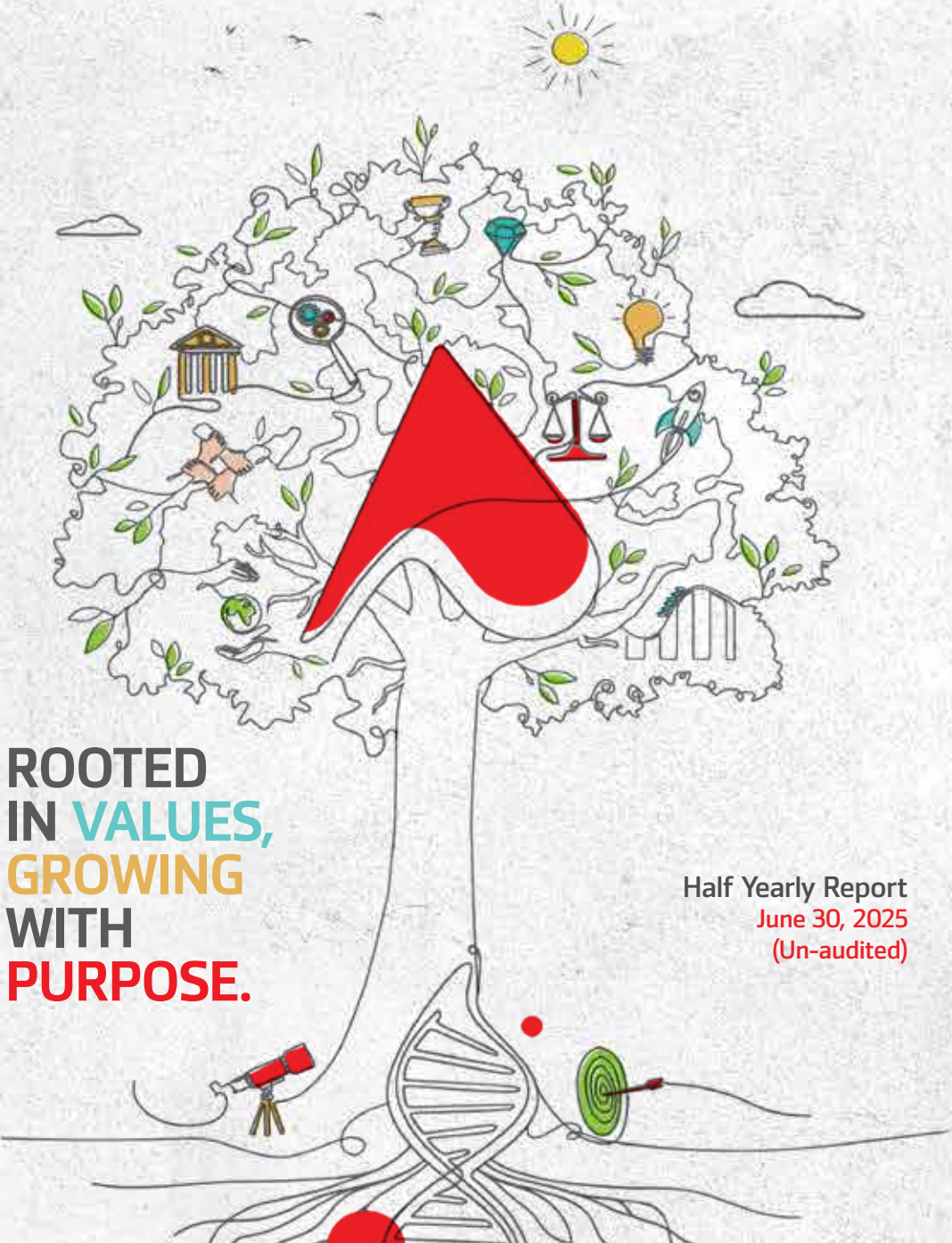




Bank Alfalah  
The Way Forward



**ROOTED  
IN VALUES,  
GROWING  
WITH  
PURPOSE.**

Half Yearly Report  
June 30, 2025  
(Un-audited)

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# Company Information

## Board of Directors

**His Highness Sheikh Nahayan Mubarak Al Nahayan**  
Chairman/Director

**Abdulla Nasser Hawaileel Al Mansoori**  
Director

**Abdulla Khalil Al Mutawa**  
Director

**Khalid Mana Saeed Al Otaiba**  
Director

**Khalid Qurashi**  
Director

**Dr. Gyorgy Tamas Ladics**  
Director

**Dr. Ayesha Khan**  
Director

**Efstratios Georgios Arapoglou**  
Director

**Atif Aslam Bajwa**  
President/CEO and Director

# Senior Management Team

**Atif Aslam Bajwa**  
President and Chief Executive Officer

**Aasim Wajid Jawad**  
Group Head, Strategy, Transformation  
and Customer Experience

**Anjum Hai**  
Chief Financial Officer

**Faisal Farooq Khan**  
Chief Human Resource Officer

**Faisal Rabbani**  
Chief Risk Officer

**Farooq Ahmed Khan**  
Group Head, Corporate, Investment Banking  
and International Business

**Haroon Khalid**  
Group Head, Compliance and Business Solutions

**Khawaja Muhammad Ahmad**  
Group Head, Operations and Corporate Services

**Mehreen Ahmed**  
Group Head, Retail Banking

**Mian Ejaz Ahmad**  
Company Secretary and Group Head, Legal  
and Corporate Affairs

**Mohammad Raheel Yousuf**  
Chief Marketing Officer

**Mohib Hasan Khan**  
Chief Information Officer

**Dr. Muhammad Imran**  
Group Head, Islamic Banking

**Muhammad Yahya Khan**  
Chief Digital Officer

**Pervez Shahbaz Khan**  
Group Head, Treasury and Financial Markets

**Tahir Khurshid**  
Group Head, Audit and Inspection

**Zahid Anjum**  
Group Head, Special Assets Management

**Chief Financial Officer**  
Anjum Hai

**Company Secretary**  
Mian Ejaz Ahmad

**Chief Internal Auditor**  
Tahir Khurshid

**Auditors**  
A. F. Ferguson & Co.  
Chartered Accountants

**Registered/Head Office**  
B. A. Building  
I. I. Chundrigar Road  
Karachi, Pakistan  
bankalfalah.com

**Share Registrar**  
F. D. Registrar Services (Pvt.) Limited  
1705, 17th Floor, Saima Trade Tower-A  
I. I. Chundrigar Road  
Karachi, Pakistan.

**Legal Advisor**  
Mandviwalla & Zafar  
Advocates and Legal Consultants

# Board Committees

## Board Audit Committee (BAC)

- Khalid Qurashi**  
Chairman
  - Abdulla Khalil Al Mutawa**  
Member
  - Khalid Mana Saeed Al Otaiba**  
Member
  - Dr. Ayesha Khan**  
Member
  - Efstratios Georgios Arapoglou**  
Member
  - Tahir Khurshid**  
Secretary
- 

## Board Risk Management Committee (BRMC)

- Khalid Mana Saeed Al Otaiba**  
Chairman
  - Abdulla Khalil Al Mutawa**  
Member
  - Khalid Qurashi**  
Member
  - Dr. Ayesha Khan**  
Member
  - Efstratios Georgios Arapoglou**  
Member
  - Atif Aslam Bajwa**  
Member
  - Farhan Ali**  
Secretary
- 

## Board Human Resources, Remuneration & Nominations Committee (BHR&NC)

- Efstratios Georgios Arapoglou**  
Chairman
- Abdulla Khalil Al Mutawa**  
Member
- Khalid Mana Saeed Al Otaiba**  
Member
- Dr. Ayesha Khan**  
Member
- Dr. Gyorgy Tamas Ladics**  
Member
- Khalid Qurashi**  
Member
- Mian Ejaz Ahmad**  
Secretary

## Board Strategy and Finance Committee (BS&FC)

- Abdulla Khalil Al Mutawa**  
Chairman
- Khalid Mana Saeed Al Otaiba**  
Member
- Dr. Gyorgy Tamas Ladics**  
Member
- Dr. Ayesha Khan**  
Member
- Khalid Qurashi**  
Member
- Efstratios Georgios Arapoglou**  
Member
- Atif Aslam Bajwa**  
Member
- Aasim Wajid Jawad**  
Secretary

# Board Committees

## Board Crisis Management Committee (BCMC)

**Abdulla Khalil Al Mutawa**  
Chairman

**Khalid Mana Saeed Al Otaiba**  
Member

**Khalid Qurashi**  
Member

**Dr. Ayesha Khan**  
Member

**Dr. Gyorgy Tamas Ladics**  
Member

**Atif Aslam Bajwa**  
Member

**Mian Ejaz Ahmad**  
Secretary

## Board Information Technology Committee (BITC)

**Dr. Gyorgy Tamas Ladics**  
Chairman

**Abdulla Khalil Al Mutawa**  
Member

**Khalid Mana Saeed Al Otaiba**  
Member

**Khalid Qurashi**  
Member

**Efstratios Georgios Arapoglou**  
Member

**Atif Aslam Bajwa**  
Member

**Aasim Wajid Jawad**  
Secretary

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## Board Real Estate Committee (BREC)

**Abdulla Khalil Al Mutawa**  
Chairman

**Khalid Mana Saeed Al Otaiba**  
Member

**Khalid Qurashi**  
Member

**Atif Aslam Bajwa**  
Member

**Mian Ejaz Ahmad**  
Secretary

# Directors’ Review

On behalf of the Board of Directors, we are pleased to present the unconsolidated condensed interim financial statements of Bank Alfalah Limited for the period ended June 30, 2025.

## Economic Review

The second quarter witnessed heightened geopolitical tensions in the region. The markets remained volatile, but ease in conflicts was followed by sharp recovery. On a macroeconomic front, the developments were positive. IMF released the second disbursement of USD 1 billion, under the Extended Fund Facility (EFF), recognizing the improvements in economic and fiscal indicators of the country. On the top of it, Fitch also upgraded Pakistan's sovereign credit rating by one notch to B- from CCC+.

