	-
Transfer to statutory reserve	-	-	2,366,708	-	-	(2,366,708)	-
Transactions with owners, recorded directly in equity							
First Interim Cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)
Opening Balance as at January 01, 2025	11,087,033	(79,042)	7,166,819	5,848,559	1,547,510	22,738,398	48,309,277
Profit after taxation for the quarter ended March 31, 2025	-	-	-	-	-	2,613,726	2,613,726
Other comprehensive income for the quarter ended March 31, 2025	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(4,132,504)	-	-	(4,132,504)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	9,988	-	-	9,988
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	(4,122,516)	-	-	(4,122,516)
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(20,539)	20,539	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(66)	66	-
Transfer to statutory reserve	-	-	522,745	-	-	(522,745)	-
Transactions with owners, recorded directly in equity							
Final Cash dividend to shareholders for the year 2024 @ Re. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)
Closing Balance as at March 31, 2025	11,087,033	(79,042)	7,689,564	1,726,043	1,526,905	23,464,105	45,414,608

\*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				

## Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the Quarter Ended March 31, 2025

	Note	March 31, 2025	March 31, 2024
----- Rupees in '000 -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		5,491,099	6,307,052
Less: Dividend income		(26,306)	-
		<b>5,464,793</b>	<b>6,307,052</b>
<b>Adjustments for non-cash charges and other items:</b>			
Net profit / return		(9,230,779)	(10,052,301)
Depreciation on property and equipment	29	464,922	374,252
Depreciation on non-banking assets	29	583	580
Depreciation on right-of-use assets	29	394,338	382,826
Amortisation		78,707	55,331
Depreciation on operating Ijarah assets		32,705	5,072
Finance charges on leased assets	25	303,861	253,044
Credit loss allowance and write offs - net	31	(390,536)	320,155
Unrealized gain on revaluation of investments classified as FVPL	27	(1,735)	(216,248)
Charge for defined benefit plan		88,479	67,103
Gain on sale / disposal of property and equipment	28	(11,863)	(61)
		<b>(8,271,318)</b>	<b>(8,810,247)</b>
		<b>(2,806,525)</b>	<b>(2,503,195)</b>
<b>Decrease / (increase) in operating assets</b>			
Due from financial institutions		3,258,738	290,322
Securities classified as FVPL		1,735	216,248
Islamic financing, related assets and advances		12,452,266	(24,222,285)
Other assets (excluding advance taxation)		(1,027,832)	2,518,497
		<b>14,684,907</b>	<b>(21,197,218)</b>
<b>(Decrease) / increase in operating liabilities</b>			
Bills payable		(9,439,785)	(2,074,081)
Due to financial institutions		(1,110,013)	70,354,701
Deposits		17,454,086	(26,018,398)
Other liabilities (excluding current taxation)		1,546,622	(3,129,286)
		<b>8,450,910</b>	<b>39,132,936</b>
		<b>20,329,292</b>	<b>15,432,523</b>
Profit / return received		17,707,526	20,290,280
Profit / return paid		(12,028,084)	(19,194,487)
Income tax paid		(3,207,986)	(2,258,416)
<b>Net cash generated from operating activities</b>		<b>22,800,748</b>	<b>14,269,900</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net Investments in securities classified as FVOCI / AFS		(6,396,158)	(18,916,131)
Dividends received		26,306	-
Investments in property and equipment		(801,350)	(1,149,575)
Investments in intangible assets		(33,994)	(263,744)
Proceeds from disposal of property and equipment		14,338	61
<b>Net cash used in investing activities</b>		<b>(7,190,858)</b>	<b>(20,329,389)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payments of lease obligations against right-of-use assets		(427,190)	(425,001)
Dividend paid		(405)	(169,525)
Proceeds from issuance of subordinated sukuk		-	150,000
<b>Net cash used in financing activities</b>		<b>(427,595)</b>	<b>(444,526)</b>
		<b>15,182,295</b>	<b>(6,504,015)</b>
Cash and cash equivalents at the beginning of the period		36,157,030	42,661,045
<b>Cash and cash equivalents at the end of the period</b>		<b>51,339,325</b>	<b>36,157,030</b>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

## 1 STATUS AND NATURE OF BUSINESS

### 1.1 BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Bank on March 18, 2005. The Bank commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Bank is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Bank is operating through 540 branches including 60 sub-branches as at March 31, 2025 (December 31, 2024: 540 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

On August 18, 2023, JS Bank Limited increased its shareholding in the Bank from 7.79% to 50.24% by acquiring shares from existing shareholders of the Bank through Share Purchase Agreement (SPA), effectively making BankIslami Pakistan Limited a subsidiary of JS Bank Limited. The shareholding in the Bank was further increased to 75.12% on August 25, 2023 by way of acquiring Bank's shares through a public offer.

## 2 BASIS OF PRESENTATION

The Bank provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes briefly explained in note no. 7.5 to of unconsolidated financial statements for the year ended December 31, 2024.

The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognized as charity payable as directed by the Shariah Board of the Bank.

### 2.1 STATEMENT OF COMPLIANCE

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

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

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

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

2.3 The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these condensed interim unconsolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these condensed interim unconsolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

2.4 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly unconsolidated 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 these condensed interim unconsolidated financial statements.

2.5 The Bank received an extension from SBP up to December 31, 2025 for application of EPR in general for all financial assets and liabilities (excluding staff loans / subsidized loans), however as financial assets other than financing and financial liabilities were already effectively carried at EPR before the implementation of IFRS 9 hence said extension has only been applied on Islamic financing (excluding staff loans / subsidized loans i.e. Temporary Economic Refinance Facility). Therefore, Islamic financing are now carried at cost, excluding staff loans and TERF, which are carried at amortized cost, net of expected credit loss allowances.

Further, in accordance with the BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

2.6 The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

2.7 As per BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

If the revenue had been recognized in accordance with IFRS 9 and SBP Application guidelines, the following impact on profit and loss would have resulted: -

	Rupees in '000
Opening Retained Earning - net of tax	837,455
Profit and Loss Account - net of tax	243,045

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

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

There are certain interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim unconsolidated financial statements.

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



The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods from the dates mentioned below:

## Standard, Interpretation or Amendment

Effective date (annual periods beginning on or after)

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

Not yet announced

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

## 5 FINANCIAL RISK MANAGEMENT

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

## 6 CASH AND BALANCES WITH TREASURY BANKS

### In hand

- Local currency  
- Foreign currencies

(Un-audited) March 31, 2025	(Audited) December 31, 2024
14,995,007	12,338,658
753,872	844,077
15,748,879	13,182,735

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

### With the State Bank of Pakistan in:

- Local currency current account  
  
- Foreign currency deposit accounts:  
- Cash reserve account  
- Special cash reserve account  
- US dollar clearing account

27,250,652	23,590,078
1,445,369	1,386,343
1,739,542	1,668,793
62,044	10,999
3,246,955	3,066,135

### With National Bank of Pakistan in

- Local currency current account

2,007,999	1,255,110
-----------	-----------

### Prize Bonds

- 83

Less: Credit loss allowance held against cash and balances with treasury banks

(189) (189)

Cash and balances with treasury banks  
- net of credit loss allowance

48,254,296	41,093,952
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## 7 BALANCES WITH OTHER BANKS

### In Pakistan

- In current accounts  
- In deposit accounts

9	9
159	164
168	173

### Outside Pakistan

- In current accounts  
- In deposit accounts

2,678,935	667,135
406,324	315,659
3,085,259	982,794

Less: Credit loss allowance held against balances with other banks

(398) (303)

Balances with other banks - net of credit loss allowance

3,085,029	982,664
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## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
<b>8 DUE FROM FINANCIAL INSTITUTIONS</b>			
<b>Unsecured</b>			
Musharkah Placement	8.1	1,000,000	-
Bai Muajjal Receivable			
-with Other Financial Institutions	8.1	-	4,257,928
Other placements		13,770	14,580
		<u>1,013,770</u>	<u>4,272,508</u>
Less: Credit loss allowance held against due from financial institutions	8.2	(13,770)	(14,580)
Due from financial institutions - net of credit loss allowance		<u>1,000,000</u>	<u>4,257,928</u>

**8.1** The average return on this product is 12.9% (December 31, 2024: 19.6%) per annum. The balance has maturity in 6 days (December 31, 2024: 24 days).

		(Un-audited)		(Audited)		
		March 31, 2025		December 31, 2024		
		Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held	
----- Rupees in '000 -----						
8.2 Due from financial institutions Particulars of credit loss allowance	Domestic					
	Performing	Stage 1	1,000,000	-	4,257,928	-
	Under performing	Stage 2	-	-	-	-
	Non-performing	Stage 3				
	Substandard		-	-	-	-
	Doubtful		-	-	-	-
	Loss		13,770	13,770	14,580	14,580
			13,770	13,770	14,580	14,580
	Total		1,013,770	13,770	4,272,508	14,580

**8.2.1** The Bank does not hold overseas classified placements.

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
<b>9 INVESTMENTS</b>			
Investments - Islamic	9.1	347,258,704	345,051,553
Investments - (Conventional (relating to amalgamated entity))	9.2	-	-
		<u>347,258,704</u>	<u>345,051,553</u>

		(Un-audited)				(Audited)			
		March 31, 2025				December 31, 2024			
		Cost / Amortised cost	Credit loss allowance held	Surplus / (deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (deficit)	Carrying Value
9.1	Islamic Investments by type	Note ----- Rupees in '000 -----							
	- Debt Instruments								
	Classified / Measured at FVOCI								
	Federal Government	308,225,474	-	3,192,631	311,418,105	299,226,475	-	11,799,026	311,025,501
	Shariah Compliant Securities								
	Non-Government	32,879,256	(35,883)	354,486	33,197,859	32,808,817	(35,883)	357,473	33,130,407
	Shariah Compliant Securities	341,104,730	(35,883)	3,547,117	344,615,964	332,035,292	(35,883)	12,156,499	344,155,908
	Classified / Measured at FVPL								
	Non-Government								
	Shariah Compliant Securities	50,000	-	-	50,000	50,000	-	-	50,000
	- Equity instruments								
	Classified / Measured at FVPL								
	Shares - listed companies	64,227	-	50,133	114,360	70,739	-	54,344	125,083
	Classified / Measured at FVOCI								
	(Non-Reclassifiable)								
	Shares								
	Listed companies	2,422,753	-	48,807	2,471,560	685,744	-	27,998	713,742
	Foreign securities	6,820	-	-	6,820	6,820	-	-	6,820
	Associate	9.7	627,942	(627,942)	-	627,942	(627,942)	-	-
	Total Islamic investments		344,276,472	(663,825)	3,646,057	333,476,537	(663,825)	12,238,841	345,051,553
9.2	Conventional Investments by type								
	- Debt Instruments								
	Classified / Measured at FVOCI								
	Non-Government Debt Securities	74,607	(74,607)	-	-	74,607	(74,607)	-	-
	- Equity instruments								
	Classified / Measured at FVPL								
	Shares								
	Un-listed companies	9.2.1	-	-	-	-	-	-	-
	Foreign securities		-	-	-	-	-	-	-
	Associates	9.7	474,169	(474,169)	-	474,169	(474,169)	-	-
	Subsidiary	9.6	104,771	(104,771)	-	104,771	(104,771)	-	-
	Total conventional investments		653,547	(653,547)	-	653,547	(653,547)	-	-

9.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVPL as of January 01, 2024. Following is the break-up of such securities:

## Name of Investee Company

## No. of shares held

Riverstone Consultancy (Private) Limited (Shares)	3,985,000
New Horizon Exploration and Production Limited (Shares)	61,600,000
Pakistan Export Finance Guarantee Agency Limited (Shares)	568,044

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

9.3 Investments given as collateral	(Un-audited)	(Audited)
	March 31, 2025	December 31, 2024
	----- Rupees in '000 -----	
Federal Government Securities - GOP Ijarah Sukuk	70,814,000	57,565,700
9.4 Credit loss allowance held against investments		
Opening balance	1,317,372	3,306,404
Impact on adoption of IFRS 9	-	132
Charge / (reversal)		
Charge for the period / year	-	-
Reversals for the period / year	-	(242,134)
Reversal on disposals	-	(242,134)
Amounts written off	-	-
Impact of reclassification of equity securities from FVOCI to FVPL	-	(1,747,030)
Closing Balance	1,317,372	1,317,372

9.5 Particulars of credit loss allowance against debt securities	(Un-audited)		(Audited)	
	March 31, 2025		December 31, 2024	
9.5.1 Category of classification	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	----- Rupees in '000 -----			
Domestic				
Performing Stage 1	340,842,599	3	331,773,161	-
Underperforming Stage 2	-	-	-	-
Non-performing Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	386,738	110,487	386,738	110,490
	386,738	110,487	386,738	110,490
Total	341,229,337	110,490	332,159,899	110,490

9.5.2 The Bank does not hold overseas classified debt securities.

		As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
					----- Rupees in '000 -----				
9.6	Details of investment in subsidiary								
Unlisted									
	My Solutions Corporation Limited	December 31, 2013	100.00	Pakistan	69,539	10,105	14,580	(1,763)	(1,763)
9.7	Details of investment in associates								
Unlisted									
Islamic									
	Shakarganj Food Products Limited	December 31, 2024	36.38	Pakistan	9,883,569	6,723,952	2,640,239	(226,663)	(226,663)
Conventional									
	KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
	KASB Capital Limited	December 31, 2016	21.78	Mauritius	\$652,864	\$135,428	\$-	\$(34,084)	\$(34,084)

			(Un-audited) March 31, 2025	(Audited) December 31, 2024
<b>10</b>	<b>ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES</b>	Note	----- Rupees in '000 -----	
	Islamic financing and related assets - net	10.1	<b>283,864,953</b>	295,959,406
	Advances (relating to amalgamated entity) - net	10.2	<b>58,957</b>	58,957
			<b><u>283,923,910</u></b>	<b><u>296,018,363</u></b>

## 10.1 ISLAMIC FINANCING AND RELATED ASSETS

		Performing		Non Performing		Total	
		(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note		----- Rupees in '000 -----					
<b>In Pakistan</b>							
- Running Musharakah	10.9	97,746,474	78,360,146	1,444,955	1,444,955	99,191,429	79,805,101
- Diminishing Musharakah financing and related assets - Others	10.3	62,151,326	58,097,978	6,082,005	5,863,442	68,233,331	63,961,420
- Diminishing Musharakah - Housing		20,370,782	20,731,082	2,018,325	2,120,603	22,389,107	22,851,685
- Istisna financing and related assets	10.4 & 10.10	31,162,992	27,767,369	2,570,970	3,663,174	33,733,962	31,430,543
- Diminishing Musharakah financing and related assets - Auto		18,218,693	16,734,243	626,640	642,621	18,845,333	17,376,864
- Murabahah financing and related assets	10.5 & 10.11	44,112,026	85,092,279	1,118,829	753,869	45,230,855	85,846,148
- Musawamah financing and related assets / Tijarah	10.6	8,582,985	7,894,372	3,097,390	3,945,758	11,680,375	11,840,130
- Investment Agency Wakalah		5,437,142	4,273,450	-	-	5,437,142	4,273,450
- Murabahah against Bills		1,322,356	285,574	191,156	192,082	1,513,512	477,636
- Ijarah financing under IFRS 2 and related assets	10.7	442,005	590,135	122,811	53,902	564,816	644,037
- Financing against Bills		2,066,871	2,694,138	-	-	2,066,871	2,694,138
- Qardh-e-Hasana		25,687	27,577	123,918	123,378	149,605	150,955
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		58,264	164,607	-	27,128	58,264	191,735
- Net investment in Ijarah financing in Pakistan		62,719	28,055	-	39,969	62,719	68,024
- Housing finance portfolio - others		-	-	7,086	7,086	7,086	7,086
- Salam	10.8	160,003	177,047	-	-	160,003	177,047
<b>Islamic financing and related assets - gross</b>		<b>291,920,325</b>	<b>302,918,052</b>	<b>17,564,085</b>	<b>19,037,947</b>	<b>309,484,410</b>	<b>321,955,999</b>
Credit loss allowance / provision against							
Islamic financing and related assets		10.14					
- Stage 1		(2,393,316)	(2,793,600)	-	-	(2,393,316)	(2,793,600)
- Stage 2		(1,101,832)	(515,292)	-	-	(1,101,832)	(515,292)
- Stage 3		-	-	(16,299,128)	(17,076,658)	(16,299,128)	(17,076,658)
		(3,495,148)	(3,308,892)	(16,299,128)	(17,076,658)	(19,794,276)	(20,385,550)
Modification loss due to IFRS 9	10.1.1	(60,406)	(94,079)	-	-	(60,406)	(94,079)
Fair value adjustment	10.1.2	(5,764,775)	(5,516,964)	-	-	(5,764,775)	(5,516,964)
<b>Islamic financing and related assets - net of credit loss allowance and fair value adjustment</b>		<b>282,599,996</b>	<b>293,998,117</b>	<b>1,264,957</b>	<b>1,961,289</b>	<b>283,864,953</b>	<b>295,959,406</b>

