



Bank Alfalah

LDN/CA/25
31st July 2025

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Karachi

Financial Results for the 2nd Quarter/Half year ended 30th June 2025 of Bank Alfalah Limited

Dear Sir,

We have to inform you that the Board of Directors of Bank Alfalah Limited ("the Bank") in its meeting held on 31st July 2025 at 10:30 A.M. (UAE time) at Abu Dhabi and via Weblink, recommended the following:

- (i) **CASH DIVIDEND** - A 2nd interim Cash Dividend for the Quarter ended 30th June 2025 at the rate of PKR. 2.5/- per share i.e. 25%.
This is in addition to the 1st Interim Cash Dividend already paid at PKR. 2.5 per share i.e. 25%, cumulatively 50%, for the half year ended 30th June 2025.
- (ii) **BONUS SHARES** - Nil
- (iii) **RIGHT SHARES** - Nil
- (iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION** - Nil
- (v) **ANY OTHER PRICE-SENSITIVE INFORMATION** - Nil


The unconsolidated and consolidated financial statements of the Bank, which comprise of the following along with notes thereon are attached:

- a) Statement of Profit/Loss including Earning/(Loss) Per Share b) Statement of Financial Position;
c) Statement of Changes in Equity; and d) Statement of Cash Flows

The Share Transfer Books of the Bank for the purpose of interim cash dividend will be closed from 12th August 2025 to 13th August 2025 (both days inclusive). The above entitlement will be paid to the shareholders whose names appear in the Register of Members at the close of business on 11th August 2025. Transfers received at the office of Bank's Share Registrar F.D. Registrar Services (Pvt.) Ltd (1705, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi-74000) at the close of business on 11th August 2025 will be treated in time for the purpose of above entitlement to the transferees.

The Quarterly Report of the Bank will be transmitted through PUCARS, within the specified time.

Yours truly,


Mian Ejaz Ahmad
Company Secretary

Encl: as above

c.c: Executive Director/HOD,
Offsite-II Department, Supervision Division,
The SECP, 63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

	Note	Quarter ended June 30, 2025	Quarter ended June 30, 2024	Half year ended June 30, 2025	Half year ended June 30, 2024
		----- (Rupees in '000) -----			
		(Restated)		(Restated)	
Mark-up / return / interest earned	26	93,294,585	128,443,100	188,388,172	258,387,207
Mark-up / return / interest expensed	27	58,921,983	97,171,408	120,803,285	195,831,367
Net mark-up / return / interest income		34,372,602	31,271,692	67,584,887	62,555,840
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,093,096	5,358,165	7,649,749	10,021,206
Dividend income		575,281	757,259	1,455,503	1,159,804
Foreign exchange income	29	3,171,125	2,973,574	5,289,700	5,242,394
(Loss) / income from derivatives		(713,914)	829,102	388,566	1,373,514
Gain on securities	30	7,767,949	2,252,703	8,394,351	2,320,379
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	76,567	123,648	874,229	189,716
Total non-mark-up / interest income		14,970,104	12,294,451	24,052,098	20,307,013
Total income		49,342,706	43,566,143	91,636,985	82,862,853
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,004,603	20,452,409	55,978,382	39,629,066
Workers' welfare fund	33	421,462	493,789	821,570	919,010
Other charges	34	5,346	872	9,557	209,515
Total non-mark-up / interest expenses		29,431,411	20,947,070	56,809,509	40,757,591
Profit before credit loss allowance / provisions		19,911,295	22,619,073	34,827,476	42,105,262
Credit loss allowance / provisions and write offs - net	35	1,364,662	1,513,647	896,645	1,306,853
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		18,546,633	21,105,426	33,930,831	40,798,409
Taxation	36	10,312,154	10,410,135	18,656,250	20,200,064
PROFIT AFTER TAXATION		8,234,479	10,695,291	15,274,581	20,598,345
----- (Rupees) -----					
		(Restated)		(Restated)	
Basic and diluted earnings per share	37	5.22	6.78	9.68	13.06

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks	7	215,406,020	227,823,979
Balances with other banks	8	17,478,976	18,469,608
Lendings to financial institutions	9	153,895,071	100,998,323
Investments	10	1,632,473,718	1,991,232,454
Advances	11	1,010,496,226	1,109,376,154
Property and equipment	12	68,233,175	63,543,484
Right-of-use assets	13	25,648,582	25,290,607
Intangible assets	14	1,511,086	1,543,109
Deferred tax assets		-	-
Other assets	15	169,190,233	171,928,403
Total assets		3,294,333,087	3,710,206,121
LIABILITIES			
Bills payable	16	61,189,539	41,768,326
Borrowings	17	555,834,086	1,141,885,742
Deposits and other accounts	18	2,288,228,299	2,136,912,622
Lease liabilities	19	30,902,605	29,481,938
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	10,853,296	16,515,641
Other liabilities	22	146,259,256	151,529,442
Total liabilities		3,107,267,081	3,532,093,711
NET ASSETS		187,066,006	178,112,410
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		45,255,069	43,466,925
Surplus on revaluation of assets	23	34,959,921	33,778,787
Unappropriated profit		91,079,365	85,095,047
		187,066,006	178,112,410
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
					(Rupees in '000)				
Balance as at December 31, 2023 (audited)	15,771,651	4,731,049	14,191,974	22,478,107	(906,806)	12,088,444	86,726	69,481,688	137,922,833
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771,651	4,731,049	14,191,974	22,478,107	4,095,889	12,088,444	86,726	67,230,988	140,674,828
Changes in equity for the half year ended June 30, 2024									
Profit after taxation - (restated)	-	-	-	-	-	-	-	20,598,345	20,598,345
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(1,655,279)	-	-	-	-	-	(1,655,279)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(123,683)	-	-	-	(123,683)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(361,382)	-	-	-	(361,382)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	589,596	-	-	-	589,596
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(19,744)	-	-	(19,744)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	968	-	968
Total other comprehensive (loss) / income - net of tax	-	-	(1,655,279)	-	104,531	(19,744)	968	-	(1,569,524)
Transfer to statutory reserve	-	-	-	2,060,876	-	-	-	(2,060,876)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(44,116)	(9,180)	53,296	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(22,941)	-	-	22,941	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Closing balance as at June 30, 2024 (un-audited) - restated	15,771,651	4,731,049	12,536,695	24,538,983	4,177,479	12,024,584	78,514	74,804,538	148,663,493
Changes in equity for half year ended December 31, 2024									
Profit after taxation	-	-	-	-	-	-	-	17,719,786	17,719,786
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(110,739)	-	-	-	-	-	(110,739)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	10,925,097	-	-	-	10,925,097
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(538,564)	-	-	-	(538,564)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,441,123	-	-	-	1,441,123
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	456,187	456,187
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,629,026	-	-	5,629,026
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,661	-	235,661
Total other comprehensive (loss) / income - net of tax	-	-	(110,739)	-	11,827,656	5,629,026	235,661	456,187	18,037,791
Balance carried forward	15,771,651	4,731,049	12,425,956	24,538,983	16,005,135	17,653,610	314,175	92,980,511	184,421,070

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BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
(Rupees in '000)									
Balance brought forward	15,771,651	4,731,049	12,425,956	24,538,983	16,005,135	17,653,610	314,175	92,980,511	184,421,070
Transfer to statutory reserve	-	-	-	1,770,937	-	-	-	(1,770,937)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(100,565)	540	100,025	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(94,108)	-	-	94,108	-
Transactions with owners, recorded directly in equity									
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,911,027	17,553,045	314,715	85,095,047	178,112,410
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511
Balance as at January 01, 2025 after adoption of IFRS 9	15,771,651	4,731,049	12,425,956	26,309,920	16,276,634	17,553,045	314,715	85,013,951	178,396,921
Changes in equity for the half year ended June 30, 2025									
Profit after taxation	-	-	-	-	-	-	-	15,274,581	15,274,581
Other comprehensive income / (loss) - net of tax									
Effect of translation of net investment in foreign branches	-	-	260,686	-	-	-	-	-	260,686
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,131,049	-	-	-	3,131,049
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,532,212)	-	-	-	(2,532,212)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	468,031	-	-	-	468,031
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,814)	-	-	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(10,410)	-	(10,410)
Total other comprehensive income / (loss) - net of tax	-	-	260,686	-	1,066,868	(36,814)	(10,410)	-	1,280,330
Transfer to statutory reserve	-	-	-	1,527,458	-	-	-	(1,527,458)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(60,769)	(10,070)	70,839	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(133,278)	-	-	133,278	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Closing balance as at June 30, 2025 (un-audited)	15,771,651	4,731,049	12,686,642	27,837,378	17,210,224	17,455,462	294,235	91,079,365	187,066,006

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) ----- (Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		33,930,831	40,798,409
Less: Dividend income		(1,455,503)	(1,159,804)
		<u>32,475,328</u>	<u>39,638,605</u>
Adjustments:			
Net mark-up / return / interest income		(67,584,887)	(62,555,840)
Depreciation	32	2,901,659	2,154,803
Depreciation on right-of-use assets	32	2,227,770	1,876,715
Amortisation	32	199,057	172,174
Credit loss allowance /provisions and write offs - net	35	896,645	1,306,853
Unrealised loss / (gain) on revaluation of investments classified as FVPL	30	319,701	(149,044)
Gain on disposal of subsidiary	30.1	(388,732)	-
Unrealised gain on advances classified as FVPL	31	(56,483)	(30,724)
Gain on sale of property and equipment - net	31	(26,726)	(61,511)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(54,117)	(52,740)
Staff loans - notional cost	32.1	1,746,960	1,249,124
Finance charges on leased assets	27	2,087,479	1,621,407
Workers' welfare fund		821,570	919,010
Charge for defined benefit plan	32.1	480,951	335,649
Charge for staff compensated absences	32.1	176,000	105,000
		<u>(56,256,521)</u>	<u>(53,136,924)</u>
		(23,781,193)	(13,498,319)
Decrease / (Increase) in operating assets			
Lendings to financial institutions		(2,664,413)	65,889,993
Securities classified as FVPL		159,600,150	(77,474,550)
Advances		98,640,569	(43,244,890)
Other assets (excluding advance taxation and mark-up receivable)		(21,491,075)	(9,490,851)
		<u>234,085,231</u>	<u>(64,320,338)</u>
(Decrease) / Increase in operating liabilities			
Bills payable		19,421,213	10,242,210
Borrowings		(575,990,313)	(55,978,885)
Deposits		151,315,677	16,811,069
Other liabilities (excluding current taxation and mark-up payable)		10,430,768	25,412,966
		<u>(394,822,655)</u>	<u>(3,512,640)</u>
		(184,518,617)	(81,331,297)
Mark-up / interest received		205,192,252	246,758,124
Mark-up / interest paid		(138,163,944)	(186,978,728)
Income tax paid		(19,622,086)	(25,524,098)
Net cash used in operating activities		<u>(137,112,395)</u>	<u>(47,075,999)</u>
Balance carried forward		<u>(137,112,395)</u>	<u>(47,075,999)</u>

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BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Half year ended	
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
		(Restated)
Balance brought forward	(137,112,395)	(47,075,999)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	203,577,759	116,586,073
Net (divestments) / investments in securities carried at amortised cost	(917,320)	2,865,822
Divestment from / (investment in) subsidiaries	388,732	(2,200,000)
Dividends received	1,455,503	1,170,235
Investments in property and equipment and intangible assets	(7,737,203)	(12,820,431)
Proceeds from sale of property and equipment	33,615	73,988
Proceeds from sale of non-banking assets	27,089	267,800
Effect of translation of net investment in foreign branches	260,686	(1,655,279)
Net cash generated from investing activities	197,088,861	104,288,208
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(3,200,274)	(2,754,091)
Dividend paid	(7,873,675)	(15,413,168)
Net cash used in financing activities	(11,073,949)	(18,167,259)
Net increase in cash and cash equivalents	48,902,517	39,044,950
Cash and cash equivalents at the beginning of the period	229,857,147	249,771,602
Effects of exchange rate changes on cash and cash equivalents	2,092,890	(1,871,683)
	231,950,037	247,899,919
Expected credit loss allowance on cash and cash equivalents - net	(8,538)	(35,901)
Cash and cash equivalents at the end of the period	38 280,844,016	286,908,968

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025**

	Note	Quarter ended June 30, 2025	Quarter ended June 30, 2024	Half year ended June 30, 2025	Half year ended June 30, 2024
		----- (Rupees in '000) -----			
		(Restated)		(Restated)	
Mark-up / return / interest earned	26	93,299,420	128,608,469	188,398,347	258,530,947
Mark-up / return / interest expensed	27	58,918,064	97,353,124	120,789,900	196,016,843
Net mark-up / return / interest income		34,381,356	31,255,345	67,608,447	62,514,104
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,093,096	5,244,602	7,649,749	10,040,783
Dividend income		530,288	607,266	1,410,510	904,811
Foreign exchange income	29	3,207,633	2,974,051	5,351,308	5,242,871
(Loss) / income from derivatives		(713,914)	829,102	388,566	1,373,514
Gain on securities	30	7,379,217	2,299,293	8,005,619	2,365,016
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of profit from associates		459,830	389,343	714,974	664,236
Other income	31	73,801	123,648	869,337	189,716
Total non-mark-up / interest income		15,029,951	12,467,305	24,390,063	20,780,947
Total income		49,411,307	43,722,650	91,998,510	83,295,051
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,088,940	20,672,140	56,122,936	40,018,818
Workers' welfare fund	33	421,462	494,288	821,570	919,944
Other charges	34	5,346	872	9,557	209,515
Total non-mark-up / interest expenses		29,515,748	21,167,300	56,954,063	41,148,277
Profit before credit loss allowance / provisions		19,895,559	22,555,350	35,044,447	42,146,774
Credit loss allowance / (reversal of credit loss allowance) / provisions and write offs - net	35	1,364,662	(25,199)	896,645	(231,993)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		18,530,897	22,580,549	34,147,802	42,378,767
Taxation	36	10,527,713	10,580,586	19,004,909	20,459,317
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		8,003,184	11,999,963	15,142,893	21,919,450
DISCONTINUED OPERATIONS					
LOSS FROM DISCONTINUED OPERATIONS - NET OF TAX	37.3	(16,497)	-	(83,517)	-
PROFIT AFTER TAXATION		7,986,687	11,999,963	15,059,376	21,919,450
Profit / (loss) attributable to:					
Equity holders of the Holding Company					
from continuing operations		8,003,184	11,971,927	15,142,893	21,917,916
from discontinued operations		(17,641)	-	(81,706)	-
		7,985,543	11,971,927	15,061,187	21,917,916
Non-controlling interest					
from continuing operations		-	28,036	-	1,534
from discontinued operations		1,144	-	(1,811)	-
		1,144	28,036	(1,811)	1,534
		7,986,687	11,999,963	15,059,376	21,919,450
		----- (Rupees) -----			
		(Restated)		(Restated)	
Basic and diluted earnings per share - continuing operations	38	5.07	7.59	9.60	13.90
Basic and diluted earnings per share	38	5.07	7.59	9.55	13.90

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director



BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	7	215,505,362	227,868,901
Balances with other banks	8	17,478,976	19,713,246
Lendings to financial institutions	9	153,895,071	100,998,323
Investments	10	1,638,023,285	1,996,182,261
Advances	11	1,010,496,226	1,109,376,542
Property and equipment	12	68,334,765	63,673,849
Right-of-use assets	13	25,734,567	25,365,699
Intangible assets	14	1,517,814	1,559,640
Deferred tax assets		-	-
Other assets	15	169,171,977	172,317,236
Total assets		3,300,158,043	3,717,055,697
LIABILITIES			
Bills payable	16	61,189,539	41,768,326
Borrowings	17	555,834,086	1,142,200,709
Deposits and other accounts	18	2,287,598,788	2,136,104,698
Lease liabilities	19	30,992,975	29,555,307
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	14,180,760	19,459,032
Other liabilities	22	146,264,660	152,580,928
Total liabilities		3,110,060,808	3,535,669,000
NET ASSETS		190,097,235	181,386,697
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		45,255,069	43,466,925
Surplus on revaluation of assets	23	34,993,652	33,820,479
Unappropriated profit		94,076,863	88,305,939
Total equity attributable to the equity holders of the Holding Company		190,097,235	181,364,994
Non-controlling interest		-	21,703
		190,097,235	181,386,697

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.



President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
Balance as at December 31, 2023 (audited)	15,771,651	4,731,049	14,191,974	22,478,107	(902,400)	12,088,444	86,726	71,472,352	139,917,903	(294,665)	139,623,238
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995	-	2,751,995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771,651	4,731,049	14,191,974	22,478,107	4,100,295	12,088,444	86,726	69,221,652	142,669,898	(294,665)	142,375,233
Changes in equity for the half year ended June 30, 2024											
Profit after taxation - (restated)	-	-	-	-	-	-	-	21,917,916	21,917,916	1,534	21,919,450
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(1,655,279)	-	-	-	-	-	(1,655,279)	-	(1,655,279)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(123,555)	-	-	-	(123,555)	-	(123,555)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(361,382)	-	-	-	(361,382)	-	(361,382)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	589,596	-	-	-	589,596	-	589,596
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	5,980	-	-	-	5,980	-	5,980
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(691)	(691)	(414)	(1,105)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(19,744)	-	-	(19,744)	-	(19,744)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	968	-	968	-	968
Total other comprehensive (loss) / income - net of tax	-	-	(1,655,279)	-	110,639	(19,744)	968	(691)	(1,564,107)	(414)	(1,564,521)
Transfer to statutory reserve	-	-	-	2,060,876	-	-	-	(2,060,876)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(44,116)	(9,180)	53,296	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(22,941)	-	-	22,941	-	-	-
Transactions with owners, recorded directly in equity											
Adjustment of non-controlling interest	-	-	-	-	-	-	-	(311,627)	(311,627)	311,627	-
Right Issuance cost - subsidiary	-	-	-	-	-	-	-	(8,314)	(8,314)	(4,988)	(13,302)
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)	-	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Closing balance as at June 30, 2024 (un-audited) - restated	15,771,651	4,731,049	12,536,695	24,538,983	4,187,993	12,024,584	78,514	77,794,141	151,663,610	13,094	151,676,704
Changes in equity for half year ended December 31, 2024											
Profit after taxation	-	-	-	-	-	-	-	17,935,705	17,935,705	8,141	17,943,846
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(110,739)	-	-	-	-	-	(110,739)	-	(110,739)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	10,925,879	-	-	-	10,925,879	-	10,925,879
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(538,564)	-	-	-	(538,564)	-	(538,564)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,441,123	-	-	-	1,441,123	-	1,441,123
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	30,396	-	-	-	30,396	-	30,396
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	461,557	461,557	468	462,025
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,629,026	-	-	5,629,026	-	5,629,026
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,661	-	235,661	-	235,661
Total other comprehensive (loss) / income - net of tax	-	-	(110,739)	-	11,858,834	5,629,026	235,661	461,557	18,074,339	468	18,074,807
Transfer to statutory reserve	-	-	-	1,770,937	-	-	-	(1,770,937)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(100,565)	540	100,025	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(94,108)	-	-	94,108	-	-	-
Transactions with owners, recorded directly in equity											
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,952,719	17,553,045	314,715	88,305,939	181,364,994	21,703	181,386,697
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511	-	284,511
Balance as at January 01, 2025 after adoption of IFRS 9 / carried forward	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208


BANK ALFALAH LIMITED
 FINANCE DIVISION
 KARACHI
 Head Office

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
Balance brought forward	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208
Changes in equity for the half year ended June 30, 2025											
Profit / (loss) after taxation	-	-	-	-	-	-	-	15,061,187	15,061,187	(1,811)	15,059,376
Other comprehensive income / (loss) - net of tax											
Effect of translation of net investment in foreign branches	-	-	260,686	-	-	-	-	-	260,686	-	260,686
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,132,277	-	-	-	3,132,277	-	3,132,277
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,532,212)	-	-	-	(2,532,212)	-	(2,532,212)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	468,031	-	-	-	468,031	-	468,031
Movement in share of surplus / (deficit) on revaluation of investments of associates - net of tax	-	-	-	-	(9,189)	-	-	-	(9,189)	-	(9,189)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,814)	-	-	(36,814)	-	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(10,410)	-	(10,410)	-	(10,410)
Total other comprehensive income / (loss) - net of tax	-	-	260,686	-	1,058,907	(36,814)	(10,410)	-	1,272,369	-	1,272,369
Transfer to statutory reserve	-	-	-	1,527,458	-	-	-	(1,527,458)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(60,769)	(10,070)	70,839	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(133,278)	-	-	133,278	-	-	-
Transactions with owners, recorded directly in equity											
Derecognition of subsidiary	-	-	-	-	-	-	-	-	-	(19,892)	(19,892)
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Closing balance as at June 30, 2025 (un-audited)	15,771,651	4,731,049	12,686,642	27,837,378	17,243,955	17,455,462	294,235	94,076,863	190,097,235	-	190,097,235

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.





President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		34,147,802	42,378,767
Profit before taxation from discontinued operations	37.3	7,796	-
Less: Dividend income		(1,410,510)	(904,811)
Share of profit from associates		(714,974)	(664,236)
		<u>32,030,114</u>	<u>40,809,720</u>
Adjustments:			
Net mark-up / return / interest income		(67,628,316)	(62,514,104)
Depreciation		2,915,054	2,170,697
Depreciation on right-of-use assets		2,243,108	1,888,182
Amortisation		200,225	172,601
Credit loss allowance / (reversal of credit loss allowance) /provisions and write offs - net		892,084	(231,993)
Unrealised loss / (gain) on revaluation of investments classified as FVPL		326,209	(215,538)
Unrealised gain on advances classified as FVPL	31	(56,483)	(30,724)
Gain on sale of property and equipment - net	31	(26,726)	(61,511)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(54,117)	(52,740)
Staff loans - notional cost	32.1	1,746,960	1,249,124
Finance charges on leased assets		2,094,817	1,634,163
Workers' welfare fund		821,570	919,944
Charge for defined benefit plan	32.1	480,951	335,649
Charge for staff compensated absences	32.1	176,000	105,000
		<u>(55,872,032)</u>	<u>(54,659,050)</u>
		(23,841,918)	(13,849,330)
Decrease / (increase) in operating assets			
Lendings to financial institutions		(2,664,413)	65,889,953
Securities classified as FVPL		159,600,150	(77,760,808)
Advances		98,640,822	(43,241,589)
Other assets (excluding advance taxation and mark-up receivable)		(21,444,479)	(9,125,352)
		234,132,080	(64,237,796)
(Decrease) / increase in operating liabilities			
Bills payable		19,421,213	10,242,210
Borrowings		(576,005,280)	(55,978,885)
Deposits		151,494,090	16,001,254
Other liabilities (excluding current taxation and mark-up payable)		10,558,664	25,167,863
		<u>(394,531,313)</u>	<u>(4,567,558)</u>
		(184,241,151)	(82,654,684)
Mark-up / interest received		205,236,748	246,899,316
Mark-up / interest paid		(138,171,485)	(187,164,204)
Income tax paid		(19,642,364)	(25,544,355)
Net cash used in operating activities		<u>(136,818,252)</u>	<u>(48,463,927)</u>
Balance carried forward		(136,818,252)	(48,463,927)

[Signature]



BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
			(Restated)
Balance brought forward		(136,818,252)	(48,463,927)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		203,577,759	116,438,486
Net (divestments) / investments in securities carried at amortised cost		(917,320)	2,865,822
Dividends received from associates		44,993	254,993
Dividends received from other investments		1,410,510	915,242
Divestment from subsidiary	37.2	388,732	-
Investments in property and equipment and intangible assets		(7,771,870)	(12,897,974)
Proceeds from sale of property and equipment		33,615	73,988
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net investment in foreign branches		260,686	(1,655,279)
Net cash generated from investing activities		197,054,194	106,263,078
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(3,206,391)	(2,773,947)
Payment of right issuance cost		-	(13,302)
Dividend paid		(7,873,675)	(15,413,168)
Net cash used in financing activities		(11,080,066)	(18,200,417)
Net increase in cash and cash equivalents		49,155,876	39,598,734
Cash and cash equivalents at beginning of the period		231,145,707	249,771,375
Effects of exchange rate changes on cash and cash equivalents		2,092,890	(1,871,683)
		233,238,597	247,899,692
Expected credit loss allowance on cash and cash equivalents - net		(8,538)	(35,901)
Cash and cash equivalents of discontinued operations		(1,442,577)	-
Cash and cash equivalents at end of the period	39	<u>280,943,358</u>	<u>287,462,525</u>

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.