Foreign exchange reserves held by the State Bank of Pakistan (SBP) increased to USD 14.5 billion from USD 10.6 billion in March 2025 on the back of realisation of planned external inflows and sustained improvement in current account balance

The rupee depreciated by 1.3% during the quarter to PKR 283.76 / USD, as compared to PKR 280.16 / USD on March 31st, 2025. The headline inflation continued its downward trend and reached 0.3% in April before edging up to 3.2% in June as favorable high base effect ended. Core inflation remained relatively elevated at 7.6%. Considering the improved situation of the economy, the SBP opted to cut the policy rate by 100bps to 11% in May 2025.

## Review of the Bank’s Performance

Highlights of the Bank’s financial results for the period ended June 30, 2025, are presented as follows:

Financial Position	June 30, 2025	December 31, 2024
Rupees in Millions		
Shareholders’ Equity	187,066	178,112
Total Assets	3,294,333	3,710,206
Total Deposits	2,288,228	2,136,913
Advances – net	1,010,496	1,109,376
Investments – net	1,632,474	1,991,232

The GDP grew by 2.7% in FY25, led by industrial sector growth of 4.8% marking a significant increase from last year’s decline of 1.4%; however, large-scale manufacturing still contracted by 1.5%. Agriculture lagged on YoY basis at 0.6% from 6.4% in the preceding year, while services fared slightly better at 2.9% compared to 2.2% of last year.

The fiscal consolidation continued with primary surplus of PKR 3.5 trillion (3.0% of GDP), as compared to PKR 1.6 trillion (1.5% of GDP) in same period last year. FBR tax collection increased by 26% YoY to PKR 8.4 trillion.

The stock market witnessed volatility owing to geopolitical tensions. However, following an ease in the situation, the positive trend continued, with KSE-100 rising 6.6% during 2Q to reach an all-time high of 125,627 points. Monetary easing and resultant liquidity shift towards equities were the key drivers behind market improvement.

Going forward, the geopolitical developments would remain in focus, and adherence to IMF Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF) conditions would be critical for upcoming reviews in September 2025. Economic activity is expected to gradually improve, reflecting the impact of monetary easing and lower inflation. However, to avoid a repeat of earlier boom-bust cycles, a balanced approach would be critical to sustaining hard earned economic stability.

## Financial Performance

Half year ended  
June 30, 2025

Half year ended  
June 30, 2024

(Restated)

Rupees in Millions

Net Interest Income and Non-Markup Income	91,637	82,863
Non-Markup Expenses	56,810	40,758
Credit loss allowance / Provisions and write offs (net)	897	1,307
<b>Profit before tax (PBT)</b>	<b>33,931</b>	<b>40,798</b>
<b>Profit after tax (PAT)</b>	<b>15,275</b>	<b>20,598</b>
Basic and Diluted earnings per share - Rupees	9.68	13.06

Bank Alfalah reported profit after tax (PAT) of PKR 15.27 billion for the half year ended June 30, 2025, translating to earnings per share of PKR 9.68 (June 2024: PKR 13.06). The Bank's profit before tax (PBT) stood at PKR 33.93 billion. Profitability was influenced by decline in benchmark rates, increase in remittance related promotional costs and rise in effective tax rate, while growth in average deposits and CA mix partially offsetted against these factors.

Total revenue for the half year reached PKR 91.64 billion, representing a 10.6% increase over the corresponding period. Net-Markup income of the Bank amounted to PKR 67.58 billion, improving by 8.0%, driven by volumetric growth in current account averages alongside a deliberate strategy to avoid high-cost deposits thereby improving the overall cost of funds. These factors helped offset the impact of interest rate cut. Strong capital gains led to an 18.4% increase in Non-Funded Income over SPLY to PKR 24.05 billion. However, investment related gains were partially offset as Fee and Commission Income reduced by 23.7%. This decline was largely due to reduced income from home remittances segment, card-related services, acquiring business, and BISP commissions - areas that have experienced pricing related challenges during the outgoing period. Going forward, improvement is expected in remittance related income on account of recent changes made by the regulatory authority in the pricing mechanism under PRI scheme.

To support its strategy of customer acquisition, the Bank continued its focus on expanding its footprint and enhancing digital capabilities. Investments in branch expansion, technology upgrades, marketing related initiatives, particularly for remittances, and inflationary effects contributed to an increase in operating expenses. As a result, Bank's cost to income ratio was 61.1% for the half year ended June 30, 2025. The Bank remains committed to control costs while not compromising on promoting its strategic initiatives.

Customer deposits closed at PKR 2.29 trillion. The Bank's deposit strategy remains centered on mobilizing current account balances and granular sticky deposits so as to build a diversified and stable deposit base.

The gross advances of the Bank grew by 34.5% (YoY) to close at PKR 1,057.72 billion, with a PKR 37.19 billion YoY increase (38.9%) in Consumer advances representing a major contribution to growth. This was in line with Banks strategy to grow low risk corporate lending while gradually increasing consumer finance as interest rates become more conducive.

The Banks disciplined underwriting and meticulous client selection processes have continued to deliver strong credit quality, as outlined by a non-performing loan ratio of 4.1%. Non-performing loans remain fully covered with a coverage ratio of 107.6% (including general provision / expected credit loss (ECL)).

As at June 30, 2025, the Bank remains adequately capitalised with CAR at 17.67%.

## Dividend

The Board of Directors, in its meeting held on July 31, 2025, declared an interim cash dividend of PKR 2.50 per share (25%) (Q2-24: PKR 2.00 per share (20%)) for the quarter ended June 30, 2025, bringing the total interim cash dividend for the year to PKR 5.00 per share (50%) (HY-24: PKR 4.00 per share (40%)). The Board had earlier declared and paid interim cash dividend of PKR 2.5 per share (25%).

## Credit Rating

The Bank has been assigned the following ratings by PACRA:

- Entity rating: 'AAA' (Triple A) for the long-term and 'A1+' (A-One Plus) for the short-term, with a 'Stable' Outlook.
- Instruments' rating: 'AA+' (Double A Plus), with a 'Stable' Outlook for Unsecured Tier 1 Capital instruments (Term Finance Certificates)



## Future Outlook

Pakistan's macroeconomic conditions improved markedly in FY25, supported by fiscal consolidation, timely measure taken by monetary policy committee, and a stable external account. Inflation dropped to a multi-year low of 4.7%, enabling the MPC to reduce the policy rate by 1,000 bps through January 2025, easing financial conditions and fueling renewed credit momentum. Banks benefited from lower rates and regulatory incentives, resulting in a sharp pickup in private sector lending. Simultaneously, fiscal, and monetary discipline reinforced system stability. Capital markets reflected this positive sentiment as well, led by strong institutional interest in banking stocks on the back of expected monetary easing and robust fundamentals.

These trends point to a supportive operating environment for the financial sector, underpinned by macro stability, liquidity, and investor confidence.

Building upon improvement in the macroeconomic environment, Bank Alfalah is well-positioned to sustain its growth trajectory and deliver long-term shareholder value. A key priority remains the expansion of its deposit base - especially through low-cost current and savings accounts - while extending its domestic footprint to enhance reach and customer experience.

The Bank is also accelerating its digital transformation, and leveraging technology to deliver secure, seamless, and customer-centric banking solutions. Investments in advanced analytics, automation, and artificial intelligence (AI) are helping streamline operations, improve decision-making, and elevate service quality. These efforts, alongside prudent cost management, are driving operational efficiency and supporting its ambition to lead the industry's digital evolution.

To ensure balanced growth, the Bank is also strengthening its fee-based revenue lines by deepening cash management penetration, scaling up trade finance, and expanding supply chain financing capabilities, particularly for corporate clients. These initiatives reinforce the Banks position in supporting Pakistan's trade and financial infrastructure. Aligned with its strategic vision, the Bank aims to continue to empower small and medium enterprises (SMEs) and individual consumers by offering tailored financing solutions and advisory support, fostering entrepreneurship and financial inclusion across diverse segments of the economy.

Bank Alfalah's "One Bank, One Team" ethos remains central to its culture, promoting collaboration, creativity, and

innovation. Human capital development is a core focus, enabling it to build a skilled, agile, and motivated workforce aligned with the Bank's long-term goals.

The Bank is equally committed to responsible and sustainable banking, and its initiatives are aligned with the United Nations Sustainable Development Goals and Pakistan's national development agenda. Through strengthened Environmental, Social, and Governance (ESG) and corporate social responsibility (CSR) practices, the Bank aims to generate lasting impact and contribute meaningfully to the communities it serves.

## Acknowledgement

On behalf of the Board, we would like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Ministry of Finance and other regulatory authorities for their continued guidance and counsel. We also wish to convey our appreciation to our shareholders, our customers and business partners for their ongoing support.

Over the years, we have laid the foundations to deliver great value and service to our customers and all stakeholders while strengthening our financial position. As we move forward, we shall remain focused on service and playing a key role in supporting economic recovery. While pursuing this, we will remain mindful of our responsibilities to our employees and the local community, and our dedication to delivering returns to our shareholders.

**Atif Aslam Bajwa**  
President and Chief Executive Officer

**Khalid Qurashi**  
Director

July 31, 2025  
Abu Dhabi

اپنی اسٹریٹجک ترجیحات کے مطابق، بینک کا مقصد چھوٹے اور درمیانے درجے کے کاروبار (SMEs) اور انفرادی صارفین کو موزوں فنانشنگ حل اور مشاورتی خدمات فراہم کر کے مالی شمولیت اور کاروباری ترقی کو فروغ دینا ہے۔

بینک الفلاح کا نصب العین "One Bank, One Team" اس کی ثقافت کا مرکز ہے، جو تعاون، تخلیق، اور اختراع کو فروغ دیتا ہے۔ بینک انسانی وسائل کی ترقی کو کلیدی حیثیت دیتا ہے تاکہ ایک ماہر فعال اور پُر عزم ٹیم تیار کی جاسکے جو ادارے کے طویل المدتی اہداف سے ہم آہنگ ہو۔

بینک پائیدار اور ذمہ دار بینکاری کے لیے پُر عزم ہے، اور اس کی سرگرمیاں اقوام متحدہ کے پائیدار ترقیاتی اہداف اور پاکستان کے قومی ترقیاتی ایجنڈے سے ہم آہنگ ہیں۔ مضبوط ESG (ماحولیاتی، سماجی، اور گورننس) اور CSR (کارپوریٹ سماجی ذمہ داری) طریقہ کار کے ذریعے، بینک کمیونٹیز پر مثبت اور پائیدار اثر ڈالنے کے لیے کوشاں ہے۔