10.1.1 This represents modification loss arising from restructuring or rescheduling of financings.

10.1.2 This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.

10.1.3 Islamic Financing and related assets include Rs.17,564,085 million (December 31, 2024; Rs.19,037,947 million) which have been placed under non-performing / Stage 3 status as detailed below:

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Islamic financing and related assets				
- Category of classification				
<b>Domestic</b>				
Other assets especially mentioned	238,101	30,275	264,933	47,483
Substandard	453,019	186,188	1,767,062	981,368
Doubtful	850,667	498,395	911,076	474,167
Loss	16,022,298	15,584,270	16,094,876	15,573,640
	<u>17,564,085</u>	<u>16,299,128</u>	<u>19,037,947</u>	<u>17,076,658</u>

10.1.4 The Bank does not hold overseas Islamic financing and related assets.

Performing		Non Performing		Total	
(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024

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

### 10.2 ADVANCES

- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,978,588	3,991,053	3,978,588	3,991,053
- Bills discounted and purchased (excluding treasury bills)						
- Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
- Net investment in finance lease - In Pakistan	-	-	552,680	553,463	552,680	553,463
<b>Advances - gross</b>	-	-	<u>5,215,563</u>	<u>5,228,811</u>	<u>5,215,563</u>	<u>5,228,811</u>
Credit loss allowance / provision against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,156,606)	(5,169,854)	(5,156,606)	(5,169,854)
	-	-	<u>(5,156,606)</u>	<u>(5,169,854)</u>	<u>(5,156,606)</u>	<u>(5,169,854)</u>
<b>Advances - net of credit loss allowance</b>	-	-	<u>58,957</u>	<u>58,957</u>	<u>58,957</u>	<u>58,957</u>

10.2.1 Advances include Rs. 5,215.563 million (December 31, 2024 Rs. 5,228.811 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) March 31, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Advances - Category of classification				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,215,563	5,156,606	5,228,811	5,169,854
	<u>5,215,563</u>	<u>5,156,606</u>	<u>5,228,811</u>	<u>5,169,854</u>

## 10.2.2 The Bank does not hold overseas advances.

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
<b>10.3 Diminishing Musharakah financing and related assets - Others</b>		
Diminishing Musharakah financing	55,981,528	52,413,896
Advance against Diminishing Musharakah financing	12,251,803	11,547,524
	<b>68,233,331</b>	<b>63,961,420</b>
<b>10.4 Istisna financing and related assets</b>		
Istisna financing	10,012,069	5,810,579
Advance against Istisna financing	2,681,797	25,440,494
	21,040,096	179,470
	<b>33,733,962</b>	<b>31,430,543</b>
<b>10.5 Murabahah financing and related assets</b>		
Murabahah financing	40,299,125	79,105,798
Deferred murabahah income	1,723,838	3,434,967
Advances against Murabaha financing	1,331,283	3,242,983
Murabaha Inventories	1,876,609	62,400
	<b>45,230,855</b>	<b>85,846,148</b>
<b>10.6 Musawamah financing and related assets / Tijarah</b>		
Musawamah financing	5,276,107	5,724,219
Advance against Musawamah financing	126,905	59,114
Musawamah inventories	6,277,363	6,056,797
	<b>11,680,375</b>	<b>11,840,130</b>
<b>10.7 Ijarah financing under IFAS 2 and related assets</b>		
Net book value of assets under IFAS 2	555,506	643,717
Advance against Ijarah financing	9,310	320
	<b>564,816</b>	<b>644,037</b>
<b>10.8 Salam</b>		
Salam financing	60,001	153,525
Advance against Salam	100,002	23,522
	<b>160,003</b>	<b>177,047</b>
<b>10.9</b> Running musharakah financing and related assets includes financing amounting to Rs. 400 million (December 31, 2024: Rs. 930 million) under Islamic Export Refinance Scheme.		
<b>10.10</b> Istisna financing and related assets includes financing amounting to Rs. 37 million (December 31, 2024: Rs. 37 million) and advance amounting to Rs. 339 million (December 31, 2024: Rs. 411 million) under Islamic Export Refinance Scheme.		
<b>10.11</b> Murabahah financing and related assets includes financing amounting to Rs. 0.061 million (December 31, 2024: Rs.0.061 million) under Islamic Export Refinance Scheme.		

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
<b>10.12 Particulars of Islamic financing, related assets and advances - gross</b>		
In local currency	309,484,410	321,955,999
In foreign currency	5,215,563	5,228,811
	<b>314,699,973</b>	<b>327,184,810</b>

### 10.12.1 Financing to Women, Women-owned and Managed Enterprises

Women	2,793,040	2,842,695
Women Owned and Managed Enterprises	1,431,903	5,682,401
	<b>4,224,943</b>	<b>8,525,096</b>

### 10.12.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises

Women	221,583	558,796
Women Owned and Managed Enterprises	1,002,631	5,281,435
	<b>1,224,214</b>	<b>5,840,231</b>

### 10.13 Particulars of credit loss allowance

#### 10.13.1 Islamic financing, related assets and advances - Exposure

	(Un-audited) March 31, 2025			(Audited) December 31, 2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in '000 -----					
Opening balance	293,693,573	9,224,479	24,266,758	208,066,911	23,077,362	22,890,642
New financing	55,823,090	22,921	8,818	139,297,187	3,255,728	28,484
Financing derecognised or repaid	(68,070,892)	(217,712)	(51,062)	(66,039,661)	(1,280,608)	(2,111,235)
Transfer to stage 1	616,139	(341,946)	(274,193)	15,290,890	(15,131,933)	(158,957)
Transfer to stage 2	(1,342,984)	2,757,445	(1,414,461)	(1,723,397)	2,556,297	(832,900)
Transfer to stage 3	(139,489)	(104,299)	243,788	(1,198,357)	(3,252,367)	4,450,724
	<b>(13,114,136)</b>	<b>2,116,409</b>	<b>(1,487,110)</b>	<b>85,626,662</b>	<b>(13,852,883)</b>	<b>1,376,116</b>
Closing balance	<b>280,579,437</b>	<b>11,340,888</b>	<b>22,779,648</b>	<b>293,693,573</b>	<b>9,224,479</b>	<b>24,266,758</b>

#### 10.13.2 Islamic financing, related assets and advances - Credit loss allowance

Opening balance	2,793,600	515,292	22,246,512	-	-	-
Impact of adoption of IFRS 9	-	-	-	1,477,937	1,439,302	21,459,788
New financing	269,555	1,166	6,185	1,042,546	34,544	19,994
Financing derecognised or repaid	(78,210)	(22,327)	(37,999)	(540,797)	(810,332)	(4,363,215)
Transfer to stage 1	188,826	(77,873)	(110,953)	476,088	(468,434)	(7,654)
Transfer to stage 2	(47,637)	969,420	(921,783)	(260,243)	270,625	(10,382)
Transfer to stage 3	(11,323)	(101,334)	112,657	(933,971)	(2,080,271)	3,014,242
	<b>321,211</b>	<b>769,052</b>	<b>(951,893)</b>	<b>(216,377)</b>	<b>(3,053,868)</b>	<b>(1,347,015)</b>
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters	(721,495)	(182,512)	161,115	1,532,040	2,129,858	2,133,739
Closing balance	<b>2,393,316</b>	<b>1,101,832</b>	<b>21,455,734</b>	<b>2,793,600</b>	<b>515,292</b>	<b>22,246,512</b>



## 10.14 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	(Un-audited)				(Audited)			
	March 31, 2025				December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000				Rupees in '000			
10.14.1 Opening balance	2,793,600	515,292	22,246,512	25,555,404	-	-	-	-
Impact on adoption of IFRS 9	-	-	-	-	1,477,937	1,439,302	21,459,788	24,377,027
Charge for the period / year	2,243	726,465	124,505	853,213	1,605,492	41,831	1,807,156	3,454,479
Reversals for the period / year	(402,527)	(139,925)	(915,283)	(1,457,735)	(289,829)	(965,841)	(1,020,432)	(2,276,102)
	(400,284)	586,540	(790,778)	(604,522)	1,315,663	(924,010)	786,724	1,178,377
Amount written off	-	-	-	-	-	-	-	-
Closing balance	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404
10.14.2 Islamic	2,393,316	1,101,832	16,299,128	19,794,276	2,793,600	515,292	17,076,658	20,385,550
Conventional	-	-	5,156,606	5,156,606	-	-	5,169,854	5,169,854
	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404
10.14.3 Particulars of credit loss allowance against advances								
In local currency	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404
In foreign currencies	-	-	-	-	-	-	-	-
	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404

**10.14.4** In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at March 31, 2025 amounts to Rs. 102.985 million (December 31, 2024: Rs. 351.907 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 44.283 million (December 31, 2024: Rs. 161.877 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

	(Un-audited)	(Audited)
	March 31, 2025	December 31, 2024
10.15 SBP other refinance schemes	-----Rupees in '000-----	
Refinance facility for Islamic Temporary		
Economic Refinance Facility (TERF)	6,950,067	7,272,740
Islamic Long-Term Financing Facility	1,305,420	1,356,372
Islamic refinance scheme for payment of wages and salaries	25,955	54,822
RM EFS - Rupee Based Discounting (TFA)	9,016,409	9,756,938
Islamic refinance scheme for Renewable Energy	590,290	610,996
Islamic refinance scheme for combating COVID (IRFCC)	105,316	123,754
Islamic refinance facility for Modernization of SMEs	80,003	85,341
Refinance for Islamic Financing Facility of Storage of		
Agricultural Produce (IFFSAP)	192,242	204,027
Islamic Credit Guarantee Scheme For Women Entrepreneur	152,830	127,855
	<b>18,418,532</b>	<b>19,592,845</b>

## 11 PROPERTY AND EQUIPMENT

Capital work-in-progress	11.1	1,857,204	1,659,567
Property and equipment		13,581,456	13,443,350
		<b>15,438,660</b>	<b>15,102,917</b>

### 11.1 Capital work-in-progress

Advances to suppliers and contractors	666,481	468,844
Advance for acquiring properties and office premises	1,190,723	1,190,723
	<b>1,857,204</b>	<b>1,659,567</b>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

### 11.2 Additions to property and equipment

The following additions have been made to Property and Equipment during the period:

	(Un-audited) March 31, 2025	March 31, 2024
	-----Rupees in '000-----	
Capital work-in-progress	239,126	-
<b>Property and equipment</b>		
Furniture and fixture	192,895	190,166
Electrical, office and computer equipment	374,494	307,262
Vehicles	36,340	18,971
	603,729	516,399
<b>Total</b>	<b>842,855</b>	<b>516,399</b>

### 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	525	-
Electrical, office and computer equipment	160	-
<b>Total</b>	<b>685</b>	<b>-</b>

### 12 RIGHT-OF-USE ASSETS

	(Un-audited) March 31, 2025			(Audited) December 31, 2024		
	Buildings	Others	Total	Buildings	Others	Total
	-----Rupees in '000-----					
<b>At January 1,</b>						
Cost	9,765,458	-	9,765,458	7,693,776	-	7,693,776
Accumulated Depreciation	(5,450,923)	-	(5,450,923)	(4,127,509)	-	(4,127,509)
<b>Net Carrying amount as at January 1,</b>	<b>4,314,535</b>	<b>-</b>	<b>4,314,535</b>	<b>3,566,267</b>	<b>-</b>	<b>3,566,267</b>
 Additions during the period / year	117,830	-	117,830	2,336,666	-	2,336,666
Deletions during the period / year	-	-	-	(264,984)	-	(264,984)
Depreciation charge for the period / year	(394,338)	-	(394,338)	(1,323,414)	-	(1,323,414)
<b>Net Carrying amount</b>	<b>4,038,027</b>	<b>-</b>	<b>4,038,027</b>	<b>4,314,535</b>	<b>-</b>	<b>4,314,535</b>

Note

### 13 INTANGIBLE ASSETS

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
Computer software	1,004,164	1,045,253
Core deposits	17,783	18,345
Membership and Subscription	37,414	42,266
Goodwill	2,944,297	2,944,297
	4,003,658	4,050,161

### 13.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Directly purchased	33,994	263,744
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## 13.2 Disposals of intangible assets

The net book value of intangible assets disposed off during the period is as follows:

Membership & Subscription

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

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

## 14 DEFERRED TAX ASSETS / (LIABILITIES)

Note

### Deductible Temporary Differences on:

Credit loss allowance against investments  
Credit loss allowance against non-performing Islamic financing, related assets and advances  
Modification and Fair value adjustments  
Other credit loss allowance  
Ijarrah financing and related assets  
Others

171,657	171,659
5,219,636	5,306,162
178	17,688
824,576	794,103
44,061	43,798
641,289	490,823
6,901,397	6,824,233

### Taxable Temporary Differences on:

Fair value adjustments relating to net assets acquired upon amalgamation  
Surplus on revaluation of FVOCI Investment  
Surplus on revaluation of FVPL Investment  
Surplus on revaluation of property and equipment  
Surplus on revaluation of non-banking assets  
Accelerated tax depreciation

(177,344)	(230,539)
(1,869,881)	(6,335,938)
(26,069)	(28,259)
(1,019,460)	(1,042,621)
(17,852)	(17,852)
(652,151)	(553,938)
(3,762,757)	(8,209,147)
3,138,640	(1,384,914)

## 15 OTHER ASSETS

Profit / return accrued in local currency  
Profit / return accrued in foreign currency  
Advances, deposits, advance rent and other prepayments  
Prepaid staff cost  
Non-banking assets acquired in satisfaction of claims  
Takaful claim receivable  
Receivable against takaful and registration charges  
Receivable against First WAPDA Sukuk  
Acceptances  
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts  
Clearing and settlement accounts  
Others

19,566,333	17,627,108
49,890	31,482
1,310,402	1,349,803
3,418,014	3,045,731
1,449,878	1,450,462
46,596	35,305
553,127	251,519
50,000	50,000
2,416,695	1,648,773
106,405	43,305
2,522,000	1,189,680
1,192,366	1,206,804
32,681,706	27,929,972
(1,037,978)	(1,037,978)
31,643,728	26,891,994

Less: Credit loss allowance held against other assets  
Other Assets - net of credit loss allowance

15.2	

Surplus on revaluation of non-banking assets acquired in satisfaction of claims  
Other assets - total