President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director



Bank Alfalah Limited
Unconsolidated Condensed Interim
Financial Statements
Half year ended June 30, 2025

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	215,406,020	227,823,979
Balances with other banks	8	17,478,976	18,469,608
Lendings to financial institutions	9	153,895,071	100,998,323
Investments	10	1,632,473,718	1,991,232,454
Advances	11	1,010,496,226	1,109,376,154
Property and equipment	12	68,233,175	63,543,484
Right-of-use assets	13	25,648,582	25,290,607
Intangible assets	14	1,511,086	1,543,109
Deferred tax assets		-	-
Other assets	15	169,190,233	171,928,403
Total assets		3,294,333,087	3,710,206,121
LIABILITIES			
Bills payable	16	61,189,539	41,768,326
Borrowings	17	555,834,086	1,141,885,742
Deposits and other accounts	18	2,288,228,299	2,136,912,622
Lease liabilities	19	30,902,605	29,481,938
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	10,853,296	16,515,641
Other liabilities	22	146,259,256	151,529,442
Total liabilities		3,107,267,081	3,532,093,711
NET ASSETS		187,066,006	178,112,410
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		45,255,069	43,466,925
Surplus on revaluation of assets	23	34,959,921	33,778,787
Unappropriated profit		91,079,365	85,095,047
		187,066,006	178,112,410

CONTINGENCIES AND COMMITMENTS

24

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

	Note	Quarter ended June 30, 2025	Quarter ended June 30, 2024	Half year ended June 30, 2025	Half year ended June 30, 2024
		----- (Rupees in '000) -----			
		(Restated)		(Restated)	
Mark-up / return / interest earned	26	93,294,585	128,443,100	188,388,172	258,387,207
Mark-up / return / interest expensed	27	58,921,983	97,171,408	120,803,285	195,831,367
Net mark-up / return / interest income		34,372,602	31,271,692	67,584,887	62,555,840
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,093,096	5,358,165	7,649,749	10,021,206
Dividend income		575,281	757,259	1,455,503	1,159,804
Foreign exchange income	29	3,171,125	2,973,574	5,289,700	5,242,394
(Loss) / income from derivatives		(713,914)	829,102	388,566	1,373,514
Gain on securities	30	7,767,949	2,252,703	8,394,351	2,320,379
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	76,567	123,648	874,229	189,716
Total non-mark-up / interest income		14,970,104	12,294,451	24,052,098	20,307,013
Total income		49,342,706	43,566,143	91,636,985	82,862,853
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,004,603	20,452,409	55,978,382	39,629,066
Workers' welfare fund	33	421,462	493,789	821,570	919,010
Other charges	34	5,346	872	9,557	209,515
Total non-mark-up / interest expenses		29,431,411	20,947,070	56,809,509	40,757,591
Profit before credit loss allowance / provisions		19,911,295	22,619,073	34,827,476	42,105,262
Credit loss allowance / provisions and write offs - net	35	1,364,662	1,513,647	896,645	1,306,853
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		18,546,633	21,105,426	33,930,831	40,798,409
Taxation	36	10,312,154	10,410,135	18,656,250	20,200,064
PROFIT AFTER TAXATION		8,234,479	10,695,291	15,274,581	20,598,345
----- (Rupees) -----					
		(Restated)		(Restated)	
Basic and diluted earnings per share	37	5.22	6.78	9.68	13.06

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

	Quarter ended June 30, 2025	Quarter ended June 30, 2024	Half year ended June 30, 2025	Half year ended June 30, 2024
	----- (Rupees in '000) -----			
		(Restated)		(Restated)
Profit after taxation for the period	8,234,479	10,695,291	15,274,581	20,598,345
Other comprehensive income / (loss)				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	281,468	(949,118)	260,686	(1,655,279)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	5,260,791	1,439,821	3,131,049	(123,683)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(2,163,792)	(80,237)	(2,532,212)	(361,382)
	3,378,467	410,466	859,523	(2,140,344)
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	414,420	467,885	468,031	589,596
Movement in surplus on revaluation of property and equipment - net of tax	(17,970)	(9,920)	(36,814)	(19,744)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,516)	1,146	(10,410)	968
	390,934	459,111	420,807	570,820
Total comprehensive income	<u>12,003,880</u>	<u>11,564,868</u>	<u>16,554,911</u>	<u>19,028,821</u>

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
(Rupees In '000)									
Balance as at December 31, 2023 (audited)	15,771,651	4,731,049	14,191,974	22,478,107	(906,806)	12,088,444	86,726	69,481,688	137,922,833
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771,651	4,731,049	14,191,974	22,478,107	4,095,889	12,088,444	86,726	67,230,988	140,674,828
Changes in equity for the half year ended June 30, 2024									
Profit after taxation - (restated)	-	-	-	-	-	-	-	20,598,345	20,598,345
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(1,655,279)	-	-	-	-	-	(1,655,279)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(123,683)	-	-	-	(123,683)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(361,382)	-	-	-	(361,382)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	589,596	-	-	-	589,596
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(19,744)	-	-	(19,744)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	968	-	968
Total other comprehensive (loss) / income - net of tax	-	-	(1,655,279)	-	104,531	(19,744)	968	-	(1,569,524)
Transfer to statutory reserve	-	-	-	2,060,876	-	-	-	(2,060,876)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(44,116)	(9,180)	53,296	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(22,941)	-	-	22,941	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Closing balance as at June 30, 2024 (un-audited) - restated	15,771,651	4,731,049	12,536,695	24,538,983	4,177,479	12,024,584	78,514	74,804,538	148,663,493
Changes in equity for half year ended December 31, 2024									
Profit after taxation	-	-	-	-	-	-	-	17,719,786	17,719,786
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(110,739)	-	-	-	-	-	(110,739)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	10,925,097	-	-	-	10,925,097
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(538,564)	-	-	-	(538,564)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,441,123	-	-	-	1,441,123
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	456,187	456,187
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,629,026	-	-	5,629,026
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,661	-	235,661
Total other comprehensive (loss) / income - net of tax	-	-	(110,739)	-	11,827,656	5,629,026	235,661	456,187	18,037,791
Balance carried forward	15,771,651	4,731,049	12,425,956	24,538,983	16,005,135	17,653,610	314,175	92,980,511	184,421,070

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
(Rupees in '000)									
Balance brought forward	15,771,651	4,731,049	12,425,956	24,538,983	16,005,135	17,653,610	314,175	92,980,511	184,421,070
Transfer to statutory reserve	-	-	-	1,770,937	-	-	-	(1,770,937)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(100,565)	540	100,025	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(94,108)	-	-	94,108	-
Transactions with owners, recorded directly in equity									
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,911,027	17,553,045	314,715	85,095,047	178,112,410
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511
Balance as at January 01, 2025 after adoption of IFRS 9	15,771,651	4,731,049	12,425,956	26,309,920	16,276,634	17,553,045	314,715	85,013,951	178,396,921
Changes in equity for the half year ended June 30, 2025									
Profit after taxation	-	-	-	-	-	-	-	15,274,581	15,274,581
Other comprehensive income / (loss) - net of tax									
Effect of translation of net investment in foreign branches	-	-	260,686	-	-	-	-	-	260,686
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,131,049	-	-	-	3,131,049
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,532,212)	-	-	-	(2,532,212)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	468,031	-	-	-	468,031
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,814)	-	-	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(10,410)	-	(10,410)
Total other comprehensive income / (loss) - net of tax	-	-	260,686	-	1,066,868	(36,814)	(10,410)	-	1,280,330
Transfer to statutory reserve	-	-	-	1,527,458	-	-	-	(1,527,458)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(60,769)	(10,070)	70,839	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(133,278)	-	-	133,278	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Closing balance as at June 30, 2025 (un-audited)	15,771,651	4,731,049	12,686,642	27,837,378	17,210,224	17,455,462	294,235	91,079,365	187,066,006

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
			(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		33,930,831	40,798,409
Less: Dividend income		(1,455,503)	(1,159,804)
		32,475,328	39,638,605
Adjustments:			
Net mark-up / return / interest income		(67,584,887)	(62,555,840)
Depreciation	32	2,901,659	2,154,803
Depreciation on right-of-use assets	32	2,227,770	1,876,715
Amortisation	32	199,057	172,174
Credit loss allowance /provisions and write offs - net	35	896,645	1,306,853
Unrealised loss / (gain) on revaluation of investments classified as FVPL	30	319,701	(149,044)
Gain on disposal of subsidiary	30.1	(388,732)	-
Unrealised gain on advances classified as FVPL	31	(56,483)	(30,724)
Gain on sale of property and equipment - net	31	(26,726)	(61,511)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(54,117)	(52,740)
Staff loans - notional cost	32.1	1,746,960	1,249,124
Finance charges on leased assets	27	2,087,479	1,621,407
Workers' welfare fund		821,570	919,010
Charge for defined benefit plan	32.1	480,951	335,649
Charge for staff compensated absences	32.1	176,000	105,000
		(56,256,521)	(53,136,924)
		(23,781,193)	(13,498,319)
Decrease / (increase) in operating assets			
Lendings to financial institutions		(2,664,413)	65,889,953
Securities classified as FVPL		159,600,150	(77,474,550)
Advances		98,640,569	(43,244,890)
Other assets (excluding advance taxation and mark-up receivable)		(21,491,075)	(9,490,851)
		234,085,231	(64,320,338)
(Decrease) / increase in operating liabilities			
Bills payable		19,421,213	10,242,210
Borrowings		(575,990,313)	(55,978,885)
Deposits		151,315,677	16,811,069
Other liabilities (excluding current taxation and mark-up payable)		10,430,768	25,412,966
		(394,822,655)	(3,512,640)
		(184,518,617)	(81,331,297)
Mark-up / interest received		205,192,252	246,758,124
Mark-up / interest paid		(138,163,944)	(186,978,728)
Income tax paid		(19,622,086)	(25,524,098)
Net cash used in operating activities		(137,112,395)	(47,075,999)
Balance carried forward		(137,112,395)	(47,075,999)

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
			(Restated)
Balance brought forward		(137,112,395)	(47,075,999)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		203,577,759	116,586,073
Net (divestments) / investments in securities carried at amortised cost		(917,320)	2,865,822
Divestment from / (investment in) subsidiaries		388,732	(2,200,000)
Dividends received		1,455,503	1,170,235
Investments in property and equipment and intangible assets		(7,737,203)	(12,820,431)
Proceeds from sale of property and equipment		33,615	73,988
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net investment in foreign branches		260,686	(1,655,279)
Net cash generated from investing activities		197,088,861	104,288,208
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(3,200,274)	(2,754,091)
Dividend paid		(7,873,675)	(15,413,168)
Net cash used in financing activities		(11,073,949)	(18,167,259)
Net increase in cash and cash equivalents		48,902,517	39,044,950
Cash and cash equivalents at the beginning of the period		229,857,147	249,771,602
Effects of exchange rate changes on cash and cash equivalents		2,092,890	(1,871,683)
		231,950,037	247,899,919
Expected credit loss allowance on cash and cash equivalents - net		(8,538)	(35,901)
Cash and cash equivalents at the end of the period	38	280,844,016	286,908,968

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025****1 STATUS AND NATURE OF BUSINESS**

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Bank's registered office is located at B.A. Building, I.I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 1,172 branches (December 31, 2024: 1,141 branches) and 12 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,172 branches, 713 (December 31, 2024: 707) are conventional, 448 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31, 2024: 1) is an offshore banking unit.

The Pakistan Credit Rating Agency Limited has reaffirmed the Bank's long-term rating as 'AAA' and short-term rating as 'A1+' with stable outlook on June 28, 2025.

2 BASIS OF PRESENTATION**2.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS Accounting Standards) 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).

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.1.1 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2024.

2.1.2 These unconsolidated condensed interim financial statements represent separate financial statements of Bank Alfalah Limited in which investment in subsidiaries and associates are accounted for on the basis of cost less accumulated impairment losses, if any.

2.1.3 Key financial figures of the Islamic Banking branches are disclosed in note 43 to these unconsolidated condensed interim financial statements.

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

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2025 but are considered not relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements. The impact of IFRS 9 for the current period is disclosed in note 4.1.2 of these unconsolidated condensed interim financial statements. Further, the comparative period has been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 4.1.1.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or will not have any material effect on the Bank's financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the unconsolidated condensed interim financial statements.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain property and equipment and non banking assets acquired in satisfaction of claims are stated at revalued amounts; investments classified at fair value through profit and loss and fair value through other comprehensive income; advances classified at fair value through profit and loss, foreign exchange contracts and derivative financial instruments are measured at fair value; defined benefit obligations are carried at present value; right of use of asset and related lease liability are measured at present value on initial recognition; and staff loans are measured at fair value on initial recognition.

3.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2024. Impacts of adoption of IFRS 9 for the comparative and current period are disclosed in note 4.1.

4.1 IFRS 9 - 'Financial Instruments'

4.1.1 The Bank had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 2,751.995 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Bank, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the unconsolidated condensed interim statement of profit and loss account (un-audited) for the half year ended June 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the half year ended June 30, 2024 would have been higher by Rs. 10.416 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest earned	Increase	1,345,058	Fair value impact of subsidised advances and modification of advances
Mark-up / return / interest earned	Increase	1,249,124	Fair value impact on staff loans
Other income	Increase	30,724	Fair value impact of advances measured at fair value through profit and loss
		2,624,906	
Mark-up / return / interest expensed	Increase	1,396,206	Fair value impact of subsidised borrowings
Operating expenses	Increase	1,249,124	Fair value impact on staff loans
		2,645,330	
Taxation	Decrease	10,008	Tax impact of restatement
		Rupees	
Basic and diluted earnings per share	Decrease	0.01	EPS impact of restatement

4.1.2 During the current period, in accordance with BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 dated July 29, 2024 the Bank has applied IFRS 9 'Financial Instruments' for Bangladesh Operations and measured unquoted equity securities at fair value. The cumulative impact of application in current period amounting to Rs. 284.511 million net of tax has been recorded as an adjustment to equity at the beginning of the current period.

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Bank would have been higher by Rs. 134.636 million.

4.1.4 The SBP in a separate instruction SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025 has allowed extension for application of Effective Interest Rate upto December 31, 2025.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

The significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2024 except for matters related to IFRS 9 which have been disclosed in note 4.1 to these unconsolidated condensed interim financial statements.

6 FINANCIAL RISK MANAGEMENT

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

7 CASH AND BALANCES WITH TREASURY BANKS

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
Note	-----	-----
	(Rupees in '000)	(Rupees in '000)
In hand		
- local currency	48,391,658	48,323,420
- foreign currency	4,564,694	5,594,597
	52,956,352	53,918,017
With State Bank of Pakistan in		
- local currency current accounts	65,884,748	92,348,385
- foreign currency current accounts	7,926,927	7,192,719
- foreign currency deposit accounts	12,772,008	10,832,548
	86,583,683	110,373,652
With other central banks in		
- foreign currency current accounts	63,356,120	60,980,202
- foreign currency deposit accounts	1,557,796	1,820,112
	64,913,916	62,800,314
With National Bank of Pakistan in local currency current account	10,868,492	628,396
Prize bonds	99,814	119,605
	215,422,257	227,839,984
Less: Credit loss allowance held against cash and balances with treasury banks	(16,237)	(16,005)
Cash and balances with treasury banks - net of credit loss allowance	215,406,020	227,823,979

8 BALANCES WITH OTHER BANKS

In Pakistan in current accounts	35,165	37,316
Outside Pakistan		
- in current accounts	17,425,953	18,406,200
- in deposit accounts	32,054	31,982
	17,458,007	18,438,182
	17,493,172	18,475,498
Less: Credit loss allowance held against balances with other banks	(14,196)	(5,890)
Balances with other banks - net of credit loss allowance	17,478,976	18,469,608

9 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	51,624,880	1,792,764
Repurchase agreement lendings (Reverse Repo)	102,270,862	94,208,913
Bai Muajjal receivable - other financial institution	-	4,997,525
	153,895,742	100,999,202
Less: Credit loss allowance held against lending to financial institutions	(671)	(879)
Lending to financial institutions - net of credit loss allowance	153,895,071	100,998,323

9.1

June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
Lending	Credit loss allowance held	Lending	Credit loss allowance held

(Rupees in '000)

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

Domestic					
Performing	Stage 1	152,970,862	595	99,606,438	754
Overseas					
Performing	Stage 1	924,880	76	1,392,764	125
Total		153,895,742	671	100,999,202	879

10 INVESTMENTS

10.1 Investments by type:

June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value

(Rupees in '000)

Fair value through profit and loss

Federal Government Securities								
- Market Treasury Bills	42,060,822	-	(11,351)	42,049,471	74,055,824	-	(5,499)	74,050,325
- Pakistan Investment Bonds	56,814,754	-	53,544	56,868,298	183,913,135	-	47,072	183,960,207
- Ijarah Sukuks	260,372	-	716	261,088	1,733,628	-	10,084	1,743,712
- Naya Pakistan Certificates	1,009,002	-	-	1,009,002	2,651,621	-	-	2,651,621
Shares								
- Ordinary Shares - Listed	4,693,696	-	(124,974)	4,568,722	2,432,428	-	1,099,694	3,532,122
- Preference Shares - Unlisted	-	-	-	-	-	-	500,000	500,000
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	422,444	-	957	423,401	422,000	-	444	422,444
Foreign Securities								
- Overseas Bonds - Sovereign	15,095,846	-	(16,938)	15,078,908	13,043,880	-	(6,799)	13,037,081
- Redeemable Participating Certificates	8,255,474	-	(221,655)	8,033,819	5,913,093	-	2,401,955	8,315,048
	130,062,410	-	(319,701)	129,742,709	285,615,609	-	4,046,951	289,662,560

Fair value through other comprehensive income

Federal Government Securities								
- Market Treasury Bills	12,759,353	-	75,315	12,834,668	22,007,486	-	428,380	22,435,866
- Pakistan Investment Bonds	840,938,935	-	18,731,847	859,670,782	1,009,681,395	-	14,952,851	1,024,634,246
- Ijarah Sukuks	217,773,294	-	6,764,086	224,537,380	241,695,919	-	9,230,018	250,925,937
- Government of Pakistan Euro Bonds	12,178,653	(1,947,664)	1,178,820	11,409,809	12,368,725	(2,145,627)	922,305	11,145,403
Shares								
- Ordinary Shares - Listed	13,158,541	-	5,733,660	18,892,201	10,202,508	-	4,768,790	14,971,298
- Ordinary Shares - Unlisted	1,319,051	-	2,080,704	3,399,755	1,351,363	-	1,471,825	2,823,188
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,942,200	(108,526)	-	1,833,674	2,076,398	(111,745)	-	1,964,653
- Sukuks	15,361,416	(96,511)	(92,228)	15,172,677	15,584,244	(96,511)	140,246	15,627,979
Foreign Securities								
- Overseas Bonds - Sovereign	49,102,235	(71,070)	(872,353)	48,158,812	50,691,578	(77,534)	(1,417,964)	49,196,080
- Overseas Bonds - Others	24,023,296	(5,992)	(678,330)	23,338,974	26,231,004	(7,505)	(1,030,029)	25,193,470
- Equity Securities - Listed	270,436	-	(15,754)	254,682	265,427	-	(8,246)	257,181
- Preference Shares - Unlisted	567,545	-	-	567,545	557,108	-	-	557,108
REIT Fund - listed	1,072,965	-	407,336	1,480,301	1,000,489	-	514,493	1,514,982
	1,190,492,920	(2,254,763)	33,313,103	1,221,551,260	1,393,738,644	(2,463,922)	29,972,669	1,421,247,391
Balance carried forward	1,320,555,330	(2,254,763)	32,993,402	1,351,293,969	1,679,354,253	(2,463,922)	34,019,620	1,710,909,951

10.1 Investments by type:

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
Balance brought forward	1,320,555,330	(2,254,763)	32,993,402	1,351,293,969	1,679,354,253	(2,463,922)	34,019,620	1,710,909,951
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	217,132,123	-	-	217,132,123	218,414,195	-	-	218,414,195
- Ijarah Sukuks	40,427,531	-	-	40,427,531	40,376,451	-	-	40,376,451
Non Government Debt Securities								
- Term Finance Certificates	387,180	(24,724)	-	362,456	324,680	(24,715)	-	299,965
- Sukuks	3,250,645	(56,413)	-	3,194,232	3,509,612	(56,421)	-	3,453,191
Foreign Securities								
- Overseas Bonds - Sovereign	17,939,771	(53,970)	-	17,885,801	15,601,311	(216)	-	15,601,095
	279,137,250	(135,107)	-	279,002,143	278,226,249	(81,352)	-	278,144,897
Associates	1,177,606	-	-	1,177,606	1,177,606	-	-	1,177,606
Subsidiaries	1,000,000	-	-	1,000,000	2,505,217	(1,505,217)	-	1,000,000
Total investments	1,601,870,186	(2,389,870)	32,993,402	1,632,473,718	1,961,263,325	(4,050,491)	34,019,620	1,991,232,454

10.2 Particulars of assets and liabilities of subsidiaries and associates

				June 30, 2025 (Un-audited)				
Subsidiary / Associate	Country of Incorporation	Percentage of holding		Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
----- (Rupees in '000) -----								
Alfalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,093,074	133,434	89,982	(64,531)	(63,303)
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	9,067,098	5,652,907	1,547,909	332,611	268,801
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,794,137	2,503,947	2,919,833	1,613,250	1,613,250
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	3,647,374	862,169	1,438,243	341,143	341,143

				December 31, 2024 (Audited)		June 30, 2024 (Un-audited)		
Subsidiary / Associate	Country of Incorporation	Percentage of holding		Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
----- (Rupees in '000) -----								
Alfalah Securities (Private) Limited	Subsidiary	Pakistan	95.59%	1,850,958	1,358,817	402,659	(178,710)	(178,710)
Alfalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,081,681	58,738	80,024	15,299	15,427
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	7,622,491	4,327,101	1,322,373	353,768	392,855
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,530,002	3,853,062	3,011,661	1,640,280	1,640,280
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	3,473,064	1,014,104	744,265	169,227	169,227

10.2.1 The shareholders of the Bank in annual general meeting held on March 20, 2025 approved to sell entire shareholding in its subsidiary, Alfalah Securities (Private) Limited. The sale transaction was completed during the period in accordance with the applicable legal and regulatory requirements against a consideration of Rs. 388.732 million.

(Un-audited) (Audited)
June 30, December 31,
2025 2024
----- (Rupees in '000) -----

10.3 Investments given as collateral

- Market Treasury Bills
- Pakistan Investment Bonds
- Overseas Bonds

-	18,948,162
409,993,123	952,096,877
11,762,845	8,759,125
<u>421,755,968</u>	<u>979,804,164</u>

10.3.1 The market value of securities given as collateral is Rs. 426,304.813 million (December 31, 2024: Rs. 993,194.012 million).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
10.4 Credit loss allowance / provision for diminution in value of investments		
10.4.1 Opening balance	4,050,491	3,660,630
Impact of adoption of IFRS 9	60,074	(437,729)
Balance as at January 01 after adopting IFRS 9	<u>4,110,565</u>	<u>3,222,901</u>
Exchange and other adjustments	42,146	(29,753)
Charge / (reversals)		
Charge for the period / year	80,531	1,436,742
Reversals for the period / year	(144,830)	(578,980)
Reversal on disposals	<u>(193,325)</u>	<u>(419)</u>
	(257,624)	857,343
Adjustment of provision on disposal of subsidiary	10.2.1	(1,505,217)
Closing balance	<u>2,389,870</u>	<u>4,050,491</u>

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification

		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance / Provision held	Outstanding amount	Credit loss allowance / Provision held
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	806,250	85	806,250	85
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>311,089</u>	<u>311,089</u>	<u>314,307</u>	<u>314,307</u>
		1,117,339	311,174	1,120,557	314,392
Overseas					
Performing	Stage 1	91,065,302	131,032	78,312,741	85,255
Underperforming	Stage 2	-	-	14,211,152	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		<u>104,361,294</u>	<u>2,389,870</u>	<u>106,013,175</u>	<u>2,545,274</u>

10.4.3 The market value of securities classified at amortised cost as at June 30, 2025 amounted to Rs. 282,053.215 million (December 31, 2024: Rs. 279,284.570 million).

11 ADVANCES

Note	Performing		Non Performing		Total	
	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
(Rupees in '000)						
Classified at amortised cost						
Loans, cash credits, running finances, etc.	781,181,370	929,992,559	38,228,807	36,402,132	819,410,177	966,394,691
Islamic financing and related assets 43.3	205,936,454	166,361,932	5,458,170	5,688,223	211,394,624	172,050,155
Bills discounted and purchased	24,192,002	16,129,793	198,704	269,602	24,390,706	16,399,395
	<u>1,011,309,826</u>	<u>1,112,484,284</u>	<u>43,885,681</u>	<u>42,359,957</u>	<u>1,055,195,507</u>	<u>1,154,844,241</u>
Classified at FVPL						
Loans, cash credits, running finances, etc.	2,250,000	1,200,000	-	-	2,250,000	1,200,000
Fair value adjustment on loans - FVPL	270,218	213,735	-	-	270,218	213,735
	<u>2,520,218</u>	<u>1,413,735</u>	<u>-</u>	<u>-</u>	<u>2,520,218</u>	<u>1,413,735</u>
Advances - gross	<u>1,013,830,044</u>	<u>1,113,898,019</u>	<u>43,885,681</u>	<u>42,359,957</u>	<u>1,057,715,725</u>	<u>1,156,257,976</u>
Credit loss allowance / provision against advances						
- Stage 1 11.4	(1,778,969)	(2,232,954)	-	-	(1,778,969)	(2,232,954)
- Stage 2 11.4	(1,206,374)	(1,388,083)	-	-	(1,206,374)	(1,388,083)
- Stage 3 11.4	-	-	(40,122,979)	(38,436,013)	(40,122,979)	(38,436,013)
- Specific 11.4	-	-	-	(587,690)	-	(587,690)
- General 11.4	(4,111,177)	(4,237,082)	-	-	(4,111,177)	(4,237,082)
	<u>(7,096,520)</u>	<u>(7,858,119)</u>	<u>(40,122,979)</u>	<u>(39,023,703)</u>	<u>(47,219,499)</u>	<u>(46,881,822)</u>
Advances - net of credit loss allowance / provision	<u>1,006,733,524</u>	<u>1,106,039,900</u>	<u>3,762,702</u>	<u>3,336,254</u>	<u>1,010,496,226</u>	<u>1,109,376,154</u>

- 11.1** Advances include an amount of Rs. 425.928 million (December 31, 2024: Rs. 395.404 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 13.94% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to October 2043 (December 31, 2024: October 2043).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
(Rupees in '000)		
11.2 Particulars of advances (gross)		
In local currency	965,076,069	1,038,683,097
In foreign currencies	92,639,656	117,574,879
	<u>1,057,715,725</u>	<u>1,156,257,976</u>

- 11.3** Advances include Rs. 43,885.681 million (December 31, 2024: Rs. 42,359.957 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3

	June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
(Rupees in '000)				
Domestic				
Other Assets Especially Mentioned (OAEM)	269,574	-	237,808	-
Substandard	2,404,019	947,201	2,991,264	1,260,906
Doubtful	3,706,756	1,835,308	2,311,039	1,103,457
Loss	36,832,335	36,728,566	36,164,401	36,071,650
	<u>43,212,684</u>	<u>39,511,075</u>	<u>41,704,512</u>	<u>38,436,013</u>
Overseas				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	672,997	611,904	616,745	564,335
	<u>672,997</u>	<u>611,904</u>	<u>655,445</u>	<u>587,690</u>
Total	<u>43,885,681</u>	<u>40,122,979</u>	<u>42,359,957</u>	<u>39,023,703</u>

11.4 Particulars of credit loss allowance / provision against advances

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)						
	Expected Credit Loss			Specific	General	Total	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3		
(Rupees in '000)											
Opening balance	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822	-	-	32,373,670	9,861,797	42,235,467
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,603,839	(31,883,354)	5,330,502
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444	3,383,875	1,941,645	33,603,839	8,146,294	47,565,969
Exchange and other adjustments	2,199	-	(4,713)	-	(3,449)	(5,963)	(249)	-	(49,929)	(35,775)	(85,953)
Charge for the period / year	264,689	434,011	5,024,607	-	-	5,723,307	589,912	228,688	14,209,301	-	15,176,195
Reversals for the period / year	(703,294)	(624,139)	(3,359,807)	-	(122,456)	(4,809,696)	(1,576,721)	(680,132)	(7,187,019)	(3,873,437)	(13,318,300)
	(438,605)	(190,128)	1,664,800	-	(122,456)	913,611	(986,809)	(451,444)	7,022,282	147,303	1,857,895
Transfer	(68,241)	(41,480)	109,721	-	-	-	(163,863)	(102,118)	265,981	-	-
Amounts written off	-	-	(9,465)	-	-	(9,465)	-	-	(19,688)	-	(19,688)
Amounts charged off	-	-	(635,382)	-	-	(635,382)	-	-	(2,310,924)	-	(2,310,924)
Amounts charged off - agriculture financing	-	-	(25,746)	-	-	(25,746)	-	-	(125,477)	-	(125,477)
	(68,241)	(41,480)	(560,872)	-	-	(670,593)	(163,863)	(102,118)	(2,190,108)	-	(2,456,089)
Closing balance	1,778,969	1,206,374	40,122,979	-	4,111,177	47,219,499	2,232,954	1,388,083	38,436,013	587,690	46,881,822

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 85,883 million (December 31, 2024: Rs. 79,607 million).