## اظہار تشکر

بورڈ کی جانب سے، ہم اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت خزانہ، اور دیگر ریگولیٹری اداروں کا شکریہ ادا کرتے ہیں جنہوں نے مسلسل رہنمائی اور مشاورت فراہم کی۔ ہم اپنے شیئر ہولڈرز، صارفین، اور کاروباری شراکت داروں کے مسلسل اعتماد اور تعاون پر بھی تہ دل سے شکر گزار ہیں۔

گزشتہ برسوں کے دوران، بینک نے نہ صرف اپنی مالیاتی پوزیشن کو مضبوط کیا بلکہ صارفین اور تمام اسٹیک ہولڈرز کو قدر اور اعلیٰ معیار کی خدمات فراہم کرنے کے لیے مضبوط بنیادیں بھی استوار کیں۔ آگے بڑھتے ہوئے، بینک کی توجہ خدمت پر مرکوز رہے گی اور یہ معیشت کی بحالی میں اہم کردار ادا کرتا رہے گا۔ اس دوران، بینک اپنے ملازمین، مقامی کمیونٹی، اور شیئر ہولڈرز کے ساتھ اپنی ذمہ داریوں سے بخوبی آگاہ اور پُر عزم رہے گا۔

خالد قریشی

ڈائریکٹر

عاطف اسلم باجوہ

صدر اور چیف ایگزیکٹو آفیسر

۳۱ جولائی، ۲۰۲۵

ابوظہبی

مالی سال ۲۰۲۵ میں پاکستان کی مجموعی معاشی صورتحال میں نمایاں بہتری آئی، جس کی بنیاد مالیاتی نظم و ضبط، مانیٹری پالیسی کمیٹی کے بروقت اقدامات، اور بیرونی کھاتوں میں استحکام پر رہی۔ افراط زر کم ہو کر ۴.۷٪ کی کئی سالوں کی کم ترین سطح پر آ گیا، جس کے نتیجے میں ایم پی سی نے جنوری ۲۰۲۵ تک پالیسی ریٹ میں ۱۰۰۰ بیسیں پوائنٹس کی کمی کی، جس سے مالیاتی حالات میں نرمی آئی اور کریڈٹ کی سرگرمیوں میں دوبارہ تیزی پیدا ہوئی۔ بینکوں نے کم شرح سود اور ریگولیٹری مراعات سے فائدہ اٹھایا، جس کے نتیجے میں نجی شعبے کو قرضوں کی فراہمی میں نمایاں اضافہ ہوا۔ ساتھ ہی، مالیاتی و مانیٹری نظم و ضبط نے نظامی استحکام کو مضبوط بنایا۔ سرمایہ کاری کی منڈیوں میں بھی یہ رجحان دیکھنے میں آیا جہاں متوقع نرم مانیٹرنگ اور بینکنگ سیکٹر کے مضبوط ہونے کے باعث اس شعبے میں سرمایہ کاروں کی دلچسپی میں اضافہ ہوا۔

یہ رجحانات مالیاتی شعبے کے لیے ایک سازگار آپریٹنگ ماحول کی نشاندہی کرتے ہیں، جس کی بنیاد مجموعی معاشی استحکام، لیکویڈیٹی اور سرمایہ کاروں کے اعتماد پر ہے۔

بینک الفلاح نے ان مثبت معاشی حالات سے فائدہ اٹھاتے ہوئے اپنی ترقی کی رفتار کو برقرار رکھا ہے اور طویل مدتی شیئر ہولڈر ویلیو کی فراہمی کے لیے پُر عزم ہے۔ بینک کی ترجیح کم لاگت کرنٹ اور سیونگ اکاؤنٹس کے ذریعے ڈپازٹ بیس کو وسعت دینا ہے، جبکہ اپنی مقامی موجودگی کو مزید بڑھا کر صارفین کی رسانی اور تجربے کو بہتر بنایا جا رہا ہے۔

بینک ڈیجیٹل تقاضوں کی تیزی سے تکمیل کر رہا ہے اور جدید ٹیکنالوجی کے ذریعے محفوظ، ہموار اور صارف کو بینکاری حل فراہم کر رہا ہے۔ اعلیٰ درجے کی تجزیہ کاری، خود کاری اور مصنوعی ذہانت (AI) میں سرمایہ کاری کی بدولت آپریشنز کو ہموار اور مؤثر فیصلہ سازی کے ذریعے (سروس) خدمت کے معیار کو بلند کرنے میں مدد ملی۔ یہ اقدامات محتاط لاگت کی منصوبہ بندی کی وجہ سے آپریشنل کارکردگی کو بڑھا رہے ہیں، جو بینکنگ سیکٹر میں ڈیجیٹل ارتقاء میں رہنما بننے کے عزم کو ظاہر کرتا ہے۔

بینک متوازن ترقی کو یقینی بنانے کے لیے اپنی فیس پر مبنی آمدنی کے ذرائع کو بھی وسعت دے رہا ہے، خاص طور پر کارپوریٹ صارفین کے لیے کیش مینجمنٹ، ٹریڈ فنانشس، اور سپلائی چین فنانشنگ کو مضبوط بنایا جا رہا ہے۔ یہ اقدامات پاکستان کی مالیاتی و تجارتی ڈھانچے میں بینک کے کردار کو مزید مستحکم کرتے ہیں۔

بینک الفلاح نے ۳۰ جون ۲۰۲۵ کو ختم ہونے والی ششماہی مدت کے لیے بعد از ٹیکس منافع (PAT) ۱۱۵,۲۴ ارب روپے ریکارڈ کیا، جس کے مطابق فی حصص آمدنی ۹,۶۸ روپے رہی (جون ۲۰۲۳: ۱۲,۰۶) بینک کا قبل از ٹیکس منافع (PBT) روپے ۲۳,۹۳ ارب رہا۔ بینک کی منافع بخش کارکردگی پر بینچ مارک شرح سود میں کمی، ترسیلات زر سے متعلق پرو موشنل اخراجات میں اضافہ اور مؤثر ٹیکس ریٹ میں اضافہ جیسے عوامل کا اثر رہا۔ تاہم اوسط ڈپازٹس میں نمو اور کرنٹ اکاؤنٹ مکس میں بہتری نے ان عوامل کو کسی حد تک زائل کیا۔

ششماہی مدت کے دوران بینک کی کل آمدنی ۱۹۱,۶۳ ارب روپے رہی، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں ۱۰,۶٪ اضافہ ظاہر کرتی ہے۔ بینک کی خالص مارک اپ آمدنی ۱۲۵,۵۸ ارب روپے رہی، جس میں ۸,۰٪ اضافہ ریکارڈ کیا گیا، جو کرنٹ اکاؤنٹس کی اوسط میں بڑھوتری اور زیادہ لاگت والے ڈپازٹس سے گریز کی حکمت عملی کے باعث ممکن ہوا۔ جس کے نتیجے میں فنڈز کی مجموعی لاگت میں بہتری آئی اور شرح سود میں کمی کے اثرات کو زائل کرنے میں مدد ملی۔ سرمایہ کاری سے حاصل ہونے والے سرمائے کے فوائد کے باعث نان فنڈڈ انکم میں ۱۸,۴٪ اضافہ ہوا، جو روپے ۱۲۳,۰۵ ارب تک پہنچ گئی۔ تاہم سرمایہ کاری سے حاصل شدہ منافع کو جزوی طور پر کمیشن اور فیس کی آمدنی میں ۲۳,۶٪ کمی نے متوازن کر دیا۔ یہ کمی بنیادی طور پر ہوم ری میٹنس، کارڈ سروسز، ایکوئرننگ بزنس، اور BISP کمیشنز جیسے شعبوں سے حاصل آمدنی میں کمی کی وجہ سے ہوئی، جو موجودہ مدت کے دوران قیمتوں سے متعلق چیلنجز کا شکار رہے۔ آگے چل کر ترسیلات زر سے حاصل آمدنی میں بہتری متوقع ہے، کیونکہ پرائسنگ میکانزم میں حالیہ ترامیم کے بعد PRI اسکیم کے تحت ریگولیٹری اتھارٹی کی جانب سے تبدیلیاں کی گئی ہیں۔

بینک نے اپنے کسٹمر ایکوزیشن اسٹریٹجی کے تحت اپنی موجودگی کو بڑھانے اور ڈیجیٹل صلاحیتوں کو بہتر بنانے پر توجہ جاری رکھی۔ برانچ نیٹ ورک کی توسیع، ٹیکنالوجی اپگریڈیشن، مارکیٹنگ اقدامات (بالخصوص ترسیلات سے متعلق)، اور مہنگائی کے اثرات کی وجہ سے آپریٹنگ اخراجات میں اضافہ ہوا۔ نتیجتاً، بینک کا کاسٹ ٹو انکم ریشو ۳۰ جون ۲۰۲۵ کو ختم ہونے والی ششماہی کے لیے ۱۱,۱٪ رہا۔ بینک اپنی اسٹریٹجک ترجیحات کے فروغ پر سمجھوتہ کیے بغیر اخراجات پر قابو پانے کے لیے پُر عزم ہے۔

بینک کے کسٹمر ڈپازٹس ۲,۹۹ ٹریلین روپے پر بند ہوئے۔ بینک کی ڈپازٹ حکمت عملی کا مرکز کرنٹ اکاؤنٹس کی متحرک بنیاد اور گریٹو لرسٹکی ڈپازٹس کو فروغ دینا ہے، تاکہ ایک متنوع اور مستحکم ڈپازٹ بیس تشکیل دیا جاسکے۔

بینک کے گراس ایڈوانسز (سال بہ سال) ۳۳,۵٪ کے اضافے کے ساتھ

۱,۰۵۴,۶۲ ارب روپے تک پہنچ گئے، جن میں سے کنزیومر ایڈوانسز میں روپے ۳۷,۱۹ ارب یعنی (۳,۸۹٪) اضافہ ایک اہم عنصر رہا۔ یہ اس حکمت عملی کے عین مطابق تھا کہ بینک کم خطرے والے کارپوریٹ قرضے بڑھاتے ہوئے، بتدریج کنزیومر فنانس کو وسعت دے۔ بالخصوص جب شرح سود زیادہ سار گارہوتی جارہی ہے۔