22	

## 15.1 Market value of non-banking assets acquired in satisfaction of claims

1,214,008	1,214,658
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## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
<b>15.2 Credit loss allowance held against other assets</b>	Note	
Advances, deposits, advance rent & other prepayments	50,842	50,842
Non banking assets acquired in satisfaction of claims	305,762	305,762
Others	681,374	681,374
15.2.1	<u>1,037,978</u>	<u>1,037,978</u>
<b>15.2.1 Movement in Credit loss allowance held against other assets</b>		
Opening balance	1,037,978	921,326
Impact on adoption of IFRS 9	-	10,064
Charge for the period / year	-	174,755
Reversals during the period / year	-	(67,667)
	-	107,088
Amount written off	-	(500)
Closing balance	<u>1,037,978</u>	<u>1,037,978</u>
<b>16 BILLS PAYABLE</b>		
In Pakistan	4,333,744	13,773,529
Outside Pakistan	-	-
	<u>4,333,744</u>	<u>13,773,529</u>
<b>17 DUE TO FINANCIAL INSTITUTIONS</b>		
<b>Secured</b>		
Due to State Bank of Pakistan	64,263,324	21,096,917
Acceptances from SBP under Mudaraba		
Refinance facility for Islamic Temporary Economic		
Refinance Facility (TERF)	6,733,225	6,914,923
Islamic Export Finance Scheme - Rupee based discounting	4,660,655	5,210,889
Acceptances for financial assistance	4,938,582	4,827,290
Acceptances under Islamic Export Refinance Scheme	400,000	1,053,000
Islamic Long-Term Financing Facility	895,458	902,471
Islamic refinance scheme for Renewable Energy	532,866	555,900
Islamic refinance scheme for combating COVID (IRFCC)	100,000	116,667
Islamic Refinance Scheme for Modernization of SMEs	57,521	63,186
Islamic refinance scheme for Facility of Storage		
of Agricultural Produce (IFFSAP)	70,580	76,784
Islamic Credit Guarantee Scheme for Women Entrepreneur	113,645	111,757
	82,765,856	40,929,784
Musharakah Acceptance	-	33,085,000
Refinance facility for Islamic Mortgage	3,320,006	3,340,466
<b>Total secured</b>	<u>86,085,862</u>	<u>77,355,250</u>
<b>Unsecured</b>		
Musharakah Acceptance	2,000,000	11,350,000
Overdrawn nostro accounts	-	584,854
Others	-	16,000
<b>Total unsecured</b>	<u>2,000,000</u>	<u>11,950,854</u>
Fair value adjustment	(1,533,714)	(1,643,943)
	<u>86,552,148</u>	<u>87,662,161</u>
<b>17.1 Particulars of due to financial institutions with respect to currencies</b>		
In local currency	86,552,148	87,077,307
In foreign currencies	-	584,854
	<u>86,552,148</u>	<u>87,662,161</u>

## 18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	March 31, 2025			December 31, 2024		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
<b>Customers</b>						
Current deposits	199,348,811	9,581,285	208,930,096	198,501,518	8,639,600	207,141,118
Savings deposits	146,237,251	3,712,178	149,949,429	147,266,628	3,746,306	151,012,934
Term deposits	189,530,342	16,286,764	205,817,106	175,856,996	15,345,465	191,202,461
Margin deposits	6,263,610	96,294	6,359,904	5,204,744	94,990	5,299,734
	541,380,014	29,676,521	571,056,535	526,829,886	27,826,361	554,656,247
<b>Financial Institutions</b>						
Current deposits	947,110	16,882	963,992	410,164	13,779	423,943
Savings deposits	4,381,345	-	4,381,345	3,461,154	-	3,461,154
Term deposits	230,000	-	230,000	636,442	-	636,442
Margin deposits	146	-	146	146	-	146
	5,558,601	16,882	5,575,483	4,507,906	13,779	4,521,685
	546,938,615	29,693,403	576,632,018	531,337,792	27,840,140	559,177,932

## 19 LEASE LIABILITIES

	(Un-audited)	(Audited)
	March 31, 2025	December 31, 2024
Note	-----Rupees in '000-----	
Outstanding amount at the start of the period / year	4,839,747	4,252,295
Additions during the period / year	117,830	2,336,666
Lease payments including profit	(427,190)	(2,555,969)
Finance charges on leased assets	303,861	806,755
Outstanding amount at the end of the period / year	19.1 4,834,248	4,839,747

### 19.1 Contractual maturity of lease liabilities

Not later than one year	280,525	344,239
Long-term lease liabilities		
- 1 to 5 years	4,553,723	4,495,508
- 5 to 10 years	-	-
- More than 10 years	-	-
	4,553,723	4,495,508
	4,834,248	4,839,747

**19.2** The Bank enters in to lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Bank, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 11.43% to 17.5% (December 31, 2024: 11.43% to 17.5%).

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For the Quarter Ended March 31, 2025

20 SUBORDINATED SUKUK	Note	(Un-audited) March 31, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
ADT-1 Sukuk Issue I	20.1.1	2,000,000	2,000,000
ADT-1 Sukuk Issue II	20.1.2	1,000,000	1,000,000
		<u>3,000,000</u>	<u>3,000,000</u>

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

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

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

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

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.

Call option	The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
21	OTHER LIABILITIES		
	Note	-----Rupees in '000-----	
	Profit / return payable in local currency	5,852,739	7,269,082
	Profit / return payable in foreign currencies	119,877	297,238
	Accrued expenses	3,135,520	3,019,169
	Deferred Murabahah Income Financing, IERS and Others	686,871	643,923
	Payable to defined benefit plan	4,677	4,677
	Payable to defined contribution plan	88,344	54,371
	Defined benefit plan liabilities	613,953	525,474
	Security deposits against Ijarah	409,328	462,136
	Credit loss allowance against off-balance sheet obligations	617,150	378,109
	Acceptances	2,416,695	1,648,773
	Current taxation (provisions less payments)	1,247,588	1,512,189
	Withholding taxes payable	760,842	322,562
	Sundry creditors	1,105,644	903,578
	Payable to brokers against purchase of shares - net	1,586	82,786
	Charity payable	119,575	95,696
	Retention money payable	85,931	83,990
	Provision for Workers' Welfare Fund	1,401,965	1,289,902
	Dividend Payable	1,419,454	33,979
	Others	1,000,039	1,058,832
		<u>21,087,778</u>	<u>19,686,466</u>

## 21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	378,109	85,975
Impact on adoption of IFRS 9	-	130,338
Charge for the period / year	273,510	161,796
Reversals for the period / year	(34,469)	-
	239,041	161,796
Amount written off	-	-
Closing balance	617,150	378,109

21.1.1 This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

			(Un-audited) March 31, 2025	(Audited) December 31, 2024
<b>22</b>	<b>SURPLUS ON REVALUATION OF ASSETS</b>	Note	-----Rupees in '000-----	
	<b>Surplus on revaluation of:</b>			
	- Securities measured at FVOCI - Debt	9.1	3,547,117	12,156,499
	- Securities measured at FVOCI - Equity	9.1	48,807	27,998
	- Property and equipment		2,494,325	2,538,025
	- Non-banking assets acquired in satisfaction of claims	15	69,892	69,958
			<b>6,160,141</b>	<b>14,792,480</b>
	<b>Deferred tax liability on surplus on revaluation of:</b>			
	- Securities measured at FVOCI - Debt	14	(1,844,501)	(6,321,379)
	- Securities measured at FVOCI - Equity	14	(25,380)	(14,559)
	- Property and equipment	14	(1,019,460)	(1,042,621)
	- Non-banking assets acquired in satisfaction of claims	14	(17,852)	(17,852)
			<b>(2,907,193)</b>	<b>(7,396,411)</b>
			<b>3,252,948</b>	<b>7,396,069</b>
<b>23</b>	<b>CONTINGENCIES AND COMMITMENTS</b>			
	- Guarantees	23.1	16,555,562	16,183,014
	- Commitments	23.2	305,674,961	479,256,656
	- Other contingent liabilities	23.3	720,593	720,593
			<b>322,951,116</b>	<b>496,160,263</b>
<b>23.1</b>	<b>Guarantees:</b>			
	Performance guarantees		10,615,219	10,122,636
	Other guarantees		5,940,343	6,060,378
			<b>16,555,562</b>	<b>16,183,014</b>
<b>23.2</b>	<b>Commitments:</b>			
	<b>Documentary credits and short-term trade-related transactions:</b>			
	- letters of credit		34,772,852	23,754,604
	<b>Commitments in respect of:</b>			
	- Shariah compliant alternative of forward foreign exchange contracts	23.2.1	132,393,570	174,461,152
	<b>Commitments for acquisition of:</b>			
	- property and equipment		1,613,726	708,427
	- intangible assets		431,606	78,609
	<b>Other commitments</b>			
	- commitments in respect of financing	23.2.2	136,463,207	280,253,864
			<b>305,674,961</b>	<b>479,256,656</b>
<b>23.2.1</b>	<b>Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions</b>			
	Purchase		74,401,710	96,427,628
	Sale		57,991,860	78,033,524
			<b>132,393,570</b>	<b>174,461,152</b>



**23.2.2** The Bank makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

## 23.3 Other contingent liabilities

Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt  
Tax Contingencies

(Un-audited) March 31, 2025	(Audited) December 31, 2024
-----Rupees in '000-----	
1,804	1,804
718,789	718,789
<b>720,593</b>	<b>720,593</b>

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

## 24 PROFIT / RETURN EARNED

Profit earned on:

Financing	8,418,273	12,084,508
Investments	10,977,996	16,945,303
Placements	112,396	665,427
Others	156,494	56,507
	<b>19,665,159</b>	<b>29,751,745</b>

### 24.1 Profit income (calculated using effective profit rate method) recognised on:

Financial assets measured at amortised cost	454,757	721,934
Financial assets measured at FVOCI	10,976,253	16,942,417
	<b>11,431,010</b>	<b>17,664,351</b>
Financial assets measured at FVPL	1,743	2,886
Financial assets measured at cost	8,232,406	12,084,508
	<b>8,234,149</b>	<b>12,087,394</b>

## 25 PROFIT / RETURN EXPENSED

Deposits	7,909,571	14,071,314
Due to financial institutions	1,941,176	4,847,293
Cost of foreign currency swaps against foreign currency deposits	168,531	352,437
Finance charges on leased assets	303,861	253,044
Subordinated Sukuk	111,241	175,356
	<b>10,434,380</b>	<b>19,699,444</b>

### 25.1 Profit expense calculated using effective profit rate method Other financial liabilities

2,220,948	5,022,649
8,213,432	14,676,795
<b>10,434,380</b>	<b>19,699,444</b>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

		(Un-audited)	
		March 31, 2025	March 31, 2024
		-----Rupees in '000-----	
<b>26</b>	<b>FEE AND COMMISSION INCOME</b>	Note	
	Card related fees	372,119	331,977
	Commission on trade	152,692	127,806
	Commission on arrangement with financial institutions	47,866	29,515
	Investment banking fees	37,676	52,867
	Commission on bancatakaful	39,903	8,672
	Commission on guarantees	40,319	15,909
	Consumer finance related fees	2,712	2,185
	Branch banking customer fees	21,001	39,168
	Commission on remittances including home remittances	13,146	13,281
	Commission on cash management	5,931	6,016
	Others	1,683	1,415
		<u>735,048</u>	<u>628,811</u>
<b>27</b>	<b>GAIN ON SECURITIES - NET</b>		
	Realized	27.1 2,105,916	-
	Unrealized - Measured at FVPL	1,735	216,248
		<u>2,107,651</u>	<u>216,248</u>
<b>27.1</b>	<b>Realized gain / (loss) on:</b>		
	Shares	141,046	-
	Federal Government Shariah Compliant Securities	1,964,870	-
		<u>2,105,916</u>	<u>-</u>
<b>27.2</b>	<b>Net gain on financial assets / liabilities measured at FVPL:</b>		
	Designated upon initial recognition	1,735	216,248
<b>28</b>	<b>OTHER INCOME</b>		
	Recoveries against previously expensed items	5,636	3,622
	Gain on termination of financing	22,194	37,164
	Gain on sale of property and equipment	11,863	61
	Others	619	1,487
		<u>40,312</u>	<u>42,334</u>

## 29 OPERATING EXPENSES

		(Un-audited)	
		March 31, 2025	March 31, 2024
Note		-----Rupees in '000-----	
	<b>Total compensation expense</b>	<b>3,364,542</b>	<b>2,002,010</b>
	<b>Property expense</b>		
	Rent & taxes	23,621	121,124
	Utilities cost	263,753	230,541
	Security (including guards)	263,776	224,812
	Repair & maintenance (including janitorial charges)	142,625	110,843
	Depreciation	165,402	173,269
12	Depreciation on right-of-use assets	394,338	382,826
	Others	321	-
		<b>1,253,836</b>	<b>1,243,415</b>
	<b>Information technology expenses</b>		
	Software maintenance	402,145	145,450
	Hardware maintenance	75,035	53,466
	Depreciation	142,604	99,101
13	Amortization	75,082	53,619
	Network charges	132,430	86,254
		<b>827,296</b>	<b>437,890</b>
	<b>Other operating expenses</b>		
	Directors' fees and allowances	5,680	6,480
	Fees and allowances to Shariah Board	9,405	7,750
	Legal & professional charges	99,543	46,858
	Travelling & conveyance	70,839	62,397
	NIFT clearing charges	17,908	11,275
	Depreciation	156,916	101,882
	Depreciation on non-banking assets	583	580
	Entertainment expense	74,906	60,711
	Training & development	20,169	13,248
	Postage & courier charges	30,160	14,020
	Communication	103,723	79,218
	Stationery & printing	167,022	109,361
	Marketing, advertisement & publicity	268,544	59,419
	Repairs and maintenance	81,444	55,488
	Takaful, tracker and other charges on car ljarah		
	- net of income	13,075	42,332
	Takaful / Insurance	50,557	109,418
	Fee and subscription	172,242	196,010
	Vehicle running and maintenance	162,380	134,521
	Donations	35,358	44,508
	Auditors' remuneration	8,884	7,937
	Amortization	3,625	1,712
	CDC and share registrar services	4,197	3,040
	Brokerage and commission	7,333	7,408
	Stamp duty, registration & verification charges	24,285	16,362
	Others	18,877	12,986
		<b>1,607,655</b>	<b>1,204,921</b>
		<b>7,053,329</b>	<b>4,888,236</b>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

		(Un-audited)	
		March 31, 2025	March 31, 2024
Note		-----Rupees in '000-----	
<b>30</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by regulatory authorities	<u>113,436</u>	<u>127</u>
<b>31</b>	<b>CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>		
	Credit loss allowance against due from financial institutions	(810)	72
	Reversal of credit loss allowance against investments (Reversal) / charge of credit loss allowance against Islamic financing, related assets and advances - net	-	(2)
	Fair value loss recognized	(604,522)	311,096
	Modification loss	9,428	-
	Credit loss allowance against off balance sheet items - net	(33,673)	-
	Other credit loss allowance / (reversal) / write offs - net	239,041	-
		<u>-</u>	<u>8,989</u>
		<u>(390,536)</u>	<u>320,155</u>
<b>32</b>	<b>TAXATION</b>		
	Current	2,943,385	3,344,552
	Prior years	-	-
	Deferred	(66,012)	(253,128)
		<u>2,877,373</u>	<u>3,091,424</u>
<b>33</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit after taxation for the period	<u>2,613,726</u>	<u>3,215,628</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
	Basic and diluted EPS	33.1 <u>2.3575</u>	<u>2.9004</u>

33.1 There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2025 and December 31, 2024, therefore diluted earning per share has not been presented separately.