11.4.2 During the period, non performing loans and provisions were reduced by Rs. 442.462 million (December 31, 2024: Rs. 5,317.765 million) due to debt property swap transactions.

11.4.3 General provision includes:

- Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- Provision of Rs. 3,878.000 million (December 31, 2024: Rs. 3,878.000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposure, staff loans and loans secured against liquid collaterals.

11.4.4 Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loan, the Bank holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

11.5 Advances - particulars of credit loss allowance / provision against advances

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)						
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total	
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)											
Opening balance	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822	-	-	32,373,670	9,861,797	42,235,467
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,603,839	(31,883,354)	5,330,502
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444	3,383,875	1,941,645	33,603,839	490,316	47,565,969
Exchange and other adjustments	2,199	-	(4,713)	-	(3,449)	(5,963)	(249)	-	(49,929)	(35,775)	(85,953)
New advances	264,689	434,011	3,725,672	-	-	4,424,372	589,912	228,688	10,736,585	55,479	11,610,664
Due to credit deterioration	-	-	1,298,935	-	-	1,298,935	-	-	3,472,716	92,815	3,565,531
Advances derecognised or repaid / reversal	(694,713)	(304,245)	(3,236,276)	-	(122,456)	(4,357,690)	(1,348,975)	(337,218)	(6,805,825)	(991)	(12,366,446)
Transfer to stage 1	43,421	(43,421)	-	-	-	-	209,329	(209,329)	-	-	-
Transfer to stage 2	(105,876)	105,876	-	-	-	-	(342,027)	342,027	-	-	-
Transfer to stage 3	(5,786)	(103,935)	109,721	-	-	-	(31,165)	(234,816)	265,981	-	-
Changes in risk parameters	(8,581)	(319,894)	(123,531)	-	-	(452,006)	(227,746)	(342,914)	(381,194)	-	(951,854)
	(506,846)	(231,608)	1,774,521	-	(122,456)	913,611	(1,150,672)	(553,562)	7,288,263	147,303	1,857,895
Amounts written off	-	-	(9,465)	-	-	(9,465)	-	-	(19,688)	-	(19,688)
Amounts charged off	-	-	(661,128)	-	-	(661,128)	-	-	(2,436,401)	-	(2,436,401)
Closing balance	1,778,969	1,206,374	40,122,979	-	4,111,177	47,219,499	2,232,954	1,388,083	38,436,013	587,690	46,881,822

11.6 Particulars of charged-off loans/ advances / finances

	June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance of charged-off	186	2,982,475	44	2,267,137
Charge-off during the period / year	160	152,889	145	1,331,003
Sub total	346	3,135,364	189	3,598,140
Recoveries made during the period / year against already charged-off cases	12	175,281	2	247,585
Amount written off from already charged off loans	-	-	-	-
Other movement	-	-	1	368,080
Closing balance of charged-offs	334	2,960,083	186	2,982,475

11.7 Advances - category of classification

		June 30, 2025		December 31, 2024	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	843,002,879	1,634,444	950,300,223	2,101,954
Underperforming	Stage 2	132,246,040	1,138,076	112,325,725	1,388,083
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		269,574	-	237,808	-
Substandard		2,404,019	947,201	2,991,264	1,260,906
Doubtful		3,706,756	1,835,308	2,311,039	1,103,457
Loss		36,832,335	36,728,566	36,164,401	36,071,650
General provision		-	3,878,000	-	3,878,000
		1,018,461,603	46,161,595	1,104,330,460	45,804,050
Overseas					
Performing	Stage 1	35,163,062	144,525	51,272,071	131,000
Underperforming	Stage 2	3,418,064	68,298	-	-
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		-	-	-	-
Substandard		-	-	38,700	23,355
Doubtful		-	-	-	-
Loss		672,996	611,904	616,745	564,335
General provision		-	233,177	-	359,082
		39,254,122	1,057,904	51,927,516	1,077,772
Total		1,057,715,725	47,219,499	1,156,257,976	46,881,822

		Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----				
12 PROPERTY AND EQUIPMENT				
Capital work-in-progress		12.1	4,572,208	3,471,199
Property and equipment		12.2	63,660,967	60,072,285
			<u>68,233,175</u>	<u>63,543,484</u>
12.1 Capital work-in-progress				
Civil works			3,674,231	3,187,748
Equipment			868,885	252,122
Others			29,092	31,329
			<u>4,572,208</u>	<u>3,471,199</u>

12.2 It includes land and buildings carried at revalued amount of Rs. 40,013.824 million (December 31, 2024: Rs. 39,448.429 million).

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
12.3	Additions to property and equipment		
The following additions were made to property and equipment during the period:			
	Capital work-in-progress - net of transferred out for capitalisation	1,101,009	251,909
	Property and equipment		
	Freehold land	283,710	1,244,879
	Leasehold land	-	5,604,974
	Buildings on freehold land	234,372	565,440
	Buildings on leasehold land	204,571	355,244
	Leasehold improvements	1,876,629	1,464,151
	Furniture and fixtures	460,860	430,502
	Office equipments	2,189,474	2,181,109
	Vehicles	1,219,504	429,346
		6,469,120	12,275,645
	Total additions to property and equipment	7,570,129	12,527,554
12.4	Disposals of property and equipment		
The net book values of property and equipment disposed off during the period are as follows:			
	Leasehold improvements	-	1,181
	Furniture and fixtures	376	219
	Office equipments	6,513	10,861
	Vehicles	-	216
	Total disposals of property and equipment	6,889	12,477
		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
13	RIGHT-OF-USE ASSETS		
	At January 1		
	Cost	36,609,168	28,813,726
	Accumulated depreciation	(11,318,561)	(8,862,155)
	Net carrying amount at January 01	25,290,607	19,951,571
	Additions / renewals / amendments / (terminations) - net during the period / year	2,580,596	9,309,533
	Depreciation charge during the period / year	(2,227,770)	(3,923,093)
	Exchange rate adjustments	5,149	(47,404)
	Closing net carrying amount	25,648,582	25,290,607
14	INTANGIBLE ASSETS		
	Capital work-in-progress / advance payment to suppliers	422,635	396,879
	Software	1,088,451	1,146,230
		1,511,086	1,543,109
		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
14.1	Additions to intangible assets		
The following additions were made to intangible assets during the period:			
	Capital work-in-progress - net; of transferred out for capitalisation	25,756	(26,694)
	Directly purchased	141,318	328,890
	Total additions to intangible assets	167,074	302,196
14.2	There were no disposals of intangible assets during the periods ended June 30, 2025 and June 30, 2024.		

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
15 OTHER ASSETS			
Income / mark-up accrued in local currency - net		62,293,044	82,067,618
Income / mark-up accrued in foreign currencies - net		2,013,623	2,724,193
Advances, deposits, advance rent and other prepayments		6,473,830	4,582,638
Advance taxation (payments less provisions)		-	3,673,656
Advance against subscription of share		55,343	-
Non-banking assets acquired in satisfaction of claims	15.1	8,322,091	7,830,251
Mark to market gain on forward foreign exchange contracts		1,417,928	1,288,538
Mark to market gain on derivatives		2,290,603	3,128,782
Stationery and stamps on hand		25,731	28,155
Defined benefit plan		851,040	1,331,990
Branch adjustment account		260,002	29,195
Alternative Delivery Channel (ADC) settlement accounts	15.3	5,456,513	-
Due from card issuing banks		3,445,952	2,817,994
Accounts receivable		14,298,850	10,613,225
Claims against fraud and forgeries		119,812	108,907
Acceptances		42,907,503	33,015,615
Receivable against Government of Pakistan and overseas government securities		65,234	44,928
Receivable against marketable securities		-	400,576
Deferred cost on staff loans		22,296,456	21,080,743
Others		114,875	135,539
		172,708,430	174,902,543
Less: Credit loss allowance / provision held against other assets	15.2	(3,998,230)	(3,466,022)
Other assets (net of credit loss allowance / provision)		168,710,200	171,436,521
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	480,033	491,882
Other assets - total		169,190,233	171,928,403

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,802.124 million (December 31, 2024: Rs. 8,322.133 million).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
15.2 Credit loss allowance / provision held against other assets		
Impairment against overseas operations	3,345,731	2,708,477
Expected credit loss	99,652	181,325
Fraud and forgeries	119,812	108,907
Accounts receivable	67,083	67,326
Others	365,952	399,987
	3,998,230	3,466,022
15.2.1 Movement in credit loss allowance / provision held against other assets		
Opening balance	3,466,022	2,984,277
Impact of adoption of IFRS 9	862	370,152
Balance as at January 01 after adopting IFRS 9	3,466,884	3,354,429
Exchange and other adjustments	(3,843)	(2,777)
Charge for the period / year	685,737	531,375
Reversals for the period / year	(148,270)	(372,333)
	537,467	159,042
Amount written off	(2,278)	(44,672)
Closing balance	3,998,230	3,466,022

15.3 This represents settlement arising from alternate delivery channel transactions at the cut off date.

(Un-audited) (Audited)
June 30, December 31,
2025 2024
------(Rupees in '000)-----

16 BILLS PAYABLE

In Pakistan	60,712,307	41,462,676
Outside Pakistan	477,232	305,650
	<u>61,189,539</u>	<u>41,768,326</u>

17 BORROWINGS**Secured**

Borrowings from the State Bank of Pakistan under:

Export Refinance Scheme	22,277,833	26,867,803
Long-Term Finance Facility	18,070,342	20,278,409
Financing Facility for Renewable Energy Projects	12,899,788	13,762,263
Financing Facility for Storage of Agriculture Produce (FFSAP)	787,450	698,919
Temporary Economic Refinance Facility (TERF)	23,922,342	25,697,206
Export Refinance under Bill Discounting	13,479,847	14,253,363
SME Asaan Finance (SAAF)	3,950,800	7,073,103
Refinance Facility for Combating COVID (RFCC)	990,571	932,258
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	428,341	172,604
Modernization of Small and Medium Entities (MSMES)	2,207,727	1,855,749
Other refinance schemes	968	232
Repurchase agreement borrowings	355,585,500	911,260,540
	<u>454,601,509</u>	<u>1,022,852,449</u>

Repurchase agreement borrowings

Bai Muajjal	21,928,158	32,209,792
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Total secured	<u>50,720,362</u>	<u>48,654,565</u>
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Unsecured

Call borrowings	11,350,580	11,414,695
Overdrawn nostro accounts	3,665,860	15,736,314
Borrowings of overseas branches	3,947,677	5,750,351
Others		
- Pakistan Mortgage Refinance Company	6,257,616	2,464,030
- Karandaaz Risk Participation	3,362,324	2,803,546
Total unsecured	<u>28,584,057</u>	<u>38,168,936</u>

555,834,086 1,141,885,742

18 DEPOSITS AND OTHER ACCOUNTS

June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total

(Rupees in '000)

Customers

- Current deposits	781,343,826	159,346,436	940,690,262	644,305,838	165,613,660	809,919,498
- Savings deposits	621,551,492	32,926,059	654,477,551	607,199,365	34,755,471	641,954,836
- Term deposits	359,715,079	86,148,628	445,863,707	315,007,439	69,798,774	384,806,213
- Others	53,814,235	13,022,712	66,836,947	35,232,274	12,915,513	48,147,787
	<u>1,816,424,632</u>	<u>291,443,835</u>	<u>2,107,868,467</u>	<u>1,601,744,916</u>	<u>283,083,418</u>	<u>1,884,828,334</u>

Financial Institutions

- Current deposits	6,079,735	3,033,647	9,113,382	4,387,043	2,747,963	7,135,006
- Savings deposits	121,214,114	1,296,540	122,510,654	186,276,613	2,372,391	188,649,004
- Term deposits	40,462,363	8,163,178	48,625,541	47,797,204	8,366,800	56,164,004
- Others	110,157	98	110,255	136,154	120	136,274
	<u>167,866,369</u>	<u>12,493,463</u>	<u>180,359,832</u>	<u>238,597,014</u>	<u>13,487,274</u>	<u>252,084,288</u>
	<u>1,984,291,001</u>	<u>303,937,298</u>	<u>2,288,228,299</u>	<u>1,840,341,930</u>	<u>296,570,692</u>	<u>2,136,912,622</u>

18.1 Current deposits include remunerative current deposits of Rs. 33,305.574 million (December 31, 2024: Rs. 26,618.402 million).

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	-----	-----
19	LEASE LIABILITIES	(Rupees in '000)	
	Opening as at January 01	29,481,938	22,894,533
	Additions / renewals / amendments / (terminations) - net	2,526,479	9,245,802
	Finance charges	2,087,479	3,503,522
	Lease payments including interest	(3,200,274)	(6,108,213)
	Exchange rate / other adjustment	6,983	(53,706)
	Closing net carrying amount	<u>30,902,605</u>	<u>29,481,938</u>

19.1 Liabilities outstanding

Not later than one year	2,239,421	2,045,816
Later than one year and upto five years	12,106,352	11,045,465
Over five years	16,556,832	16,390,657
Total as at period / year end	<u>30,902,605</u>	<u>29,481,938</u>

For the purpose of discounting PKRV rates are being used.

20 SUBORDINATED DEBT

Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	7,000,000	7,000,000
		<u>14,000,000</u>	<u>14,000,000</u>

20.1 Term Finance Certificates VI - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Bank issued listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013. Summary of terms and conditions of the issue are:

Issue amount	Rs. 7,000,000,000
Issue date	March 2018
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Bank including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Bank is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 1.50% with no step up feature. Base Rate is defined as the six months KIBOR (ask side) prevailing on one (1) business day prior to previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Bank's current year's earning and if the Bank is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call Option	The Bank may, at its sole discretion, exercise call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of same and better quality.

20.2 Term Finance Certificates VIII - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Bank issued Rs. 7,000 million of privately placed, listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD circular No. 06 dated August 15, 2013. Summary of key terms and conditions of the issue are as follows:

Issue amount	Rs. 7,000,000,000
Issue date	December 2022
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Bank including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Bank is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 2.00% with no step up feature. Base Rate is defined as the six months KIBOR (ask side) prevailing on one (1) business day prior to previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Bank's current year's earning and if the Bank is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call Option	The Bank may, at its sole discretion, exercise call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of same and better quality.

21 DEFERRED TAX LIABILITIES

(Un-audited) (Audited)
June 30, December 31,
2025 2024

----- (Rupees in '000) -----

Deductible Temporary Differences on:

- Credit loss allowance / provision against investments
- Credit loss allowance / provision against advances
- Modification of advances
- Credit loss allowance / provision against other assets
- Lease liabilities
- Credit loss allowance against balances with treasury banks
- Credit loss allowance against balances with other banks
- Credit loss allowance against lendings to financial institutions
- Unrealised loss on FVPL investments
- Workers' welfare fund

(2,448,487)	(2,375,374)
(4,185,427)	(4,857,280)
(42,935)	(49,009)
(1,903,500)	(1,534,994)
(17,886,012)	-
(8,743)	(8,679)
(6,368)	(2,082)
(197)	(311)
(133,580)	-
(2,931,282)	(2,504,065)
(29,546,531)	(11,331,794)

Taxable Temporary Differences on:

- Unrealised gain on FVPL investments
- Unrealised gain on FVPL advances
- Unrealised net gain on fair value of refinancing
- Right-of-use assets
- Surplus on revaluation of FVOCI investments
- Surplus on revaluation of property and equipments
- Surplus on revaluation of non banking assets
- Accelerated tax depreciation

-	2,087,729
140,514	111,143
598,135	643,213
13,337,263	-
18,644,410	17,236,946
2,423,721	2,386,906
185,798	177,167
5,069,986	5,204,331
40,399,827	27,847,435
10,853,296	16,515,641

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
22 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		15,635,755	35,004,706
Mark-up / return / interest payable in foreign currencies		1,714,821	1,715,640
Unearned fee commission and income on bills discounted and guarantees		4,716,727	4,063,795
Accrued expenses		18,483,769	17,275,667
Current taxation		2,546,261	-
Acceptances		42,907,503	33,015,615
Dividends payable		319,860	307,709
Mark to market loss on forward foreign exchange contracts		483,371	1,090,874
Mark to market loss on derivatives		80,822	69,063
Alternative Delivery Channel (ADC) settlement accounts	22.2	-	1,719,649
Provision for compensated absences		1,466,476	1,290,476
Payable against redemption of customer loyalty / reward points		1,422,507	1,041,845
Charity payable		174,129	176,604
Credit loss allowance / provision against off-balance sheet obligations	22.1	909,236	780,711
Security deposits against leases, lockers and others		17,026,080	13,058,856
Workers' welfare fund		7,611,094	6,789,523
Payable to vendors and suppliers		786,149	630,070
Margin deposits on derivatives		1,719,927	2,415,337
Payable to merchants (card acquiring)		1,500,372	959,295
Indirect taxes payable		5,684,093	6,453,825
Payable against marketable securities		111,321	-
Liability against share based payment		609,012	870,000
Trading liability		10,732,703	15,600,626
Others		9,617,268	7,199,556
		<u>146,259,256</u>	<u>151,529,442</u>

22.1 Credit loss allowance / provision against off-balance sheet obligations

Opening balance	780,711	78,624
Impact of adoption of IFRS 9	2,714	1,085,673
Balance as at January 01 after adopting IFRS 9	<u>783,425</u>	<u>1,164,297</u>
Exchange and other adjustments	6,216	(4,925)
Charge for the period / year	<u>343,990</u>	<u>472,414</u>
Reversals for the period / year	<u>(224,395)</u>	<u>(851,075)</u>
	<u>119,595</u>	<u>(378,661)</u>
Closing balance	<u>909,236</u>	<u>780,711</u>

22.2 This represents settlement arising from alternate delivery channel transactions at the cut off date.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
23 SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	10.1	25,107,157	23,225,807
- Securities measured at FVOCI - equity	10.1	8,205,946	6,746,862
- Property and equipment		19,879,183	19,939,951
- Non-banking assets acquired in satisfaction of claims		480,033	491,882
		53,672,319	50,404,502
Less: Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI - debt		(13,055,722)	(12,077,420)
- Securities measured at FVOCI - equity		(4,267,092)	(3,508,368)
- Property and equipment		(2,423,721)	(2,386,906)
- Non-banking assets acquired in satisfaction of claims		(185,798)	(177,167)
		(19,932,333)	(18,149,861)
Derivatives deficit		(2,541,531)	(3,175,304)
Less: Deferred tax asset on derivative		1,321,596	1,651,158
		(1,219,935)	(1,524,146)
		34,959,921	33,778,787
24 CONTINGENCIES AND COMMITMENTS			
- Guarantees	24.1	188,447,081	181,819,233
- Commitments	24.2	808,663,588	693,195,425
- Other contingent liabilities	24.3.1	23,774,654	23,153,037
		1,020,885,323	898,167,695
24.1 Guarantees:			
Financial guarantees		6,229,564	6,048,920
Performance guarantees		67,981,851	66,136,458
Other guarantees		114,235,666	109,633,855
		188,447,081	181,819,233
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- Letters of credit		247,385,477	220,709,466
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	425,709,303	266,938,066
- forward government securities transactions	24.2.2	80,133,205	149,529,384
- derivatives	24.2.3	31,582,038	33,466,502
- forward lending	24.2.4	17,421,614	16,490,171
Commitments for acquisition of:			
- property and equipment		5,723,518	5,448,017
- intangible assets		427,433	317,819
Commitments in respect of donations		281,000	296,000
		808,663,588	693,195,425
24.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		242,669,029	144,906,210
Sale		183,040,274	122,031,856
		425,709,303	266,938,066
24.2.2 Commitments in respect of forward government securities transactions			
Purchase		77,484,125	55,393,978
Sale		2,649,080	94,135,406
		80,133,205	149,529,384

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
24.2.3 Commitments in respect of derivatives			
Interest rate swaps			
Purchase	25.1	21,805,769	23,054,358
Sale		-	-
		21,805,769	23,054,358
Cross currency swaps			
Purchase	25.1	-	-
Sale		9,776,269	10,412,144
		9,776,269	10,412,144
Total commitments in respect of derivatives		<u>31,582,038</u>	<u>33,466,502</u>
24.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	<u>17,421,614</u>	<u>16,490,171</u>

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

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
24.3 Other contingent liabilities		
24.3.1 Claims against the Bank not acknowledged as debts	<u>23,774,654</u>	<u>23,153,037</u>

These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by ex-employees of the Bank for damages. Based on legal advices and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

24.4 Contingency for tax payable

24.4.1 There were no tax related contingencies other than as disclosed in note 36.1.

25 DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

25.1 Product Analysis

June 30, 2025 (Un-audited)					
Interest Rate Swaps			Cross Currency Swaps		
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Counterparties					
With Banks for					
Hedging	23	21,805,769	1,554,245	-	-
With other entities					
Market making	-	-	-	6	9,776,269
	<u>23</u>	<u>21,805,769</u>	<u>1,554,245</u>	<u>6</u>	<u>9,776,269</u>
					<u>655,536</u>
December 31, 2024 (Audited)					
Interest Rate Swaps			Cross Currency Swaps		
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Counterparties					
With Banks for					
Hedging	27	23,054,358	2,172,667	-	-
With other entities					
Market making	-	-	-	6	10,412,144
	<u>27</u>	<u>23,054,358</u>	<u>2,172,667</u>	<u>6</u>	<u>10,412,144</u>
					<u>887,052</u>

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
26	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	58,553,231	64,328,260
	b) Investments	125,186,597	188,426,571
	c) Lendings to financial institutions	1,776,555	3,251,077
	d) Balances with banks	150,550	81,342
	e) On securities purchased under resale agreements	2,721,239	2,299,957
		<u>188,388,172</u>	<u>258,387,207</u>
27	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	58,854,416	118,075,021
	b) Borrowings	10,148,616	9,500,454
	c) Securities sold under repurchase agreements	47,132,511	60,493,416
	d) Subordinated debt	1,027,076	1,643,707
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	1,068,066	4,267,313
	f) Leased assets	2,087,479	1,621,407
	g) Reward points / customer loyalty	485,121	230,049
		<u>120,803,285</u>	<u>195,831,367</u>
	Note		
		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
28	FEE & COMMISSION INCOME		
	Branch banking customer fees	898,512	753,959
	Consumer finance related fees	396,286	305,871
	Card related fees (debit and credit cards)	1,433,013	2,046,083
	Credit related fees	295,107	459,208
	Investment banking fees	230,384	28,433
	Commission on trade	1,640,455	1,500,094
	Commission on guarantees	437,394	373,907
	Commission on cash management	36,433	27,244
	Commission on remittances including home remittances	204,720	1,501,685
	Commission on bancassurance	327,817	295,548
	Card acquiring business	464,504	855,107
	Wealth management fee	288,958	154,789
	Commission on Benazir Income Support Programme (BISP)	149,699	934,549
	Alternative Delivery Channel (ADC) settlement accounts	702,504	654,451
	Others	143,963	130,278
		<u>7,649,749</u>	<u>10,021,206</u>
29	FOREIGN EXCHANGE INCOME		
	Foreign exchange income	5,262,389	6,151,625
	Foreign exchange gain / (loss) related to derivatives	27,311	(909,231)
		<u>5,289,700</u>	<u>5,242,394</u>
30	GAIN ON SECURITIES		
	Realised gain	30.1 8,651,236	2,174,031
	Unrealised (loss) / gain - measured at FVPL	10.1 (319,701)	149,044
	Unrealised gain / (loss) on trading liabilities - net	62,816	(2,696)
		<u>30.2 8,394,351</u>	<u>2,320,379</u>

	Note	(Un-audited)	
		Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
30.1 Realised gain on:			
Federal government securities		7,838,557	1,916,514
Shares		31,521	80,886
Non government debt securities		49,990	-
Foreign securities		342,436	176,631
Subsidiary		388,732	-
		<u>8,651,236</u>	<u>2,174,031</u>
30.2 Net gain / (loss) on financial assets / liabilities measured:			
At FVPL			
Designated upon initial recognition		2,737,076	790,347
Mandatorily measured at FVPL		(119,142)	821,439
		<u>2,617,934</u>	<u>1,611,786</u>
Net gain on financial assets measured at FVOCI - Debt		5,387,685	708,593
Gain on disposal of subsidiary	10.2.1	388,732	-
		<u>8,394,351</u>	<u>2,320,379</u>
	Note	(Un-audited)	
		Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
31 OTHER INCOME			(Restated)
Rent on property		7,786	15,466
Gain on sale of property and equipment - net		26,726	61,511
Gain on sale of non banking assets - net		3,368	27,800
Profit on termination of leased contracts (Ijarah)		3	7
Gain on termination of leases		54,117	52,740
Unrealised gain on advances classified at FVPL		56,483	30,724
Insurance premium of overseas recovered		719,128	-
Others		6,618	1,468
		<u>874,229</u>	<u>189,716</u>
32 OPERATING EXPENSES			
Total compensation expense	32.1	23,795,451	18,417,849
Property expense			
Rates and taxes		92,975	152,195
Utilities cost		1,669,717	1,602,032
Security (including guards)		1,092,907	770,539
Repair and maintenance (including janitorial charges)		1,167,662	913,866
Depreciation on right-of-use assets		2,227,770	1,876,715
Depreciation on non-banking assets acquired in satisfaction of claims		35,535	15,170
Depreciation on owned assets		642,500	477,243
		<u>6,929,066</u>	<u>5,807,760</u>
Information technology expenses			
Software maintenance		1,773,976	1,605,064
Hardware maintenance		524,507	369,758
Depreciation		874,908	654,852
Amortisation		199,057	172,174
Network charges		361,960	397,097
Consultancy and support services		36,557	99,354
		<u>3,770,965</u>	<u>3,298,299</u>
Balance carried forward		<u>34,495,482</u>	<u>27,523,908</u>

	(Un-audited)	
	Half year ended	
	June 30, 2025	June 30, 2024
	(Rupees in '000)	
		(Restated)
Balance brought forward	34,495,482	27,523,908
Other operating expenses		
Directors' fees and allowances	76,480	69,600
Fees and allowances to Shariah Board	15,311	9,986
Legal and professional charges	486,351	225,408
Outsourced services costs	836,442	725,674
Travelling and conveyance	1,036,424	718,916
Clearing and custodian charges	120,150	70,135
Depreciation	1,348,716	1,007,538
Training and development	131,415	150,564
Postage and courier charges	232,269	239,621
Communication	1,944,937	1,306,582
Stationery and printing	1,076,329	869,611
Marketing, advertisement and publicity	9,097,749	2,341,627
Donations	154,201	181,870
Auditors' remuneration	120,526	65,448
Brokerage and commission	809,218	583,957
Entertainment	448,597	397,417
Repairs and maintenance	557,586	446,877
Insurance	1,146,962	1,027,824
Cash handling charges	1,048,353	993,704
CNIC verification	359,428	256,071
Others	435,456	416,728
	21,482,900	12,105,158
	55,978,382	39,629,066
32.1 Total compensation expense		
Managerial remuneration		
i) Fixed	13,673,832	11,514,272
ii) Variable:		
a) Cash bonus / awards etc.	3,347,227	2,527,891
b) Bonus and awards in shares etc.	461,143	287,500
Charge for defined benefit plan	480,951	335,649
Contribution to defined contribution plan	560,514	432,505
Medical	1,417,235	1,082,295
Conveyance	1,613,107	698,657
Staff compensated absences	176,000	105,000
Staff life insurance	86,251	94,907
Staff welfare	34,239	48,325
Club subscription	10,672	2,225
Sub-total	21,861,171	17,129,226
Sign-on bonus	33,421	39,499
Staff loans - notional cost	1,746,960	1,249,124
Severance allowance	153,899	-
Grand total	23,795,451	18,417,849

33 WORKERS' WELFARE FUND

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government through the Finance Act, 2008 for the levy of Workers' Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has risen and the judgment is not conclusive until the review petitions are decided. Accordingly, the amount charged for WWF since 2008 has not been reversed.