بینک کی محتاط انڈرائٹنگ اور گہرے کلائنٹ سلیکشن پراسس نے بہتر کریڈٹ کوالٹی فراہم کی، جیسا کہ نان پرفارمنگ لون ریشو ۳,۱٪ کی سطح پر ظاہر ہوا۔ بینک کے تمام نان پرفارمنگ قرضے مکمل طور پر کوریج گئے ہیں اور کوریج ریشو ۱۰۴,۶٪ ہے (جس میں جنرل پروویژن / متوقع کریڈٹ لاس (ECL) شامل ہے)۔

۳۰ جون ۲۰۲۵ تک، بینک مکمل طور پر سرمایہ جاتی تقاضے پورے کرتا ہے اور کپیٹل ایڈیوسی ریشو (CAR) ۱۷,۶٪ رہا۔

## ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ ۳۱ جولائی ۲۰۲۵ کو ۳۰ جون ۲۰۲۵ کو ختم ہونے والی سہ ماہی کے لیے ۲,۵۰ روپیہ فی شیئر (۲۵٪) عبوری نقد ڈیویڈنڈ کا اعلان کیا (دوسری سہ ماہی ۲۰۲۳: ۲,۰۰ روپیہ فی شیئر یعنی ۲۰٪)۔ اس اعلان کے ساتھ مالی سال کے دوران کل عبوری نقد ڈیویڈنڈ ۵,۰۰ روپیہ فی شیئر (۵۰٪) ہو گیا ہے (چھ ماہ ۲۰۲۳: ۴,۰۰ روپیہ فی شیئر یعنی ۴۰٪)۔ اس سے قبل، بورڈ ۲,۵۰ روپیہ فی شیئر (۲۵٪) عبوری نقد منافع کی منظوری دے چکے ہیں جو ادا کر دیا گیا تھا۔

## کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بینک کو درج ذیل درجہ بندیوں تفویض کی ہیں:

- ادارے کی درجہ بندی:
- طویل المدتی کے لیے 'AAA' (ٹریپل اے) اور قلیل المدتی کے لیے 'A+' (اے پلس)، دونوں کے لیے "مستحکم" آؤٹ لک برقرار ہے۔
- انسٹرومنٹس کی درجہ بندی:
- غیر محفوظ ٹنڈر - 1 کپیٹل انسٹرومنٹس (ٹرم فنانس سرٹیفیکیٹس) کے لیے 'AA+' (ڈبل اے پلس) کے ساتھ "مستحکم" آؤٹ لک۔

## ڈائریکٹرز کا جائزہ

بینک الفلاح لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہمیں ۳۰ جون ۲۰۲۵ کو ختم ہونے والی مدت کے لیے غیر مجتمع شدہ مختصر عبوری مالیاتی بیانات پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

### معاشی جائزہ

دوسری سہ ماہی کے دوران خطے میں جغرافیائی و سیاسی کشیدگی میں اضافہ دیکھنے میں آیا۔ مالیاتی منڈیاں غیر یقینی کا شکار رہیں، تاہم کشیدگی میں کمی کے بعد مارکیٹ میں تیزی سے بحالی آئی۔ مجموعی معاشی سطح پر پیش رفت مثبت رہی۔ بین الاقوامی مالیاتی فنڈ (IMF) نے توسیعی فنڈ سہولت (EFF) کے تحت ۱/۱ ارب امریکی ڈالر کی دوسری قسط جاری کی، جو پاکستان کے معاشی و مالیاتی اشاریوں میں بہتری کے اعتراف کا مظہر ہے۔ اس کے علاوہ، فچ نے پاکستان کی خود مختار کریڈٹ ریٹنگ کو CCC+ سے بڑھا کر B- کر دیا۔

اسٹیٹ بینک آف پاکستان کے پاس موجود زرمبادلہ کے ذخائر مارچ ۲۰۲۵ میں ۱۰,۱ ارب ڈالر سے بڑھ کر ۱۴,۱ ارب ڈالر ہو گئے، جو منصوبہ بند بیرونی آمدنی کے حصول اور کرنٹ اکاؤنٹ بیلنس میں بہتری کی بدولت ممکن ہوا۔

روپیہ سہ ماہی کے دوران ۱,۳ فیصد کمزور ہوا اور ۳۱ مارچ ۲۰۲۵ کے ۲۸۰,۱۲ روپیہ فی امریکی ڈالر کے مقابلے میں جون کے اختتام پر ۲۸۳,۷۲ روپیہ فی امریکی ڈالر تک پہنچ گیا۔ ہیڈ لائن افراط زر میں کمی کا رجحان برقرار رہا، جو اپریل میں کم ہو کر ۰,۳ فیصد تک آگیا، تاہم جون میں یہ دوبارہ ۳,۲ فیصد تک بڑھ گیا کیونکہ بلند موزانہ بنیاد کا اثر ختم ہو چکا تھا۔ بنیادی افراط زر نسبتاً بلند سطح پر ۷,۲ فیصد پر قائم رہا۔ معاشی صورتحال میں بہتری کو مدنظر رکھتے ہوئے، اسٹیٹ بینک آف پاکستان نے مئی ۲۰۲۵ میں پالیسی ریٹ میں ۱۰۰ بیسس پوائنٹس کمی کرتے ہوئے اسے ۱۱ فیصد کر دیا۔

مالی سال ۲۰۲۵ کے دوران جی ڈی پی کی شرح نمو ۴,۲ فیصد رہی، جس کی قیادت صنعتی شعبے نے کی، جہاں ۳,۸ فیصد ترقی ریکارڈ کی گئی — جو گزشتہ سال کی ۱,۲ فیصد کمی کے برعکس ایک نمایاں بہتری ہے۔ تاہم، بڑے پیمانے کی صنعتوں (LSM) میں ۱,۵ فیصد کمی دیکھی گئی۔ زرعی شعبہ سال بہ سال بنیاد پر ۰,۲ فیصد پر آگیا (گزشتہ سال: ۲,۳ فیصد)، جبکہ خدمات کا شعبہ ۲,۹ فیصد ترقی کے ساتھ نسبتاً بہتر رہا (گزشتہ سال: ۲,۲ فیصد)۔

مالیاتی نظم و ضبط کا تسلسل برقرار رہا اور بنیادی سرپلس ۳,۵ ٹریلین روپیہ (جی ڈی پی کا ۳,۰ فیصد) رہا، جو کہ گزشتہ سال اسی مدت میں ۱,۱

روپیہ ٹریلین (جی ڈی پی کا ۱,۵ فیصد) تھا۔ ایف بی آر کی ٹیکس وصولی میں سال بہ سال ۲۱ فیصد اضافہ ہوا اور یہ ۸,۴ روپیہ ٹریلین تک پہنچ گئی۔

اسٹاک مارکیٹ جغرافیائی و سیاسی کشیدگی کے باعث اتار چڑھاؤ کا شکار رہی، تاہم حالات میں بہتری کے بعد مثبت رجحان غالب آگیا۔ KSE-۱۰۰ انڈیکس نے دوسری سہ ماہی میں ۲,۱ فیصد اضافہ کے ساتھ ۱۲۵,۲۲۷ پوائنٹس کی تاریخی بلند ترین سطح حاصل کی۔ مالیاتی نرمی اور اس کے نتیجے میں ایکویٹیز کی جانب لیکویڈیٹی کی منتقلی نے مارکیٹ میں بہتری کے رجحان کو تقویت دی۔

آگے چل کر جغرافیائی سیاسی پیش رفت کلیدی اہمیت کی حامل رہے گی، اور آئی ایم ایف کی توسیعی فنڈ سہولت (EFF) اور ریزرولینس اینڈ سسٹین ایبلٹی فسیلٹی (RSF) کی شرائط پر عملدرآمد ستمبر ۲۰۲۵ میں ہونے والے آئندہ جائزوں کے لیے نہایت اہم ہوگا۔ معاشی سرگرمیوں میں بندریج بہتری کی توقع ہے، جو شرح سود میں کمی اور فزطر میں نرمی کے اثرات کی عکاسی کرے گی۔ تاہم، ماضی جیسے بوم اینڈ بسٹ سائیکل سے بچنے کے لیے ایک متوازن پالیسی اپروچ اپنا نا ضروری ہوگا تاکہ حاصل کردہ معاشی استحکام کو برقرار رکھا جاسکے۔

### بینک کی کارکردگی کا جائزہ

بینک کی ۳۰ جون ۲۰۲۵ کو ختم ہونے والی مدت کے لیے مالیاتی کارکردگی کی جھلکیاں درج ذیل ہیں:

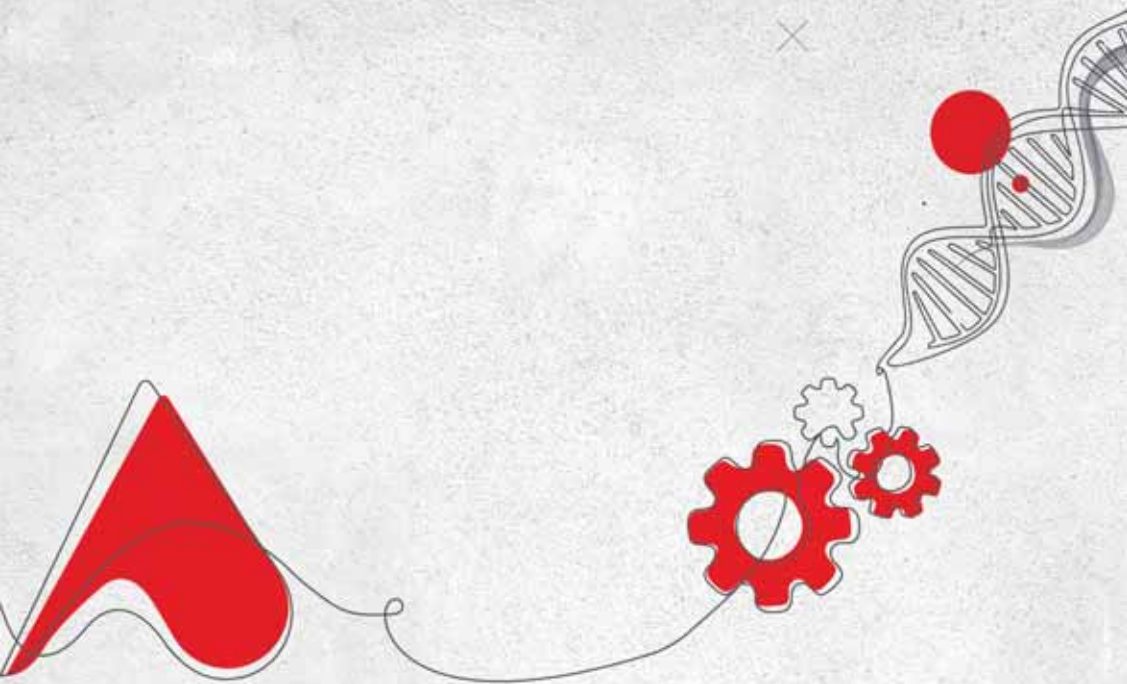
مالی حیثیت	۳۰ جون ۲۰۲۵	۳۱ دسمبر ۲۰۲۳
(روپے، ملین میں)		
شیرہولڈرز ایکویٹی	۱۸۷,۰۲۶	۱۷۸,۱۱۲
کل اثاثے	۳,۶۹۳,۳۳۳	۳,۷۱۰,۲۰۶
ڈپازٹس	۲,۶۸۸,۲۴۸	۲,۱۳۶,۹۱۳
خالص ایڈوانسز	۱,۰۱۰,۳۹۶	۱,۱۰۹,۳۷۶
خالص سرمایہ کاری	۱,۲۳۲,۳۷۳	۱,۹۹۱,۲۳۲