### 34 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortized cost or investments in associates and subsidiary, is based on quoted market price. Quoted securities classified as amortized cost are carried at cost less impairment losses. The fair value of unquoted equity securities, other than investments in associates and subsidiary, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

## 34.1 Fair value of financial assets

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

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

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

(Un-audited)				
March 31, 2025				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	2,585,920	-	-	2,585,920
GoP Ijara Sukuk	53,358,400	258,059,705	-	311,418,105
Non-Government Shariah compliant securities	3,415,471	29,832,388	-	33,247,859
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	74,401,710	-	74,401,710
Shariah compliant alternative of forward sale of foreign exchange	-	57,991,860	-	57,991,860
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	6,802,981	-	6,802,981
Non-banking assets acquired in satisfaction of claims	-	1,214,075	-	1,214,075
Shariah compliant future purchase of shares	-	-	-	-
Shariah compliant future sale of shares	-	-	-	-
(Audited)				
December 31, 2024				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				

### On balance sheet financial instruments

#### Financial assets - measured at fair value

Investments				
Shares / Modaraba certificates	838,825	-	-	838,825
GOP Ijara Sukuk	54,455,722	256,569,779	-	311,025,501
Non-Government Shariah compliant Securities	3,415,471	29,764,936	-	33,180,407
Units of open ended mutual funds	-	-	-	-
Non-current assets held for sale	-	-	-	-

#### Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	96,427,628	-	96,427,628
Shariah compliant alternative of forward sale of foreign exchange	-	78,033,524	-	78,033,524

### On balance sheet non-financial assets

#### Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	6,505,413	-	6,505,413
Non-banking assets acquired in satisfaction of claims	-	1,214,658	-	1,214,658

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

**Valuation techniques used in determination of fair values within level 1**

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

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

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant 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 the Securities and Exchange Commission of Pakistan.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - 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.
Non-banking assets acquired in satisfaction of claims	

**34.2** The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

### Segment Details with respect to Business Activities

(Un-audited)					
March 31, 2025					
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	9,124,009	(6,523,814)	6,891,132	(260,548)	9,230,779
Inter segment revenue - net	(9,527,082)	16,050,064	(7,717,515)	1,194,533	-
Total other income	2,421,118	473,415	235,963	18,116	3,148,612
Total income	2,018,045	9,999,665	(590,420)	952,101	12,379,391
Segment direct expenses	31,071	4,260,772	105,187	2,881,798	7,278,828
Inter segment expense allocation	44,101	1,992,600	417,527	(2,454,228)	-
Total expenses	75,172	6,253,372	522,714	427,570	7,278,828
Charge / (reversal) of credit loss allowance	(810)	(161,847)	(436,556)	208,677	(390,536)
Profit / (loss) before tax	1,943,683	3,908,140	(676,578)	315,854	5,491,099

### Balance Sheet

#### Assets

Cash & Bank balances	3,085,127	48,254,198	-	-	51,339,325
Investments	346,558,659	-	700,045	-	347,258,704
Net inter segment placements	-	495,869,513	-	17,176,125	513,045,638
Due from financial institutions	1,000,000	-	-	-	1,000,000
Islamic financing and related assets - performing	-	31,338,740	248,230,724	3,030,532	282,599,996
- non-performing - net	-	1,034,020	158,778	131,116	1,323,914
Others	-	-	-	58,332,605	58,332,605
<b>Total Assets</b>	<b>350,643,786</b>	<b>576,496,471</b>	<b>249,089,547</b>	<b>78,670,378</b>	<b>1,254,900,182</b>

#### Liabilities

Due to financial institutions	71,201,906	3,320,006	12,030,236	-	86,552,148
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	3,455,553	573,176,465	-	-	576,632,018
Net inter segment acceptances	275,986,327	-	237,059,311	-	513,045,638
Others	-	-	-	30,255,770	30,255,770
<b>Total liabilities</b>	<b>350,643,786</b>	<b>576,496,471</b>	<b>249,089,547</b>	<b>33,255,770</b>	<b>1,209,485,574</b>
Equity	-	-	-	45,414,608	45,414,608
<b>Total Equity &amp; liabilities</b>	<b>350,643,786</b>	<b>576,496,471</b>	<b>249,089,547</b>	<b>78,670,378</b>	<b>1,254,900,182</b>

### Contingencies & Commitments

<b>132,393,570</b>	<b>-</b>	<b>51,328,414</b>	<b>139,229,132</b>	<b>322,951,116</b>
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	(Un-audited)				
	March 31, 2024				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Profit & Loss	----- Rupees in '000 -----				
Net profit / return	12,596,471	(12,357,869)	9,934,226	(120,527)	10,052,301
Inter segment revenue - net	(12,450,076)	22,987,509	(10,278,006)	(259,427)	-
Total other income	731,496	436,249	200,210	221,420	1,589,375
Total Income	877,891	11,065,889	(143,570)	(158,534)	11,641,676
Segment direct expenses	40,891	2,697,859	188,363	2,087,356	5,014,469
Inter segment expense allocation	24,730	1,616,545	321,591	(1,962,866)	-
Total expenses	65,621	4,314,404	509,954	124,490	5,014,469
Charge / (reversal) of credit loss allowance	-	1,605,446	(1,266,729)	(18,562)	320,155
Profit / (loss) before tax	812,270	5,146,039	613,205	(264,462)	6,307,052

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

	(Audited)				
	December 31, 2024				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
<b>Balance Sheet</b>					
<b>Assets</b>					
Cash & Bank balances	982,664	41,093,952	-	-	42,076,616
Investments	344,424,053	-	627,500	-	345,051,553
Net inter segment placements	-	487,602,377	-	34,431,139	522,033,516
Due from financial institutions	4,257,928	-	-	-	4,257,928
Islamic financing and related assets - performing	-	30,571,110	257,575,697	-	288,146,807
- non-performing - net	-	1,089,318	649,010	6,133,228	7,871,556
Others	-	-	-	50,429,565	50,429,565
<b>Total Assets</b>	<b>349,664,645</b>	<b>560,356,757</b>	<b>258,852,207</b>	<b>90,993,932</b>	<b>1,259,867,541</b>
<b>Liabilities</b>					
Due to financial institutions	70,960,060	3,340,467	13,361,634	-	87,662,161
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,161,642	557,016,290	-	-	559,177,932
Net inter segment acceptances	276,542,943	-	245,490,573	-	522,033,516
Others	-	-	-	39,684,656	39,684,656
<b>Total liabilities</b>	<b>349,664,645</b>	<b>560,356,757</b>	<b>258,852,207</b>	<b>42,684,656</b>	<b>1,211,558,265</b>
Equity	-	-	-	48,309,276	48,309,276
<b>Total Equity &amp; liabilities</b>	<b>349,664,645</b>	<b>560,356,757</b>	<b>258,852,207</b>	<b>90,993,932</b>	<b>1,259,867,541</b>
<b>Contingencies &amp; Commitments</b>	<b>174,461,152</b>	<b>-</b>	<b>39,937,618</b>	<b>281,761,493</b>	<b>496,160,263</b>

### 36 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiary, associates, employee benefit plans, its directors and key management personnel.

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

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

	(Un-audited)						(Audited)					
	March 31, 2025						December 31, 2024					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
----- (Rupees in '000) -----												
<b>Due from financial institutions - net</b>												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	22,000,000	-	-	-	-	-	-	-	-	-	-	-
Repaid during the period / year	(22,000,000)	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investments</b>												
Opening balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
<b>Credit loss allowance held against investments</b>												
	-	-	-	(104,771)	(1,102,111)	-	-	-	-	(104,771)	(1,102,111)	-
<b>Islamic financing and related assets</b>												
Opening balance	-	-	467,815	-	480,187	1,608,466	-	-	422,999	-	480,187	248,678
Addition during the period / year	-	-	29,017	-	-	18,211	-	-	198,713	-	618,721	1,880,967
Repaid during the period / year	-	-	(11,129)	-	(187)	(12,570)	-	-	(109,859)	-	(618,721)	(521,399)
Transfer in / (out) - net	-	-	105,123	-	-	(379,007)	-	-	(44,038)	-	-	-
Closing balance	-	-	590,826	-	480,000	1,235,000	-	-	467,815	-	490,187	1,608,466
<b>Credit loss allowance held against Islamic financing and related assets</b>												
	-	-	-	-	(480,000)	-	-	-	-	-	(480,187)	-
<b>Other assets</b>												
Profit receivable on financings	-	-	712	-	-	36,139	-	-	425	-	-	17,902



	(Un-audited)						(Audited)					
	March 31, 2025						December 31, 2024					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
(Rupees in '000)												
<b>Due to financial institutions - net</b>												
Opening balance	2,000,000	-	-	-	-	-	-	-	-	-	-	-
Additions during the period / year	-	-	-	-	-	-	141,000,000	-	-	-	-	-
Settled during the period / year	(2,000,000)	-	-	-	-	-	(139,000,000)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	2,000,000	-	-	-	-	-
<b>Subordinated sukuk</b>												
Opening balance	-	-	485	-	-	143,465	-	-	485	-	-	1,120
Issued / purchased during the period / year	-	-	-	-	-	2,185	-	-	-	-	-	143,585
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	-	-	(1,240)
Transfer in / (out)	-	-	(470)	-	-	-	-	-	-	-	-	-
Closing balance	-	-	15	-	-	145,650	-	-	485	-	-	143,465
<b>Deposits and other accounts</b>												
Opening balance	-	9,305	126,828	4	1,083	1,461,374	-	5,741	72,646	4	29,503	6,162,706
Received during the period / year	-	103,175	282,119	-	340,663	11,143,635	-	1,067,531	1,259,126	-	2,120,383	55,109,096
Withdrawn during the period / year	-	(106,393)	(270,862)	-	(334,998)	(10,880,886)	-	(1,063,967)	(1,148,229)	-	(2,148,803)	(69,821,044)
Transfer in / (out) - net	-	-	(22,711)	-	-	(3,358)	-	-	(56,715)	-	-	10,616
Closing balance	-	6,087	115,374	4	6,748	1,720,765	-	9,305	126,828	4	1,083	1,461,374
<b>Other Liabilities</b>												
Profit / return payable	-	9	318	-	1	12,341	762	8	688	-	2	13,085
Dividend Payable	1,041,015	146,717	1	-	-	37,210	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	129	-	-	-	-	-	29,610
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	7,878	-	-	-	-	-	3,422	-	-	-	-	-
Meeting fee / remuneration payable	-	400	-	-	-	-	-	400	-	-	-	-
<b>Contingencies and Commitments</b>												
Other contingencies	6,225,514	-	-	-	-	400,000	3,220,639	-	-	-	-	-
	(Un-audited)						(Un-audited)					
	March 31, 2025						March 31, 2024					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
(Rupees in '000)												
<b>Income</b>												
Profit / return earned	8,264	-	6,746	-	-	55,117	-	-	6,949	-	-	13,917
Other income	-	-	-	-	-	33,509	-	-	16	-	22	-
Foreign exchange income	3,468	-	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>												
Profit / return expended	762	36	737	-	70	37,041	21,810	1,032	787	-	51	184,064
Other administrative expenses	73	360	7,219	-	-	9,596	10	1,118	8,601	-	-	46,973
Meeting fee / remuneration	-	5,680	177,307	-	-	-	-	6,480	126,033	-	-	-
Contribution to employees provident fund	-	-	-	-	-	96,193	-	-	-	-	-	66,693
Charge for employees gratuity fund	-	-	-	-	-	88,479	-	-	-	-	-	67,103
Donation paid	-	-	-	-	-	-	-	-	-	-	-	10,000

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2025

### 37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

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

#### Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	11,007,991	11,007,991
---------------------------------	------------	------------

#### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	39,509,716	38,792,658
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	3,000,000
Total Eligible Tier 1 Capital	42,509,716	41,792,658
Eligible Tier 2 Capital	8,139,490	12,171,253
Total Eligible Capital (Tier 1 + Tier 2)	50,649,206	53,963,911

#### Risk Weighted Assets (RWAs):

Credit Risk	140,096,752	146,543,665
Market Risk	7,740,318	3,897,306
Operational Risk	73,387,323	73,387,322
Total	221,224,393	223,828,293

Common Equity Tier 1 Capital Adequacy ratio	17.86%	17.33%
Tier 1 Capital Adequacy Ratio	19.22%	18.67%
Total Capital Adequacy Ratio	22.89%	24.11%

#### National minimum capital requirements prescribed by SBP

CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

- 37.1 The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

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

#### Leverage Ratio (LR):

Eligible Tier-1 Capital	42,509,716	41,792,658
Total Exposures	923,589,778	880,567,551
Leverage Ratio	4.60%	4.75%

#### Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	321,570,580	318,819,831
Total Net Cash Outflow	102,567,574	90,470,492
Liquidity Coverage Ratio	313.52%	352.40%

#### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	579,725,445	580,745,235
Total Required Stable Funding	240,625,379	211,839,059
Net Stable Funding Ratio	240.92%	274.14%

- 37.2 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Bank's website. The link to the full disclosures is available at [www.bankislami.com.pk/investor-relations](http://www.bankislami.com.pk/investor-relations)

## 38 GENERAL

- 38.1** Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these condensed interim unconsolidated financial statements, except for captions of the unconsolidated Statement of Financial Position and unconsolidated Profit and Loss Account.
- 38.2** These condensed interim unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.
- 38.3** The figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand rupee.

## 39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on April 22, 2025 by the Board of Directors of the Bank.

-sd-  
\_\_\_\_\_  
President /  
Chief Executive Officer

-sd-  
\_\_\_\_\_  
Chief Financial Officer

-sd-  
\_\_\_\_\_  
Chairman

-sd-  
\_\_\_\_\_  
Director

-sd-  
\_\_\_\_\_  
Director

# **CONSOLIDATED FINANCIAL STATEMENTS**

## **STANDING FAITHFULLY AGAINST RIBA**

Christianity's teachings of compassion and justice urge us to stand against Riba. By nurturing fairness in finance, we strive for a world where everyone is free from exploitation and oppression.



BankIslami



## Condensed Interim Consolidated Statement of Financial Position

As at March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	48,254,296	41,093,952
Balances with other banks	7	3,087,236	984,866
Due from financial institutions	8	1,000,000	4,257,928
Investments	9	347,258,704	345,051,553
Islamic financing, related assets and advances	10	283,923,910	296,018,363
Property and equipment	11	15,439,712	15,103,969
Right-of-use assets	12	4,038,027	4,314,535
Intangible assets	13	4,050,669	4,097,172
Deferred tax assets	14	3,013,554	-
Other assets	15	31,713,887	26,962,224
<b>Total Assets</b>		<b>741,779,995</b>	<b>737,884,562</b>
<b>LIABILITIES</b>			
Bills payable	16	4,333,744	13,773,529
Due to financial institutions	17	86,552,148	87,662,161
Deposits and other accounts	18	576,632,013	559,177,927
Lease liabilities	19	4,834,248	4,839,747
Subordinated sukuk	20	3,000,000	3,000,000
Deferred tax liabilities	14	-	1,510,000
Other liabilities	21	21,107,543	19,706,230
<b>Total Liabilities</b>		<b>696,459,696</b>	<b>689,669,594</b>
<b>NET ASSETS</b>		<b>45,320,299</b>	<b>48,214,968</b>
<b>REPRESENTED BY</b>			
Share capital - net		11,007,991	11,007,991
Reserves		7,689,544	7,166,799
Surplus on revaluation of assets	22	3,243,883	7,387,004
Unappropriated profit		23,378,881	22,653,174
		<b>45,320,299</b>	<b>48,214,968</b>

### CONTINGENCIES AND COMMITMENTS

23

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				

## Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the Quarter ended March 31, 2025

		March 31, 2025	March 31, 2024
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
Profit / return earned	24	19,665,159	29,751,745
Profit / return expensed	25	10,434,380	19,699,444
Net Profit / return		<u>9,230,779</u>	<u>10,052,301</u>
<b>OTHER INCOME</b>			
Fee and commission income	26	735,048	628,811
Dividend income		26,306	-
Foreign exchange income		132,890	400,011
Income from shariah compliant alternative of forward foreign exchange contracts		106,405	301,971
Gain on securities - net	27	2,107,651	216,248
Net gains on derecognition of financial assets measured at amortised cost		-	-
Other income	28	40,312	42,334
Total other income		<u>3,148,612</u>	<u>1,589,375</u>
Total Income		<u>12,379,391</u>	<u>11,641,676</u>
<b>OTHER EXPENSES</b>			
Operating expenses	29	7,053,329	4,888,236
Workers welfare fund		112,063	126,106
Other charges	30	113,436	127
Total other expenses		<u>7,278,828</u>	<u>5,014,469</u>
Share of (loss) / profit from associates		-	-
<b>Profit before credit loss allowance</b>		<u>5,100,563</u>	<u>6,627,207</u>
Credit loss allowance and write offs - net	31	(390,536)	320,155
Extra ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<u>5,491,099</u>	<u>6,307,052</u>
Taxation	32	2,877,373	3,091,424
<b>PROFIT AFTER TAXATION</b>		<u>2,613,726</u>	<u>3,215,628</u>
<b>ATTRIBUTABLE TO:</b>			
Equity Shareholders of the Holding Company		2,613,726	3,215,628
Non-controlling interest		-	-
		<u>2,613,726</u>	<u>3,215,628</u>
----- Rupees in '000 -----			
<b>Basic and Diluted earnings per share</b>	33	<u>2.3575</u>	<u>2.9004</u>