	Note	(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
34 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		9,557	209,515

35 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET

Reversal of credit loss allowance against cash with treasury banks		(3,653)	(33,686)
Credit loss allowance against balance with other banks		7,340	5,556
Reversal of credit loss allowance against lending to financial institutions		(219)	(12,639)
(Reversal of) / credit loss allowance / provision against diminution in value of investments	10.4.1	(257,624)	747,831
Credit loss allowance / provision against loans & advances	11.4	913,611	845,369
Credit loss allowance against other assets	15.2.1	537,467	133,667
Credit loss allowance / (reversal) against off-balance sheet obligations	22.1	119,595	(30,743)
Credit loss allowance / (reversal of other credit loss allowance) / write off - net		22,066	(48,458)
Recovery of written off / charged off bad debts		(441,938)	(300,044)
		<u>896,645</u>	<u>1,306,853</u>

36 TAXATION**Charge / (reversal) :**

Current	21,705,312	22,515,747
Prior years	3,986,399	(54,047)
Deferred	(7,035,461)	(2,261,636)
	<u>18,656,250</u>	<u>20,200,064</u>

- 36.1** a) The income tax assessments of the Bank have been finalised upto and including tax year 2024. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2024, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 1,217.274 million (December 31, 2024: Rs. 1,217.274 million) net of relief provided in appeal. The Bank has filed an appeal which is pending before the Tribunal. The management is confident that the matter will be decided in favour of the Bank and consequently has not made any provision in this respect.
- b) The Bank had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against orders are pending before Commissioner Appeals whereas for periods July 2014 to December 2020, Appellate Tribunal has decided the matters against the Bank. The Bank has filed appeals against these orders before Sindh High Court after consultation with the tax consultant.

The Bank has not made any provision against these orders and the management is of the view that these matters will be settled in Bank's favour through appellate process.

- c) The Bank had received two different orders for the same accounting year 2016 from a tax authority wherein sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 8.601 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. Appeals against these orders are pending before Commissioner Appeals and Appellate Tribunal.

A similar order for the accounting years 2017 and 2018 was issued with a tax demand of Rs. 11.536 million (excluding default surcharge) which is pending before the Commissioner Appeals.

The Bank has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.

- d) Certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
37 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		15,274,581	20,598,345
		---- (Number of shares in '000) ----	
Weighted average number of ordinary shares		1,577,165	1,577,165
		----- (Rupees) -----	
Basic and diluted earnings per share		9.68	13.06

- 37.1** Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

		Note	(Un-audited) Half year ended	
			June 30, 2025	June 30, 2024
			----- (Rupees in '000) -----	
38 CASH AND CASH EQUIVALENTS				
Cash and balances with treasury banks	7		215,422,257	235,392,781
Balances with other banks	8		17,493,172	16,280,113
Call / clean money lendings	9		51,624,880	36,278,623
Overdrawn nostro accounts	17		(3,665,860)	(1,006,648)
Less: Expected credit loss			(30,433)	(35,901)
			<u>280,844,016</u>	<u>286,908,968</u>

39 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiary, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

39.1 Fair value of financial instruments

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

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

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

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

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

	June 30, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
- Federal government securities	60,171,844	1,148,468,654	-	1,208,640,498
- Shares - listed companies	23,460,923	-	-	23,460,923
- Shares - unlisted companies	-	-	3,399,755	3,399,755
- REIT Fund - listed	1,480,301	-	-	1,480,301
- Non-government debt securities	14,750,000	4,129,752	-	18,879,752
- Foreign government securities	-	63,237,720	-	63,237,720
- Foreign equity securities	254,682	-	-	254,682
- Foreign preference shares - unlisted	-	-	567,545	567,545
- Foreign non-government debt securities	-	23,338,974	8,033,819	31,372,793
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	282,053,215	-	282,053,215
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	2,520,218	2,520,218
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,417,928	-	1,417,928
- Forward sale of foreign exchange	-	(483,371)	-	(483,371)
- Forward purchase of government securities	-	(256,351)	-	(256,351)
- Forward sale of government securities	-	9,062	-	9,062
- Derivatives purchases	-	1,554,245	-	1,554,245
- Derivatives sales	-	655,536	-	655,536
	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
- Federal government securities	67,225,943	1,504,321,374	-	1,571,547,317
- Shares - listed companies	18,503,420	-	-	18,503,420
- Shares - unlisted companies	-	-	2,333,188	2,333,188
- Preference shares - unlisted companies	-	-	500,000	500,000
- REIT Fund - listed	1,514,982	-	-	1,514,982
- Non-government debt securities	14,991,550	4,473,526	-	19,465,076
- Foreign government securities	-	62,233,161	-	62,233,161
- Foreign equity securities	257,181	-	-	257,181
- Foreign non-government debt securities	-	25,193,470	8,315,048	33,508,518
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	279,284,570	-	279,284,570
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,413,735	1,413,735
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,288,538	-	1,288,538
- Forward sale of foreign exchange	-	(1,090,874)	-	(1,090,874)
- Forward purchase of government securities	-	(12,708)	-	(12,708)
- Forward sale of government securities	-	(451,343)	-	(451,343)
- Derivatives purchases	-	2,172,667	-	2,172,667
- Derivatives sales	-	887,052	-	887,052

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

39.3 Valuation techniques used in determination of fair values:

39.3.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies, listed GoP Sukuks and listed non government debt securities.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Sukuks, GoP Euro Bonds, Overseas Government Sukuks, Overseas Bonds, Term Finance Certificates, and other than Government Sukuks, forward foreign exchange contracts, forward government securities contracts, cross currency swaps and interest rate swaps.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprise of unlisted ordinary shares, unlisted preference shares, redeemable participating certificates and advances measured at fair value through profit and loss. Valuation techniques are mentioned in the table below.

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

39.3.2 Fair value of non-financial assets

Certain categories of property and equipment (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 12 and 15. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of the State Bank of Pakistan.

39.3.3 Valuation techniques

Item	Valuation approach and input used
Market Treasury Bills (MTB) / Pakistan Investment Bonds (PIB), and GoP Sukuks (GIS) including their forward contracts	The fair value of MTBs and PIBs are derived using PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair value of GoP sukuks listed on the Pakistan Stock Exchange has been determined through closing rates of the Pakistan Stock Exchange. The fair value of other GIS are revalued using PKISRV rates.
Overseas Sukuks, Overseas and GoP Euro Bonds	The fair value of overseas government sukuks, and overseas bonds are determined on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than Government)	Investment in sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of investments in unlisted equity securities are valued on the basis of income and market approach.
Preference shares - unlisted	The fair value of investment in unlisted preference shares are valued at market approach.
Foreign preference shares - unlisted	The fair value of investment in unlisted preference shares are valued at market approach.
Redeemable participating certificates	The fair value of investment in redeemable participating certificates are valued at net asset value.
Advances	The fair value of advances are valued on the basis of Discounted Cashflow Method (DCF).
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation rates announced by the SBP.
Derivative instruments	Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

Item	Valuation approach and input used
Property and equipment and non banking assets acquired in satisfaction of claims	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. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investment and advances, (The valuation techniques are stated above):

Description	Fair value as at June 30, 2025 (Un-audited)	Fair value as at December 31, 2024 (Audited)	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
----- (Rupees in '000) -----					
Ordinary shares - unlisted (income approach)	2,550,451	2,333,188	Discount rate	16.58% - 19.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 114.540 million and Rs. 124.822 million (December 31, 2024: Rs. 90.457 million and Rs. 97.873 million) respectively.
Ordinary shares - unlisted (market approach)	849,304	-	Market multiple / transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted (market approach)	567,545	-	Transaction price	Not applicable	Not applicable
Preference shares - unlisted	-	500,000	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	8,033,819	8,315,048	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	2,520,218	1,413,735	Discount rate	25.00% - 30.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 1.148 million and Rs. 1.157 million (December 31, 2024: Rs. 14.903 million and Rs. 15.134 million) respectively.

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The following table shows reconciliation of investments and advances Level 3 fair value movement:

	June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Investments	Advances	Investments	Advances
----- (Rupees in '000) -----				
Opening balance	11,148,236	1,413,735	6,283,601	1,200,000
Impact of adoption of IFRS 9	761,681	-	2,271,824	122,135
Balance as at January 01 after adopting IFRS 9	11,909,917	1,413,735	8,555,425	1,322,135
Additions / (disposals) / transfers - net	341,621	1,050,000	-	-
Remeasurement recognised in OCI or profit and loss / adjustments	(250,419)	56,483	2,592,811	91,600
Closing balance	12,001,119	2,520,218	11,148,236	1,413,735

40 SEGMENT INFORMATION

40.1 Segment details with respect to Business Activities

	For the half year ended June 30, 2025 (Un-audited)					
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas

(Rupees in '000)

Unconsolidated statement of profit and loss account

Net mark-up / return/ profit*	(20,347,065)	15,115,359	15,291,412	54,258,787	(197,296)	4,003,787	(540,097)	-	67,584,887
Inter segment revenue - net	57,030,175	(11,187,516)	(1,248,572)	(45,372,362)	3,895,164	(222,344)	(44,045)	(2,850,500)	-
Non mark-up / return / interest income*	5,463,936	3,949,662	1,528,708	14,274,982	1,815,607	1,083,886	476,998	(4,541,681)	24,052,098
Total income / (loss)	42,147,046	7,877,505	15,571,548	23,161,407	5,513,475	4,865,329	(107,144)	(7,392,181)	91,636,985
Segment direct expenses	18,989,881	8,473,618	8,743,711	704,969	2,761,204	2,113,425	15,370,888	(348,187)	56,809,509
Inter segment expense allocation	9,404,102	942,358	3,164,417	578,322	1,190,579	510,029	(15,370,888)	(418,919)	-
Total expenses	28,393,983	9,415,976	11,908,128	1,283,291	3,951,783	2,623,454	-	(767,106)	56,809,509
Credit loss allowance / provision / (reversals)	1,361,319	(481,531)	(128,796)	4,508	2,957	245,332	(107,144)	-	896,645
Profit / (loss) before tax	12,391,744	(1,056,940)	3,792,216	21,873,608	1,558,735	1,996,543	-	(6,625,075)	33,930,831

	As at June 30, 2025 (Un-audited)					
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas

(Rupees in '000)

Unconsolidated statement of financial position

Cash and bank balances	99,432,784	13,968,545	45,632,769	-	2,833,843	71,239,054	-	(221,999)	232,884,996
Investments	-	4,399,575	213,829,278	1,285,728,998	-	124,739,418	3,776,449	-	1,632,473,718
Inter segment lending - net	1,060,355,913	-	-	-	43,039,277	-	100,365,145	(1,203,760,335)	-
Lendings to financial institutions	-	-	68,177,296	107,378,623	-	6,605,108	-	(28,265,956)	153,895,071
Advances - performing	253,144,769	493,812,714	205,554,980	-	75,507	38,101,064	16,044,490	-	1,006,733,524
- non-performing	1,904,319	850,652	832,680	-	1,723	102,317	71,011	-	3,762,702
Others	58,169,234	58,477,298	54,105,940	18,693,878	2,057,366	5,545,479	65,257,466	2,276,415	264,583,076
Total assets	1,473,007,019	571,508,784	588,132,943	1,411,801,499	48,007,716	246,332,440	185,514,561	(1,229,971,875)	3,294,333,087

Borrowings	20,992,732	67,350,970	33,337,597	437,410,136	-	25,838,089	-	(29,095,438)	555,834,086
Subordinated debt	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,377,933,674	260,896,486	428,336,347	-	47,206,276	173,350,878	617,422	(112,784)	2,288,228,299
Inter segment borrowing - net	-	196,477,816	32,638,050	940,362,891	-	34,281,577	-	(1,203,760,334)	-
Others	74,080,613	46,783,512	88,700,139	21,782,671	801,440	11,828,001	2,231,639	2,996,681	249,204,696
Total liabilities	1,473,007,019	571,508,784	583,012,133	1,399,555,698	48,007,716	245,298,545	16,849,061	(1,229,971,875)	3,107,267,081

Net assets	-	-	5,120,810	12,245,801	-	1,033,895	168,665,500	-	187,066,006
Equity	-	-	-	-	-	-	-	-	187,066,006

Contingencies and commitments

156,478,613	243,833,635	80,448,847	482,288,675	769	52,738,514	5,096,270	-	-	1,020,885,323
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The segment statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

* Net mark-up and non mark-up income includes Rs. 289.274 million and Rs. 288.417 million respectively of investment banking.

** Others include head office related activities.

Unconsolidated statement of profit and loss account

For the half year ended June 30, 2024 (Un-audited) - Restated								
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
(Rupees in '000)								
(58,261,566)	5,841,426	16,172,072	95,688,250	49,191	4,165,052	(1,098,585)	-	62,555,840
102,597,495	4,511,493	(739,097)	(105,862,490)	4,417,309	326,022	860,980	(6,111,712)	-
5,171,630	2,863,462	1,269,760	7,914,166	1,039,065	1,398,248	650,682	-	20,307,013
49,507,559	13,216,381	16,702,735	(2,260,074)	5,505,565	5,889,322	413,077	(6,111,712)	82,862,853
15,304,597	1,658,426	6,111,455	492,893	1,975,139	1,969,166	13,245,915	-	40,757,591
8,167,588	967,731	2,746,420	180,801	1,176,899	279,884	(12,832,838)	(686,485)	-
23,472,185	2,626,157	8,857,875	673,694	3,152,038	2,249,050	413,077	(686,485)	40,757,591
(953,400)	2,051,490	298,950	(9,917)	5,737	(86,007)	-	-	1,306,853
26,988,774	8,538,734	7,545,910	(2,923,851)	2,347,790	3,726,279	-	(5,425,227)	40,798,409

Unconsolidated statement of financial position

As at December 31, 2024 (Audited)								
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
(Rupees in '000)								
109,749,938	17,976,222	41,944,162	-	775,190	66,937,500	-	8,910,575	246,293,587
-	5,492,251	242,118,099	1,617,562,126	-	123,313,534	2,746,444	-	1,991,232,454
988,532,481	-	-	-	10,562,483	-	83,946,238	(1,083,041,202)	-
-	-	43,283,519	97,393,884	-	7,103,006	-	(46,782,086)	100,998,323
242,468,773	634,142,272	165,966,972	-	59,194	56,323,050	12,650,639	(5,571,000)	1,106,039,900
1,140,010	1,072,573	917,894	-	1,966	67,755	106,117	29,939	3,336,254
24,516,991	39,838,680	53,364,017	42,082,631	2,095,622	2,843,261	100,201,974	(2,637,573)	262,305,603
1,366,408,193	698,521,998	547,594,663	1,757,038,641	13,494,455	256,588,106	199,651,412	(1,129,091,347)	3,710,206,121
18,008,205	66,732,348	35,770,158	1,037,179,587	-	28,681,197	-	(44,485,753)	1,141,885,742
-	-	-	-	-	-	14,000,000	-	14,000,000
1,277,413,227	262,957,681	398,788,680	-	12,936,578	185,193,870	2,800	(380,214)	2,136,912,622
-	330,688,006	30,376,465	689,991,745	-	31,961,837	-	(1,083,018,053)	-
70,986,761	38,143,963	76,483,156	18,960,678	557,877	9,902,659	25,467,580	(1,207,327)	239,295,347
1,366,408,193	698,521,998	541,418,459	1,746,132,010	13,494,455	255,739,563	39,470,380	(1,129,091,347)	3,532,093,711
-	-	6,176,204	10,906,631	-	848,543	160,181,032	-	178,112,410
137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306	4,284,623	-	898,167,695

The segment statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

* Net mark-up and non mark-up income includes Rs. 179.016 million and Rs. 76.129 million respectively of investment banking.

**** Others include head office related activities.**

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

The Banks 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 unconsolidated condensed interim financial statements are as follows:

	As at June 30, 2025 (Un-audited)					As at December 31, 2024 (Audited)				
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Investments										
Opening balance	-	-	2,505,217	1,177,606	2,923,188	-	-	305,217	1,177,606	1,802,909
Investment made during the period / year	-	-	-	-	286,441	-	-	2,200,000	-	511,863
Investment redeemed / disposed off during the period / year	-	-	(1,505,217)	-	(286,441)	-	-	-	-	(331,613)
Revaluation of investment during the period / year	-	-	-	-	576,567	-	-	-	-	2,190,383
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(1,250,354)
Closing balance	-	-	1,000,000	1,177,606	3,493,755	-	-	2,505,217	1,177,606	2,923,188
Credit loss allowance / provision for diminution in value of investments	-	-	-	-	-	-	-	1,505,217	-	-
Advances										
Opening balance	11,225	971,469	-	-	1,052,432	14,918	935,186	-	-	1,925,526
Addition during the period / year	630	127,348	316,665	-	6,340,086	1,715	232,432	16,288,652	-	43,510,218
Repaid during the period / year	(1,664)	(224,119)	(316,665)	-	(5,763,379)	(5,408)	(194,161)	(16,288,652)	-	(44,388,312)
Transfer in / (out) - net	-	43	-	-	1,864	-	(1,988)	-	-	-
Closing balance	10,191	874,741	-	-	1,631,003	11,225	971,469	-	-	1,052,432
Credit loss allowance held against advances	7	325	-	-	6,111	34	3,690	-	-	1,524
Other assets										
Interest / mark-up accrued	4,993	83,857	-	-	36,013	4,593	81,687	-	-	22,681
Receivable from staff retirement fund	-	-	-	-	851,040	-	-	-	-	1,331,990
Prepayment / rent and other receivable	-	-	33,727	-	159,683	-	-	3,139	-	-
Advance against shares	-	-	-	-	55,343	-	-	-	-	-
Acceptances	-	-	-	-	2,153,448	-	-	-	-	17,081
Credit loss allowance against other assets	-	-	-	-	135	-	-	-	-	14
Borrowings										
Opening balance	-	-	-	-	2,464,030	-	-	-	-	2,605,576
Borrowings during the period / year	-	-	-	-	5,100,000	-	-	-	-	1,149,273
Settled during the period / year	-	-	-	-	(1,306,414)	-	-	-	-	(1,290,819)
Closing balance	-	-	-	-	6,257,616	-	-	-	-	2,464,030

	As at June 30, 2025 (Un-audited)					As at December 31, 2024 (Audited)				
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)										
Deposits and other accounts										
Opening balance	185,847	392,643	807,925	60,026,664	12,533,349	406,959	340,757	55,874	17,153,420	18,550,205
Received during the period / year	810,697	2,931,391	37,620,713	1,031,861,288	62,498,342	5,668,276	4,582,080	47,640,608	1,211,982,771	276,598,239
Withdrawn during the period / year	(953,274)	(2,730,846)	(37,459,965)	(1,071,405,623)	(60,762,496)	(5,889,395)	(4,524,294)	(46,888,557)	(1,169,109,527)	(278,997,497)
Transfer in / (out) - net	-	(8,977)	(339,161)	-	261	7	(5,900)	-	-	(3,617,598)
Closing balance	43,270	584,211	629,512	20,482,329	14,269,456	185,847	392,643	807,925	60,026,664	12,533,349
Subordinated debt										
Opening balance	-	-	-	-	-	-	-	-	-	300,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(300,000)
Closing balance	-	-	-	-	-	-	-	-	-	-
Other liabilities										
Interest / mark-up payable	25	1,992	-	-	236,352	226	248	-	-	126,062
Dividend payable	-	-	-	-	11	7	-	-	-	9
Unearned rent	-	-	-	583	-	-	-	-	2,532	-
Others	-	-	-	-	35,166	-	-	2,657	-	32,786
Contingencies and commitments										
	-	-	-	-	8,928,298	-	-	-	-	559,419
For the half year ended June 30, 2025 (Un-audited)										
(Rupees in '000)										
Income										
Mark-up / return / interest earned	459	14,726	6	-	53,206	927	15,168	51,037	-	212,035
Fee and commission income	124	605	-	288,958	9,201	10	271	-	154,789	3,415
Dividend income	-	-	-	44,993	439,597	-	-	-	254,993	591,804
Gain / (loss) on sale of securities	-	2	388,732	-	10,790	-	4	-	-	(4,864)
Rent on property	-	-	4,892	1,950	-	-	-	391	1,950	-
Gain on sale of property and equipment - net	7,094	132	-	3,642	-	-	-	-	6,658	-
Expenses										
Mark-up / return / interest paid	2,300	10,572	18,267	338,879	791,112	14,802	16,708	76,315	413,343	1,193,362
Operating expenses	431,974	1,390,753	-	-	-	359,559	1,103,864	-	-	-
Fee and remuneration	-	-	-	-	-	-	-	-	-	61,237
Clearing and custodian charges	-	-	-	-	45,000	-	-	-	-	55,050
Software maintenance	-	-	-	-	306,938	-	-	-	-	254,056
Communication cost	-	-	1,307	-	-	-	-	3,604	-	-
Brokerage and commission	-	-	-	-	-	-	-	-	-	335,649
Charge for defined benefit plan	-	-	-	-	480,951	-	-	-	-	432,505
Contribution to defined contribution plan	-	-	-	-	560,514	-	-	-	-	505
Training and subscription	-	-	-	-	-	-	-	1,200,000	-	-
Provision charge for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
(Reversal of) credit loss allowance / credit loss allowance	(27)	(3,380)	-	-	4,207	5	1,524	-	-	(6,100)
against loans & advances	-	-	-	-	1,009	-	-	-	-	(66)
Credit loss allowance / (reversal of) credit loss allowance against off-balance sheet obligations	-	-	-	-	135	-	-	-	-	15
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-
Other information										
Dividend paid	1,851,866	7,736	-	11,694	1,863,329	3,831,825	12,685	-	9,260	3,815,932
Insurance premium paid	-	-	-	1,658,304	-	-	-	-	1,321,174	-
Insurance claims settled	-	-	-	473,812	-	-	-	-	411,554	-

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	15,771,651	15,771,651
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	151,170,204	143,542,085
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
Total eligible tier 1 capital	164,720,204	157,092,085
Eligible tier 2 capital	40,735,896	43,822,367
Total eligible capital (tier 1 + tier 2)	205,456,100	200,914,452
Risk weighted assets (RWAs):		
Credit risk	877,565,732	828,663,610
Market risk	42,798,750	47,806,075
Operational risk	242,467,238	242,467,238
Total	1,162,831,720	1,118,936,923
Common equity tier 1 capital adequacy ratio	13.00%	12.83%
Tier 1 capital adequacy ratio	14.17%	14.04%
Total capital adequacy ratio	17.67%	17.96%
In line with Basel III capital adequacy guidelines, the following capital requirements are applicable to the Bank:		
Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%
For Capital adequacy calculation, the Bank has adopted Standardised Approach for credit and market risk related exposures and Alternate Standardised Approach (ASA) for operational risk.		
Leverage Ratio (LR):		
Eligible tier-1 capital	164,720,204	157,092,085
Total exposures	3,938,683,490	4,071,667,095
Leverage ratio	4.18%	3.86%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	1,040,705,419	1,197,167,258
Total net cash outflow	581,475,008	626,056,805
Liquidity coverage ratio	179%	191%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	1,814,073,161	1,690,754,449
Total required stable funding	1,300,806,884	1,340,991,900
Net stable funding ratio	139%	126%

42.1 The Bank has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 17.86% and 4.12% respectively.

43 ISLAMIC BANKING BUSINESS

The Bank operates 448 Islamic banking branches (December 31, 2024: 423 branches) and 4 sub branches (December 31, 2024: 4 sub branch) as at June 30, 2025.