مالیاتی کارکردگی	ششماہی ختم شدہ ۲۰۲۵ جون ۳۰	ششماہی ختم شدہ ۲۰۲۴ جون ۳۰ (نظر ثانی شدہ)
(روپے، ملین میں)		
خالص انٹرسٹ آمدنی اور نان مارکاپ آمدنی	۹۱,۱۳۷	۸۲,۸۱۳
نان مارکاپ اخراجات	۵۲,۸۱۰	۳۰,۷۵۸
کریڈٹ لاس الاؤنس / پروویژنز (نیٹ)	۸۹۷	۱,۳۰۷
منافع قبل آرٹیکس (PBT)	۳۳,۹۳۱	۴۰,۷۹۸
منافع بعد آرٹیکس (PAT)	۱۵,۲۷۵	۲۰,۵۹۸
فی حصص بنیادی و مخفف آمدنی (روپے)	۹,۲۸	۱۳,۰۲

# UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED JUNE 30, 2025



# Independent Auditor's Review Report

To the members of Bank Alfalah Limited

## Report on review of Interim Financial Statements

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Bank Alfalah Limited ("the Bank") as at June 30, 2025 and the related unconsolidated condensed interim statement of profit and loss account, the unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the unconsolidated condensed interim statement of profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2025 and June 30, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is

**Noman Abbas Sheikh.**

A.F. Ferguson & Co.  
Chartered Accountants  
Place: Karachi

Dated: August 6, 2025

UDIN: RR202510061tVwREcJUY

# 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) -----			
<b>ASSETS</b>			
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
<b>Total assets</b>		3,294,333,087	3,710,206,121
<b>LIABILITIES</b>			
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
<b>Total liabilities</b>		3,107,267,081	3,532,093,711
<b>NET ASSETS</b>		<u>187,066,006</u>	<u>178,112,410</u>
<b>REPRESENTED BY</b>			
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
		<u>187,066,006</u>	<u>178,112,410</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	24		

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

# 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
<b>NON MARK-UP / INTEREST INCOME</b>					
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
<b>NON MARK-UP / INTEREST EXPENSES</b>					
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		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		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
<b>PROFIT AFTER TAXATION</b>		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



# 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
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified to the statement of profit and loss account in subsequent periods:</b>				
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)
<b>Items that will not be reclassified to the statement of profit and loss account in subsequent periods:</b>				
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
<b>Total comprehensive income</b>	<b>12,003,880</b>	<b>11,564,868</b>	<b>16,554,911</b>	<b>19,028,821</b>

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

# 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

# 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

# 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)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		33,930,831	40,798,409
Less: Dividend income		(1,455,503)	(1,159,804)
		32,475,328	39,638,605
<b>Adjustments:</b>			
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)
<b>Decrease / (increase) in operating assets</b>			
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)
<b>(Decrease) / increase in operating liabilities</b>			
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)
<b>Net cash used in operating activities</b>		(137,112,395)	(47,075,999)
<b>Balance carried forward</b>		(137,112,395)	(47,075,999)

# 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)	
<b>Balance brought forward</b>	(137,112,395)	(47,075,999)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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)
<b>Net cash generated from investing activities</b>	<b>197,088,861</b>	<b>104,288,208</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations against right-of-use assets	(3,200,274)	(2,754,091)
Dividend paid	(7,873,675)	(15,413,168)
<b>Net cash used in financing activities</b>	<b>(11,073,949)</b>	<b>(18,167,259)</b>
<b>Net increase in cash and cash equivalents</b>	<b>48,902,517</b>	<b>39,044,950</b>
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)
Expected credit loss allowance on cash and cash equivalents - net	231,950,037	247,899,919
	(8,538)	(35,901)
<b>Cash and cash equivalents at the end of the period</b>	<b>38      280,844,016</b>	<b>286,908,968</b>

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

# 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 (IFS). 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
		<b>Rupees</b>	
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.

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
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
<b>8 BALANCES WITH OTHER BANKS</b>			
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
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
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	9.1	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

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

## 9.1 Lending to Financial Institutions - Particulars of credit loss allowance

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

## 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

<b>Federal Government Securities</b>								
- 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
<b>Shares</b>								
- 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
<b>Non Government Debt Securities</b>								
- 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
<b>Foreign Securities</b>								
- 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

<b>Federal Government Securities</b>								
- 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
<b>Shares</b>								
- 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)	-	-
<b>Non Government Debt Securities</b>								
- 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
<b>Foreign Securities</b>								
- 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
<b>REIT Fund - listed</b>	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
<b>Balance carried forward</b>	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
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### 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
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Subsidiaries	1,000,000	-	-	1,000,000	2,505,217	(1,505,217)	-	1,000,000
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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
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## 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)							

Alfalsh Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,093,074	133,434	89,982	(64,531)	(63,303)
Alfalsh 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
Alfalsh 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)							

Alfalsh Securities (Private) Limited	Subsidiary	Pakistan	95.59%	1,850,958	1,358,817	402,659	(178,710)	(178,710)
Alfalsh Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,081,681	58,738	80,024	15,299	15,427
Alfalsh 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
Alfalsh 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, Alfalsh 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) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>10.3 Investments given as collateral</b>		
- 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) -----	
<b>10.4 Credit loss allowance / provision for diminution in value of investments</b>		
<b>10.4.1</b> 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	4,110,565	3,222,901
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	(193,325)	(419)
	(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) -----					
<b>Domestic</b>					
Performing	Stage 1	806,250	85	806,250	85
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		311,089	311,089	314,307	314,307
		<u>1,117,339</u>	<u>311,174</u>	<u>1,120,557</u>	<u>314,392</u>
<b>Overseas</b>					
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		-	-	-	-
<b>Total</b>		<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	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
(Rupees in '000)						
<b>Classified at amortised cost</b>						
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	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
	1,011,309,826	1,112,484,284	43,885,681	42,359,957	1,055,195,507	1,154,844,241
<b>Classified at FVPL</b>						
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
	2,520,218	1,413,735	-	-	2,520,218	1,413,735
Advances - gross	1,013,830,044	1,113,898,019	43,885,681	42,359,957	1,057,715,725	1,156,257,976
Credit loss allowance / provision against advances						
- Stage 1	(1,778,969)	(2,232,954)	-	-	(1,778,969)	(2,232,954)
- Stage 2	(1,206,374)	(1,388,083)	-	-	(1,206,374)	(1,388,083)
- Stage 3	-	-	(40,122,979)	(38,436,013)	(40,122,979)	(38,436,013)
- Specific	-	-	-	(587,690)	-	(587,690)
- General	(4,111,177)	(4,237,082)	-	-	(4,111,177)	(4,237,082)
	(7,096,520)	(7,858,119)	(40,122,979)	(39,023,703)	(47,219,499)	(46,881,822)
Advances - net of credit loss allowance / provision	1,006,733,524	1,106,039,900	3,762,702	3,336,254	1,010,496,226	1,109,376,154

**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).

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

**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)				
<b>Domestic</b>				
Other Assets Especially Mentioned (OAE)	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
	43,212,684	39,511,075	41,704,512	38,436,013
<b>Overseas</b>				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	672,997	611,904	616,745	564,335
	672,997	611,904	655,445	587,690
Total	43,885,681	40,122,979	42,359,957	39,023,703

#### 11.4 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			Specific	General	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
	<b>—(Rupees in '000)</b>											
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)	(1,715,503)	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	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	148,294	-	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)	(991)	(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	(3,873,437)	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	4,237,082	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).

**11.1.4.2** 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 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	Specific	Total	Expected Credit Loss			Specific	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	-	-	-	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)	(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	(5786)	(103,935)	109,721	-	-	-	(31,165)	(234,816)	265,981	-	-	
Changes in risk parameters	(8,581)	(319,894)	(123,531)	-	-	(452,006)	(277,746)	(342,914)	(381,194)	-	(951,954)	
Amounts written off	(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 charged off	-	-	(9,465)	-	(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
<b>Corporate, Commercial and SME</b>				
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

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) -----	
<b>12 PROPERTY AND EQUIPMENT</b>				
Capital work-in-progress	12.1		4,572,208	3,471,199
Property and equipment	12.2		63,660,967	60,072,285
			68,233,175	63,543,484
<b>12.1 Capital work-in-progress</b>				
Civil works			3,674,231	3,187,748
Equipment			868,885	252,122
Others			29,092	31,329
			4,572,208	3,471,199

**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)	(Audited)
		June 30, 2025	December 31, 2024
		------(Rupees in '000)-----	
13	RIGHT-OF-USE ASSETS	Buildings	Buildings
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)-----	
<b>15 OTHER ASSETS</b>			
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)-----	
<b>15.2 Credit loss allowance / provision held against other assets</b>		
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) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>16 BILLS PAYABLE</b>		
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	21,928,158	32,209,792
Bai Muajjal	50,720,362	48,654,565

<b>Total secured</b>	<u>527,250,029</u>	<u>1,103,716,806</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
<b>Total unsecured</b>	<u>28,584,057</u>	<u>38,168,936</u>