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				

## Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the Quarter ended March 31, 2025

	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
Profit after taxation for the period	2,613,726	3,215,628
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(4,132,504)	(748,212)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of equity investments - net of tax	9,988	-
<b>Total comprehensive income</b>	<b>(1,508,790)</b>	<b>2,467,416</b>
<b>Total comprehensive income attributable to:</b>		
Equity Shareholders of the Holding Company	(1,508,790)	2,467,416
Non-controlling interest	-	-
	<b>(1,508,790)</b>	<b>2,467,416</b>

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				



# Condensed Interim Consolidated Statement of Changes in Equity

For the Quarter ended March 31, 2025

	Share capital	Discount on issue of shares	Statutory reserve <sup>a</sup>	Surplus on revaluation of		Unappropriated profit	Sub total	Non-Controlling interest	Total
				Investments	Property & Equipment / Non Banking Assets				
Rupees in '000									
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,091	3,197,217	1,455,808	15,910,503	36,371,610	-	36,371,610
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(166,708)	-	(113,670)	(280,378)	-	(280,378)
Opening Balance as at January 01, 2024 (As restated)	11,087,033	(79,042)	4,800,091	3,030,509	1,455,808	15,796,833	36,091,232	-	36,091,232
Profit after taxation for the quarter ended March 31, 2024	-	-	-	-	-	3,215,628	3,215,628	-	3,215,628
Other comprehensive income for the quarter ended March 31, 2024	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(748,212)	-	-	(748,212)	-	(748,212)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(44,920)	44,920	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(34)	34	-	-	-
Transactions with owners, recorded directly in equity									
Final Cash dividend to shareholders for the year 2023 @ Rs. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)	-	(1,108,703)
Opening Balance as at April 01, 2024	11,087,033	(79,042)	4,800,091	2,282,297	1,410,854	17,948,712	37,449,945	-	37,449,945
Profit after taxation for the period from April 01, 2024 to December 31, 2024	-	-	-	-	-	8,617,913	8,617,913	-	8,617,913
Other comprehensive income for the period from April 01, 2024 to December 31, 2024	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	3,554,177	-	-	3,554,177	-	3,554,177
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	3,020	-	-	3,020	-	3,020
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(42,689)	(42,689)	-	(42,689)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	277,152	277,152	277,152	-	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	18,505	18,505	18,505	-	18,505
	-	-	-	3,557,197	295,657	(42,689)	3,810,165	-	3,810,165
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(157,796)	157,796	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(1,205)	1,205	-	-	-
Transfer to statutory reserve	-	-	2,366,708	-	-	(2,366,708)	-	-	-
Transactions with owners, recorded directly in equity									
First Interim Cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)	-	(1,663,055)
Opening Balance as at January 01, 2025	11,087,033	(79,042)	7,166,799	5,839,494	1,547,510	22,653,174	48,214,968	-	48,214,968
Profit after taxation for the quarter ended March 31, 2025	-	-	-	-	-	2,613,726	2,613,726	-	2,613,726
Other comprehensive income for the quarter ended March 31, 2025	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(4,132,504)	-	-	(4,132,504)	-	(4,132,504)
Movement in surplus on revaluation of investments in equity instruments - net of tax <sup>a</sup>	-	-	-	9,988	-	-	9,988	-	9,988
	-	-	-	(4,122,516)	-	-	(4,122,516)	-	(4,122,516)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(20,539)	20,539	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(66)	66	-	-	-
Transfer to statutory reserve	-	-	522,745	-	-	(522,745)	-	-	-
Transactions with owners, recorded directly in equity									
Final Cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)	-	(1,385,879)
Closing Balance as at March 31, 2025	11,087,033	(79,042)	7,689,544	1,716,978	1,526,905	23,378,881	45,320,299	-	45,320,299

<sup>a</sup>This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

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President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				

## Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Quarter ended March 31, 2025

	March 31, 2025	March 31, 2024
Note	----- Rupees in '000 -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,491,099	6,307,052
Less: Dividend income	(26,306)	-
Less: Share of profit / (loss) from associate	-	-
	<b>5,464,793</b>	<b>6,307,052</b>
<b>Adjustments for non-cash charges and other items:</b>		
Net profit / return	(9,230,779)	(10,052,301)
Depreciation on property and equipment	29 464,922	374,252
Depreciation on non-banking assets	29 583	580
Depreciation on right-of-use assets	29 394,338	382,826
Amortisation	78,707	55,331
Depreciation on operating Ijarah assets	32,705	5,072
Finance charges on leased assets	25 303,861	253,044
Credit loss allowance and write offs - net	31 (390,536)	320,155
Unrealized gain on revaluation of investments classified as FVPL	27 (1,735)	(216,248)
Charge for defined benefit plan	88,479	67,103
Gain on sale / disposal of property and equipment	28 (11,863)	(61)
	<b>(8,271,318)</b>	<b>(8,810,247)</b>
	<b>(2,806,525)</b>	<b>(2,503,195)</b>
<b>Decrease / (increase) in operating assets</b>		
Due from financial institutions	3,258,738	290,322
Securities classified as FVPL	1,735	216,248
Islamic financing, related assets and advances	12,452,266	(24,222,285)
Other assets (excluding advance taxation)	(1,027,828)	2,518,497
	<b>14,684,911</b>	<b>(21,197,218)</b>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	(9,439,785)	(2,074,081)
Due to financial institutions	(1,110,013)	70,354,701
Deposits	17,454,086	(26,018,398)
Other liabilities (excluding current taxation)	1,546,623	(3,129,286)
	<b>8,450,911</b>	<b>39,132,936</b>
	<b>20,329,297</b>	<b>15,432,523</b>
Profit / return received	17,707,526	20,290,280
Profit / return paid	(12,028,084)	(19,194,487)
Income tax paid	(3,207,986)	(2,258,416)
<b>Net cash generated from operating activities</b>	<b>22,800,753</b>	<b>14,269,900</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Investments in securities classified as FVOCI / AFS	(6,396,158)	(18,916,131)
Dividends received	26,306	-
Investments in property and equipment	(801,350)	(1,149,575)
Investments in intangible assets	(33,994)	(263,744)
Proceeds from disposal of property and equipment	14,338	61
<b>Net cash used in investing activities</b>	<b>(7,190,858)</b>	<b>(20,329,389)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations against right-of-use assets	(427,190)	(425,001)
Dividend paid	(405)	(169,525)
Proceeds from issuance of subordinated sukuk	-	150,000
<b>Net cash used in financing activities</b>	<b>(427,595)</b>	<b>(444,526)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>15,182,300</b>	<b>(6,504,015)</b>
Cash and cash equivalents at the beginning of the period	36,159,232	42,663,247
<b>Cash and cash equivalents at the end of the period</b>	<b>51,341,532</b>	<b>36,159,232</b>

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

## 1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

### 1.1 BankIslami Pakistan Limited (Holding Company or the Bank)

BankIslami Pakistan Limited (the Holding Company) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Holding Company on March 18, 2005. The Holding Company commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Holding Company is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Holding Company is operating through 540 branches including 60 sub-branches as at March 31, 2025 (December 31, 2024: 540 branches including 60 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Holding Company's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

On August 18, 2023, JS Bank Limited increased its shareholding in the Holding Company from 7.79% to 50.24% by acquiring shares from existing shareholders of the Holding Company through Share Purchase Agreement (SPA), effectively making BankIslami Pakistan Limited a subsidiary of JS Bank Limited. The shareholding in the Holding Company was further increased to 75.12% on August 25, 2023 by way of acquiring Holding Company's shares through a public offer.

### 1.2 Subsidiary Companies

#### 1.2.1 My Solutions Corporations Limited - 100 percent holding

My Solutions Corporation Limited (the Company) was incorporated as a private limited company on November 05, 1995 and was converted into a public limited company on March 24, 2003. The Company is currently dormant. Its registered office is situated at the 9th floor, Trade Centre, I.I Chundrigar Road, Karachi.

## 2 BASIS OF PRESENTATION

The Holding Company provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes briefly explained in note no. 7.5 to of unconsolidated financial statements for the year ended December 31, 2024.

The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognized as charity payable as directed by the Shariah Board of the Holding Company.

## 2.1 STATEMENT OF COMPLIANCE

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

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

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

**2.3** The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these condensed interim consolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411 (I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these condensed interim consolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

**2.4** The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly consolidated 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 these condensed interim consolidated financial statements.

**2.5** The Holding Company received an extension from SBP up to December 31, 2025 for application of EPR in general for all financial assets and liabilities (excluding staff loans / subsidized loans), however as financial assets other than financing and financial liabilities were already effectively carried at EPR before the implementation of IFRS 9 hence said extension has only been applied on Islamic financing (excluding staff loans / subsidized loans i.e. Temporary Economic Refinance Facility). Therefore, Islamic financing are now carried at cost, excluding staff loans and TERF, which are carried at amortized cost, net of expected credit loss allowances.

Further, in accordance with the BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

**2.6** The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

### **2.7 Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Holding Company and the financial statements of subsidiary company from the date that control of the subsidiary by the Holding Company commences until the date that control ceases. The financial statements of the subsidiary company are incorporated on a line-by-line basis and the investment held by The Holding Company is eliminated against the corresponding share capital of subsidiary in these consolidated financial statements.

The financial statements of the subsidiary company are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company, except for non-banking subsidiaries in Pakistan which follow the requirements of IFRS 9: Financial Instruments, IAS 40: Investment Property and IFRS - 7: Financial Instruments: Disclosures, which are required to comply with local regulations enforced within the respective jurisdictions.

Material intra-group balances and transactions are eliminated.

Associates are those entities in which the Holding Company has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Holding Company has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

- 2.8** As per BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

If the revenue had been recognized in accordance with IFRS 9 and SBP Application guidelines, the following impact on profit and loss would have resulted: -

	Rupees in '000
Opening Retained Earning - net of tax	837,455
Profit and Loss Account - net of tax	243,045

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Holding Company for the year ended December 31, 2024.

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

There are certain interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these condensed interim consolidated financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods from the dates mentioned below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
- IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet announced

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2024.

### 5 FINANCIAL RISK MANAGEMENT

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

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note	----- Rupees in '000 -----	
<b>6</b>	<b>CASH AND BALANCES WITH TREASURY BANKS</b>		
	<b>In hand:</b>		
	- Local currency	14,995,007	12,338,658
	- Foreign currencies	753,872	844,077
		<u>15,748,879</u>	<u>13,182,735</u>
	<b>With the State Bank of Pakistan in:</b>		
	- Local currency current account	27,250,652	23,590,078
	- Foreign currency deposit accounts:		
	- Cash reserve account	1,445,369	1,386,343
	- Special cash reserve account	1,739,542	1,668,793
	- US dollar clearing account	62,044	10,999
		<u>3,246,955</u>	<u>3,066,135</u>
	<b>With National Bank of Pakistan in:</b>		
	- Local currency current account	2,007,999	1,255,110
	<b>Prize Bonds</b>	-	83
	Less: Credit loss allowance held against cash and balances with treasury banks	(189)	(189)
	Cash and balances with treasury banks - net of credit loss allowance	<u>48,254,296</u>	<u>41,093,952</u>
<b>7</b>	<b>BALANCES WITH OTHER BANKS</b>		
	<b>In Pakistan:</b>		
	- In current accounts	9	9
	- In deposit accounts	2,366	2,366
		<u>2,375</u>	<u>2,375</u>
	<b>Outside Pakistan:</b>		
	- In current accounts	2,678,935	667,135
	- In deposit accounts	406,324	315,659
		<u>3,085,259</u>	<u>982,794</u>
	Less: Credit loss allowance held against balances with other banks	(398)	(303)
	Balances with other banks - net of credit loss allowance	<u>3,087,236</u>	<u>984,866</u>
<b>8</b>	<b>DUE FROM FINANCIAL INSTITUTIONS</b>		
	Unsecured Musharkah Placement	8.1 1,000,000	-
	Bai Muajjal Receivable -with Other Financial Institutions	8.1 -	4,257,928
	Other placements	13,770	14,580
		<u>1,013,770</u>	<u>4,272,508</u>
	Less: Credit loss allowance held against due from financial institutions	8.2 (13,770)	(14,580)
	Due from financial institutions - net of credit loss allowance	<u>1,000,000</u>	<u>4,257,928</u>

- 8.1** The average return on this product is 12.9% (December 31, 2024: 19.6%) per annum. The balance has maturity in 6 days (December 31, 2024: 24 days).

		(Un-audited)		(Audited)	
		March 31, 2025		December 31, 2024	
<b>8.2 Due from financial institutions - Particulars of credit loss allowance</b>		<b>Due from financial institutions</b>	<b>Credit loss allowance held</b>	Due from financial institutions	Credit loss allowance held
----- Rupees in '000 -----					
<b>Domestic</b>					
Performing	Stage 1	1,000,000	-	4,257,928	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		13,770	13,770	14,580	14,580
		13,770	13,770	14,580	14,580
Total		1,013,770	13,770	4,272,508	14,580

- 8.2.1** The Holding Company does not hold overseas classified placements.

		(Un-audited)	(Audited)
		March 31, 2025	December 31, 2024
Note		----- Rupees in '000 -----	
<b>9 INVESTMENTS</b>			
Investments - Islamic	9.1	347,258,704	345,051,553
Investments - (Conventional (relating to amalgamated entity))	9.2	-	-
		347,258,704	345,051,553

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements  
For the Quarter ended March 31, 2025

		(Un-audited)				(Audited)				
		March 31, 2025				December 31, 2024				
9.1	Islamic Investments by type	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	
		Note ----- Rupees in '000 -----								
- Debt Instruments										
Classified / Measured at FVOCI										
Federal Government Shariah Compliant Securities										
		308,225,474	-	3,192,631	311,418,105	299,226,475	-	11,799,026	311,025,501	
	Non-Government Shariah Compliant Securities	32,879,256	(35,883)	354,486	33,197,859	32,808,817	(35,883)	357,473	33,130,407	
		341,104,730	(35,883)	3,547,117	344,615,964	332,035,292	(35,883)	12,156,499	344,155,908	
Classified / Measured at FVPL										
	Non-Government Shariah Compliant Securities	50,000	-	-	50,000	50,000	-	-	50,000	
- Equity instruments										
Classified / Measured at FVPL										
	Shares - listed companies	64,227	-	50,133	114,360	70,739	-	54,344	125,083	
Classified / Measured at FVOCI (Non-Reclassifiable)										
	Shares									
	Listed companies	2,422,753	-	48,807	2,471,560	685,744	-	27,998	713,742	
	Foreign securities	6,820	-	-	6,820	6,820	-	-	6,820	
	Associate	9.6	1,123,432	(1,123,432)	-	-	1,123,432	(1,123,432)	-	-
	Total Islamic investments	344,771,962	(1,159,315)	3,646,057	347,258,704	333,972,027	(1,159,315)	12,238,841	345,051,553	
9.2	Conventional Investments by type									
- Debt Instruments										
Classified / Measured at FVOCI										
	Non-Government Debt Securities	74,607	(74,607)	-	-	74,607	(74,607)	-	-	
- Equity instruments										
Classified / Measured at FVPL										
	Shares									
	Un-listed companies	9.2.1	-	-	-	-	-	-	-	
	Foreign securities		-	-	-	-	-	-	-	
			-	-	-	-	-	-	-	
	Associates	9.6	474,169	(474,169)	-	-	474,169	(474,169)	-	-
	Total conventional investments		548,776	(548,776)	-	-	548,776	(548,776)	-	-

9.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVPL as of January 01, 2024. Following is the break-up of such securities:

Name of Investee Company	No. of shares held
Riverstone Consultancy (Private) Limited (Shares)	3,985,000
New Horizon Exploration and Production Limited (Shares)	61,600,000
Pakistan Export Finance Guarantee Agency Limited (Shares)	568,044



## 9.3 Investments given as collateral

(Un-audited)	(Audited)
March 31, 2025	December 31, 2024
-----Rupees in '000-----	
Federal Government Securities - GOP Ijarah Sukuk	
<b>70,814,000</b>	<b>57,565,700</b>