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		35,959,060	37,669,937
Balances with other banks		9,673,709	4,274,225
Due from financial institutions	43.1	68,177,296	43,283,519
Investments	43.2	213,829,278	242,118,099
Islamic financing and related assets - net	43.3	206,387,660	166,884,866
Property and equipment		14,664,618	13,455,659
Right-of-use assets		11,056,912	10,805,081
Intangible assets		31,994	36,315
Deferred tax assets		-	-
Other assets		28,352,416	29,066,962
Total assets		588,132,943	547,594,663
LIABILITIES			
Bills payable		14,406,876	9,532,140
Due to financial institutions		33,337,597	35,770,158
Deposits and other accounts	43.4	428,336,347	398,788,680
Lease liabilities		13,329,779	12,456,340
Deferred tax liabilities		1,351,806	4,080,920
Other liabilities		59,611,678	50,413,756
Total liabilities		550,374,083	511,041,994
NET ASSETS		37,758,860	36,552,669
REPRESENTED BY			
Islamic banking fund		3,950,000	3,950,000
Surplus on revaluation of assets		5,120,825	6,176,202
Unappropriated / unremitted profit	43.5	28,688,035	26,426,467
		37,758,860	36,552,669
CONTINGENCIES AND COMMITMENTS			
	43.6		

CONTINGENCIES AND COMMITMENTS

PROFIT AND LOSS ACCOUNT

		(Un-audited) Half year ended	
Note		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
	Profit / return earned on Islamic financing and related assets, investments and placements	28,734,510	39,585,177
43.7			
43.8	Profit / return expensed on deposits and other dues expensed	13,443,098	23,413,105
	Net profit / return	15,291,412	16,172,072
	Fee and commission income	1,039,406	1,033,173
	Foreign exchange income	465,037	229,239
	Gain on securities	6,086	989
	Net gain on derecognition of financial assets measured at amortised cost	-	-
	Other income	18,179	6,359
	Total other income	1,528,708	1,269,760
	Total income	16,820,120	17,441,832
OTHER EXPENSES			
	Operating expenses	11,786,426	8,681,449
	Workers' welfare fund	116,725	169,082
	Other charges	4,977	7,344
	Total other expenses	11,908,128	8,857,875
	Profit before credit loss allowance	4,911,992	8,583,957
	Credit loss allowance and write offs - net	(128,796)	298,950
	PROFIT BEFORE TAXATION	5,040,788	8,285,007
	Taxation	2,780,807	4,092,760
	PROFIT AFTER TAXATION	2,259,981	4,192,247

43.1 Due from financial institutions

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
(Rupees in '000)						
Musharaka Placements	50,700,000	-	50,700,000	-	-	-
Bai Muajjal Receivables	17,477,892	-	17,477,892	43,283,744	-	43,283,744
	68,177,892	-	68,177,892	43,283,744	-	43,283,744
Less: Credit loss allowance						
Stage 1	(596)	-	(596)	(225)	-	(225)
	68,177,296	-	68,177,296	43,283,519	-	43,283,519

43.2 Investments

June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value

By segment & type:

(Rupees in '000)

Fair value through profit and loss**Federal Government Securities**

Ijarah Sukuk

Naya Pakistan Certificates

Non Government Debt Securities

Sukuks - Unlisted

-	-	-	-	-	-	-	-
1,009,002	-	-	1,009,002	2,651,621	-	-	2,651,621
200,000	-	-	200,000	200,000	-	-	200,000
1,209,002	-	-	1,209,002	2,851,621	-	-	2,851,621

Fair value through other comprehensive income**Federal Government Securities**

Ijarah Sukuks

Non Government Debt Securities

Sukuks - Unlisted

178,879,185	-	3,807,295	182,686,480	202,848,571	-	5,765,368	208,613,939
15,264,905	-	(92,228)	15,172,677	15,487,734	-	140,246	15,627,980
194,144,090	-	3,715,067	197,859,157	218,336,305	-	5,905,614	224,241,919

Amortised cost**Federal Government Securities**

Ijarah Sukuks

Non Government Debt Securities

Sukuks - Unlisted

11,566,886	-	-	11,566,886	11,571,369	-	-	11,571,369
3,250,646	(56,413)	-	3,194,233	3,509,611	(56,421)	-	3,453,190
14,817,532	(56,413)	-	14,761,119	15,080,980	(56,421)	-	15,024,559

Total Investments

210,170,624	(56,413)	3,715,067	213,829,278	236,268,906	(56,421)	5,905,614	242,118,099
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43.2.1 Particulars of credit loss allowance

June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
Expected Credit Loss			Total	Expected Credit Loss			Total
Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	

(Rupees in '000)

Sukuks - Unlisted	42	-	56,371	56,413	50	-	56,371	56,421
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(Un-audited) (Audited)
June 30, December 31,
2025 2024
------(Rupees in '000)-----

43.3 Islamic financing and related assets

Classified at amortised cost

Ijarah	24,614,818	18,999,774
Murabaha	2,832,586	3,381,416
Musharaka	26,715,038	33,759,137
Diminishing musharaka	32,129,513	22,632,822
Salam	2,398,848	1,144,902
Bai muajjal financing	29,996,884	-
Musawama financing	2,929,199	3,920,834
Tijarah financing	5,081,523	5,144,193
Islamic staff financing	5,885,381	4,584,066
SBP islamic export refinance	170,131	36,718
Islamic long term finance facility plant & machinery	4,245,607	4,583,214
Islamic refinance renewable energy	2,316,691	2,398,333
Islamic temporary economic refinance facility (ITERF)	6,444,962	7,021,800
Naya Pakistan home financing	4,042,272	3,115,734
Islamic refinance facility for combating COVID	715,180	919,253
Refinance facility under bills discounting	18,094,337	17,192,728
Advances against islamic assets	26,282,431	27,919,555
Inventory related to islamic financing	16,208,429	14,483,301
Other Islamic modes	290,794	812,375
Gross Islamic financing and related assets	211,394,624	172,050,155

Less: Credit loss allowance against Islamic financings

- Stage 1	(277,964)	(297,387)
- Stage 2	(102,161)	(97,574)
- Stage 3	(4,626,839)	(4,770,328)
	(5,006,964)	(5,165,289)

Islamic financing and related assets - net of credit loss allowance

206,387,660	166,884,866
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43.4 Deposits

June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
------(Rupees in '000)-----					

Customers

- Current deposits	175,726,301	10,337,154	186,063,455	160,930,379	9,107,965	170,038,344
- Savings deposits	106,619,723	4,471,091	111,090,814	102,440,702	4,374,103	106,814,805
- Term deposits	58,792,970	826,402	59,619,372	65,010,578	443,177	65,453,755
- Other deposits	2,909,635	2,556,188	5,465,823	2,518,243	1,814,136	4,332,379
	344,048,629	18,190,835	362,239,464	330,899,902	15,739,381	346,639,283

Financial Institutions

- Current deposits	1,702,940	43,582	1,746,522	1,852,268	152	1,852,420
- Savings deposits	24,040,361	-	24,040,361	2,161,977	-	2,161,977
- Term deposits	40,310,000	-	40,310,000	48,135,000	-	48,135,000
	66,053,301	43,582	66,096,883	52,149,245	152	52,149,397
	410,101,930	18,234,417	428,336,347	383,049,147	15,739,533	398,788,680

43.4.1 Current deposits include remunerative current deposits of Rs. 33,305.574 million (December 31, 2024: Rs. 26,618.402 million).

(Un-audited)	(Audited)
June 30,	December 31,
2025	2024
----- (Rupees in '000) -----	

43.5 Islamic banking business unappropriated profit

Opening balance	26,426,467	18,664,167
Impact of adopting IFRS 9	-	414,335
Balance at January 01 on adopting IFRS 9	26,426,467	18,249,832
Add: Islamic Banking profit before taxation for the period / year	5,040,788	17,921,026
Less: Taxation for the period / year	(2,780,807)	(9,745,771)
Add: Transfer from surplus on revaluation of assets to unappropriated profit - net	1,587	1,380
Closing balance	28,688,035	26,426,467

43.6 Contingencies and commitments

- Guarantees	6,985,450	6,089,005
- Commitments	73,463,397	73,684,847
	80,448,847	79,773,852

(Un-audited)
For the half year ended

June 30, June 30,
2025 2024

----- (Rupees in '000) -----
(Restated)

43.7 Profit / return earned on Islamic financing and related assets, investments and placements

Profit earned on:

- Islamic financing and related assets	10,441,024	12,914,988
- Investments	15,304,643	23,474,389
- Placements	2,988,843	3,195,800
	28,734,510	39,585,177

43.8 Profit on deposits and other dues expensed

Deposits and other accounts	10,936,927	20,607,402
Due to financial institutions	1,328,505	1,855,041
Securities sold under repurchase agreements	160,914	-
Cost of foreign currency swaps against foreign currency deposits / borrowings	32,513	303,639
Finance charges on lease liability	911,509	629,497
Reward points / customer loyalty	72,730	17,526
	13,443,098	23,413,105

43.9 PLS Pool Management- Islamic Banking Group (IBG)**43.9.1** The pools, their key features and risk and reward characteristics.

The profit and loss sharing between the Rabbul Maal (depositor) and Mudarib (Bank - IBG) is based upon the underlying principles of Mudaraba, where the Bank also contributes its equity to general pool of funds, and becomes the capital provider.

Currently IBG is managing following pools:

- 1) General Pool for LCY Depositors
- 2) FCY Pool for Foreign Currency (USD, GBP, EURO, AED, SAR and CAD) depositors
- 3) Fls Pool for Treasury Purposes
- 4) IERS Pool for Islamic Export Refinance Scheme facilities
- 5) Special pool
- 6) PMRC Musharikah Pool

All the Mudaraba based remunerative deposits shall be considered as an investment from Rabbul Maal in the pool, along with IBG's own share of equity, which is also commingled in the pool. The applications of these funds are on Islamic financing and related assets, investments, and placements for generating profits to be shared among the depositors as per the weightage system.

The IERS pool is maintained as per the guideline under the SBP IERS Scheme.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. All pools are usually exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved in pool.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed.		
Agriculture, Forestry, Hunting and Fishing	30,803,338	726,781
Automobile and transportation equipment	1,902,535	3,860,359
Cement	1,482,780	1,009,611
Chemical and Pharmaceuticals	10,995,481	11,133,965
Construction	2,932,890	2,511,288
Electronics and electrical appliances	3,164,383	5,334,659
Food & Allied Products	9,563,940	10,179,543
Footwear and Leather garments	1,969,368	1,390,032
Glass and Ceramics	808,882	358,052
Individuals	46,445,479	34,367,473
Metal & Allied industries	3,815,223	3,457,419
Mining and Quarrying	417,901	454,714
Oil and Allied	4,194,710	2,175,309
Paper and Board	890,553	806,473
Plastic and Allied Industries	5,732,552	5,302,071
Power (electricity), Gas, Water, Sanitary	9,945,143	11,004,109
Services	3,949,332	3,061,744
Sugar	2,933,198	1,955,464
Technology and Related services	45,879	16,531
Textile	49,551,771	56,828,136
Transport, Storage and Communication	8,074,644	7,563,322
Wholesale and Retail Trade	7,591,520	6,017,248
Others	4,183,121	2,535,852
Total gross islamic financing and related assets	211,394,623	172,050,155
Total gross investments (cost)	210,170,624	236,268,906
Total islamic placements	68,177,892	43,283,744
Total invested funds	489,743,139	451,602,805

43.9.3 The major components of Profit distribution and charging of the expenses.

Profit is distributed among the Mudaraba deposits on the basis of underlying profit is distributed among the Mudaraba deposits on the basis of underlying principles of weightage mechanism which are announced before the beginning of the relevant period. Only direct attributable expenses such as depreciation on ijarah assets, brokerage, CIB Charges, bad debts write off and credit loss allowance on advances and loss on sale of investments etc are charged to the pool.

43.9.4 The Bank managed the following general and specific pools during the period:

Remunerative Depositors' Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees In '000)	%	%	(Rupees In '000)
General Pools								
PKR Pool	Monthly	11.36%	50.00%	50.00%	5,255,157	6.96%	2.22%	222,695
USD Pool	Monthly	5.89%	88.89%	11.11%	104,092	1.89%	14.97%	37,651
GBP Pool	Monthly	6.61%	88.89%	11.11%	15,777	0.68%	0.00%	-
EUR Pool	Monthly	6.79%	88.89%	11.11%	10,294	0.74%	0.00%	-
AED Pool	Monthly	4.34%	88.89%	11.11%	819	0.34%	0.00%	-
SAR Pool	Monthly	5.08%	88.89%	11.11%	553	0.27%	0.00%	-
CAD Pool	Monthly	9.36%	88.89%	11.11%	418	0.27%	0.00%	-
Specific Pools								
Special Pool (Saving & TDRs)	Monthly	11.85%	5.00%	95.00%	286,252	11.20%	10.08%	60,153
SBP Refinance Borrowing Pool	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees In '000)	%	%	(Rupees In '000)
Islamic Export Refinance (IERS/BD) Pool	Monthly	13.43%	44.33%	5.67%	1,948,092	Nil	0.00%	-

44 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two-branch presence in Afghanistan. The Board and the management of the Bank continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The Bank has taken impairment against net assets where there is an indication that carrying amount may be higher than its recoverable amount. The Bank remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

45 BANGLADESH OPERATIONS

During the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Dhaka, Bangladesh ("Bank Asia") to acquire the Bank's Bangladesh Operations (assets and liabilities). In this regard, the Bank was granted an in-principle approval by the State Bank of Pakistan to facilitate conduct of due diligence exercise by Bank Asia.

Subsequently, during the period ended June 30, 2025, the Board of Directors of Bank Alfalah Limited ("the Bank") has accorded its approval to sell the Bank's Bangladesh Operations to Bank Asia subject to approval of the State Bank of Pakistan, the Central Bank of Bangladesh, and /or any other regulatory and legal compliance and execution of definitive agreement.

Further, a non-binding offer was also received in year 2024 from Hatton National Bank of Sri Lanka ("HNB") to acquire the Bank's Bangladesh Operations. However, HNB has decided not to proceed with acquisition.

46 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on July 31, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended June 30, 2025 (June 30, 2024: Rs. 2.0 per share i.e. 20%). These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the half year ended June 30, 2025 to Rs. 5.0 per share (June 30, 2024: Rs. 4.0 per share).

47 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on July 31, 2025 by the Board of Directors of the Bank.

48 GENERAL

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

48.2 The effects of reclassification, rearrangement in the comparative information presented in these unconsolidated condensed interim financial statements are as follows:

Description of Item	Nature	(Rupees in '000)	From	To
Agent commission	Expense	337,992	Commission on Benazir Income Support Programme (BISP)	Brokerage and commission
Verification cost	Expense	84,793	Commission on Benazir Income Support Programme (BISP)	CNIC verification
Optional issuer fee	Income	383,464	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	170,947	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	119,570	Foreign exchange income	Card acquiring business

48.3 The effects of restatement due to adoption of IFRS 9 is mentioned in note 4.1.1 of these unconsolidated condensed interim financial statements.



Bank Alfalah Limited
Consolidated Condensed Interim
Financial Statements
Half year ended June 30, 2025

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	7	215,505,362	227,868,901
Balances with other banks	8	17,478,976	19,713,246
Lendings to financial institutions	9	153,895,071	100,998,323
Investments	10	1,638,023,285	1,996,182,261
Advances	11	1,010,496,226	1,109,376,542
Property and equipment	12	68,334,765	63,673,849
Right-of-use assets	13	25,734,567	25,365,699
Intangible assets	14	1,517,814	1,559,640
Deferred tax assets		-	-
Other assets	15	169,171,977	172,317,236
Total assets		3,300,158,043	3,717,055,697
LIABILITIES			
Bills payable	16	61,189,539	41,768,326
Borrowings	17	555,834,086	1,142,200,709
Deposits and other accounts	18	2,287,598,788	2,136,104,698
Lease liabilities	19	30,992,975	29,555,307
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	14,180,760	19,459,032
Other liabilities	22	146,264,660	152,580,928
Total liabilities		3,110,060,808	3,535,669,000
NET ASSETS		190,097,235	181,386,697
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		45,255,069	43,466,925
Surplus on revaluation of assets	23	34,993,652	33,820,479
Unappropriated profit		94,076,863	88,305,939
Total equity attributable to the equity holders of the Holding Company		190,097,235	181,364,994
Non-controlling interest		-	21,703
		190,097,235	181,386,697

CONTINGENCIES AND COMMITMENTS

24

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025**

	Note	Quarter ended June 30, 2025	Quarter ended June 30, 2024	Half year ended June 30, 2025	Half year ended June 30, 2024
		------(Rupees in '000)-----			
		(Restated)		(Restated)	
Mark-up / return / interest earned	26	93,299,420	128,608,469	188,398,347	258,530,947
Mark-up / return / interest expensed	27	58,918,064	97,353,124	120,789,900	196,016,843
Net mark-up / return / interest income		34,381,356	31,255,345	67,608,447	62,514,104
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,093,096	5,244,602	7,649,749	10,040,783
Dividend income		530,288	607,266	1,410,510	904,811
Foreign exchange income	29	3,207,633	2,974,051	5,351,308	5,242,871
(Loss) / income from derivatives		(713,914)	829,102	388,566	1,373,514
Gain on securities	30	7,379,217	2,299,293	8,005,619	2,365,016
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of profit from associates		459,830	389,343	714,974	664,236
Other income	31	73,801	123,648	869,337	189,716
Total non-mark-up / interest income		15,029,951	12,467,305	24,390,063	20,780,947
Total income		49,411,307	43,722,650	91,998,510	83,295,051
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,088,940	20,672,140	56,122,936	40,018,818
Workers' welfare fund	33	421,462	494,288	821,570	919,944
Other charges	34	5,346	872	9,557	209,515
Total non-mark-up / interest expenses		29,515,748	21,167,300	56,954,063	41,148,277
Profit before credit loss allowance / provisions		19,895,559	22,555,350	35,044,447	42,146,774
Credit loss allowance / (reversal of credit loss allowance) / provisions and write offs - net	35	1,364,662	(25,199)	896,645	(231,993)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		18,530,897	22,580,549	34,147,802	42,378,767
Taxation	36	10,527,713	10,580,586	19,004,909	20,459,317
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		8,003,184	11,999,963	15,142,893	21,919,450
DISCONTINUED OPERATIONS					
LOSS FROM DISCONTINUED OPERATIONS - NET OF TAX	37.3	(16,497)	-	(83,517)	-
PROFIT AFTER TAXATION		7,986,687	11,999,963	15,059,376	21,919,450
Profit / (loss) attributable to:					
Equity holders of the Holding Company					
from continuing operations		8,003,184	11,971,927	15,142,893	21,917,916
from discontinued operations		(17,641)	-	(81,706)	-
		7,985,543	11,971,927	15,061,187	21,917,916
Non-controlling interest					
from continuing operations		-	28,036	-	1,534
from discontinued operations		1,144	-	(1,811)	-
		1,144	28,036	(1,811)	1,534
		7,986,687	11,999,963	15,059,376	21,919,450
------(Rupees)-----					
		(Restated)		(Restated)	
Basic and diluted earnings per share - continuing operations	38	5.07	7.59	9.60	13.90
Basic and diluted earnings per share	38	5.07	7.59	9.55	13.90

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

	Quarter ended June 30, 2025	Quarter ended June 30, 2024	Half year ended June 30, 2025	Half year ended June 30, 2024
	(Rupees in '000)			
	(Restated)		(Restated)	
Profit after taxation for the period	7,986,687	11,999,963	15,059,376	21,919,450
Other comprehensive income / (loss)				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	281,468	(949,118)	260,686	(1,655,279)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	5,262,290	1,439,949	3,132,277	(123,555)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(2,163,792)	(80,237)	(2,532,212)	(361,382)
Movement in share of (deficit) / surplus on revaluation of investments of associates - net of tax	(4,708)	6,223	(9,189)	5,980
	3,375,258	416,817	851,562	(2,134,236)
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations - net of tax	-	(1,105)	-	(1,105)
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	414,420	467,885	468,031	589,596
Movement in surplus on revaluation of property and equipment - net of tax	(17,970)	(9,920)	(36,814)	(19,744)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,516)	1,146	(10,410)	968
	390,934	458,006	420,807	569,715
Total comprehensive income	11,752,879	12,874,786	16,331,745	20,354,929
Total comprehensive income / (loss) attributable to:				
Equity holders of the Holding Company				
from continuing operations	11,769,376	12,847,164	16,415,262	20,353,809
from discontinued operations	(17,641)	-	(81,706)	-
	11,751,735	12,847,164	16,333,556	20,353,809
Non-controlling interest				
from continuing operations	-	27,622	-	1,120
from discontinued operations	1,144	-	(1,811)	-
	1,144	27,622	(1,811)	1,120
	11,752,879	12,874,786	16,331,745	20,354,929

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
Balance as at December 31, 2023 (audited)	15,771,651	4,731,049	14,191,974	22,478,107	(902,400)	12,088,444	86,726	71,472,352	139,917,903	(294,665)	139,623,238
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995	-	2,751,995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771,651	4,731,049	14,191,974	22,478,107	4,100,295	12,088,444	86,726	69,221,652	142,669,898	(294,665)	142,375,233
Changes in equity for the half year ended June 30, 2024											
Profit after taxation - (restated)	-	-	-	-	-	-	-	21,917,916	21,917,916	1,534	21,919,450
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(1,655,279)	-	-	-	-	-	(1,655,279)	-	(1,655,279)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(123,555)	-	-	-	(123,555)	-	(123,555)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(361,382)	-	-	-	(361,382)	-	(361,382)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	589,596	-	-	-	589,596	-	589,596
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	5,980	-	-	-	5,980	-	5,980
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(691)	(691)	(414)	(1,105)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(19,744)	-	-	(19,744)	-	(19,744)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	968	-	968	-	968
Total other comprehensive (loss) / income - net of tax	-	-	(1,655,279)	-	110,639	(19,744)	968	(691)	(1,564,107)	(414)	(1,564,521)
Transfer to statutory reserve	-	-	-	2,060,876	-	-	-	(2,060,876)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(44,116)	(9,180)	53,296	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(22,941)	-	-	22,941	-	-	-
Transactions with owners, recorded directly in equity											
Adjustment of non-controlling interest	-	-	-	-	-	-	-	(311,627)	(311,627)	311,627	-
Right Issuance cost - subsidiary	-	-	-	-	-	-	-	(8,314)	(8,314)	(4,988)	(13,302)
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)	-	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Closing balance as at June 30, 2024 (un-audited) - restated	15,771,651	4,731,049	12,536,695	24,538,983	4,187,993	12,024,584	78,514	77,794,141	151,663,610	13,094	151,676,704
Changes in equity for half year ended December 31, 2024											
Profit after taxation	-	-	-	-	-	-	-	17,935,705	17,935,705	8,141	17,943,846
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(110,739)	-	-	-	-	-	(110,739)	-	(110,739)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	10,925,879	-	-	-	10,925,879	-	10,925,879
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(538,564)	-	-	-	(538,564)	-	(538,564)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,441,123	-	-	-	1,441,123	-	1,441,123
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	30,396	-	-	-	30,396	-	30,396
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	461,557	461,557	468	462,025
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,629,026	-	-	5,629,026	-	5,629,026
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,661	-	235,661	-	235,661
Total other comprehensive (loss) / income - net of tax	-	-	(110,739)	-	11,858,834	5,629,026	235,661	461,557	18,074,339	468	18,074,807
Transfer to statutory reserve	-	-	-	1,770,937	-	-	-	(1,770,937)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(100,565)	540	100,025	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(94,108)	-	-	94,108	-	-	-
Transactions with owners, recorded directly in equity											
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,952,719	17,553,045	314,715	88,305,939	181,364,994	21,703	181,386,697
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511	-	284,511
Balance as at January 01, 2025 after adoption of IFRS 9 / carried forward	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
Balance brought forward	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208
Changes in equity for the half year ended June 30, 2025											
Profit / (loss) after taxation	-	-	-	-	-	-	-	15,061,187	15,061,187	(1,811)	15,059,376
Other comprehensive income / (loss) - net of tax											
Effect of translation of net investment in foreign branches	-	-	260,686	-	-	-	-	-	260,686	-	260,686
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,132,277	-	-	-	3,132,277	-	3,132,277
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,532,212)	-	-	-	(2,532,212)	-	(2,532,212)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	468,031	-	-	-	468,031	-	468,031
Movement in share of surplus / (deficit) on revaluation of investments of associates - net of tax	-	-	-	-	(9,189)	-	-	-	(9,189)	-	(9,189)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,814)	-	-	(36,814)	-	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(10,410)	-	(10,410)	-	(10,410)
Total other comprehensive income / (loss) - net of tax	-	-	260,686	-	1,058,907	(36,814)	(10,410)	-	1,272,369	-	1,272,369
Transfer to statutory reserve	-	-	-	1,527,458	-	-	-	(1,527,458)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(60,769)	(10,070)	70,839	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(133,278)	-	-	133,278	-	-	-
Transactions with owners, recorded directly in equity											
Derecognition of subsidiary	-	-	-	-	-	-	-	-	-	(19,892)	(19,892)
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Closing balance as at June 30, 2025 (un-audited)	15,771,651	4,731,049	12,686,642	27,837,378	17,243,955	17,455,462	294,235	94,076,863	190,097,235	-	190,097,235

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		34,147,802	42,378,767
Profit before taxation from discontinued operations	37.3	7,796	-
Less: Dividend income		(1,410,510)	(904,811)
Share of profit from associates		(714,974)	(664,236)
		<u>32,030,114</u>	<u>40,809,720</u>
Adjustments:			
Net mark-up / return / interest income		(67,628,316)	(62,514,104)
Depreciation		2,915,054	2,170,697
Depreciation on right-of-use assets		2,243,108	1,888,182
Amortisation		200,225	172,601
Credit loss allowance / (reversal of credit loss allowance) /provisions and write offs - net		892,084	(231,993)
Unrealised loss / (gain) on revaluation of investments classified as FVPL		326,209	(215,538)
Unrealised gain on advances classified as FVPL	31	(56,483)	(30,724)
Gain on sale of property and equipment - net	31	(26,726)	(61,511)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(54,117)	(52,740)
Staff loans - notional cost	32.1	1,746,960	1,249,124
Finance charges on leased assets		2,094,817	1,634,163
Workers' welfare fund		821,570	919,944
Charge for defined benefit plan	32.1	480,951	335,649
Charge for staff compensated absences	32.1	176,000	105,000
		<u>(55,872,032)</u>	<u>(54,659,050)</u>
		<u>(23,841,918)</u>	<u>(13,849,330)</u>
Decrease / (increase) in operating assets			
Lendings to financial institutions		(2,664,413)	65,889,953
Securities classified as FVPL		159,600,150	(77,760,808)
Advances		98,640,822	(43,241,589)
Other assets (excluding advance taxation and mark-up receivable)		(21,444,479)	(9,125,352)
		<u>234,132,080</u>	<u>(64,237,796)</u>
(Decrease) / increase in operating liabilities			
Bills payable		19,421,213	10,242,210
Borrowings		(576,005,280)	(55,978,885)
Deposits		151,494,090	16,001,254
Other liabilities (excluding current taxation and mark-up payable)		10,558,664	25,167,863
		<u>(394,531,313)</u>	<u>(4,567,558)</u>
		<u>(184,241,151)</u>	<u>(82,654,684)</u>
Mark-up / interest received		205,236,748	246,899,316
Mark-up / interest paid		(138,171,485)	(187,164,204)
Income tax paid		(19,642,364)	(25,544,355)
Net cash used in operating activities		<u>(136,818,252)</u>	<u>(48,463,927)</u>
Balance carried forward		<u>(136,818,252)</u>	<u>(48,463,927)</u>

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
			(Restated)
Balance brought forward		(136,818,252)	(48,463,927)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		203,577,759	116,438,486
Net (divestments) / investments in securities carried at amortised cost		(917,320)	2,865,822
Dividends received from associates		44,993	254,993
Dividends received from other investments		1,410,510	915,242
Divestment from subsidiary	37.2	388,732	-
Investments in property and equipment and intangible assets		(7,771,870)	(12,897,974)
Proceeds from sale of property and equipment		33,615	73,988
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net investment in foreign branches		260,686	(1,655,279)
Net cash generated from investing activities		197,054,194	106,263,078
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(3,206,391)	(2,773,947)
Payment of right issuance cost		-	(13,302)
Dividend paid		(7,873,675)	(15,413,168)
Net cash used in financing activities		(11,080,066)	(18,200,417)
Net increase in cash and cash equivalents		49,155,876	39,598,734
Cash and cash equivalents at beginning of the period		231,145,707	249,771,375
Effects of exchange rate changes on cash and cash equivalents		2,092,890	(1,871,683)
		233,238,597	247,899,692
Expected credit loss allowance on cash and cash equivalents - net		(8,538)	(35,901)
Cash and cash equivalents of discontinued operations		(1,442,577)	-
Cash and cash equivalents at end of the period	39	<u>280,943,358</u>	<u>287,462,525</u>

The annexed notes 1 to 48 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company : Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Holding Company) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Holding Company's registered office is located at B.A. Building, I.I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Holding Company is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Holding Company is operating through 1,172 branches (December 31, 2024: 1,141 branches) and 12 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,172 branches, 713 (December 31, 2024: 707) are conventional, 448 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31 2024: 1) is an offshore banking unit.