	<u>555,834,086</u>	<u>1,141,885,742</u>
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## 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
19	LEASE LIABILITIES	Note	------(Rupees in '000)-----
	Opening as at January 01		29,481,938
	Additions / renewals / amendments / (terminations) - net		2,526,479
	Finance charges		2,087,479
	Lease payments including interest		(3,200,274)
	Exchange rate / other adjustment		6,983
	Closing net carrying amount		<u>30,902,605</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	<u>16,556,832</u>	<u>16,390,657</u>
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	<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 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

### 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

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
	(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) -----	
<b>22 OTHER LIABILITIES</b>			
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	783,425	1,164,297
Exchange and other adjustments	6,216	(4,925)
Charge for the period / year	343,990	472,414
Reversals for the period / year	(224,395)	(851,075)
	<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) -----	
<b>23 SURPLUS ON REVALUATION OF ASSETS</b>			
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)
		<u>34,959,921</u>	<u>33,778,787</u>
<b>24 CONTINGENCIES AND COMMITMENTS</b>			
- 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
		<u>1,020,885,323</u>	<u>898,167,695</u>
<b>24.1 Guarantees:</b>			
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>
<b>24.2 Commitments:</b>			
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
		<u>808,663,588</u>	<u>693,195,425</u>
<b>24.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		242,669,029	144,906,210
Sale		183,040,274	122,031,856
		<u>425,709,303</u>	<u>266,938,066</u>
<b>24.2.2 Commitments in respect of forward government securities transactions</b>			
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)-----			
<b>24.2.3 Commitments in respect of derivatives</b>			
<b>Interest rate swaps</b>			
Purchase	25.1	21,805,769	23,054,358
Sale		-	-
		21,805,769	23,054,358
<b>Cross currency swaps</b>			
Purchase		-	-
Sale	25.1	9,776,269	10,412,144
		9,776,269	10,412,144
<b>Total commitments in respect of derivatives</b>		31,582,038	33,466,502

#### 24.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	17,421,614	16,490,171
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**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)-----		
<b>24.3 Other contingent liabilities</b>		
<b>24.3.1</b> Claims against the Bank not acknowledged as debts	23,774,654	23,153,037

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)-----			
<b>Counterparties</b>						
<b>With Banks for Hedging</b>	23	21,805,769	1,554,245	-	-	-
<b>With other entities</b>						
Market making	-	-	-	6	9,776,269	655,536
	23	21,805,769	1,554,245	6	9,776,269	655,536
-----						
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)-----			
<b>Counterparties</b>						
<b>With Banks for Hedging</b>	27	23,054,358	2,172,667	-	-	-
<b>With other entities</b>						
Market making	-	-	-	6	10,412,144	887,052
	27	23,054,358	2,172,667	6	10,412,144	887,052

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
<b>26</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
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>
<b>27</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
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>
<b>Note</b>		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>28</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	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>
<b>29</b>	<b>FOREIGN EXCHANGE INCOME</b>		
	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>
<b>30</b>	<b>GAIN ON SECURITIES</b>		
	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) -----	
<b>30.1 Realised gain on:</b>			
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>
<b>30.2 Net gain / (loss) on financial assets / liabilities measured:</b>			
<b>At FVPL</b>			
Designated upon initial recognition		2,737,076	790,347
Mandatorily measured at FVPL		(119,142)	821,439
		2,617,934	1,611,786
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) -----	
<b>31 OTHER INCOME</b>			(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>
<b>32 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	32.1	23,795,451	18,417,849
<b>Property expense</b>			
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>
<b>Information technology expenses</b>			
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
<b>Other operating expenses</b>		
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
<b>Sub-total</b>	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	-
<b>Grand total</b>	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
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### 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)	
<b>37 BASIC AND DILUTED EARNINGS PER SHARE</b>			
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) -----	
<b>38 CASH AND CASH EQUIVALENTS</b>				
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)
			280,844,016	286,908,968

### **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
	(Rupees in '000)			
On balance sheet financial instruments				
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
	(Rupees in '000)			
On balance sheet financial instruments				
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 sukuku 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 sukuku, and overseas bonds are determined on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than Government)	Investment in sukuku, 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





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

Rs. 179,016 million and Rs. 76,129 million respectively of investment banking.

**RELATED PARTY TRANSACTIONS**

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)				
<b>Investments</b>										
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	3,499,755	-	-	2,505,217	1,177,606	2,923,188
Credit loss allowance / provision for diminution in value of investments	-	-	-	-	-	-	-	1,505,217	-	-
<b>Advances</b>										
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)	-	(44,383,312)
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
<b>Other assets</b>										
Interest / mark-up accrued	4,983	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
<b>Borrowings</b>										
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

#### Deposits and other accounts

Opening balance  
Received during the period / year  
Withdrawn during the period / year  
Transfer in / (out) - net  
Closing 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
810,697	2,931,391	37,620,713	1,031,861,288	62,499,342	5,666,276	4,582,080	47,640,608	1,211,982,771	276,598,239
(959,274)	(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)
-	(8,977)	(339,161)	-	261	7	(5,900)	-	-	(3,617,598)
43,270	584,211	629,512	20,482,329	14,769,456	185,847	392,643	807,925	60,026,664	12,533,349

#### Subordinated debt

Opening balance  
Transfer in / (out) - net  
Closing balance

-	-	-	-	-	-	-	-	-	300,000
-	-	-	-	-	-	-	-	-	(300,000)

#### Other liabilities

Interest / mark-up payable  
Dividend payable  
Unearned rent  
Others

25	1,992	-	-	236,352	226	248	-	-	126,062
-	-	-	-	11	7	-	-	-	9
-	-	-	583	-	-	-	-	2,532	-
-	-	-	-	35,166	-	-	2,657	-	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  
Fee and commission income  
Dividend income  
Gain / (loss) on sale of securities  
Rent on property  
Gain on sale of property and equipment - net

469	14,726	6	-	53,206	927	15,168	51,037	-	212,035
124	605	-	288,958	9,201	10	271	-	154,789	3,415
-	-	-	44,993	439,597	-	-	-	254,993	591,804
-	2	388,732	-	10,790	-	4	-	-	(4,864)
-	-	4,882	1,950	-	-	-	391	1,950	-
7,094	132	-	3,642	-	-	-	-	6,658	-

#### Expenses

Mark-up / return / interest paid  
Operating expenses  
Fee and remuneration  
Cleaning and custodian charges  
Software maintenance  
Communication cost  
Brokerage and commission  
Charge for defined benefit plan  
Contribution to defined contribution plan  
Training and subscription  
Provision charge for diminution in value of investments  
(Reversal of) credit loss allowance / credit loss allowance against loans & advances  
Credit loss allowance / (reversal of) credit loss allowance against off-balance sheet obligations  
Credit loss allowance against other assets

2,300	10,572	18,267	338,879	791,112	14,802	16,708	76,315	413,343	1,193,362
431,974	1,390,753	-	-	-	359,559	1,103,864	-	-	-
-	-	-	-	-	-	-	-	-	61,237
-	-	-	-	45,000	-	-	-	-	55,050
-	-	1,307	-	306,938	-	-	3,604	-	254,056
-	-	-	-	480,951	-	-	-	-	335,649
-	-	-	-	560,314	-	-	-	-	432,505
-	-	-	-	-	-	-	1,200,000	-	505
(27)	(3,380)	-	-	4,207	5	1,524	-	-	(6,100)
-	-	-	-	1,009	-	-	-	-	(66)
-	-	-	-	135	-	-	-	-	15

#### Other information

Dividend paid  
Insurance premium paid  
Insurance claims settled

1,851,866	7736	-	11,694	1,863,329	3,831,825	12,685	-	9,260	3,815,932
-	-	-	1,658,304	-	-	-	-	1,321,174	-
-	-	-	473,812	-	-	-	-	411,554	-

## 42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited)  
June 30,  
2025

(Audited)  
December 31,  
2024

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

### Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	15,771,651	15,771,651
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### 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.

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)-----	
<b>ASSETS</b>			
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
<b>Total assets</b>		<b>588,132,943</b>	<b>547,594,663</b>
<b>LIABILITIES</b>			
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
<b>Total liabilities</b>		<b>550,374,083</b>	<b>511,041,994</b>
<b>NET ASSETS</b>		<b>37,758,860</b>	<b>36,552,669</b>
<b>REPRESENTED BY</b>			
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
		<b>37,758,860</b>	<b>36,552,669</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	43.6		

## CONTINGENCIES AND COMMITMENTS

## PROFIT AND LOSS ACCOUNT

Note	(Un-audited) Half year ended	
	June 30, 2025	June 30, 2024
	------(Rupees in '000)-----	
	(Restated)	
Profit / return earned on Islamic financing and related assets, investments and placements	43.7 28,734,510	39,585,177
Profit / return expensed on deposits and other dues expensed	43.8 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
<b>Total income</b>	<b>16,820,120</b>	<b>17,441,832</b>
<b>OTHER EXPENSES</b>		
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
<b>PROFIT BEFORE TAXATION</b>	<b>5,040,788</b>	<b>8,285,007</b>
Taxation	2,780,807	4,092,760
<b>PROFIT AFTER TAXATION</b>	<b>2,259,981</b>	<b>4,192,247</b>

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) -----

### 43.1 Due from financial institutions

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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### 43.3 Islamic financing and related assets

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

#### 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

### 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) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
<b>43.5 Islamic banking business unappropriated profit</b>		
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, 2025	June 30, 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.

#### 43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
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	4,183,122	2,535,852
<b>Total gross islamic financing and related assets</b>	<b>211,394,624</b>	<b>172,050,155</b>
Total gross investments (cost)	210,170,624	236,268,906
Total islamic placements	68,177,892	43,283,744
<b>Total invested funds</b>	<b>489,743,140</b>	<b>451,602,805</b>

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.