## 9.4 Credit loss allowance held against investments

<b>Opening balance</b>	<b>1,708,091</b>	3,697,123
Impact on adoption of IFRS 9	-	132
<b>Charge / (reversal)</b>		
Charge for the period / year	-	-
Reversals for the period / year	-	(242,134)
Reversal on disposals	-	-
	-	(242,134)
Amounts written off	-	-
Impact of reclassification of equity securities from FVOCI to FVPL	-	(1,747,030)
<b>Closing Balance</b>	<b>1,708,091</b>	<b>1,708,091</b>

## 9.5 Particulars of credit loss allowance against debt securities

### 9.5.1 Category of classification

#### Domestic

		(Un-audited) March 31, 2025		(Audited) December 31, 2024	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
-----Rupees in '000-----					
Performing	Stage 1	340,842,599	3	331,773,161	-
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		386,738	110,487	386,738	110,490
		386,738	110,487	386,738	110,490
<b>Total</b>		<b>341,229,337</b>	<b>110,490</b>	<b>332,159,899</b>	<b>110,490</b>

### 9.5.2 The Holding Company does not hold overseas classified debt securities.

As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
-----Rupees in '000-----							

## 9.6 Details of investment in associates

### Unlisted

<b>Islamic</b>								
Shakarganj Food Products Limited	December 31, 2024	36.38	Pakistan	9,883,569	6,723,952	2,640,239	(226,663)	(226,663)

### Conventional

KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
KASB Capital Limited	December 31, 2016	21.78	Mauritius	\$652,864	\$135,428	\$-	\$(34,084)	\$(34,084)

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

			(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Note		----- Rupees in '000 -----	
<b>10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES</b>				
Islamic financing and related assets - net	10.1		<b>283,864,953</b>	295,959,406
Advances (relating to amalgamated entity) - net	10.2		<b>58,957</b>	58,957
			<b>283,923,910</b>	296,018,363

### 10.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	----- Rupees in '000 -----					
		Performing		Non Performing		Total	
		(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024	(Un-audited) March 31, 2025	(Audited) December 31, 2024
In Pakistan							
- Running Musharakah	10.9	97,746,474	78,360,146	1,444,955	1,444,955	99,191,429	79,805,101
- Diminishing Musharakah financing and related assets - Others	10.3	62,151,326	58,097,978	6,082,005	5,863,442	68,233,331	63,961,420
- Diminishing Musharakah - Housing		20,370,782	20,731,082	2,018,325	2,120,603	22,389,107	22,851,685
- Istisna financing and related assets	10.4 & 10.10	31,162,992	27,767,369	2,570,970	3,663,174	33,733,962	31,430,543
- Diminishing Musharakah financing and related assets - Auto		18,218,693	16,734,243	626,640	642,621	18,845,333	17,376,864
- Murabahah financing and related assets	10.5 & 10.11	44,112,026	85,092,279	1,118,829	753,869	45,230,855	85,846,148
- Musawamah financing and related assets / Tijarah	10.6	8,582,985	7,894,372	3,097,390	3,945,758	11,680,375	11,840,130
- Investment Agency Wakalah		5,437,142	4,273,450	-	-	5,437,142	4,273,450
- Murabahah against Bills		1,322,356	285,574	191,156	192,062	1,513,512	477,636
- Ijarah financing under IFAS 2 and related assets	10.7	442,005	590,135	122,811	53,902	564,816	644,037
- Financing against Bills		2,066,871	2,694,138	-	-	2,066,871	2,694,138
- Qardh-e-Hasana		25,687	27,577	123,918	123,378	149,605	150,955
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		58,264	164,607	-	27,128	58,264	191,735
- Net investment in Ijarah financing in Pakistan		62,719	28,055	-	39,969	62,719	68,024
- Housing finance portfolio - others		-	-	7,086	7,086	7,086	7,086
- Salem	10.8	160,003	177,047	-	-	160,003	177,047
Islamic financing and related assets - gross		291,920,325	302,918,052	17,564,085	19,037,947	309,484,410	321,955,999
Credit loss allowance / provision against Islamic financing and related assets	10.14						
- Stage 1		(2,393,316)	(2,793,600)	-	-	(2,393,316)	(2,793,600)
- Stage 2		(1,101,832)	(515,292)	-	-	(1,101,832)	(515,292)
- Stage 3		-	-	(16,299,128)	(17,076,658)	(16,299,128)	(17,076,658)
		(3,495,148)	(3,308,892)	(16,299,128)	(17,076,658)	(19,794,276)	(20,385,550)
Modification loss due to IFRS 9	10.1.1	(60,406)	(94,079)	-	-	(60,406)	(94,079)
Fair value adjustment	10.1.2	(5,764,775)	(5,516,964)	-	-	(5,764,775)	(5,516,964)
Islamic financing and related assets - net of credit loss allowance and fair value adjustment		282,599,996	293,998,117	1,264,957	1,961,289	283,864,953	295,959,406

10.1.1 This represents modification loss arising from restructuring or rescheduling of financings.

10.1.2 This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.

10.1.3 Islamic Financing and related assets include Rs.17,564.085 million (December 31, 2024: Rs.19,037.947 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited)		(Audited)	
	March 31, 2025		December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Islamic financing and related assets				
- Category of classification				
<b>Domestic</b>				
Other assets especially mentioned	238,101	30,275	264,933	47,483
Substandard	453,019	186,188	1,767,062	981,368
Doubtful	850,667	498,395	911,076	474,167
Loss	16,022,298	15,584,270	16,094,876	15,573,640
	<u>17,564,085</u>	<u>16,299,128</u>	<u>19,037,947</u>	<u>17,076,658</u>

10.1.4 The Holding Company does not hold overseas Islamic financing and related assets.

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

## 10.2 ADVANCES

- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,978,588	3,991,053	3,978,588	3,991,053
- Bills discounted and purchased (excluding treasury bills)						
- Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
- Net investment in finance lease - In Pakistan	-	-	552,680	553,463	552,680	553,463
<b>Advances - gross</b>	-	-	5,215,563	5,228,811	5,215,563	5,228,811
Credit loss allowance / provision against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,156,606)	(5,169,854)	(5,156,606)	(5,169,854)
	-	-	(5,156,606)	(5,169,854)	(5,156,606)	(5,169,854)
Advances - net of credit loss allowance	-	-	58,957	58,957	58,957	58,957

10.2.1 Advances include Rs. 5,215.563 million (December 31, 2024 Rs. 5,228.811 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited)		(Audited)	
	March 31, 2025		December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Advances - Category of classification				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,215,563	5,156,606	5,228,811	5,169,854
	<u>5,215,563</u>	<u>5,156,606</u>	<u>5,228,811</u>	<u>5,169,854</u>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

### 10.2.2 The Holding Company does not hold overseas advances.

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

### 10.3 Diminishing Musharakah financing and related assets - Others

Diminishing Musharakah financing	55,981,528	52,413,896
Advance against Diminishing Musharakah financing	12,251,803	11,547,524
	<b>68,233,331</b>	<b>63,961,420</b>

### 10.4 Istisna financing and related assets

Istisna financing	10,012,069	5,810,579
Advance against Istisna financing	2,681,797	25,440,494
Istisna inventories	21,040,096	179,470
	<b>33,733,962</b>	<b>31,430,543</b>

### 10.5 Murabahah financing and related assets

Murabahah financing	40,299,125	79,105,798
Deferred murabahah income	1,723,838	3,434,967
Advances against Murabaha financing	1,331,283	3,242,983
Murabaha Inventories	1,876,609	62,400
	<b>45,230,855</b>	<b>85,846,148</b>

### 10.6 Musawamah financing and related assets / Tijarah

Musawamah financing	5,276,107	5,724,219
Advance against Musawamah financing	126,905	59,114
Musawamah inventories	6,277,363	6,056,797
	<b>11,680,375</b>	<b>11,840,130</b>

### 10.7 Ijarah financing under IFAS 2 and related assets

Net book value of assets under IFAS 2	555,506	643,717
Advance against Ijarah financing	9,310	320
	<b>564,816</b>	<b>644,037</b>

### 10.8 Salam

Salam financing	60,001	153,525
Advance against Salam	100,002	23,522
	<b>160,003</b>	<b>177,047</b>

**10.9** Running musharakah financing and related assets includes financing amounting to Rs. 400 million (December 31, 2024: Rs. 930 million) under Islamic Export Refinance Scheme.

**10.10** Istisna financing and related assets includes financing amounting to Rs. 37 million (December 31, 2024: Rs. 37 million) and advance amounting to Rs. 339 million (December 31, 2024: Rs. 411 million) under Islamic Export Refinance Scheme.

**10.11** Murabahah financing and related assets includes financing amounting to Rs. 0.061 million (December 31, 2024: Rs.0.061 million) under Islamic Export Refinance Scheme.

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

## 10.12 Particulars of Islamic financing, related assets and advances - gross

In local currency	309,484,410	321,955,999
In foreign currency	5,215,563	5,228,811
	<u>314,699,973</u>	<u>327,184,810</u>

### 10.12.1 Financing to Women, Women-owned and Managed Enterprises

Women	2,793,040	2,842,695
Women Owned and Managed Enterprises	1,431,903	5,682,401
	<u>4,224,943</u>	<u>8,525,096</u>

### 10.12.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises

Women	221,583	558,796
Women Owned and Managed Enterprises	1,002,631	5,281,435
	<u>1,224,214</u>	<u>5,840,231</u>

## 10.13 Particulars of credit loss allowance

### 10.13.1 Islamic financing, related assets and advances - Exposure

	(Un-audited)			(Audited)		
	March 31, 2025			December 31, 2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees in '000 -----						
Opening balance	293,693,573	9,224,479	24,266,758	208,066,911	23,077,362	22,890,642
New financing	55,823,090	22,921	8,818	139,297,187	3,255,728	28,484
Financing derecognised or repaid	(68,070,892)	(217,712)	(51,062)	(66,039,661)	(1,280,608)	(2,111,235)
Transfer to stage 1	616,139	(341,946)	(274,193)	15,290,890	(15,131,933)	(158,957)
Transfer to stage 2	(1,342,984)	2,757,445	(1,414,461)	(1,723,397)	2,556,297	(832,900)
Transfer to stage 3	(139,489)	(104,299)	243,788	(1,198,357)	(3,252,367)	4,450,724
	<u>(13,114,136)</u>	<u>2,116,409</u>	<u>(1,487,110)</u>	<u>85,626,662</u>	<u>(13,852,883)</u>	<u>1,376,116</u>
Closing balance	<u>280,579,437</u>	<u>11,340,888</u>	<u>22,779,648</u>	<u>293,693,573</u>	<u>9,224,479</u>	<u>24,266,758</u>

### 10.13.2 Islamic financing, related assets and advances - Credit loss allowance

Opening balance	2,793,600	515,292	22,246,512	-	-	-
Impact of adoption of IFRS 9	-	-	-	1,477,937	1,439,302	21,459,788
New financing	269,555	1,166	6,185	1,042,546	34,544	19,994
Financing derecognised or repaid	(78,210)	(22,327)	(37,999)	(540,797)	(810,332)	(4,363,215)
Transfer to stage 1	188,826	(77,873)	(110,953)	476,088	(468,434)	(7,654)
Transfer to stage 2	(47,637)	969,420	(921,783)	(260,243)	270,625	(10,382)
Transfer to stage 3	(11,323)	(101,334)	112,657	(933,971)	(2,080,271)	3,014,242
	<u>321,211</u>	<u>769,052</u>	<u>(951,893)</u>	<u>(216,377)</u>	<u>(3,053,868)</u>	<u>(1,347,015)</u>
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters	(721,495)	(182,512)	161,115	1,532,040	2,129,858	2,133,739
Closing balance	<u>2,393,316</u>	<u>1,101,832</u>	<u>21,455,734</u>	<u>2,793,600</u>	<u>515,292</u>	<u>22,246,512</u>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

### 10.14 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	(Un-audited)				(Audited)			
	March 31, 2025				December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000				Rupees in '000			
10.14.1 Opening balance	2,793,600	515,292	22,246,512	25,555,404	-	-	-	-
Impact on adoption of IFRS 9	-	-	-	-	1,477,937	1,439,302	21,459,788	24,377,027
Charge for the period / year	2,243	726,465	124,505	853,213	1,605,492	41,831	1,807,156	3,454,479
Reversals for the period / year	(402,527)	(139,925)	(915,283)	(1,457,735)	(289,829)	(965,841)	(1,020,432)	(2,276,102)
	(400,284)	586,540	(790,778)	(604,522)	1,315,663	(924,010)	786,724	1,178,377
Amount written off	-	-	-	-	-	-	-	-
Closing balance	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404
10.14.2 Islamic	2,393,316	1,101,832	16,299,128	19,794,276	2,793,600	515,292	17,076,658	20,385,550
Conventional	-	-	5,156,606	5,156,606	-	-	5,169,854	5,169,854
	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404
10.14.3 Particulars of credit loss allowance against advances								
In local currency	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404
In foreign currencies	-	-	-	-	-	-	-	-
	2,393,316	1,101,832	21,455,734	24,950,882	2,793,600	515,292	22,246,512	25,555,404

10.14.4 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at March 31, 2025 amounts to Rs. 102.985 million (December 31, 2024: Rs. 351.907 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 44.283 million (December 31, 2024: Rs. 161.877 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

	(Un-audited)	(Audited)
	March 31, 2025	December 31, 2024
10.15 SBP other refinance schemes	Note	-----Rupees in '000-----
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	6,950,067	7,272,740
Islamic Long-Term Financing Facility	1,305,420	1,356,372
Islamic refinance scheme for payment of wages and salaries	25,955	54,822
RM EFS - Rupee Based Discounting (TFA)	9,016,409	9,756,938
Islamic refinance scheme for Renewable Energy	590,290	610,996
Islamic refinance scheme for combating COVID (IRFCC)	105,316	123,754
Islamic refinance facility for Modernization of SMEs	80,003	85,341
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	192,242	204,027
Islamic Credit Guarantee Scheme For Women Entrepreneur	152,830	127,855
	18,418,532	19,592,845

### 11 PROPERTY AND EQUIPMENT

Capital work-in-progress	11.1	1,857,204	1,659,567
Property and equipment		13,582,508	13,444,402
		15,439,712	15,103,969

#### 11.1 Capital work-in-progress

Advances to suppliers and contractors	666,481	468,844
Advance for acquiring properties and office premises	1,190,723	1,190,723
	1,857,204	1,659,567

(Un-audited)

March 31, 2025      March 31, 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      239,126      -

### Property and equipment

Furniture and fixture	192,895	190,166
Electrical, office and computer equipment	374,494	307,262
Vehicles	36,340	18,971
	603,729	516,399

**Total**      **842,855**      **516,399**

## 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	525	-
Electrical, office and computer equipment	160	-
<b>Total</b>	<b>685</b>	<b>-</b>

## 12 RIGHT-OF-USE ASSETS

Note	(Un-audited)			(Audited)		
	March 31, 2025			December 31, 2024		
	Buildings	Others	Total	Buildings	Others	Total

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

### At January 1,

Cost	9,765,458	-	9,765,458	7,693,776	-	7,693,776
Accumulated Depreciation	(5,450,923)	-	(5,450,923)	(4,127,509)	-	(4,127,509)
<b>Net Carrying amount as at January 1,</b>	<b>4,314,535</b>	<b>-</b>	<b>4,314,535</b>	<b>3,566,267</b>	<b>-</b>	<b>3,566,267</b>