	Note	Percentage of Holding	
		June 30, 2025	December 31, 2024
Subsidiaries			
Alfalah Securities (Private) Limited (divestment during the current period)	37	-	95.59%
Alfalah Currency Exchange (Private) Limited		100.00%	100.00%

1.2 In addition, the Group maintains investments in the following:

Associates

Alfalah Insurance Company Limited	30.00%	30.00%
Sapphire Wind Power Company Limited	30.00%	30.00%
Alfalah Asset Management Limited	40.22%	40.22%

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS Accounting Standards) 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).

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

Moreover, Alfalah Insurance Company Limited has deferred the application of IFRS 9 till January 01, 2026, which is same as effective date for application of IFRS 17 - Insurance Contracts as allowed by the SECP through S.R.O. 506(i)/2024 dated March 29, 2024. Furthermore, Sapphire Wind Power Company Limited was granted a partial exemption from the application of IFRS 9 till December 31, 2025 vide SECP S.R.O. 1784(i)/2024- dated November 04, 2024. Consequently, the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from Central Power Purchasing Agency (CPPA-G) have not been followed.

- 2.1.1** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2024.

2.1.2 Basis of consolidation

A subsidiary is an entity controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those return through its power over the investee.

These consolidated condensed interim financial statements incorporate the financial statements of subsidiaries from the date that control commences until the date that control ceases.

Profit or loss and each component of the Other Comprehensive Income (OCI) are attributed to the equity holders of the Holding Company and to the Non-Controlling interests (NCI) even if it results in the NCI having a deficit balance.

Material intra-group balances and transactions with subsidiaries are eliminated.

A change in ownership of a subsidiary, without loss of control is accounted for as an equity transaction.

Associates are those entities on which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary which are not owned by the Holding Company.

- 2.1.3** Key financial figures of the Islamic Banking branches are disclosed in note 43 to the unconsolidated condensed interim financial statements.

- 2.1.4** The Holding Company believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, these consolidated condensed interim financial statements have been prepared on a going concern basis.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2025 but are considered not relevant or do not have any material effect on the Group's operations and are therefore not detailed in these consolidated condensed interim financial statements. The impact of IFRS 9 for the current period is disclosed in note 4.1.2 of these consolidated condensed interim financial statements. Further, the comparative period has been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 4.1.1.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or will not have any material effect on the Group's financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the consolidated condensed interim financial statements.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain property and equipment and non banking assets acquired in satisfaction of claims are stated at revalued amounts; investments classified at fair value through profit and loss and fair value through other comprehensive income; advances classified at fair value through profit and loss, foreign exchange contracts and derivative financial instruments are measured at fair value; defined benefit obligations are carried at present value; right of use of asset and related lease liability are measured at present value on initial recognition; and staff loans are measured at fair value on initial recognition.

3.2 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2024. Impacts of adoption of IFRS 9 for the comparative and current period are disclosed in note 4.1.

4.1 IFRS 9 - 'Financial Instruments'

4.1.1 The Holding Company had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 2,751.995 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Holding Company, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the consolidated condensed interim statement of profit and loss account (un-audited) for the half year ended June 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the half year ended June 30, 2024 would have been higher by Rs. 10.416 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest earned	Increase	1,345,058	Fair value impact of subsidised advances and modification of advances
Mark-up / return / interest earned	Increase	1,249,124	Fair value impact on staff loans
Other income	Increase	30,724	Fair value impact on advances measured at fair value through profit and loss
		2,624,906	
Mark-up / return / interest expensed	Increase	1,396,206	Fair value impact on subsidised borrowings
Operating expenses	Increase	1,249,124	Fair value impact on staff loans
		2,645,330	
Taxation	Decrease	10,008	Tax impact of restatement

4.1.2 During the current period, in accordance with BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 dated July 29, 2024 the Group has applied IFRS 9 'Financial Instruments' for Bangladesh Operations and measured unquoted equity securities at fair value. The cumulative impact of application in current period amounting to Rs. 284.511 million net of tax has been recorded as an adjustment to equity at the beginning of the current period.

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Group would have been higher by Rs. 134.636 million.

4.1.4 The SBP in a separate instruction SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2024 except for matters related to IFRS 9 which have been disclosed in note 4.1 to these consolidated condensed interim financial statements.

6 FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		48,415,186	48,338,529
- foreign currency		4,635,499	5,619,401
		53,050,685	53,957,930
With State Bank of Pakistan in			
- local currency current accounts		65,889,757	92,353,394
- foreign currency current accounts		7,926,927	7,192,719
- foreign currency deposit accounts		12,772,008	10,832,548
		86,588,692	110,378,661
With other central banks in			
- foreign currency current accounts		63,356,120	60,980,202
- foreign currency deposit accounts		1,557,796	1,820,112
		64,913,916	62,800,314
With National Bank of Pakistan in local currency current account		10,868,492	628,396
Prize bonds		99,814	119,605
		215,521,599	227,884,906
Less: Credit loss allowance held against cash and balances with treasury banks		(16,237)	(16,005)
Cash and balances with treasury banks - net of credit loss allowance		215,505,362	227,868,901
8 BALANCES WITH OTHER BANKS			
In Pakistan			
- in current accounts		35,165	803,655
- in deposit accounts		-	477,299
		35,165	1,280,954
Outside Pakistan			
- in current accounts		17,425,953	18,406,200
- in deposit accounts		32,054	31,982
		17,458,007	18,438,182
		17,493,172	19,719,136
Less: Credit loss allowance held against balances with other banks		(14,196)	(5,890)
Balances with other banks - net of credit loss allowance		17,478,976	19,713,246
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings		51,624,880	1,792,764
Repurchase agreement lendings (Reverse Repo)		102,270,862	94,208,913
Bai Muajjal receivable - other financial institution		-	4,997,525
		153,895,742	100,999,202
Less: Credit loss allowance held against lending to financial institutions	9.1	(671)	(879)
Lending to financial institutions - net of credit loss allowance		153,895,071	100,998,323

June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
Lending	Credit loss allowance held	Lending	Credit loss allowance held

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

------(Rupees in '000)-----

Domestic					
Performing	Stage 1	152,970,862	595	99,606,438	754
Overseas					
Performing	Stage 1	924,880	76	1,392,764	125
Total		153,895,742	671	100,999,202	879

10 INVESTMENTS

10.1 Investments by type:

June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value

------(Rupees in '000)-----

Fair value through profit and loss

Federal Government Securities								
- Market Treasury Bills	42,060,822	-	(11,351)	42,049,471	74,055,824	-	(5,499)	74,050,325
- Pakistan Investment Bonds	56,814,754	-	53,544	56,868,298	183,913,135	-	47,072	183,960,207
- Ijarah Sukuks	260,372	-	716	261,088	1,733,628	-	10,084	1,743,712
- Naya Pakistan Certificates	1,009,002	-	-	1,009,002	2,651,621	-	-	2,651,621
Shares								
- Ordinary Shares - Listed	4,693,696	-	(124,974)	4,568,722	2,451,629	-	1,133,300	3,584,929
- Preference Shares - Unlisted	-	-	-	-	-	-	500,000	500,000
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	422,444	-	957	423,401	422,000	-	444	422,444
Foreign Securities								
- Overseas Bonds - Sovereign	15,095,846	-	(16,938)	15,078,908	13,043,880	-	(6,799)	13,037,081
- Redeemable Participating Certificates	8,255,474	-	(221,655)	8,033,819	5,913,093	-	2,401,955	8,315,048
	130,062,410	-	(319,701)	129,742,709	285,634,810	-	4,080,557	289,715,367

Fair value through other comprehensive income

Federal Government Securities								
- Market Treasury Bills	12,759,353	-	75,315	12,834,668	22,155,073	-	429,662	22,584,735
- Pakistan Investment Bonds	841,086,522	-	18,734,858	859,821,380	1,009,681,395	-	14,952,851	1,024,634,246
- Ijarah Sukuks	217,773,294	-	6,764,086	224,537,380	241,695,919	-	9,230,018	250,925,937
- Government of Pakistan Euro Bonds	12,178,653	(1,947,664)	1,178,820	11,409,809	12,368,725	(2,145,627)	922,305	11,145,403
Shares								
- Ordinary Shares - Listed	13,158,541	-	5,733,660	18,892,201	10,202,508	-	4,768,790	14,971,298
- Ordinary Shares - Unlisted	1,319,051	-	2,080,704	3,399,755	1,351,363	-	1,471,825	2,823,188
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,942,200	(108,526)	-	1,833,674	2,076,398	(111,745)	-	1,964,653
- Sukuks	15,361,416	(96,511)	(92,228)	15,172,677	15,584,244	(96,511)	140,246	15,627,979
Foreign Securities								
- Overseas Bonds - Sovereign	49,102,235	(71,070)	(872,353)	48,158,812	50,691,578	(77,534)	(1,417,964)	49,196,080
- Overseas Bonds - Others	24,023,296	(5,992)	(678,330)	23,338,974	26,231,004	(7,505)	(1,030,029)	25,193,470
- Equity Securities - Listed	270,436	-	(15,754)	254,682	265,427	-	(8,246)	257,181
- Preference Shares - Unlisted	567,545	-	-	567,545	557,108	-	-	557,108
REIT Fund - Listed	1,072,965	-	407,336	1,480,301	1,000,489	-	514,493	1,514,982
	1,190,640,507	(2,254,763)	33,316,114	1,221,701,858	1,393,886,231	(2,463,922)	29,973,951	1,421,396,260
Balance carried forward	1,320,702,917	(2,254,763)	32,996,413	1,351,444,567	1,679,521,041	(2,463,922)	34,054,508	1,711,111,627

10.1 Investments by type:

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
Balance brought forward	1,320,702,917	(2,254,763)	32,996,413	1,351,444,567	1,679,521,041	(2,463,922)	34,054,508	1,711,111,627
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	217,132,123	-	-	217,132,123	218,414,195	-	-	218,414,195
- Ijarah Sukuks	40,427,531	-	-	40,427,531	40,376,451	-	-	40,376,451
Non Government Debt Securities								
- Term Finance Certificates	387,180	(24,724)	-	362,456	324,680	(24,715)	-	299,965
- Sukuks	3,250,645	(56,413)	-	3,194,232	3,509,612	(56,421)	-	3,453,191
Foreign Securities								
- Overseas Bonds - Sovereign	17,939,771	(53,970)	-	17,885,801	15,601,311	(216)	-	15,601,095
	279,137,250	(135,107)	-	279,002,143	278,226,249	(81,352)	-	278,144,897
Associates (valued at equity method)								
- Alfalah Insurance Company Limited	1,027,140	-	-	1,027,140	991,493	-	-	991,493
- Sapphire Wind Power Company Limited	5,429,227	-	-	5,429,227	4,945,252	-	-	4,945,252
- Alfalah Asset Management Limited	1,120,208	-	-	1,120,208	988,992	-	-	988,992
	7,576,575	-	-	7,576,575	6,925,737	-	-	6,925,737
Total investments	1,607,416,742	(2,389,870)	32,996,413	1,638,023,285	1,964,673,027	(2,545,274)	34,054,508	1,996,182,261

10.2 Particulars of assets and liabilities of associates

	Associate	Country of Incorporation	Percentage of holding	June 30, 2025 (Un-audited)				
				Assets	Liabilities	Revenue	Profit for the period	Total Comprehensive Income
				(Rupees in '000)				
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	9,067,098	5,652,907	1,547,909	332,611	268,801
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,794,137	2,503,947	2,919,833	1,613,250	1,613,250
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	3,647,374	862,169	1,438,243	341,143	341,143
	Associate	Country of Incorporation	Percentage of holding	December 31, 2024 (Audited)		June 30, 2024 (Un-audited)		
				Assets	Liabilities	Revenue	Profit for the period	Total Comprehensive Income
				(Rupees in '000)				
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	7,622,491	4,327,101	1,322,373	353,768	392,855
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,530,002	3,853,062	3,011,661	1,640,280	1,640,280
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	3,473,064	1,014,104	744,265	169,227	169,227

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in 000)-----	
10.3 Investments given as collateral		
- Market Treasury Bills	-	18,948,162
- Pakistan Investment Bonds	409,993,123	952,096,877
- Overseas Bonds	11,762,845	8,759,125
	<u>421,755,968</u>	<u>979,804,164</u>

10.3.1 The market value of securities given as collateral is Rs. 426,304.813 million (December 31, 2024: Rs. 993,194.012 million).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in 000)-----	
10.4 Credit loss allowance / provision for diminution in value of investments		
10.4.1 Opening balance	2,545,274	3,355,413
Impact of adoption of IFRS 9	60,074	(437,729)
Balance as at January 01 after adopting IFRS 9	<u>2,605,348</u>	<u>2,917,684</u>
Exchange and other adjustments	42,146	(29,753)
Charge / (reversals)		
Charge for the period / year	80,531	236,742
Reversals for the period / year	(144,830)	(578,980)
Reversal on disposals	(193,325)	(419)
	<u>(257,624)</u>	<u>(342,657)</u>
Closing Balance	<u>2,389,870</u>	<u>2,545,274</u>

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance / Provision held	Outstanding amount	Credit loss allowance / Provision held
------(Rupees in '000)-----					
Domestic					
Performing	Stage 1	806,250	85	806,250	85
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>311,089</u>	<u>311,089</u>	<u>314,307</u>	<u>314,307</u>
		1,117,339	311,174	1,120,557	314,392
Overseas					
Performing	Stage 1	91,065,302	131,032	78,312,741	85,255
Performing		-	-	14,211,152	-
Underperforming	Stage 2	12,178,653	1,947,664	12,368,725	2,145,627
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		<u>104,361,294</u>	<u>2,389,870</u>	<u>106,013,175</u>	<u>2,545,274</u>

10.4.3 The market value of securities classified at amortised cost as at June 30, 2025 amounted to Rs. 282,053.215 million (December 31, 2024: Rs. 279,284.570 million).

11 ADVANCES

Note	Performing		Non Performing		Total	
	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
(Rupees in '000)						
Classified at amortised cost						
Loans, cash credits, running finances, etc.	781,181,370	929,992,948	38,228,807	36,406,677	819,410,177	966,399,625
Islamic financing and related assets	205,936,454	166,361,932	5,458,170	5,688,223	211,394,624	172,050,155
Bills discounted and purchased	24,192,002	16,129,793	198,704	269,602	24,390,706	16,399,395
	<u>1,011,309,826</u>	<u>1,112,484,673</u>	<u>43,885,681</u>	<u>42,364,502</u>	<u>1,055,195,507</u>	<u>1,154,849,175</u>
Classified at FVPL						
Loans, cash credits, running finances, etc.	2,250,000	1,200,000	-	-	2,250,000	1,200,000
Fair value adjustment on loans - FVPL	270,218	213,735	-	-	270,218	213,735
	<u>2,520,218</u>	<u>1,413,735</u>	<u>-</u>	<u>-</u>	<u>2,520,218</u>	<u>1,413,735</u>
Advances - gross	<u>1,013,830,044</u>	<u>1,113,898,408</u>	<u>43,885,681</u>	<u>42,364,502</u>	<u>1,057,715,725</u>	<u>1,156,262,910</u>
Credit loss allowance / provision against advances						
- Stage 1	11.4 (1,778,969)	(2,232,954)	-	-	(1,778,969)	(2,232,954)
- Stage 2	11.4 (1,206,374)	(1,388,083)	-	-	(1,206,374)	(1,388,083)
- Stage 3	11.4 -	-	(40,122,979)	(38,440,559)	(40,122,979)	(38,440,559)
- Specific	11.4 -	-	-	(587,690)	-	(587,690)
- General	11.4 (4,111,177)	(4,237,082)	-	-	(4,111,177)	(4,237,082)
	<u>(7,096,520)</u>	<u>(7,858,119)</u>	<u>(40,122,979)</u>	<u>(39,028,249)</u>	<u>(47,219,499)</u>	<u>(46,886,368)</u>
Advances - net of credit loss allowance / provision	<u>1,006,733,524</u>	<u>1,106,040,289</u>	<u>3,762,702</u>	<u>3,336,253</u>	<u>1,010,496,226</u>	<u>1,109,376,542</u>

11.1 Advances include an amount of Rs. 425.928 million (December 31, 2024: Rs. 395.404 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Holding Company, or were granted afresh, under a specific arrangement executed between the Holding Company and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 13.94% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to October 2043 (December 31, 2024: October 2043).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
11.2 Particulars of advances (gross)		
In local currency	965,076,069	1,038,688,031
In foreign currencies	92,639,656	117,574,879
	<u>1,057,715,725</u>	<u>1,156,262,910</u>

11.3 Advances include Rs. 43,885.681 million (December 31, 2024: Rs. 42,364.502 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
(Rupees in '000)				
Domestic				
Other Assets Especially Mentioned (OAEM)	269,574	-	237,808	-
Substandard	2,404,019	947,201	2,991,264	1,260,906
Doubtful	3,706,756	1,835,308	2,311,039	1,103,457
Loss	36,832,335	36,728,566	36,168,946	36,076,196
	<u>43,212,684</u>	<u>39,511,075</u>	<u>41,709,057</u>	<u>38,440,559</u>
Overseas				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	672,997	611,904	616,745	564,335
	<u>672,997</u>	<u>611,904</u>	<u>655,445</u>	<u>587,690</u>
Total	<u>43,885,681</u>	<u>40,122,979</u>	<u>42,364,502</u>	<u>39,028,249</u>

11.4 Particulars of Credit loss allowance / provision against advances

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)							
	Expected Credit Loss			Total	General	Specific	Expected Credit Loss			General	Specific	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
(Rupees in '000)												
Opening balance	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368	-	-	-	32,374,940	9,861,797	42,236,737
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,605,109	(31,884,624)	(1,715,503)	5,330,502
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,028,310	-	4,237,082	46,986,990	3,383,875	1,941,645	33,605,109	490,316	8,146,294	47,567,239
Exchange and other adjustments	2,199	-	(4,713)	-	(3,449)	(5,963)	(249)	-	-	(49,929)	(35,775)	(85,953)
Charge for the period / year	264,689	434,011	5,024,607	-	-	5,723,307	589,912	228,688	14,212,577	148,294	-	15,179,471
Reversals for the period / year	(703,294)	(624,139)	(3,359,807)	-	(122,456)	(4,809,696)	(1,576,721)	(680,132)	(7,187,019)	(991)	(3,873,437)	(13,318,300)
	(438,605)	(190,128)	1,664,800	-	(122,456)	913,611	(986,809)	(451,444)	7,025,558	147,303	(3,873,437)	1,861,171
Transfer	(68,241)	(41,480)	109,721	-	-	-	(163,863)	(102,118)	265,981	-	-	-
Amounts written off	-	-	(9,465)	-	-	(9,465)	-	-	(19,688)	-	-	(19,688)
Amounts charged off	-	-	(635,382)	-	-	(635,382)	-	-	(2,310,924)	-	-	(2,310,924)
Amounts charged off - agriculture financing	-	-	(25,746)	-	-	(25,746)	-	-	(125,477)	-	-	(125,477)
Reversal on derecognition of subsidiary	-	-	(4,546)	-	-	(4,546)	-	-	-	-	-	-
	(68,241)	(41,480)	(565,418)	-	-	(675,139)	(163,863)	(102,118)	(2,190,108)	-	-	(2,456,089)
Closing balance	1,778,969	1,206,374	40,122,979	-	4,111,177	47,219,499	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 85.883 million (December 31, 2024: Rs. 79.607 million).

11.4.2 During the period, non performing loans and provisions were reduced by Rs. 442.462 million (December 31, 2024: Rs. 5,317.765 million) due to debt property swap transactions.

11.4.3 General provision includes:

- (i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- (ii) Provision of Rs. 3,878.000 million (December 31, 2024: Rs. 3,878.000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposure, staff loans and loans secured against liquid collaterals.

11.4.4 Although the Holding Company has made provision against its non-performing portfolio as per the category of classification of the loan, the Holding Company holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

11.5 Advances - particulars of credit loss allowance / provision against advances

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)							
	Expected Credit Loss			Total	General	Specific	Expected Credit Loss			General	Total	
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
	(Rupees in '000)											
Opening balance	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368	-	-	-	32,374,940	9,861,797	42,236,737
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,605,109	(31,884,624)	(1,715,503)	5,330,502
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,028,310	-	4,237,082	46,986,990	3,383,875	1,941,645	33,605,109	490,316	8,146,294	47,567,239
Exchange and other adjustments	2,199	-	(4,713)	-	(3,449)	(5,963)	(249)	-	-	(49,929)	(35,775)	(85,953)
New Advances	264,689	434,011	3,725,672	-	-	4,424,372	589,912	228,688	10,739,861	55,479	-	11,613,940
Due to credit deterioration	-	-	1,298,935	-	-	1,298,935	-	-	3,472,716	92,815	-	3,565,531
Advances derecognised or repaid / reversal	(694,713)	(304,245)	(3,236,276)	-	(122,456)	(4,357,690)	(1,348,975)	(337,218)	(6,805,825)	(991)	(3,873,437)	(12,366,446)
Transfer to stage 1	43,421	(43,421)	-	-	-	-	209,329	(209,329)	-	-	-	-
Transfer to stage 2	(105,876)	105,876	-	-	-	-	(342,027)	342,027	-	-	-	-
Transfer to stage 3	(5,786)	(103,935)	109,721	-	-	-	(31,165)	(234,816)	265,981	-	-	-
Changes in risk parameters	(8,581)	(319,894)	(123,531)	-	-	(452,006)	(227,746)	(342,914)	(381,194)	-	-	(951,854)
Amounts written off	(506,846)	(231,608)	1,774,521	-	(122,456)	913,611	(1,150,672)	(553,562)	7,291,539	147,303	(3,873,437)	1,861,171
Amounts charged off	-	-	(9,465)	-	-	(9,465)	-	-	(19,688)	-	-	(19,688)
Reversal on derecognition of subsidiary	-	-	(661,128)	-	-	(661,128)	-	-	(2,436,401)	-	-	(2,436,401)
Closing balance	1,778,969	1,206,374	40,122,979	-	4,111,177	47,219,499	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368

11.6 Particulars of charged-off loans/ advances / finances

	June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance of charged-off	186	2,982,475	44	2,267,137
Charge-off during the period / year	160	152,889	145	1,331,003
Sub total	346	3,135,364	189	3,598,140
Recoveries made during the period / year				
against already charged-off cases	12	175,281	2	247,585
Amount written off from already charged off loans	-	-	-	-
Other movement	-	-	1	368,080
Closing balance of charged-offs	334	2,960,083	186	2,982,475

11.7 Advances - Category of classification

		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
(Rupees in '000)					
Domestic					
Performing	Stage 1	843,002,879	1,634,444	950,300,612	2,101,954
Underperforming	Stage 2	132,246,040	1,138,076	112,325,725	1,388,083
Non-Performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		269,574	-	237,808	-
Substandard		2,404,019	947,201	2,991,264	1,260,906
Doubtful		3,706,756	1,835,308	2,311,039	1,103,457
Loss		36,832,335	36,728,566	36,168,946	36,076,196
General Provision		-	3,878,000	-	3,878,000
		1,018,461,603	46,161,595	1,104,335,394	45,808,596
Overseas					
Performing	Stage 1	35,163,062	144,525	51,272,071	131,000
Underperforming	Stage 2	3,418,064	68,298	-	-
Non-Performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		-	-	-	-
Substandard		-	-	38,700	23,355
Doubtful		-	-	-	-
Loss		672,996	611,904	616,745	564,335
General Provision		-	233,177	-	359,082
		39,254,122	1,057,904	51,927,516	1,077,772
Total		1,057,715,725	47,219,499	1,156,262,910	46,886,368

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
(Rupees in '000)			

12 PROPERTY AND EQUIPMENT

Capital work-in-progress	12.1	4,576,231	3,473,754
Property and equipment	12.2	63,758,534	60,200,095
		68,334,765	63,673,849

12.1 Capital work-in-progress

Civil works	3,678,254	3,190,303
Equipment	868,885	252,122
Others	29,092	31,329
	4,576,231	3,473,754

12.2 It includes land and buildings carried at revalued amount of Rs. 40,013.824 million (December 31, 2024: Rs. 39,448.429 million).

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in 000) -----	
12.3	Additions to property and equipment		
The following additions were made to property and equipment during the period:			
	Capital work-in-progress - net of transferred out for capitalisation	1,102,477	272,228
	Property and equipment		
	Freehold land	283,710	1,244,879
	Leasehold land	-	5,604,974
	Buildings on freehold land	234,372	565,440
	Buildings on leasehold land	204,571	355,244
	Leasehold improvements	1,879,716	1,464,151
	Furniture and fixtures	461,757	431,032
	Office equipments	2,217,782	2,195,254
	Vehicles	1,219,504	429,346
		6,501,412	12,290,320
	Total additions to property and equipment	7,603,889	12,562,548
12.4	Disposals of property and equipment		
The net book values of property and equipment disposed off during the period are as follows:			
	Leasehold improvements	-	1,181
	Furniture and fixtures	376	219
	Office equipments	6,513	10,861
	Vehicles	-	216
	Total disposals of property and equipment	6,889	12,477
		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in 000) -----	
13	RIGHT-OF-USE ASSETS	Note	
	At January 1		
	Cost	36,730,369	28,896,873
	Accumulated depreciation	(11,364,670)	(8,929,916)
	Net carrying amount at January 01	25,365,699	19,966,957
	Additions / renewals / amendments / (terminations) - net during the period / year	2,639,296	9,392,220
	Depreciation charge during the period / year	(2,243,108)	(3,946,074)
	Exchange rate adjustments	5,149	(47,404)
	Derecognition of subsidiary	(32,469)	-
	Closing net carrying amount	25,734,567	25,365,699
14	INTANGIBLE ASSETS		
	Capital work-in-progress / advance payment to suppliers	422,635	398,802
	Software	1,094,074	1,154,088
	Membership Card	-	6,000
	License fee	583	750
	Trademark & copyrights	522	-
		1,517,814	1,559,640
		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in 000) -----	
14.1	Additions to intangible assets		
The following additions were made to intangible assets during the period:			
	Capital work-in-progress - net; of transferred out for capitalisation	25,556	(26,095)
	Directly purchased	142,425	331,825
	Total additions to intangible assets	167,981	305,730
14.2	There were no disposal of intangible assets during the periods ended June 30, 2025 and June 30, 2024.		