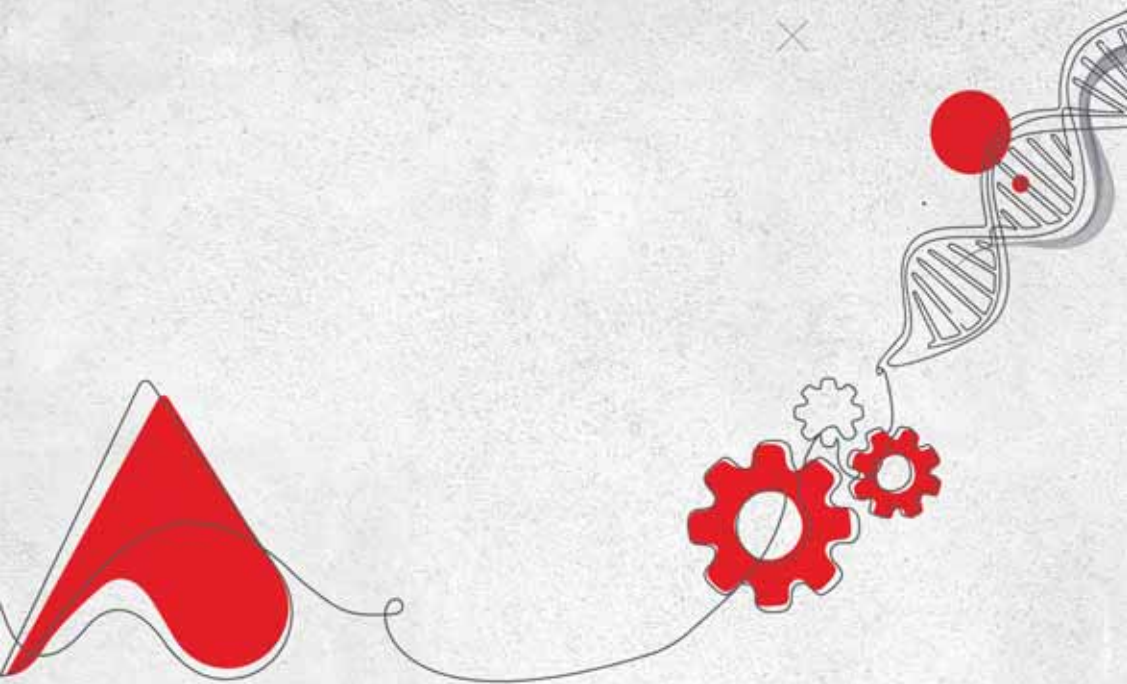
48.2 The effects of reclassification, rearrangement in the comparative information presented in these unconsolidated condensed interim financial statements are as follows:

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.

**CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**HALF YEAR ENDED JUNE 30, 2025**



# 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) -----	
<b>ASSETS</b>			
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
<b>Total assets</b>		3,300,158,043	3,717,055,697
<b>LIABILITIES</b>			
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
<b>Total liabilities</b>		3,110,060,808	3,535,669,000
<b>NET ASSETS</b>		190,097,235	181,386,697
<b>REPRESENTED BY</b>			
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
<b>CONTINGENCIES AND COMMITMENTS</b>			
	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

# 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
<b>NON MARK-UP / INTEREST INCOME</b>					
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
<b>NON MARK-UP / INTEREST EXPENSES</b>					
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		-	-	-	-
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>		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
<b>PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS</b>		8,003,184	11,999,963	15,142,893	21,919,450
<b>DISCONTINUED OPERATIONS</b>					
<b>LOSS FROM DISCONTINUED OPERATIONS - NET OF TAX</b>	37.3	(16,497)	-	(83,517)	-
<b>PROFIT AFTER TAXATION</b>		7,986,687	11,999,963	15,059,376	21,919,450
<b>Profit / (loss) attributable to:</b>					
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)	
<b>Basic and diluted earnings per share - continuing operations</b>	38	5.07	7.59	9.60	13.90
<b>Basic and diluted earnings per share</b>	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**

# 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)		(Rupees in '000)	
	(Restated)		(Restated)	
Profit after taxation for the period	7,986,687	11,999,963	15,059,376	21,919,450
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified to the statement of profit and loss account in subsequent periods:</b>				
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)
<b>Items that will not be reclassified to the statement of profit and loss account in subsequent periods:</b>				
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
<b>Total comprehensive income</b>	<b>11,752,879</b>	<b>12,874,786</b>	<b>16,331,745</b>	<b>20,354,929</b>
<b>Total comprehensive income / (loss) attributable to:</b>				
<b>Equity holders of the Holding Company</b>				
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
<b>Non-controlling interest</b>				
from continuing operations	-	27,622	-	1,120
from discontinued operations	1,144	-	(1,811)	-
	1,144	27,622	(1,811)	1,120
	<b>11,752,879</b>	<b>12,874,786</b>	<b>16,331,745</b>	<b>20,354,929</b>

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

# 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



# 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

# 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)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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>
<b>Adjustments:</b>			
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)
<b>Decrease / (increase) in operating assets</b>			
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>
<b>(Decrease) / increase in operating liabilities</b>			
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)
<b>Net cash used in operating activities</b>		<u>(136,818,252)</u>	<u>(48,463,927)</u>
<b>Balance carried forward</b>		<u>(136,818,252)</u>	<u>(48,463,927)</u>

# 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)	
<b>Balance brought forward</b>	(136,818,252)	(48,463,927)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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)
<b>Net cash generated from investing activities</b>	197,054,194	106,263,078
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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)
<b>Net cash used in financing activities</b>	(11,080,066)	(18,200,417)
<b>Net increase in cash and cash equivalents</b>	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)	-
<b>Cash and cash equivalents at end of the period</b>	39 280,943,358	287,462,525

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

# 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
<b>Subsidiaries</b>			
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(l)/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
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
		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)-----	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
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
<b>8 BALANCES WITH OTHER BANKS</b>			
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
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
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	9.1	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)-----

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

## 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

<b>Federal Government Securities</b>								
- 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
<b>Shares</b>								
- 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
<b>Non Government Debt Securities</b>								
- 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
<b>Foreign Securities</b>								
- 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

<b>Federal Government Securities</b>								
- 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
<b>Shares</b>								
- 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)	-	-
<b>Non Government Debt Securities</b>								
- 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
<b>Foreign Securities</b>								
- 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
<b>REIT Fund - listed</b>	<u>1,072,965</u>	<u>-</u>	<u>407,336</u>	<u>1,480,301</u>	<u>1,000,489</u>	<u>-</u>	<u>514,493</u>	<u>1,514,982</u>
	<u>1,190,640,507</u>	<u>(2,254,763)</u>	<u>33,316,114</u>	<u>1,221,701,858</u>	<u>1,393,886,231</u>	<u>(2,463,922)</u>	<u>29,973,951</u>	<u>1,421,396,260</u>
Balance carried forward	<u>1,320,702,917</u>	<u>(2,254,763)</u>	<u>32,996,413</u>	<u>1,351,444,567</u>	<u>1,679,521,041</u>	<u>(2,463,922)</u>	<u>34,054,508</u>	<u>1,711,111,627</u>



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
<b>Amortised cost</b>								
<b>Federal Government Securities</b>								
- 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
<b>Non Government Debt Securities</b>								
- 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
<b>Foreign Securities</b>								
- 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
<b>Associates (valued at equity method)</b>								
- 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)-----	
<b>10.3 Investments given as collateral</b>		
- 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)-----	
<b>10.4 Credit loss allowance / provision for diminution in value of investments</b>		
<b>10.4.1</b> 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)-----					
<b>Domestic</b>					
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>
		<u>1,117,339</u>	<u>311,174</u>	<u>1,120,557</u>	<u>314,392</u>
<b>Overseas</b>					
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		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>		<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)						
<b>Classified at amortised cost</b>						
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
	1,011,309,826	1,112,484,673	43,885,681	42,364,502	1,055,195,507	1,154,849,175
<b>Classified at FVPL</b>						
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
	2,520,218	1,413,735	-	-	2,520,218	1,413,735
Advances - gross	1,013,830,044	1,113,898,408	43,885,681	42,364,502	1,057,715,725	1,156,262,910
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)
	(7,096,520)	(7,858,119)	(40,122,979)	(39,028,249)	(47,219,499)	(46,886,368)
Advances - net of credit loss allowance / provision	1,006,733,524	1,106,040,289	3,762,702	3,336,253	1,010,496,226	1,109,376,542

**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).

### 11.2 Particulars of advances (gross)

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

**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)				
<b>Domestic</b>				
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
	43,212,684	39,511,075	41,709,057	38,440,559
<b>Overseas</b>				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	672,997	611,904	616,745	564,335
	672,997	611,904	655,445	587,690
Total	43,885,681	40,122,979	42,364,502	39,028,249

**11.4 Particulars of Credit loss allowance / provision against advances**

	June 30, 2025 (Un-audited)			General	Total	December 31, 2024 (Audited)						
	Expected Credit Loss					Expected Credit Loss						
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3	Specific	General	Total	
(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 Balance as at January 01 after adopting 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
	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	(68,241)	(41,480)	(4,546)	-	-	(4,546)	-	-	-	-	-	-
			(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:

- 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 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			General	Total	Expected Credit Loss			Specific	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)	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	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)	(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	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	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
<b>Corporate, Commercial and SME</b>				
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)-----					
<b>Domestic</b>					
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
<b>Overseas</b>					
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
<b>Total</b>		1,057,715,725	47,219,499	1,156,262,910	46,886,368

**12 PROPERTY AND EQUIPMENT**

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
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	<b>Additions to property and equipment</b>		
The following additions were made to property and equipment during the period:			
<b>Capital work-in-progress - net of transferred out for capitalisation</b>		1,102,477	272,228
<b>Property and equipment</b>			
	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	<b>Disposals of property and equipment</b>		
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)	(Audited)
		June 30, 2025	December 31, 2024
		----- (Rupees in 000) -----	
13	<b>RIGHT-OF-USE ASSETS</b>	<b>Buildings</b>	<b>Buildings</b>
<b>At January 1</b>			
	Cost	36,730,369	28,896,873
	Accumulated depreciation	(11,364,670)	(8,929,916)
<b>Net carrying amount at January 01</b>		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	<b>INTANGIBLE ASSETS</b>		
	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	<b>Additions to intangible assets</b>		
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)-----	
<b>15 OTHER ASSETS</b>			
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
		172,690,174	176,534,893
Less: Credit loss allowance / provision held against other assets	15.2	(3,998,230)	(4,709,539)
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	480,033	491,882
Other assets - total		169,171,977	172,317,236

**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)-----	
<b>15.2 Credit loss allowance / provision held against other assets</b>		
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
	3,998,230	4,709,539