Additions during the period / year	117,830	-	117,830	2,336,666	-	2,336,666
Deletions during the period / year	-	-	-	(264,984)	-	(264,984)
Depreciation charge for the period / year	(394,338)	-	(394,338)	(1,323,414)	-	(1,323,414)
<b>Net Carrying amount</b>	<b>4,038,027</b>	<b>-</b>	<b>4,038,027</b>	<b>4,314,535</b>	<b>-</b>	<b>4,314,535</b>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
<b>13 INTANGIBLE ASSETS</b>		
Computer software	1,005,017	1,046,106
Core deposits	16,930	17,492
Membership and Subscription	37,414	42,266
Goodwill	2,991,308	2,991,308
	<u>4,050,669</u>	<u>4,097,172</u>
	(Un-audited)	
	March 31, 2025	March 31, 2024
	----- Rupees in '000 -----	
<b>13.1 Additions to intangible assets</b>		
The following additions have been made to intangible assets during the period:		
Directly purchased	<u>33,994</u>	<u>263,744</u>
<b>13.2 Disposals of intangible assets</b>		
The net book value of intangible assets disposed off during the period is as follows:		
Membership & Subscription	<u>1,789</u>	<u>-</u>
	(Un-audited)	(Audited)
	March 31, 2025	December 31, 2024
	----- Rupees in '000 -----	
<b>14 DEFERRED TAX ASSETS / (LIABILITIES)</b>		
<b>Deductible Temporary Differences on:</b>		
Credit loss allowance against investments	46,571	46,573
Credit loss allowance against non-performing Islamic financing, related assets and advances	5,219,636	5,306,162
Modification and Fair value adjustments	178	17,688
Other credit loss allowance	824,576	794,103
Ijjarah financing and related assets	44,061	43,798
Others	641,289	490,823
	<u>6,776,311</u>	<u>6,699,147</u>
<b>Taxable Temporary Differences on:</b>		
Fair value adjustments relating to net assets acquired upon amalgamation	(177,344)	(230,539)
Surplus on revaluation of FVOCI Investment	(1,869,881)	(6,335,938)
Surplus on revaluation of FVPL Investment	(26,069)	(28,259)
Surplus on revaluation of property and equipment	(1,019,460)	(1,042,621)
Surplus on revaluation of non-banking assets	(17,852)	(17,852)
Accelerated tax depreciation	(652,151)	(553,938)
	<u>(3,762,757)</u>	<u>(8,209,147)</u>
	<u>3,013,554</u>	<u>(1,510,000)</u>



		(Un-audited) March 31, 2025	(Audited) December 31, 2024
<b>15 OTHER ASSETS</b>	Note	----- Rupees in '000 -----	
Profit / return accrued in local currency		19,566,333	17,627,108
Profit / return accrued in foreign currency		49,890	31,482
Advances, deposits, advance rent and other prepayments		1,310,576	1,349,977
Prepaid staff cost		3,418,014	3,045,731
Non-banking assets acquired in satisfaction of claims	15.1	1,449,878	1,450,462
Takaful claim receivable		46,596	35,305
Receivable against takaful and registration charges		553,127	251,519
Receivable against First WAPDA Sukuk		50,000	50,000
Trade debts		532	532
Acceptances		2,416,695	1,648,773
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		106,405	43,305
Clearing and settlement accounts		2,522,000	1,189,680
Others		1,191,927	1,206,370
		<u>32,681,973</u>	<u>27,930,244</u>
Less: Credit loss allowance held against other assets	15.2	(1,037,978)	(1,037,978)
Other Assets - net of credit loss allowance		<u>31,643,995</u>	<u>26,892,266</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	69,892	69,958
Other assets - total		<u>31,713,887</u>	<u>26,962,224</u>
<b>15.1 Market value of non-banking assets acquired in satisfaction of claims</b>		<u>1,214,008</u>	<u>1,214,658</u>
<b>15.2 Credit loss allowance held against other assets</b>			
Advances, deposits, advance rent & other prepayments		50,842	50,842
Non banking assets acquired in satisfaction of claims		305,762	305,762
Others		681,374	681,374
	15.2.1	<u>1,037,978</u>	<u>1,037,978</u>
<b>15.2.1 Movement in Credit loss allowance held against other assets</b>			
Opening balance		1,037,978	921,326
Impact on adoption of IFRS 9		-	10,064
Charge for the period / year		-	174,755
Reversals during the period / year		-	(67,667)
		-	107,088
Amount written off		-	(500)
Closing balance		<u>1,037,978</u>	<u>1,037,978</u>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
<b>16</b>	<b>BILLS PAYABLE</b>	
In Pakistan	4,333,744	13,773,529
Outside Pakistan	-	-
	<u>4,333,744</u>	<u>13,773,529</u>
<b>17</b>	<b>DUE TO FINANCIAL INSTITUTIONS</b>	
<b>Secured</b>		
Due to State Bank of Pakistan	64,263,324	21,096,917
Acceptances from SBP under Mudaraba	6,733,225	6,914,923
Refinance facility for Islamic Temporary	4,660,655	5,210,889
Economic Refinance Facility (TERF)	4,938,582	4,827,290
Islamic Export Finance Scheme - Rupee based discounting	400,000	1,053,000
Acceptances for financial assistance	895,458	902,471
Acceptances under Islamic Export Refinance Scheme	532,866	555,900
Islamic Long-Term Financing Facility	100,000	116,667
Islamic refinance scheme for Renewable Energy	57,521	63,186
Islamic refinance scheme for combating COVID (IRFCC)	70,580	76,784
Islamic Refinance Scheme for Modernization of SMEs	113,645	111,757
Islamic refinance scheme for Facility of Storage of	82,765,856	40,929,784
Agricultural Produce (IFFSAP)	-	33,085,000
Islamic Credit Guarantee Scheme for Women Entrepreneur	3,320,006	3,340,466
	<u>86,085,862</u>	<u>77,355,250</u>
<b>Unsecured</b>		
Musharakah Acceptance	2,000,000	11,350,000
Overdrawn nostro accounts	-	584,854
Others	-	16,000
	<u>2,000,000</u>	<u>11,950,854</u>
Fair value adjustment	(1,533,714)	(1,643,943)
	<u>86,552,148</u>	<u>87,662,161</u>
<b>17.1</b>	<b>Particulars of due to financial institutions with respect to currencies</b>	
In local currency	86,552,148	87,077,307
In foreign currencies	-	584,854
	<u>86,552,148</u>	<u>87,662,161</u>

## 18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) March 31, 2025			(Audited) December 31, 2024		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
<b>Customers</b>						
Current deposits	199,348,811	9,581,285	208,930,096	198,501,518	8,639,600	207,141,118
Savings deposits	146,237,251	3,712,178	149,949,429	147,266,628	3,746,306	151,012,934
Term deposits	189,530,342	16,286,764	205,817,106	175,856,996	15,345,465	191,202,461
Margin deposits	6,263,610	96,294	6,359,904	5,204,744	94,990	5,299,734
	541,380,014	29,676,521	571,056,535	526,829,886	27,826,361	554,656,247
<b>Financial Institutions</b>						
Current deposits	947,110	16,882	963,992	410,164	13,779	423,943
Savings deposits	4,381,340	-	4,381,340	3,461,149	-	3,461,149
Term deposits	230,000	-	230,000	636,442	-	636,442
Margin deposits	146	-	146	146	-	146
	5,558,596	16,882	5,575,478	4,507,901	13,779	4,521,680
	546,938,610	29,693,403	576,632,013	531,337,787	27,840,140	559,177,927

## 19 LEASE LIABILITIES

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Rupees in '000	
Outstanding amount at the start of the period / year	4,839,747	4,252,295
Additions during the period / year	117,830	2,336,666
Lease payments including profit	(427,190)	(2,555,969)
Finance charges on leased assets	303,861	806,755
Outstanding amount at the end of the period / year	4,834,248	4,839,747

### 19.1 Contractual maturity of lease liabilities

Not later than one year	280,525	344,239
Long-term lease liabilities		
- 1 to 5 years	4,553,723	4,495,508
- 5 to 10 years	-	-
- More than 10 years	-	-
	4,553,723	4,495,508
	4,834,248	4,839,747

**19.2** The Holding Company enters in to lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Holding Company, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 11.43% to 17.5% (December 31, 2024: 11.43% to 17.5%).

## 20 SUBORDINATED SUKUK

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	Rupees in '000	
ADT-1 Sukuk Issue I	2,000,000	2,000,000
ADT-1 Sukuk Issue II	1,000,000	1,000,000
	3,000,000	3,000,000

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

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

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

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

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

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

## 21 OTHER LIABILITIES

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note	-----Rupees in '000-----	
Profit / return payable in local currency	5,852,739	7,269,082
Profit / return payable in foreign currencies	119,877	297,238
Accrued expenses	3,151,716	3,035,365
Deferred Murabahah Income Financing, IERS and Others	686,871	643,923
Payable to defined benefit plan	4,677	4,677
Payable to defined contribution plan	88,344	54,371
Defined benefit plan liabilities	613,953	525,474
Security deposits against Ijarah	409,563	462,371
Credit loss allowance against off-balance sheet obligations	617,150	378,109
Acceptances	2,416,695	1,648,773
Current taxation (provisions less payments)	1,237,104	1,501,705
Withholding taxes payable	760,842	322,562
Sundry creditors	1,105,644	903,578
Payable to brokers against purchase of shares - net	1,586	82,786
Charity payable	119,575	95,696
Retention money payable	85,931	83,990
Provision for Workers' Welfare Fund	1,401,965	1,289,902
Dividend Payable	1,419,454	33,979
Others	1,013,857	1,072,649
	<u>21,107,543</u>	<u>19,706,230</u>

### 21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	378,109	85,975
Impact on adoption of IFRS 9	-	130,338
Charge for the period / year	273,510	161,796
Reversals for the period / year	(34,469)	-
	239,041	161,796
Amount written off	-	-
Closing balance	<u>617,150</u>	<u>378,109</u>

21.1.1 This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.

## 22 SURPLUS ON REVALUATION OF ASSETS

### Surplus on revaluation of:

- Securities measured at FVOCI - Debt	9.1	3,547,117	12,156,499
- Securities measured at FVOCI - Equity	9.1	48,807	27,998
- Property and equipment		2,485,260	2,528,960
- Non-banking assets acquired in satisfaction of claims	15	69,892	69,958
		<u>6,151,076</u>	<u>14,783,415</u>

### Deferred tax liability on surplus on revaluation of:

- Securities measured at FVOCI - Debt	14	(1,844,501)	(6,321,379)
- Securities measured at FVOCI - Equity	14	(25,380)	(14,559)
- Property and equipment	14	(1,019,460)	(1,042,621)
- Non-banking assets acquired in satisfaction of claims	14	(17,852)	(17,852)
		<u>(2,907,193)</u>	<u>(7,396,411)</u>
		<u>3,243,883</u>	<u>7,387,004</u>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

		(Un-audited) March 31, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
<b>23 CONTINGENCIES AND COMMITMENTS</b>	Note		
- Guarantees	23.1	16,555,562	16,183,014
- Commitments	23.2	305,674,961	479,256,656
- Other contingent liabilities	23.3	720,593	720,593
		<u>322,951,116</u>	<u>496,160,263</u>
<b>23.1 Guarantees:</b>			
Performance guarantees		10,615,219	10,122,636
Other guarantees		5,940,343	6,060,378
		<u>16,555,562</u>	<u>16,183,014</u>
<b>23.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions:			
- letters of credit		34,772,852	23,754,604
<b>Commitments in respect of:</b>			
- Shariah compliant alternative of forward foreign exchange contracts	23.2.1	132,393,570	174,461,152
<b>Commitments for acquisition of:</b>			
- property and equipment		1,613,726	708,427
- intangible assets		431,606	78,609
<b>Other commitments</b>			
- commitments in respect of financing	23.2.2	136,463,207	280,253,864
		<u>305,674,961</u>	<u>479,256,656</u>
<b>23.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions</b>			
Purchase		74,401,710	96,427,628
Sale		57,991,860	78,033,524
		<u>132,393,570</u>	<u>174,461,152</u>
<b>23.2.2</b> The Holding Company makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
		(Un-audited) March 31, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
<b>23.3 Other contingent liabilities</b>			
Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt		1,804	1,804
Tax Contingencies		718,789	718,789
		<u>720,593</u>	<u>720,593</u>

		(Un-audited)	
		March 31, 2025	March 31, 2024
Note		----- Rupees in '000 -----	
<b>24</b>	<b>PROFIT / RETURN EARNED</b>		
	Profit earned on:		
	Financing	8,418,273	12,084,508
	Investments	10,977,996	16,945,303
	Placements	112,396	665,427
	Others	156,494	56,507
		<u>19,665,159</u>	<u>29,751,745</u>
<b>24.1</b>	<b>Profit income (calculated using effective profit rate method) recognised on:</b>		
	Financial assets measured at amortised cost	454,757	721,934
	Financial assets measured at FVOCI	10,976,253	16,942,417
		<u>11,431,010</u>	<u>17,664,351</u>
	Financial assets measured at FVPL	1,743	2,886
	Financial assets measured at cost	8,232,406	12,084,508
		<u>8,234,149</u>	<u>12,087,394</u>
<b>25</b>	<b>PROFIT / RETURN EXPENSED</b>		
	Deposits	7,909,571	14,071,314
	Due to financial institutions	1,941,176	4,847,293
	Cost of foreign currency swaps against foreign currency deposits	168,531	352,437
	Finance charges on leased assets	303,861	253,044
	Subordinated Sukuk	111,241	175,356
		<u>10,434,380</u>	<u>19,699,444</u>
<b>25.1</b>	<b>Profit expense calculated using effective profit rate method</b>	2,220,948	5,022,649
	Other financial liabilities	8,213,432	14,676,795
		<u>10,434,380</u>	<u>19,699,444</u>
<b>26</b>	<b>FEE AND COMMISSION INCOME</b>		
	Card related fees	372,119	331,977
	Commission on trade	152,692	127,806
	Commission on arrangement with financial institutions	47,866	29,515
	Investment banking fees	37,676	52,867
	Commission on bancatakaful	39,903	8,672
	Commission on guarantees	40,319	15,909
	Consumer finance related fees	2,712	2,185
	Branch banking customer fees	21,001	39,168
	Commission on remittances including home remittances	13,146	13,281
	Commission on cash management	5,931	6,016
	Others	1,683	1,415
		<u>735,048</u>	<u>628,811</u>
<b>27</b>	<b>GAIN ON SECURITIES - NET</b>		
	Realized	2,105,916	-
	Unrealized - Measured at FVPL	1,735	216,248
		<u>2,107,651</u>	<u>216,248</u>
<b>27.1</b>	<b>Realized gain / (loss) on:</b>		
	Shares	141,046	-
	Federal Government Shariah Compliant Securities	1,964,870	-
		<u>2,105,916</u>	<u>-</u>
<b>27.2</b>	<b>Net gain on financial assets / liabilities measured at FVPL:</b>		
	Designated upon initial recognition	1,735	216,248

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

		(Un-audited)	
		March 31, 2025	March 31, 2024
Note -----Rupees in '000-----			
<b>28</b>	<b>OTHER INCOME</b>		
	Recoveries against previously expensed items	5,636	3,622
	Gain on termination of financing	22,194	37,164
	Gain on sale of property and equipment	11,863	61
	Others	619	1,487
		<b>40,312</b>	<b>42,334</b>
<b>29</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	<b>3,364,542</b>	<b>2,002,010</b>
	<b>Property expense</b>		
	Rent & taxes	23,621	121,124
	Utilities cost	263,753	230,541
	Security (including guards)	263,776	224,812
	Repair & maintenance (including janitorial charges)	142,625	110,843
	Depreciation	165,402	173,269
	Depreciation on right-of-use assets	394,338	382,826
	Others	321	-
		<b>1,253,836</b>	<b>1,243,415</b>
	<b>Information technology expenses</b>		
	Software maintenance	402,145	145,450
	Hardware maintenance	75,035	53,466
	Depreciation	142,604	99,101
	Amortization	75,082	53,619
	Network charges	132,430	86,254
		<b>827,296</b>	<b>437,890</b>
	<b>Other operating expenses</b>		
	Directors' fees and allowances	5,680	6,480
	Fees and allowances to Shariah Board	9,405	7,750
	Legal & professional charges	99,543	46,858
	Travelling & conveyance	70,839	62,397
	NIFT clearing charges	17,908	11,275
	Depreciation	156,916	101,882
	Depreciation on non-banking assets	583	580
	Entertainment expense	74,906	60,711
	Training & development	20,169	13,248
	Postage & courier charges	30,160	14,020
	Communication	103,723	79,218
	Stationery & printing	167,022	109,361
	Marketing, advertisement & publicity	268,544	59,419
	Repairs and maintenance	81,444	55,488
	Takaful, tracker and other charges on car ljarah - net of income	13,075	42,332
	Takaful / Insurance	50,557	109,418
	Fee and subscription	172,242	196,010
	Vehicle running and maintenance	162,380	134,521
	Donations	35,358	44,508
	Auditors' remuneration	8,884	7,937
	Amortization	3,625	1,712
	CDC and share registrar services	4,197	3,040
	Brokerage and commission	7,333	7,408
	Stamp duty, registration & verification charges	24,285	16,362
	Others	18,877	12,986
		<b>1,607,655</b>	<b>1,204,921</b>
		<b>7,053,329</b>	<b>4,888,236</b>



## (Un-audited)

March 31, 2025      March 31, 2024

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

### 30 OTHER CHARGES

Penalties imposed by regulatory authorities 113,436 127

### 31 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss allowance against due from financial institutions	(810)	72
Reversal of credit loss allowance against investments	-	(2)
(Reversal) / charge of credit loss allowance against Islamic financing, related assets and advances - net	(604,522)	311,096
Fair value loss recognized	9,428	-
Modification loss	(33,673)	-
Credit loss allowance against off balance sheet items - net	239,041	-
Other credit loss allowance / (reversal) / write offs - net	-	8,989
	<u>(390,536)</u>	<u>320,155</u>

### 32 TAXATION

Current	2,943,385	3,344,552
Prior years	-	-
Deferred	(66,012)	(253,128)
	<u>2,877,373</u>	<u>3,091,424</u>

### 33 BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation for the period 2,613,726 3,215,628

----- Number of shares -----

Weighted average number of ordinary shares 1,108,703,299 1,108,703,299

----- Rupees -----

Basic and diluted EPS 33.1 2.3,575 2.9004

33.1 There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2025 and December 31, 2024, therefore diluted earning per share has not been presented separately.