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
15 OTHER ASSETS			
Income / mark-up accrued in local currency - net		62,296,768	82,073,211
Income / mark-up accrued in foreign currencies - net		2,013,623	2,724,193
Advances, deposits, advance rent and other prepayments		6,482,879	4,619,209
Advance taxation (payments less provisions)		-	3,729,029
Advance against subscription of share		55,343	-
Non-banking assets acquired in satisfaction of claims	15.1	8,322,091	7,830,251
Mark to market gain on forward foreign exchange contracts		1,417,928	1,288,538
Mark to market gain on derivatives		2,290,603	3,128,782
Stationery and stamps on hand		25,731	28,155
Defined benefit plan		851,040	1,331,990
Branch adjustment account		260,002	29,195
Alternative Delivery Channel (ADC) settlement accounts	15.3	5,456,513	-
Due from card issuing banks		3,445,952	2,817,994
Accounts receivable		14,267,805	10,613,225
Claims against fraud and forgeries		119,812	108,907
Acceptances		42,907,503	33,015,615
Receivable against Government of Pakistan and overseas government securities		65,234	44,928
Receivable against marketable securities		-	1,935,323
Deferred cost on staff loans		22,296,456	21,080,743
Others		114,891	135,605
		<u>172,690,174</u>	<u>176,534,893</u>
Less: Credit loss allowance / provision held against other assets	15.2	<u>(3,998,230)</u>	<u>(4,709,539)</u>
Other assets (net of credit loss allowance / provision)		168,691,944	171,825,354
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	<u>480,033</u>	<u>491,882</u>
Other assets - total		<u><u>169,171,977</u></u>	<u><u>172,317,236</u></u>

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,802.124 million (December 31, 2024: Rs. 8,322.133 million).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
15.2 Credit loss allowance / provision held against other assets		
Impairment against overseas operations	3,345,731	2,708,477
Expected credit loss	99,652	181,325
Fraud and forgeries	119,812	108,907
Receivable against marketable securities	-	1,243,517
Accounts receivable	67,083	67,326
Others	365,952	399,987
	<u>3,998,230</u>	<u>4,709,539</u>
15.2.1 Movement in credit loss allowance / provision held against other assets		
Opening balance	4,709,539	4,619,037
Impact of adoption of IFRS 9	862	370,152
Balance as at January 01 after adopting IFRS 9	<u>4,710,401</u>	<u>4,989,189</u>
Exchange and other adjustments	(3,843)	(2,777)
Charge for the period / year	685,737	531,375
Reversals for the period / year	<u>(152,831)</u>	<u>(753,490)</u>
	532,906	(222,115)
Amount written off	(2,278)	(54,758)
Reversal on derecognition of subsidiary	<u>(1,238,956)</u>	<u>-</u>
Closing balance	<u><u>3,998,230</u></u>	<u><u>4,709,539</u></u>

15.3 This represents settlement arising from alternate delivery channel transactions at the cut off date.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
16	BILLS PAYABLE	
In Pakistan	60,712,307	41,462,676
Outside Pakistan	477,232	305,650
	<u>61,189,539</u>	<u>41,768,326</u>
17	BORROWINGS	
Secured		
Borrowings from State Bank of Pakistan under:		
Export Refinance Scheme	22,277,833	26,867,803
Long-Term Finance Facility	18,070,342	20,278,409
Financing Facility for Renewable Energy Projects	12,899,788	13,762,263
Financing Facility for Storage of Agriculture Produce (FFSAP)	787,450	698,919
Temporary Economic Refinance Facility (TERF)	23,922,342	25,697,206
Export Refinance under Bill Discounting	13,479,847	14,253,363
SME Asaan Finance (SAAF)	3,950,800	7,073,103
Refinance Facility for Combating COVID (RFCC)	990,571	932,258
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	428,341	172,604
Modernization of Small and Medium Entities (MSMES)	2,207,727	1,855,749
Other refinance schemes	968	232
Repurchase agreement borrowings	355,585,500	911,260,540
	454,601,509	1,022,852,449
Repurchase agreement borrowings	21,928,158	32,209,792
Bai Muajjal	50,720,362	48,654,565
Others	-	314,967
Total secured	<u>527,250,029</u>	<u>1,104,031,773</u>
Unsecured		
Call borrowings	11,350,580	11,414,695
Overdrawn nostro accounts	3,665,860	15,736,314
Borrowings of overseas branches	3,947,677	5,750,351
Others		
- Pakistan Mortgage Refinance Company	6,257,616	2,464,030
- Karandaz Risk Participation	3,362,324	2,803,546
Total unsecured	<u>28,584,057</u>	<u>38,168,936</u>
	<u>555,834,086</u>	<u>1,142,200,709</u>

18 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	------(Rupees in '000)-----					
Customers						
- Current deposits	781,343,826	159,346,436	940,690,262	644,305,838	165,613,660	809,919,498
- Savings deposits	621,551,492	32,926,059	654,477,551	607,199,365	34,755,471	641,954,836
- Term deposits	359,715,079	86,148,628	445,863,707	315,007,439	69,798,774	384,806,213
- Others	53,814,235	13,022,712	66,836,947	35,232,274	12,915,513	48,147,787
	1,816,424,632	291,443,835	2,107,868,467	1,601,744,916	283,083,418	1,884,828,334
Financial Institutions						
- Current deposits	5,608,740	3,033,647	8,642,387	4,204,792	2,747,963	6,952,755
- Savings deposits	121,055,598	1,296,540	122,352,138	185,650,940	2,372,391	188,023,331
- Term deposits	40,462,363	8,163,178	48,625,541	47,797,204	8,366,800	56,164,004
- Others	110,157	98	110,255	136,154	120	136,274
	167,236,858	12,493,463	179,730,321	237,789,090	13,487,274	251,276,364
	<u>1,983,661,490</u>	<u>303,937,298</u>	<u>2,287,598,788</u>	<u>1,839,534,006</u>	<u>296,570,692</u>	<u>2,136,104,698</u>

18.1 Current deposits include remunerative current deposits of Rs. 33,305.574 million (December 31, 2024: Rs. 26,618.402 million).

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
19 LEASE LIABILITIES			
Opening as at January 01		29,555,307	22,899,808
Additions / renewals / amendments / (terminations) - net		2,585,179	9,328,489
Finance charges		2,094,817	3,518,804
Lease payments including interest		(3,206,391)	(6,138,088)
Exchange rate / other adjustment		6,983	(53,706)
Derecognition of subsidiary	37.2	(42,920)	-
Closing net carrying amount		<u>30,992,975</u>	<u>29,555,307</u>
19.1 Liabilities outstanding			
Not later than one year		2,247,577	2,061,668
Later than one year and upto five years		12,164,835	11,067,332
Over five years		<u>16,580,563</u>	<u>16,426,307</u>
Total as at period / year end		<u>30,992,975</u>	<u>29,555,307</u>
20 SUBORDINATED DEBT			
Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	<u>7,000,000</u>	<u>7,000,000</u>
		<u>14,000,000</u>	<u>14,000,000</u>

20.1 Term Finance Certificates VI - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Holding Company issued listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013. Summary of terms and conditions of the issue are:

Issue amount	Rs. 7,000,000,000
Issue date	March 2018
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Holding Company including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Holding Company is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 1.50% with no step up feature. Base Rate is defined as the six months KIBOR (ask side) prevailing on one (1) business day prior to previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Holding Company's current year's earning and if the Holding Company is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Holding Company to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call option	The Holding Company may, at its sole discretion, exercise call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of same and better quality.

20.2 Term Finance Certificates VIII - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Holding Company issued Rs. 7,000 million of privately placed, listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD circular No. 06 dated August 15, 2013. Summary of key terms and conditions of the issue are as follows:

Issue amount	Rs. 7,000,000,000
Issue date	December 2022
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Holding Company including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Holding Company is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 2.00% with no step up feature. Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Holding Company's current year's earning and if the Holding Company is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Holding Company to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call option	The Holding Company may, at its sole discretion, exercise call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of same and better quality.

21 DEFERRED TAX LIABILITIES

(Un-audited) (Audited)
June 30, December 31,
2025 2024
------(Rupees in '000)-----

Deductible Temporary Differences on:

- Credit loss allowance / provision against investments
- Credit loss allowance / provision against advances
- Modification of advances
- Credit loss allowance / provision against other assets
- Lease liabilities
- Credit loss allowance against balances with treasury banks
- Credit loss allowance against balances with other banks
- Credit loss allowance against lendings to financial institutions
- Unrealised loss on FVPL investments
- Workers' welfare fund
- Pre-commencement expenditures
- Others

(2,448,487)	(2,375,374)
(4,185,427)	(4,857,280)
(42,935)	(49,009)
(1,903,500)	(1,536,101)
(17,906,907)	(14,129)
(8,743)	(8,679)
(6,392)	(2,111)
(197)	(311)
(133,580)	-
(2,931,282)	(2,504,065)
6,023	(3,697)
-	(45,636)
(29,561,427)	(11,396,392)

Taxable Temporary Differences on:

- Unrealised gain on FVPL investments
- Unrealised gain on FVPL advances
- Unrealised net gain on fair value of refinancing
- Right-of-use assets
- Surplus on revaluation of FVOCI investments
- Surplus on revaluation of property and equipments
- Surplus on revaluation of non banking assets
- Share of profit and other comprehensive income from associates
- Accelerated tax depreciation

-	2,087,274
140,514	111,143
598,135	643,213
13,349,385	12,812
18,645,283	17,238,393
2,423,721	2,386,906
185,798	177,167
3,327,464	2,989,028
5,071,887	5,209,488
43,742,187	30,855,424
14,180,760	19,459,032

22	OTHER LIABILITIES	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----				
	Mark-up / return / interest payable in local currency		15,635,755	35,014,735
	Mark-up / return / interest payable in foreign currencies		1,714,821	1,715,640
	Unearned fee commission and income on bills discounted and guarantees		4,716,727	4,063,795
	Accrued expenses		18,457,369	17,352,068
	Current taxation		2,534,072	-
	Acceptances		42,907,503	33,015,615
	Dividends payable		319,860	307,709
	Mark to market loss on forward foreign exchange contracts		483,371	1,090,874
	Mark to market loss on derivatives		80,822	69,063
	Alternative Delivery Channel (ADC) settlement accounts	22.2	-	1,719,649
	Provision for compensated absences		1,466,476	1,290,476
	Payable against redemption of customer loyalty / reward points		1,422,507	1,041,845
	Charity payable		174,129	176,604
	Credit loss allowance / provision against off-balance sheet obligations	22.1	909,236	780,711
	Security deposits against leases, lockers and others		17,026,080	13,058,856
	Workers' welfare fund		7,612,289	6,790,718
	Payable to vendors and suppliers		786,149	630,070
	Margin deposits on derivatives		1,719,927	2,415,337
	Payable to merchants (card acquiring)		1,500,372	959,295
	Indirect taxes payable		5,684,093	6,467,747
	Payable against marketable securities		111,321	881,360
	Liability against share based payment		609,012	870,000
	Trading liability		10,732,703	15,600,626
	Others		9,660,066	7,268,135
			<u>146,264,660</u>	<u>152,580,928</u>

22.1 Credit loss allowance / provision against off-balance sheet obligations

Opening balance	780,711	78,624
Impact of adoption of IFRS 9	<u>2,714</u>	<u>1,085,673</u>
Balance as at January 01 after adopting IFRS 9	783,425	1,164,297
Exchange and other adjustments	6,216	(4,925)
Charge for the period / year	<u>343,990</u>	<u>472,414</u>
Reversals for the period / year	<u>(224,395)</u>	<u>(851,075)</u>
	119,595	(378,661)
Closing balance	<u>909,236</u>	<u>780,711</u>

22.2 This represents settlement arising from alternate delivery channel transactions at the cut off date.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
23 SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	10.1	25,110,168	23,227,089
- Securities measured at FVOCI - equity	10.1	8,205,946	6,746,862
- Available for sale securities of associates		65,820	84,963
- Property and equipment		19,879,183	19,939,951
- Non-banking assets acquired in satisfaction of claims		480,033	491,882
		53,741,150	50,490,747
Less: Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI - debt		(13,056,595)	(12,077,792)
- Securities measured at FVOCI - equity		(4,267,092)	(3,508,368)
- Available for sale securities of associates		(34,227)	(44,181)
- Property and equipment		(2,423,721)	(2,386,906)
- Non-banking assets acquired in satisfaction of claims		(185,798)	(177,167)
		(19,967,433)	(18,194,414)
Derivatives deficit		(2,541,531)	(3,175,304)
Less: Deferred tax asset on derivative		1,321,596	1,651,158
		(1,219,935)	(1,524,146)
		<u>34,993,652</u>	<u>33,820,479</u>
24 CONTINGENCIES AND COMMITMENTS			
- Guarantees	24.1	188,447,081	181,819,233
- Commitments	24.2	808,699,186	693,691,150
- Other contingent liabilities	24.3.1	23,774,654	23,153,037
		<u>1,020,920,921</u>	<u>898,663,420</u>
24.1 Guarantees:			
Financial guarantees		6,229,564	6,048,920
Performance guarantees		67,981,851	66,136,458
Other guarantees		114,235,666	109,633,855
		<u>188,447,081</u>	<u>181,819,233</u>
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- Letters of credit		247,385,477	220,709,466
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	425,709,303	266,938,066
- forward government securities transactions	24.2.2	80,133,205	149,529,384
- derivatives	24.2.3	31,582,038	33,466,502
- forward lending	24.2.4	17,421,614	16,490,171
Commitments for acquisition of:			
- property and equipment		5,745,116	5,479,175
- intangible assets		441,433	332,386
Commitments in respect of donations		281,000	296,000
Other commitments	24.2.5	-	450,000
		<u>808,699,186</u>	<u>693,691,150</u>
24.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		242,669,029	144,906,210
Sale		183,040,274	122,031,856
		<u>425,709,303</u>	<u>266,938,066</u>
24.2.2 Commitments in respect of forward government securities transactions			
Purchase		77,484,125	55,393,978
Sale		2,649,080	94,135,406
		<u>80,133,205</u>	<u>149,529,384</u>

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
24.2.3 Commitments in respect of derivatives			
Interest rate swaps			
Purchase	25.1	21,805,769	23,054,358
Sale		-	-
		<u>21,805,769</u>	<u>23,054,358</u>
Cross currency swaps			
Purchase	25.1	-	-
Sale		9,776,269	10,412,144
		<u>9,776,269</u>	<u>10,412,144</u>
Total commitments in respect of derivatives		<u>31,582,038</u>	<u>33,466,502</u>

24.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend

24.2.4.1	<u>17,421,614</u>	<u>16,490,171</u>
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24.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Holding Company without the risk of incurring significant penalty or expense.

24.2.5 Other Commitments

A commercial bank on behalf of Alfalah Securities (Private) Limited has given a guarantee of Rs. Nil (December 31, 2024: Rs. 450 million) to National Clearing Company of Pakistan Limited (NCCPL) in respect of margin eligible securities. The guarantee facility is for one year and is secured by 1st Pari Passu charge on current assets of the subsidiary.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
24.3 Other contingent liabilities		
24.3.1 Claims against the Bank not acknowledged as debts	<u>23,774,654</u>	<u>23,153,037</u>

These mainly represent counter claims filed by the borrowers for restricting the Holding Company from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by ex-employees of the Holding Company for damages. Based on legal advices and / or internal assessments, management is confident that the matters will be decided in the Holding Company's favour and the possibility of any outcome against the Holding Company is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

24.4 Contingency for tax payable

There were no tax related contingencies other than as disclosed in note 36.1

25 DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

25.1 Product Analysis

June 30, 2025 (Un-audited)						
Interest Rate Swaps			Cross Currency Swaps			
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net	
------(Rupees in '000)-----			------(Rupees in '000)-----			
Counterparties						
With Banks for						
Hedging	23	21,805,769	1,554,245	-	-	-
With other entities						
Market making	-	-	-	6	9,776,269	655,536
	<u>23</u>	<u>21,805,769</u>	<u>1,554,245</u>	<u>6</u>	<u>9,776,269</u>	<u>655,536</u>
December 31, 2024 (Audited)						
Interest Rate Swaps			Cross Currency Swaps			
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net	
------(Rupees in '000)-----			------(Rupees in '000)-----			
Counterparties						
With Banks for						
Hedging	27	23,054,358	2,172,667	-	-	-
With other entities						
Market making	-	-	-	6	10,412,144	887,052
	<u>27</u>	<u>23,054,358</u>	<u>2,172,667</u>	<u>6</u>	<u>10,412,144</u>	<u>887,052</u>

		(Un-audited)	
		Half year ended	
		June 30,	June 30,
		2025	2024
		(Rupees in '000)	
		(Restated)	
26	MARK-UP/RETURN/INTEREST EARNED		
	On:		
	a) Loans and advances	58,553,231	64,278,940
	b) Investments	125,196,772	188,430,668
	c) Lendings to financial institutions	1,776,555	3,251,077
	d) Balances with banks / financial institutions	150,550	270,305
	e) On securities purchased under resale agreements	2,721,239	2,299,957
		<u>188,398,347</u>	<u>258,530,947</u>
27	MARK-UP/RETURN/INTEREST EXPENSED		
	On:		
	a) Deposits	58,836,217	117,998,706
	b) Borrowings	10,148,616	9,749,489
	c) Securities sold under repurchase agreements	47,132,511	60,493,416
	d) Subordinated debt	1,027,076	1,643,707
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	1,068,066	4,267,313
	f) Leased assets	2,092,293	1,634,163
	g) Reward points / customer loyalty	485,121	230,049
		<u>120,789,900</u>	<u>196,016,843</u>
		(Un-audited)	
		Half year ended	
		June 30,	June 30,
		2025	2024
		(Rupees in '000)	
28	FEE & COMMISSION INCOME		
	Branch banking customer fees	898,512	753,959
	Consumer finance related fees	396,286	305,871
	Card related fees (debit and credit cards)	1,433,013	2,046,083
	Credit related fees	295,107	459,208
	Investment banking fees	230,384	28,620
	Commission on trade	1,640,455	1,500,094
	Commission on guarantees	437,394	373,907
	Commission on cash management	36,433	27,244
	Commission on remittances including home remittances	204,720	1,501,685
	Commission on bancassurance	327,817	295,548
	Card acquiring business	464,504	855,107
	Wealth management fee	288,958	154,789
	Commission on Benazir Income Support Programme (BISP)	149,699	934,549
	Alternative Delivery Channel (ADC) settlement accounts	702,504	654,451
	Brokerage / commission Income	-	19,390
	Others	143,963	130,278
		<u>7,649,749</u>	<u>10,040,783</u>
29	FOREIGN EXCHANGE INCOME		
	Foreign exchange income	5,323,997	6,152,102
	Foreign exchange gain / (loss) related to derivatives	27,311	(909,231)
		<u>5,351,308</u>	<u>5,242,871</u>
30	GAIN ON SECURITIES		
	Realised gain	30.1 8,262,504	2,152,174
	Unrealised (loss) / gain - measured at FVPL	10.1 (319,701)	215,538
	Unrealised gain / (loss) on trading liabilities - net	62,816	(2,696)
		<u>30.2 8,005,619</u>	<u>2,365,016</u>

	Note	(Un-audited)	
		Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
30.1 Realised gain on:			
Federal government securities		7,838,557	1,916,514
Shares		31,521	59,029
Non government debt securities		49,990	-
Foreign Securities		342,436	176,631
		<u>8,262,504</u>	<u>2,152,174</u>

30.2 Net gain / (loss) on financial assets / liabilities measured:

At FVPL

Designated upon initial recognition	2,737,076	834,984
Mandatorily measured at FVPL	(119,142)	821,439
	<u>2,617,934</u>	<u>1,656,423</u>
Net gain on financial assets measured at FVOCI - Debt	5,387,685	708,593
	<u>8,005,619</u>	<u>2,365,016</u>

	Note	(Un-audited)	
		Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
31 OTHER INCOME			
Rent on property		2,894	15,466
Gain on sale of property and equipment - net		26,726	61,511
Gain on sale of non banking assets - net		3,368	27,800
Profit on termination of leased contracts (Ijarah)		3	7
Gain on termination of leases		54,117	52,740
Unrealised gain on advances classified at FVPL		56,483	30,724
Insurance premium of overseas recovered		719,128	-
Others		6,618	1,468
		<u>869,337</u>	<u>189,716</u>

32 OPERATING EXPENSES

Total compensation expense	32.1	23,878,235	18,618,237
Property expense			
Rates and taxes		92,975	152,586
Utilities cost		1,669,958	1,607,534
Security (including guards)		1,092,907	770,539
Repair and maintenance (including janitorial charges)		1,169,143	913,866
Depreciation on right-of-use assets		2,235,762	1,888,182
Depreciation on non-banking assets acquired in satisfaction of claims		35,535	15,170
Depreciation on owned assets		642,500	477,243
		<u>6,938,780</u>	<u>5,825,120</u>
Information technology expenses			
Software maintenance		1,773,976	1,608,559
Hardware maintenance		524,507	369,773
Depreciation		874,908	654,852
Amortisation		199,920	172,601
Network charges		361,960	402,023
Consultancy and support services		37,123	105,561
		<u>3,772,394</u>	<u>3,313,369</u>
Balance carried forward		<u>34,589,409</u>	<u>27,756,726</u>

	(Un-audited)	
	Half year ended	
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
		(Restated)
Balance brought forward	34,589,409	27,756,726
Other operating expenses		
Directors' fees and allowances	76,480	69,600
Fees and allowances to Shariah Board	15,311	9,986
Legal and professional charges	486,809	250,493
Outsourced services costs	836,947	725,674
Travelling and conveyance	1,037,738	727,322
Clearing and custodian charges	120,150	86,201
Depreciation	1,357,067	1,023,432
Training and development	131,415	150,564
Postage and courier charges	232,326	239,708
Communication	1,945,556	1,310,618
Stationery and printing	1,079,345	870,459
Marketing, advertisement and publicity	9,098,076	2,342,072
Donations	154,201	181,870
Auditors' remuneration	121,426	114,710
Brokerage and commission	809,218	606,897
Entertainment	448,960	403,760
Repairs and maintenance	557,586	449,496
Insurance	1,149,535	1,031,151
Cash Handling charges	1,079,661	993,704
CNIC verification	359,428	256,071
Others	436,292	418,304
	21,533,527	12,262,092
	<u>56,122,936</u>	<u>40,018,818</u>

32.1 Total compensation expense

Managerial Remuneration		
i) Fixed	13,756,491	11,603,067
ii) Variable:		
a) Cash bonus / awards etc.	3,347,227	2,612,847
b) Bonus and awards in shares etc.	461,143	287,500
Charge for defined benefit plan	480,951	335,649
Contribution to defined contribution plan	560,514	432,505
Medical	1,417,235	1,082,295
Conveyance	1,613,232	698,694
Staff compensated absences	176,000	105,000
Staff life insurance	86,251	94,907
Staff welfare	34,239	48,325
Club subscription	10,672	2,225
Others	-	26,600
Sub-total	21,943,955	17,329,614
Sign-on Bonus	33,421	39,499
Staff loans - notional cost	1,746,960	1,249,124
Severance Allowance	153,899	-
Grand Total	<u>23,878,235</u>	<u>18,618,237</u>

33 WORKERS' WELFARE FUND

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government through the Finance Act, 2008 for the levy of Workers' Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has risen and the judgment is not conclusive until the review petitions are decided. Accordingly, the amount charged for WWF since 2008 has not been reversed.

34	OTHER CHARGES	Note	(Un-audited)	
			Half year ended	
			June 30, 2025	June 30, 2024
			----- (Rupees in '000) -----	
	Penalties imposed by the State Bank of Pakistan		9,557	209,515
35	CREDIT LOSS ALLOWANCE / PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
	Reversal of credit loss allowance against cash with treasury banks		(3,653)	(33,686)
	Credit loss allowance against balance with other banks		7,340	5,556
	Reversal of credit loss allowance against lending to financial institutions		(219)	(12,639)
	(Reversal of) / credit loss allowance against diminution in value of investments	10.4.1	(257,624)	(452,169)
	Credit loss allowance / provision against loans & advances	11.4	913,611	848,645
	Credit loss allowance / (reversal of credit loss allowance) against other assets		537,467	(208,455)
	Credit loss allowance / (reversal of credit loss allowance) against off-balance sheet obligations	22.1	119,595	(30,743)
	Credit loss allowance / (reversal of other credit loss allowance) / write off - net		22,066	(48,458)
	Recovery of written off / charged off bad debts		(441,938)	(300,044)
			896,645	(231,993)

		(Un-audited)	
		Half year ended	
		June 30,	June 30,
		2025	2024
		----- (Rupees in '000) -----	
		(Restated)	
36	TAXATION		
	Charge / (reversal) :		
	Current	21,706,082	22,580,473
	Prior years	3,986,399	(54,047)
	Deferred	(6,687,572)	(2,067,109)
		<u>19,004,909</u>	<u>20,459,317</u>

- 36.1 a)** The income tax assessments of the Holding Company have been finalised upto and including tax year 2024. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2024, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 1,217.274 million (December 31, 2024: Rs. 1,217.274 million) net of relief provided in appeal. The Holding Company has filed an appeal which is pending before the Tribunal. The management is confident that the matter will be decided in favour of the Holding Company and consequently has not made any provision in this respect.

- b)** The Holding Company had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against orders are pending before Commissioner Appeals whereas for periods July 2014 to December 2020, Appellate Tribunal has decided the matters against the Holding Company. The Holding Company has filed appeals against these orders before Sindh High Court after consultation with the tax consultant.

The Holding Company has not made any provision against these orders and the management is of the view that these matters will be settled in Holding Company's favour through appellate process.

- c)** The Holding Company had received two different orders for the same accounting year 2016 from a tax authority wherein sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 8.601 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. Appeals against these orders are pending before Commissioner Appeals and Appellate Tribunal.

A similar order for the accounting years 2017 and 2018 was issued with tax demand of Rs. 11.536 million (excluding default surcharge) which is pending before Commissioner Appeals.

The Holding Company has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.

- d) Certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.