**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	4,710,401	4,989,189
Exchange and other adjustments	(3,843)	(2,777)
Charge for the period / year	685,737	531,375
Reversals for the period / year	(152,831)	(753,490)
	532,906	(222,115)
Amount written off	(2,278)	(54,758)
Reversal on derecognition of subsidiary	(1,238,956)	-
Closing balance	3,998,230	4,709,539

**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) -----	
<b>16</b> <b>BILLS PAYABLE</b>		
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
	<u>454,601,509</u>	<u>1,022,852,449</u>

Repurchase agreement borrowings	21,928,158	32,209,792
Bai Muajjal	50,720,362	48,654,565
Others	-	314,967
<b>Total secured</b>	<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
- Karandaaz Risk Participation	3,362,324	2,803,546
<b>Total unsecured</b>	<u>28,584,057</u>	<u>38,168,936</u>

	<u>555,834,086</u>	<u>1,142,200,709</u>
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## 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) -----					
<b>Customers</b>						
- 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>
<b>Financial Institutions</b>						
- 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
	<u>167,236,858</u>	<u>12,493,463</u>	<u>179,730,321</u>	<u>237,789,090</u>	<u>13,487,274</u>	<u>251,276,364</u>
	<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) -----			
<b>19 LEASE LIABILITIES</b>			
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	16,580,563	16,426,307
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-I)	20.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-I)	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-I) - 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

### 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

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

(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) -----	
<b>23 SURPLUS ON REVALUATION OF ASSETS</b>			
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>
<b>24 CONTINGENCIES AND COMMITMENTS</b>			
- 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>
<b>24.1 Guarantees:</b>			
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>
<b>24.2 Commitments:</b>			
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>
<b>24.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		242,669,029	144,906,210
Sale		183,040,274	122,031,856
		<u>425,709,303</u>	<u>266,938,066</u>
<b>24.2.2 Commitments in respect of forward government securities transactions</b>			
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)-----	
<b>24.2.3 Commitments in respect of derivatives</b>			
<b>Interest rate swaps</b>			
Purchase	25.1	21,805,769	23,054,358
Sale		-	-
		<u>21,805,769</u>	<u>23,054,358</u>
<b>Cross currency swaps</b>			
Purchase		-	-
Sale	25.1	9,776,269	10,412,144
		<u>9,776,269</u>	<u>10,412,144</u>
<b>Total commitments in respect of derivatives</b>		<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 17,421,614 16,490,171

**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)-----	
<b>24.3 Other contingent liabilities</b>		
<b>24.3.1</b> 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)-----			
<b>Counterparties</b>						
<b>With Banks for</b>						
Hedging	23	21,805,769	1,554,245	-	-	-
<b>With other entities</b>						
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)-----			
<b>Counterparties</b>						
<b>With Banks for</b>						
Hedging	27	23,054,358	2,172,667	-	-	-
<b>With other entities</b>						
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, 2025	June 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
<b>26</b>	<b>MARK-UP/RETURN/INTEREST EARNED</b>		
	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>
<b>27</b>	<b>MARK-UP/RETURN/INTEREST EXPENSED</b>		
	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, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>28</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	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>
<b>29</b>	<b>FOREIGN EXCHANGE INCOME</b>		
	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>
<b>30</b>	<b>GAIN ON SECURITIES</b>		
	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>

30.1	Realised gain on:	Note	(Un-audited) Half year ended	
			June 30, 2025	June 30, 2024
			------(Rupees in '000)-----	
	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
	2,617,934	1,656,423
Net gain on financial assets measured at FVOCI - Debt	5,387,685	708,593
	<u>8,005,619</u>	<u>2,365,016</u>

31	OTHER INCOME	Note	(Un-audited) Half year ended	
			June 30, 2025	June 30, 2024
			------(Rupees in '000)----- (Restated)	

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

<b>Total compensation expense</b>	32.1	23,878,235	18,618,237
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#### 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>
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	(Un-audited) Half year ended	
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
		(Restated)
Balance brought forward	34,589,409	27,756,726
<b>Other operating expenses</b>		
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
<b>Sub-total</b>	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	-
<b>Grand Total</b>	<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.

	Note	(Un-audited)	
		Half year ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
<b>34 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		9,557	209,515
<b>35 CREDIT LOSS ALLOWANCE / PROVISIONS / (REVERSALS) AND WRITE OFFS - NET</b>			
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, 2025	June 30, 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)
	19,004,909	20,459,317

- 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
<b>Total assets</b>	<b>1,948,548</b>

#### LIABILITIES

Borrowings	300,000
Lease liabilities	42,920
Other liabilities	1,154,563
<b>Total liabilities</b>	<b>1,497,483</b>

#### NET ASSETS

**451,065**

#### Net assets attributable to:

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

#### 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
	<b>(42,441)</b>

**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	<u>19,869</u>

**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	<u>141,682</u>

Total income	<u>161,551</u>
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**NON MARK-UP / INTEREST EXPENSES**

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

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

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

### 38 BASIC AND DILUTED EARNINGS PER SHARE

#### Attributable to equity holders of the Holding Company

	(Un-audited) Half year ended	
	June 30, 2025	June 30, 2024
	------(Rupees in '000)-----	
	(Restated)	
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.

	Note	(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
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
On balance sheet financial instruments	(Rupees in '000)			
<b>Financial assets - measured at fair value</b>				
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
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	282,053,215	-	282,053,215
<b>Financial assets - measured at fair value</b>				
Advances				
- Loans, cash credits, running finances, etc.	-	-	2,520,218	2,520,218
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- 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)			
<b>Financial assets - measured at fair value</b>				
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
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	274,074,182	-	274,074,182
<b>Financial assets - measured at fair value</b>				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,413,735	1,413,735
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- 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 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.

##### **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
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------(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**

##### Consolidated statement of profit and loss account

	(Rupees in '000)						
Net mark-up / return/ profit*	(20,347,065)	15,115,359	15,291,412	54,258,787	(197,296)	4,003,787	23,560
Inter segment revenue - net	57,030,175	(11,187,516)	(1,248,572)	(45,372,362)	3,895,164	(222,344)	-
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
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)
Segment direct expenses	18,989,881	8,473,618	8,743,711	704,969	2,761,204	2,113,425	149,446
Inter segment expense allocation	9,404,102	942,358	3,164,417	578,322	1,190,579	510,029	-
Total expenses	28,393,983	9,415,976	11,908,128	1,283,291	3,951,783	2,623,454	149,446
Credit loss allowance / provision / (reversals)	1,361,319	(481,531)	(128,796)	4,508	2,957	245,332	(16)
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)

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

##### Consolidated statement of financial position

	(Rupees in '000)						
Cash and bank balances	99,432,784	13,968,545	45,632,769	-	2,833,843	71,239,054	720,598
Investments	-	4,399,575	213,829,278	1,285,728,998	-	124,739,418	150,598
Inter segment lending - net	1,060,355,913	-	-	-	43,039,277	-	-
Lendings to financial institutions	-	-	68,177,296	107,378,623	-	6,605,108	-
Advances - performing	253,144,769	493,812,714	205,554,980	-	75,507	38,101,064	-
- non-performing	1,904,319	850,652	832,680	-	1,723	102,317	-
Others	58,169,234	58,477,298	54,105,940	18,693,878	2,057,366	5,545,479	221,963
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
						3,000,639,047	(1,230,639,047)

Borrowings	20,992,732	67,350,970	33,337,597	437,410,136	-	25,838,089	-
Subordinated debt	-	-	-	-	-	-	-
Deposits and other accounts	1,377,933,674	260,896,486	428,336,347	-	47,206,276	173,350,878	-
Inter segment borrowing - net	-	196,477,816	32,638,050	940,362,891	-	34,281,577	617,422
Others	74,080,613	46,783,512	88,700,139	21,782,671	801,440	11,828,001	133,434
Total liabilities	1,473,007,019	571,508,784	583,012,133	1,399,555,698	48,007,716	245,298,545	133,434
Net assets	-	-	5,120,810	12,245,801	-	1,033,895	959,725
						170,737,004	-

##### Equity including non-controlling interest

Contingencies and commitments	156,478,613	243,833,635	80,448,847	482,288,675	769	52,738,514	35,598
						5,096,270	-

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

**Consolidated statement of profit and loss account**

	(Rupees in '000)					
Net mark-up / return/ profit*						
Inter segment revenue - net	(58,261,566)	5,841,426	16,172,072	95,688,250	49,191	4,165,052
Non mark-up / return / interest income*	102,597,495	4,511,493	(739,097)	(105,862,490)	4,417,309	326,022
	5,171,630	2,863,462	1,269,760	7,914,166	1,039,065	1,399,248
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
Inter segment expense allocation	8,167,588	967,731	2,746,420	180,801	1,176,899	279,884
Total expenses	23,472,185	2,626,157	8,857,875	673,694	3,152,038	2,245,050
Credit loss allowance / provision / (reversals)	(953,400)	2,051,490	298,950	(9,917)	5,737	(86,007)
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)
						42,318,767

	As at December 31, 2024 (Audited)					
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas

**Consolidated statement of financial position**

	(Rupees in '000)					
Cash and bank balances	109,749,938	17,976,222	41,944,162	-	775,190	66,937,500
Investments	-	5,492,251	242,118,099	1,617,562,126	-	123,313,534
Inter segment lending - net	988,532,481	-	-	10,562,483	-	-
Lendings to financial institutions	-	-	43,283,519	97,393,884	-	-
Advances - performing	242,468,773	634,142,272	165,966,972	-	59,194	56,323,050
- non-performing	1,140,010	1,072,573	917,894	-	1,966	67,755
Others	24,516,991	39,838,680	53,564,017	42,082,631	2,095,622	2,843,261
Total assets	1,366,408,193	698,521,998	1,746,132,010	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
Subordinated debt	-	-	-	-	-	-
Deposits and other accounts	1,277,413,227	262,957,681	398,788,680	-	-	14,000,000
Inter segment borrowing - net	-	330,688,006	30,376,465	689,991,745	-	2,800
Others	70,986,761	38,143,963	76,483,156	18,960,678	557,877	9,907,659
Total liabilities	1,366,408,193	698,521,998	541,418,459	1,746,132,010	13,494,455	256,588,106
Net assets	-	-	6,176,204	10,906,631	-	848,543
						1,515,186
						161,940,133
						(181,386,697)
						181,386,697

**Equity including non-controlling interest**

Contingencies and commitments	137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306
						495,725
						4,284,623
						(898,663,420)

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.





#### 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.



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