### 34 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortized cost or investments in associates, is based on quoted market price. Quoted securities classified as amortized cost are carried at cost less impairment losses. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

### 34.1 Fair value of financial assets

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

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

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

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

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

(Un-audited)			
March 31, 2025			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
<b>On balance sheet financial instruments</b>			
<b>Financial assets - measured at fair value</b>			
Investments			
Shares / Modaraba certificates	2,585,920	-	- 2,585,920
GoP Ijara Sukuk	53,358,400	258,059,705	- 311,418,105
Non-Government Shariah compliant securities	3,415,471	29,832,388	- 33,247,859
<b>Off-balance sheet financial instruments - measured at fair value</b>			
Shariah compliant alternative of forward purchase of foreign exchange	-	74,401,710	- 74,401,710
Shariah compliant alternative of forward sale of foreign exchange	-	57,991,860	- 57,991,860
<b>On balance sheet non-financial assets</b>			
<b>Non-Financial Assets - measured at fair value</b>			
Fixed assets - Land and building	-	6,802,981	- 6,802,981
Non-banking assets acquired in satisfaction of claims	-	1,214,075	- 1,214,075
Shariah compliant future purchase of shares	-	-	- -
Shariah compliant future sale of shares	-	-	- -

(Audited)			
December 31, 2024			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
<b>On balance sheet financial instruments</b>			
<b>Financial assets - measured at fair value</b>			
Investments			
Shares / Modaraba certificates	838,825	-	- 838,825
GOP Ijara Sukuk	54,455,722	256,569,779	- 311,025,501
Non-Government Shariah compliant Securities	3,415,471	29,764,936	- 33,180,407
Units of open ended mutual funds	-	-	- -
Non-current assets held for sale	-	-	- -
<b>Off-balance sheet financial instruments - measured at fair value</b>			
Shariah compliant alternative of forward purchase of foreign exchange	-	96,427,628	- 96,427,628
Shariah compliant alternative of forward sale of foreign exchange	-	78,033,524	- 78,033,524
<b>On balance sheet non-financial assets</b>			
<b>Non-Financial Assets - measured at fair value</b>			
Fixed assets - Land and building	-	6,505,413	- 6,505,413
Non-banking assets acquired in satisfaction of claims	-	1,214,658	- 1,214,658

## Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

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

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant 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 the Securities and Exchange Commission of Pakistan.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	

- 34.2** The Holding Company's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

### 35 SEGMENT INFORMATION

#### Segment Details with respect to Business Activities

(Un-audited)					
March 31, 2025					
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
<b>Profit &amp; Loss</b>					
Net profit / return	9,124,009	(6,523,814)	6,891,132	(260,548)	9,230,779
Inter segment revenue - net	(9,527,082)	16,050,064	(7,717,515)	1,194,533	-
Total other income	2,421,118	473,415	235,963	18,116	3,148,612
Total income	2,018,045	9,999,665	(590,420)	952,101	12,379,391
Segment direct expenses	31,071	4,260,772	105,187	2,881,798	7,278,828
Inter segment expense allocation	44,101	1,992,600	417,527	(2,454,228)	-
Total expenses	75,172	6,253,372	522,714	427,570	7,278,828
Charge / (reversal) of credit loss allowance	(810)	(161,847)	(436,556)	208,677	(390,536)
Profit / (loss) before tax	1,943,683	3,908,140	(676,578)	315,854	5,491,099
<b>Balance Sheet</b>					
<b>Assets</b>					
Cash & Bank balances	3,085,127	48,254,203	-	2,202	51,341,532
Investments	346,558,659	-	700,045	-	347,258,704
Net inter segment placements	-	495,869,508	-	17,176,130	513,045,638
Due from financial institutions	1,000,000	-	-	-	1,000,000
Islamic financing and related assets - performing	-	31,338,740	248,230,724	3,030,532	282,599,996
- non-performing - net	-	1,034,015	158,778	131,121	1,323,914
Others	-	-	-	58,255,849	58,255,849
<b>Total Assets</b>	<b>350,643,786</b>	<b>576,496,466</b>	<b>249,089,547</b>	<b>78,595,834</b>	<b>1,254,825,633</b>
<b>Liabilities</b>					
Due to financial institutions	71,201,906	3,320,006	12,030,236	-	86,552,148
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	3,455,553	573,176,460	-	-	576,632,013
Net inter segment acceptances	275,986,327	-	237,059,311	-	513,045,638
Others	-	-	-	30,275,535	30,275,535
<b>Total liabilities</b>	<b>350,643,786</b>	<b>576,496,466</b>	<b>249,089,547</b>	<b>33,275,535</b>	<b>1,209,505,334</b>
Equity	-	-	-	45,320,299	45,320,299
<b>Total Equity &amp; liabilities</b>	<b>350,643,786</b>	<b>576,496,466</b>	<b>249,089,547</b>	<b>78,595,834</b>	<b>1,254,825,633</b>
<b>Contingencies &amp; Commitments</b>					
	132,393,570	-	51,328,414	139,229,132	322,951,116

	(Un-audited)				
	March 31, 2024				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Net profit / return	12,596,471	(12,357,869)	9,934,226	(120,527)	10,052,301
Inter segment revenue - net	(12,450,076)	22,987,509	(10,278,006)	(259,427)	-
Total other income	731,496	436,249	200,210	221,420	1,589,375
Total Income	877,891	11,065,889	(143,570)	(158,534)	11,641,676
Segment direct expenses	40,891	2,697,859	188,363	2,087,356	5,014,469
Inter segment expense allocation	24,730	1,616,545	321,591	(1,962,866)	-
Total expenses	65,621	4,314,404	509,954	124,490	5,014,469
Charge / (reversal) of credit loss allowance	-	1,605,446	(1,266,729)	(18,562)	320,155
Profit / (loss) before tax	812,270	5,146,039	613,205	(264,462)	6,307,052

## Balance Sheet

### Assets

Cash & Bank balances	982,664	41,093,952	-	2,202	42,078,818
Investments	344,424,053	-	627,500	-	345,051,553
Net inter segment placements	-	487,602,377	-	34,431,139	522,033,516
Due from financial institutions	4,257,928	-	-	-	4,257,928
Islamic financing and related assets - performing	-	30,571,110	257,575,697	-	288,146,807
- non-performing - net	-	1,089,318	649,010	6,133,228	7,871,556
Others	-	-	-	50,477,900	50,477,900
<b>Total Assets</b>	<b>349,664,645</b>	<b>560,356,757</b>	<b>258,852,207</b>	<b>91,044,469</b>	<b>1,259,918,078</b>

### Liabilities

Due to financial institutions	70,960,060	3,340,467	13,361,634	-	87,662,161
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,161,642	557,016,290	-	(5)	559,177,927
Net inter segment acceptances	276,542,943	-	245,490,573	-	522,033,516
Others	-	-	-	39,829,506	39,829,506
<b>Total liabilities</b>	<b>349,664,645</b>	<b>560,356,757</b>	<b>258,852,207</b>	<b>42,829,501</b>	<b>1,211,703,110</b>
Equity	-	-	-	48,214,968	48,214,968
<b>Total Equity &amp; liabilities</b>	<b>349,664,645</b>	<b>560,356,757</b>	<b>258,852,207</b>	<b>91,044,469</b>	<b>1,259,918,078</b>

### Contingencies & Commitments

174,461,152	-	39,937,618	281,761,493	496,160,263
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## 36 RELATED PARTY TRANSACTIONS

The Holding Company has related party transactions with its parent, associates, employee benefit plans, its directors and key management personnel.

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

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

(Un-audited) March 31, 2025					(Audited) December 31, 2024				
Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
----- (Rupees in '000) -----									
<b>Due from financial institutions - net</b>									
Opening balance	-	-	-	-	-	-	-	-	-
Addition during the period / year	22,000,000	-	-	-	-	-	-	-	-
Repaid during the period / year	(22,000,000)	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-
<b>Investments</b>									
Opening balance	-	-	1,123,432	-	-	-	-	1,123,432	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Closing balance	-	-	1,123,432	-	-	-	-	1,123,432	-
Credit loss allowance held against investments	-	-	(1,123,432)	-	-	-	-	(1,123,432)	-

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

	(Un-audited) March 31, 2025					(Audited) December 31, 2024				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
(Rupees in '000)										
<b>Islamic financing and related assets</b>										
Opening balance	-	-	467,815	480,187	1,608,466	-	-	422,999	480,187	248,878
Addition during the period / year	-	-	29,017	-	18,211	-	-	198,713	618,721	1,880,987
Repaid during the period / year	-	-	(11,129)	(187)	(12,670)	-	-	(109,859)	(618,721)	(521,399)
Transfer in / (out) - net	-	-	105,123	-	(379,007)	-	-	(44,038)	-	-
Closing balance	-	-	590,626	480,000	1,235,000	-	-	467,815	480,187	1,608,466
Credit loss allowance held against Islamic financing and related assets	-	-	-	(480,000)	-	-	-	-	(480,187)	-
<b>Other assets</b>										
Profit receivable on financings	-	-	712	-	36,139	-	-	425	-	17,902
<b>Due to financial institutions - net</b>										
Opening balance	2,000,000	-	-	-	-	-	-	-	-	-
Additions during the period / year	-	-	-	-	-	141,000,000	-	-	-	-
Settled during the period / year	(2,000,000)	-	-	-	-	(139,000,000)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	2,000,000	-	-	-	-
<b>Subordinated sukuk</b>										
Opening balance	-	-	485	-	143,465	-	-	485	-	1,120
Issued / purchased during the period / year	-	-	-	-	2,185	-	-	-	-	143,585
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	(1,240)
Transfer in / (out)	-	-	(470)	-	-	-	-	-	-	-
Closing balance	-	-	15	-	145,650	-	-	485	-	143,465
<b>Deposits and other accounts</b>										
Opening balance	-	9,305	126,828	1,083	1,461,374	-	5,741	72,646	29,503	6,162,706
Received during the period / year	-	103,175	282,119	340,663	11,143,635	-	1,067,531	1,259,126	2,120,383	55,109,096
Withdrawn during the period / year	-	(106,393)	(270,862)	(334,998)	(10,880,886)	-	(1,063,967)	(1,148,229)	(2,148,803)	(59,821,044)
Transfer in / (out) - net	-	-	(22,711)	-	(3,358)	-	-	(56,715)	-	10,616
Closing balance	-	6,087	115,374	6,748	1,720,765	-	9,305	126,828	1,083	1,461,374
<b>Other Liabilities</b>										
Profit / return payable	-	9	318	1	12,341	762	8	688	2	13,085
Dividend Payable	1,041,015	146,717	1	-	37,210	-	-	-	-	-
Other liabilities	-	-	-	-	129	-	-	-	-	29,610
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	7,878	-	-	-	-	3,422	-	-	-	-
Meeting fee / remuneration payable	-	400	-	-	-	-	400	-	-	-
<b>Contingencies and Commitments</b>										
Other contingencies	6,225,514	-	-	-	400,000	3,220,639	-	-	-	-
(Rupees in '000)										
	(Un-audited) March 31, 2025					(Un-audited) March 31, 2024				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
<b>Income</b>										
Profit / return earned	8,264	-	6,746	-	55,117	-	-	6,949	-	13,917
Other income	-	-	-	-	33,509	-	-	16	22	-
Foreign exchange income	3,468	-	-	-	-	-	-	-	-	-
<b>Expense</b>										
Profit / return expensed	762	36	737	70	37,041	21,810	1,032	787	51	194,064
Other administrative expenses	73	360	7,219	-	9,596	10	1,118	8,601	-	46,973
Meeting fee / remuneration	-	5,680	177,307	-	-	-	6,480	126,033	-	-
Contribution to employees provident fund	-	-	-	-	96,193	-	-	-	-	66,693
Charge for employees gratuity fund	-	-	-	-	88,479	-	-	-	-	67,103
Donation paid	-	-	-	-	-	-	-	-	-	10,000

## 37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>11,007,991</u>	<u>11,007,991</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>39,377,462</u>	<u>38,707,435</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>3,000,000</u>	<u>3,000,000</u>
Total Eligible Tier 1 Capital	<u>42,377,462</u>	<u>41,707,435</u>
Eligible Tier 2 Capital	<u>8,130,425</u>	<u>12,171,253</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>50,507,887</u>	<u>53,878,688</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>139,784,309</u>	<u>146,543,937</u>
Market Risk	<u>7,740,318</u>	<u>3,897,306</u>
Operational Risk	<u>73,387,323</u>	<u>73,387,322</u>
Total	<u>220,911,950</u>	<u>223,828,565</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>17.82%</u>	<u>17.29%</u>
Tier 1 Capital Adequacy Ratio	<u>19.18%</u>	<u>18.63%</u>
Total Capital Adequacy Ratio	<u>22.86%</u>	<u>24.07%</u>
<b>National minimum capital requirements prescribed by SBP</b>		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

- 37.1** The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>42,377,462</u>	<u>41,707,435</u>
Total Exposures	<u>923,589,778</u>	<u>880,681,775</u>
Leverage Ratio	<u>4.59%</u>	<u>4.74%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>321,570,580</u>	<u>318,819,831</u>
Total Net Cash Outflow	<u>102,567,574</u>	<u>90,470,492</u>
Liquidity Coverage Ratio	<u>313.52%</u>	<u>352.40%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>579,605,847</u>	<u>580,679,777</u>
Total Required Stable Funding	<u>240,543,871</u>	<u>211,840,160</u>
Net Stable Funding Ratio	<u>240.96%</u>	<u>274.11%</u>

- 37.2** The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Holding Company's website. The link to the full disclosures is available at [www.bankislami.com.pk/investor-relations](http://www.bankislami.com.pk/investor-relations)

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Quarter ended March 31, 2025

38 GENERAL

- 38.1 Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these condensed interim consolidated financial statements, except for captions of the consolidated Statement of Financial Position and consolidated Profit and Loss Account.
- 38.2 These condensed interim consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.
- 38.3 The figures in these condensed interim consolidated financial statements have been rounded off to the nearest thousand rupee.

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on April 22, 2025 by the Board of Directors of the Holding Company.

-sd-	-sd-	-sd-	-sd-	-sd-
President /	Chief Financial Officer	Chairman	Director	Director
Chief Executive Officer				





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