37 DISCONTINUED OPERATIONS - ALFALAH SECURITIES (PRIVATE) LIMITED

37.1 The shareholders of the Holding Company in annual general meeting held on March 20, 2025 approved to sell entire shareholding in its subsidiary, Alfalah Securities (Private) Limited. The sale transaction was completed during the period in accordance with the applicable legal and regulatory requirements against a consideration of Rs. 388.732 million.

37.2 The assets and liabilities attributable to discontinued operation as at the disposal date is as follows:

(Un-audited)
As of
April 30, 2025
(Rupees in '000)

ASSETS

Cash and balances with treasury banks	115
Balances with other banks	1,442,462
Investments	46,299
Advances	135
Property and equipment	49,140
Right-of-use assets	32,469
Intangible assets	9,543
Other assets	368,385
Total assets	1,948,548

LIABILITIES

Borrowings	300,000
Lease liabilities	42,920
Other liabilities	1,154,563
Total liabilities	1,497,483

NET ASSETS

451,065

Net assets attributable to:

Equity holders of the Holding Company	431,173
Non-controlling interest	19,892
	<u>451,065</u>

Loss on derecognition of subsidiary attributable to equity holders of the Holding Company

Net assets derecognised	431,173
Consideration received against derecognition of net assets of subsidiary	388,732
	<u>(42,441)</u>

37.3 Financial performance of the discontinued operation till the date of disposal is as follows:

(Un-audited)
From January 01
to April 30, 2025
(Rupees in '000)

Mark-up / return / interest earned	33,692
Mark-up / return / interest expensed	13,823
Net mark-up / return / interest income	19,869

NON MARK-UP / INTEREST INCOME

Fee and commission income	145,835
Loss on securities	(6,508)
Other income	2,355
Total non-mark-up / interest income	141,682
Total income	161,551

NON MARK-UP / INTEREST EXPENSES

Operating expenses	156,626
Other charges	1,690
Total non-mark-up / interest expenses	158,316

Profit before credit loss allowance / provisions	3,235
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(Reversal of credit loss allowance) / provisions and write offs - net	(4,561)
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PROFIT BEFORE TAXATION	7,796
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Taxation	48,872
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LOSS AFTER TAXATION	(41,076)
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Loss on derecognition of subsidiary	(42,441)
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LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	(83,517)
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Loss attributable to:

Equity holders of the Holding Company	(81,706)
Non-controlling interest	(1,811)
	(83,517)

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
38 BASIC AND DILUTED EARNINGS PER SHARE			(Restated)
Attributable to equity holders of the Holding Company			
Profit for the period from continuing operations		15,142,893	21,919,450
Loss for the period from discontinued operations		(83,517)	-
Profit for the period		<u>15,059,376</u>	<u>21,919,450</u>
		----- (Number of shares in '000) -----	
Weighted average number of ordinary shares		<u>1,577,165</u>	<u>1,577,165</u>
		----- (Rupees) -----	
Basic and diluted earnings per share from continuing operations		9.60	13.90
Basic and diluted loss per share from discontinued operations		(0.05)	-
Basic and diluted earnings per share		<u>9.55</u>	<u>13.90</u>

38.1 Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue.

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
39 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	7	215,521,599	235,398,616
Balances with other banks	8	17,493,172	17,317,897
Call / clean money lendings	9	51,624,880	36,278,623
Borrowings - others		-	(490,062)
Overdrawn nostro accounts	17	(3,665,860)	(1,006,648)
Less: Expected credit loss		<u>(30,433)</u>	<u>(35,901)</u>
		<u>280,943,358</u>	<u>287,462,525</u>

40 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiary, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

40.1 Fair value of financial instruments

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

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

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

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

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

June 30, 2025 (Un-audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal government securities	60,171,844	1,148,619,252	-	1,208,791,096
- Shares - listed companies	23,460,923	-	-	23,460,923
- Shares - unlisted companies	-	-	3,399,755	3,399,755
- REIT Fund - listed	1,480,301	-	-	1,480,301
- Non-government debt securities	14,750,000	4,129,752	-	18,879,752
- Foreign government securities	-	63,237,720	-	63,237,720
- Foreign equity securities	254,682	-	-	254,682
- Foreign preference shares - unlisted	-	-	567,545	567,545
- Foreign non-government debt securities	-	23,338,974	8,033,819	31,372,793
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	282,053,215	-	282,053,215
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	2,520,218	2,520,218
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,417,928	-	1,417,928
- Forward sale of foreign exchange	-	(483,371)	-	(483,371)
- Forward purchase of government securities	-	(256,351)	-	(256,351)
- Forward sale of government securities	-	9,062	-	9,062
- Derivatives purchases	-	1,554,245	-	1,554,245
- Derivatives sales	-	655,536	-	655,536
December 31, 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal government securities	67,225,943	1,504,470,243	-	1,571,696,186
- Shares - listed companies	18,556,227	-	-	18,556,227
- Shares - unlisted companies	-	-	2,333,188	2,333,188
- Preference shares - unlisted companies	-	-	500,000	500,000
- REIT Fund - listed	1,514,982	-	-	1,514,982
- Non-government debt securities	14,991,550	4,473,526	-	19,465,076
- Foreign government securities	-	62,233,161	-	62,233,161
- Foreign equity securities	257,181	-	-	257,181
- Foreign non-government debt securities	-	25,193,470	8,315,048	33,508,518
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	274,074,182	-	274,074,182
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,413,735	1,413,735
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,288,538	-	1,288,538
- Forward sale of foreign exchange	-	(1,090,874)	-	(1,090,874)
- Forward purchase of government securities	-	(12,708)	-	(12,708)
- Forward sale of government securities	-	(451,343)	-	(451,343)
- Derivatives purchases	-	2,172,667	-	2,172,667
- Derivatives sales	-	887,052	-	887,052

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

40.3 Valuation techniques used in determination of fair values:

40.3.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies, listed GoP Sukuks and listed non government debt securities.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Sukuks, GoP Euro Bonds, Overseas Government Sukuks, Overseas Bonds, Term Finance Certificates, and other than Government Sukuks, forward foreign exchange contracts, forward government securities contracts, cross currency swaps and interest rate swaps.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprise of unlisted ordinary shares, unlisted preference shares, redeemable participating certificates and advances measured at fair value through profit and loss. Valuation techniques are mentioned in the

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

40.3.2 Fair value of non-financial assets

Certain categories of property and equipment (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 12 and 15. The valuations are conducted by the valuation experts appointed by the Group which are also on the panel of the State Bank of Pakistan.

40.3.3 Valuation techniques

Item	Valuation approach and input used
Market Treasury Bills (MTB) / Pakistan Investment Bonds (PIB), and GoP Sukuks (GIS) including their forward contracts	The fair value of MTBs and PIBs are derived using PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair value of GoP sukuks listed on the Pakistan Stock Exchange has been determined through closing rates of the Pakistan Stock Exchange. The fair value of other GIS are revalued using PKISRV rates.
Overseas Sukuks, Overseas and GoP Euro Bonds	The fair value of overseas government sukuks, and overseas bonds are determined on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than Government)	Investment in sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of investments in unlisted equity securities are valued on the basis of income and market approach.
Preference shares - unlisted	The fair value of investment in unlisted preference shares are valued at market approach.
Foreign preference shares - unlisted	The fair value of investment in unlisted preference shares are valued at market approach.
Redeemable participating certificates	The fair value of investment in redeemable participating certificates are valued at net asset value.
Advances	The fair value of advances are valued on the basis of Discounted Cashflow Method (DCF).
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation rates announced by the SBP.
Derivative instruments	Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

Item	Valuation approach and input used
Property and equipment and non banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investment and advances, (The valuation techniques are stated above):

Description	Fair value as at June 30, 2025 (Un-audited)	Fair value as at December 31, 2024 (Audited)	Unobservable inputs*	Discount Rate	Relationship of unobservable inputs to fair value
----- (Rupees in '000) -----					
Ordinary shares - unlisted (income approach)	2,550,451	2,333,188	Discount rate	16.58% - 19.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 114.540 million and Rs. 124.822 million (December 31, 2024: Rs. 90.457 million and Rs. 97.873 million) respectively.
Ordinary shares - unlisted (market approach)	849,304	-	Market multiple / transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted (market approach)	567,545	-	Transaction price	Not applicable	Not applicable
Preference shares - unlisted	-	500,000	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	8,033,819	8,315,048	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	2,520,218	1,413,735	Discount rate	25.00% - 30.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 1.148 million and Rs. 1.157 million (December 31, 2024: Rs. 14.903 million and Rs. 15.134 million) respectively.

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The following table shows reconciliation of investment and advances level 3 fair value movement:

	June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Investments	Advances	Investments	Advances
----- (Rupees in '000) -----				
Opening balance	11,148,236	1,413,735	6,283,601	1,200,000
Impact of adoption of IFRS 9	761,681	-	2,271,824	122,135
Balance as at January 01 after adopting IFRS 9	11,909,917	1,413,735	8,555,425	1,322,135
Additions / (disposals) / transfers - net	341,621	1,050,000	-	-
Remeasurement recognised in OCI or profit and loss / adjustments	(250,419)	56,483	2,592,811	91,600
Closing balance	12,001,119	2,520,218	11,148,236	1,413,735

41 SEGMENT INFORMATION

41.1 Segment details with respect to Business Activities

For the half year ended June 30, 2025 (Un-audited)										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total

(Rupees in '000)

Consolidated statement of profit and loss account

Net mark-up / return/ profit*	(20,347,065)	15,115,359	15,291,412	54,258,787	(197,296)	4,003,787	23,560	(540,097)	-	67,608,447
Inter segment revenue - net	57,030,175	(11,187,516)	(1,248,572)	(45,372,362)	3,895,164	(222,344)	-	(44,045)	(2,850,500)	-
Non mark-up / return / interest income*	5,463,936	3,949,662	1,528,708	14,274,982	1,815,607	1,083,886	61,608	1,146,979	(4,935,305)	24,390,063
Total income / (loss)	42,147,046	7,877,505	15,571,548	23,161,407	5,513,475	4,865,329	85,168	562,837	(7,785,805)	91,998,510
Segment direct expenses	18,989,881	8,473,618	8,743,711	704,969	2,761,204	2,113,425	149,446	15,370,888	(353,079)	56,954,063
Inter segment expense allocation	9,404,102	942,358	3,164,417	578,322	1,190,579	510,029	-	(15,370,888)	(418,919)	-
Total expenses	28,393,983	9,415,976	11,908,128	1,283,291	3,951,783	2,623,454	149,446	-	(771,998)	56,954,063
Credit loss allowance / provision / (reversals)	1,361,319	(481,531)	(128,796)	4,508	2,957	245,332	(16)	(107,144)	16	896,645
Profit / (loss) before tax - continuing operations	12,391,744	(1,056,940)	3,792,216	21,873,608	1,558,735	1,996,543	(64,262)	669,981	(7,013,823)	34,147,802

As at June 30, 2025 (Un-audited)

	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
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(Rupees in '000)

Consolidated statement of financial position

Cash and bank balances	99,432,784	13,968,545	45,632,769	-	2,833,843	71,239,054	720,598	-	(843,255)	232,984,338
Investments	-	4,399,575	213,829,278	1,285,728,998	-	124,739,418	150,598	9,175,418	-	1,638,023,285
Inter segment lending - net	1,060,355,913	-	-	-	43,039,277	-	-	100,365,145	(1,203,760,335)	-
Lendings to financial institutions	-	-	68,177,296	107,378,623	-	6,605,108	-	-	(28,265,956)	153,895,071
Advances - performing	253,144,769	493,812,714	205,554,980	-	75,507	38,101,064	-	16,044,490	-	1,006,733,524
- non-performing	1,904,319	850,652	832,680	-	1,723	102,317	-	71,011	-	3,762,702
Others	58,169,234	58,477,298	54,105,940	18,693,878	2,057,366	5,545,479	221,963	65,257,466	2,230,499	264,759,123
Total assets	1,473,007,019	571,508,784	588,132,943	1,411,801,499	48,007,716	246,332,440	1,093,159	190,913,530	(1,230,639,047)	3,300,158,043
Borrowings	20,992,732	67,350,970	33,337,597	437,410,136	-	25,838,089	-	-	(29,095,438)	555,834,086
Subordinated debt	-	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,377,933,674	260,896,486	428,336,347	-	47,206,276	173,350,878	-	617,422	(742,295)	2,287,598,788
Inter segment borrowing - net	-	196,477,816	32,638,050	940,362,891	-	34,281,577	-	-	(1,203,760,334)	-
Others	74,080,613	46,783,512	88,700,139	21,782,671	801,440	11,828,001	133,434	5,559,104	2,959,020	252,627,934
Total liabilities	1,473,007,019	571,508,784	583,012,133	1,399,555,698	48,007,716	245,298,545	133,434	20,176,526	(1,230,639,047)	3,110,060,808
Net assets	-	-	5,120,810	12,245,801	-	1,033,895	959,725	170,737,004	-	190,097,235
Equity including non-controlling interest	-	-	-	-	-	-	-	-	-	190,097,235
Contingencies and commitments	156,478,613	243,833,635	80,448,847	482,288,675	769	52,738,514	35,598	5,096,270	-	1,020,920,921

The segment statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

* Net mark-up and non mark-up income includes Rs. 289.274 million and Rs. 288.417 million respectively of investment banking.

** Others include head office related activities.

For the half year ended June 30, 2024 (Un-audited) - Restated

	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
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Consolidated statement of profit and loss account

Net mark-up / return/ profit*	(58,261,566)	5,841,426	16,172,072	95,688,250	49,191	4,165,052	(41,736)	(1,098,585)	-	62,514,104
Inter segment revenue - net	102,597,495	4,511,493	(739,097)	(105,862,490)	4,417,309	326,022	-	860,980	(6,111,712)	-
Non mark-up / return / interest income*	5,171,630	2,863,462	1,269,760	7,914,166	1,039,065	1,398,248	68,295	1,059,925	(3,604)	20,780,947
Total income / (loss)	49,507,559	13,216,381	16,702,735	(2,260,074)	5,505,565	5,889,322	26,559	822,320	(6,115,316)	83,295,051
Segment direct expenses	15,304,597	1,658,426	6,111,455	492,893	1,975,139	1,969,166	394,290	13,245,915	(3,604)	41,148,277
Inter segment expense allocation	8,167,588	967,731	2,746,420	180,801	1,176,899	279,884	-	(12,832,838)	(686,485)	-
Total expenses	23,472,185	2,626,157	8,857,875	673,694	3,152,038	2,249,050	394,290	413,077	(690,089)	41,148,277
Credit loss allowance / provision / (reversals)	(953,400)	2,051,490	298,950	(9,917)	5,737	(86,007)	(338,846)	-	(1,200,000)	(231,993)
Profit / (loss) before tax	26,988,774	8,538,734	7,545,910	(2,923,851)	2,347,790	3,726,279	(28,885)	409,243	(4,225,227)	42,378,767

As at December 31, 2024 (Audited)

	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
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Consolidated statement of financial position

Cash and bank balances	109,749,938	17,976,222	41,944,162	-	775,190	66,937,500	2,071,561	-	8,127,574	247,582,147
Investments	-	5,492,251	242,118,099	1,617,562,126	-	123,313,534	201,676	7,494,575	-	1,996,182,261
Inter segment lending - net	988,532,481	-	-	-	10,562,483	-	-	83,946,238	(1,083,041,202)	-
Lendings to financial institutions	-	-	43,283,519	97,393,884	-	7,103,006	-	-	(46,782,086)	100,998,323
Advances - performing	242,468,773	634,142,272	165,966,972	-	59,194	56,323,050	389	12,650,639	(5,571,000)	1,106,040,289
- non-performing	1,140,010	1,072,573	917,894	-	1,966	67,755	-	106,116	29,939	3,336,253
Others	24,516,991	39,838,680	53,364,017	42,082,631	2,095,622	2,843,261	613,478	100,201,974	(2,640,230)	262,916,424
Total assets	1,366,408,193	698,521,998	547,594,663	1,757,038,641	13,494,455	256,588,106	2,887,104	204,399,542	(1,129,877,005)	3,717,055,697

Borrowings	18,008,205	66,732,348	35,770,158	1,037,179,587	-	28,681,197	314,967	-	(44,485,753)	1,142,200,709
Subordinated debt	-	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,277,413,227	262,957,681	398,788,680	-	12,936,578	185,193,870	-	2,800	(1,188,138)	2,136,104,698
Inter segment borrowing - net	-	330,688,006	30,376,465	689,991,745	-	31,961,837	-	-	(1,083,018,053)	-
Others	70,986,761	38,143,963	76,483,156	18,960,678	557,877	9,902,659	1,056,951	28,456,609	(1,185,061)	243,363,593
Total liabilities	1,366,408,193	698,521,998	541,418,459	1,746,132,010	13,494,455	255,739,563	1,371,918	42,459,409	(1,129,877,005)	3,535,669,000
Net assets	-	-	6,176,204	10,906,631	-	848,543	1,515,186	161,940,133	-	181,386,697

Equity including non-controlling interest

Equity including non-controlling interest	137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306	495,725	4,284,623	-	898,663,420
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Contingencies and commitments

The segment statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

* Net mark-up and non mark-up income includes Rs. 179.016 million and Rs. 76.129 million respectively of investment banking.

** Others include head office related activities.

RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, joint ventures, employee benefit plans, its directors, key management personnel and other related parties.

The Group 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 consolidated condensed interim financial statements are as follows:

	As at June 30, 2025 (Un-audited)				As at December 31, 2024 (Audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
(Rupees in '000)								
Investments								
Opening balance	-	-	6,925,737	2,923,188	-	-	6,052,472	1,802,909
Investment made during the period / year	-	-	-	286,441	-	-	-	511,863
Investment redeemed / disposed off during the period / year	-	-	-	(286,441)	-	-	-	(331,613)
Revaluation of investment during the period / year	-	-	-	576,567	-	-	-	2,190,383
Equity method adjustment	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	650,838	-	-	-	873,265	-
Closing balance	-	-	7,576,575	3,499,755	-	-	6,925,737	2,923,188
Credit loss allowance / provision for diminution in value of investments	-	-	-	-	-	-	-	-
Advances								
Opening balance	11,225	971,469	-	1,052,432	14,918	935,186	-	1,925,526
Addition during the period / year	630	127,348	-	6,340,086	1,715	232,432	-	43,510,218
Repaid during the period / year	(1,664)	(224,119)	-	(5,763,379)	(5,408)	(194,161)	-	(44,383,312)
Transfer in / (out) - net	-	43	-	1,864	-	(1,988)	-	-
Closing balance	10,191	874,741	-	1,631,003	11,225	971,469	-	1,052,432
Credit loss allowance held against advances	7	325	-	6,111	34	3,690	-	1,524
Other Assets								
Interest / mark-up accrued	4,993	83,857	-	36,013	4,593	81,687	-	22,681
Receivable from staff retirement fund	-	-	-	851,040	-	-	-	1,331,990
Prepayment / rent and other receivable	-	-	-	159,683	-	-	9,209	-
Advance against shares	-	-	-	55,343	-	-	-	-
Acceptances	-	-	-	2,153,448	-	-	-	17,081
Credit loss allowance held against other assets	-	-	-	135	-	-	-	14
Borrowings								
Opening balance	-	-	-	2,464,030	-	-	-	2,605,576
Borrowings during the period / year	-	-	-	5,100,000	-	-	-	1,149,273
Settled during the period / year	-	-	-	(1,306,414)	-	-	-	(1,290,819)
Closing balance	-	-	-	6,257,616	-	-	-	2,464,030
Deposits and other accounts								
Opening balance	185,847	392,643	60,026,664	12,533,349	406,959	340,757	17,153,420	18,550,205
Received during the period / year	810,697	2,931,391	1,031,861,288	62,498,342	5,668,276	4,582,080	1,211,982,771	276,598,239
Withdrawn during the period / year	(953,274)	(2,730,846)	(1,071,405,623)	(60,762,496)	(5,889,395)	(4,524,294)	(1,169,109,527)	(278,997,497)
Transfer in / (out) - net	-	(8,977)	-	261	7	(5,900)	-	(3,617,598)
Closing balance	43,270	584,211	20,482,329	14,269,456	185,847	392,643	60,026,664	12,533,349

	As at June 30, 2025 (Un-audited)				As at December 31, 2024 (Audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
	(Rupees in '000)				(Rupees in '000)			

Subordinated debt

Opening balance	-	-	-	-	-	-	-	300,000
Transfer in / (out) - net	-	-	-	-	-	-	-	(300,000)
Closing balance	-	-	-	-	-	-	-	-

Other Liabilities

Interest / mark-up payable	25	1,992	-	236,352	226	248	-	126,062
Dividend payable	-	-	-	11	7	-	-	9
Unearned rent	-	-	583	-	-	-	2,532	-
Others	-	-	-	35,166	-	-	-	32,786

Contingencies and commitments

	-	-	-	8,928,298	-	-	-	559,419
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	For the half year ended June 30, 2025 (Un-audited)				For the half year ended June 30, 2024 (Un-audited)			
	(Rupees in '000)				(Rupees in '000)			

Income

Mark-up / return / interest earned	459	14,726	-	53,206	927	15,168	-	212,035
Fee and commission income	124	605	291,385	9,201	10	271	156,322	3,415
Dividend income	-	-	44,993	439,597	-	-	254,993	591,804
Gain / (loss) on sale of securities	-	2	-	10,790	-	4	-	(4,864)
Rent on property	-	-	1,950	-	-	-	1,950	-
Gain on sale of property and equipment - net	7,094	132	3,642	-	-	-	6,658	-

Expenses

Mark-up / return / interest paid	2,300	10,572	338,879	791,112	14,802	16,708	413,343	1,193,362
Operating expenses	431,974	1,390,753	-	-	359,559	1,103,864	-	-
Fee and remuneration	-	-	-	-	-	-	-	61,237
Clearing and custodian charges	-	-	-	45,000	-	-	-	55,050
Software maintenance	-	-	-	306,938	-	-	-	254,056
Communication cost	-	-	-	480,951	-	-	-	335,649
Charge for defined benefit plan	-	-	-	560,514	-	-	-	432,505
Contribution to defined contribution plan	-	-	-	-	-	-	-	505
Training and subscription	-	-	-	-	-	-	-	-

(Reversal of) credit loss allowance / credit loss allowance against loans & advances
Credit loss allowance / (reversal of) credit loss allowance against off-balance sheet obligations

	(27)	(3,380)	-	4,207	5	1,524	-	(6,100)
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Credit loss allowance against other assets

	-	-	-	135	-	-	-	15
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Other information

Dividend paid	1,851,866	7,736	11,694	1,863,329	3,831,825	12,685	9,260	3,815,932
Insurance premium paid	-	-	1,665,706	-	-	-	1,327,811	-
Insurance claims settled	-	-	473,812	-	-	-	411,554	-

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
June 30, December 31,
2025 2024
------(Rupees in '000)-----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

15,771,651 15,771,651

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

154,160,976 146,742,124

Eligible Additional Tier 1 (ADT 1) Capital

13,550,000 13,551,002

Total eligible tier 1 capital

167,710,976 160,293,126

Eligible tier 2 capital

40,769,626 44,256,145

Total eligible capital (tier 1 + tier 2)

208,480,602 204,549,271

Risk weighted assets (RWAs):

Credit risk

911,919,350 859,896,850

Market risk

42,798,738 47,911,688

Operational risk

243,639,025 243,639,025

Total

1,198,357,113 1,151,447,563

Common equity tier 1 capital adequacy ratio

12.86% 12.74%

Tier 1 capital adequacy ratio

14.00% 13.92%

Total capital adequacy ratio

17.40% 17.76%

In line with Basel III capital adequacy guidelines, the following capital requirements are applicable to the Holding Company:

Common Equity Tier 1 Capital Adequacy ratio

6.00% 6.00%

Tier 1 Capital Adequacy Ratio

7.50% 7.50%

Total Capital Adequacy Ratio

11.50% 11.50%

For Capital adequacy calculation, the Holding Company has adopted Standardised Approach for credit and market risk related exposures and Alternate Standardised Approach (ASA) for operational risk.

Leverage Ratio (LR):

Eligible tier-1 capital

167,710,976 160,293,126

Total exposures

3,944,956,023 4,077,780,148

Leverage ratio

4.25% 3.93%

Liquidity Coverage Ratio (LCR):

Total high quality liquid assets

1,040,705,419 1,197,167,258

Total net cash outflow

581,475,008 626,056,805

Liquidity coverage ratio

179% 191%

Net Stable Funding Ratio (NSFR):

Total available stable funding

1,814,073,161 1,690,754,449

Total required stable funding

1,300,806,884 1,340,991,900

Net stable funding ratio

139% 126%

43.1 The Holding Company has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 17.58% and 4.19% respectively.

44 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two-branch presence in Afghanistan. The Board and the management of the Holding Company continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The Holding Company has taken impairment against net assets where there is an indication that carrying amount may be higher than its recoverable amount. The Holding Company remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

45 BANGLADESH OPERATIONS

During the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Dhaka, Bangladesh ("Bank Asia") to acquire the Holding Company's Bangladesh Operations (assets and liabilities). In this regard, the Holding Company was granted an in-principle approval by the State Bank of Pakistan to facilitate conduct of due diligence exercise by Bank Asia.

Subsequently, during the period ended June 30, 2025, the Board of Directors of Bank Alfalah Limited ("the Holding Company") has accorded its approval to sell the Holding Company's Bangladesh Operations to Bank Asia subject to approval of the State Bank of Pakistan, the Central Bank of Bangladesh, and /or any other regulatory and legal compliance and execution of definitive agreement.

Further, a non-binding offer was also received in year 2024 from Hatton National Bank of Sri Lanka ("HNB") to acquire the Holding Company's Bangladesh Operations. However, HNB has decided not to proceed with acquisition.

46 NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in its meeting held on July 31, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended June 30, 2025 (June 30, 2024: Rs. 2.0 per share i.e. 20%). These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board of the Holding Company had earlier declared an interim cash dividend bringing the total cash dividend for the half year ended June 30, 2025 to Rs. 5.0 per share (June 30, 2024: Rs. 4.0 per share).

47 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on July 31, 2025 by the Board of Directors of the Holding Company.

48 GENERAL

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

48.2 The effects of reclassification, rearrangement in the comparative information presented in these consolidated condensed interim financial statements are as follows:

Description of item	Nature	(Rupees in '000)	From	To
Agent commission	Expense	337,992	Commission on Benazir Income Support Programme (BISP)	Brokerage and commission
Verification cost	Expense	84,793	Commission on Benazir Income Support Programme (BISP)	CNIC verification
Optional issuer fee	Income	383,464	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	170,947	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	119,570	Foreign exchange income	Card acquiring business

48.3 The effects of restatement due to adoption of IFRS 9 is mentioned in note 4.1.1 of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director